



Community Deliberative Forum Report – Phase 1

Prepared for: Essential Energy

June 2017

Contents

List of figures and tables	4
Figures	4
Executive Summary	5
Main findings from the deliberative forums	5
Background and Objectives	8
Background	8
Objectives	8
Engagement plan	10
Engagement plan for the 2019-2024 Regulatory Proposal	10
Methodology	11
Recruitment	12
1. Awareness of Roles in the Electricity Supply Chain	14
2. Critical Values for the Ideal Electricity Provider	16
2.1 Table discussions	16
2.2 Keypad voting: Rating and Ranking of Values Deemed Important	23
3. The Condition of the Network.....	26
3.1 Current Reliability of the Network.....	26
3.2 Outage preference.....	29
3.3 Willingness to pay for reliability	30
3.4 Reliability for worst served customers	31
4. Network Demand	33
4.1 Technological advances	33
4.2 Solar and battery use	34
4.3 Microgrids	36
5. Pricing	40
5.1 Tariffs	40
5.2 Location-based Pricing.....	45

5.3 Discounted pricing for some customer groups	47
5.4 Price cap versus Revenue cap	50
5.5 Value for Money	52
6. Future engagement	54
6.1 Future topics in forums.....	54
Appendix.....	56

List of figures and tables

Figures

Figure 1 Existing knowledge of the energy supply chain.....	14
Figure 2 Rating of Values Deemed Important: Values Rated at the Majority of Forums (Average score across all forums rating each value)	24
Figure 3 Ranking of Key Important Values (average of results across the majority of forums).....	25
Figure 4 Perceived reliability of electricity supply	28
Figure 5 Planned Outage Preference.....	29
Figure 6 Preferred planned outage scenario	31
Figure 8 Agreement that Essential Energy should Invest in Researching Microgrids	38
Figure 9 Concern about changing the Source of Generation for your Connection	39
Figure 10 Charging customers a different amount to customers in different locations	46
Figure 11 Providing discounted pricing to some customer groups	48
Figure 12 Perceived value for money for distribution component of a customer's bill.....	52
Figure 13 Perceived value for money for distribution component of a customer's bill – region split.....	53

Executive Summary

This report summarises the key findings from a series of seven deliberative engagement forums with residents across the Essential Energy network area. Forums took place in Goulburn, Cootamundra, Wagga Wagga, Broken Hill, Port Macquarie, Tamworth and Dubbo between 15-31 May 2017 with n=508 people taking part in total.

These forums form part of the phase 1 engagement plan for Essential Energy's Regulatory Proposal for 2019-2024.

Other elements of the engagement plan for this phase included:

- An online survey with a representative sample of 750 residential customers and 250 small to medium businesses. These customers, from across the network area, will be invited to complete the survey.
- 20 in-depth interviews with large customers and stakeholders.
- A dedicated microsite for people to ask questions, provide feedback and complete the survey at <http://essentialenergy.com.au/yoursay>

The findings from these activities are being reported separately.

Main findings from the deliberative forums

Awareness of Essential Energy's role

Essential Energy's role was not clear to many at the beginning of the forums. There was some confusion about who to contact in situations such as connecting to the electricity network, seeking advice regarding using less electricity, enquiring about obtaining battery storage and seeking advice on solar panel installation. However, over two thirds stated that they would contact Essential Energy for reporting a power outage (68%).

Values for a future electricity supplier

After an introduction to Essential Energy, participants conducted a future visioning exercise where they were asked to imagine the ideal electricity supplier in the future and the kinds of values that this organisation would need to embody.

Placing a high value on 'safety of customers and staff' was viewed as a 'given' and seen as essential.

Affordability and reliability were the most important values put forward across the forums. In terms of trade-offs these two were given priority. Following these, environmentally friendly/encouraging

renewables was seen as next most important followed by good communication/customer service, an innovative user of technology, and transparency of prices on bills.

Reliability of the network

Participants were satisfied with the current reliability of the network with almost 90% stating that their supply was reliable.

There was no clear preference about the frequency and duration of outages - 48% claimed that they would prefer more outages, but for shorter periods of time, and 52% were the reverse, preferring fewer outages for longer periods of time.

When faced with the concept of a trade off on length and frequency of outages against cost, the vast majority were not willing to pay more to reduce their outage duration. However, two thirds (66%) wanted to pay \$40 less a quarter to have 1-2 more outages a year showing that they are willing to accept slightly lower levels of 'reliability' for a slightly lower 'cost'.

Network demand

Participants were extremely interested in the new technologies presented and the option of 'microgrids' in the future, particularly for those in rural/remote areas. Almost three quarters (73%) agreed that Essential Energy should invest in researching microgrids as an option.

Participants were also asked to indicate how concerned they would be if Essential Energy changed the source of generation for their connection, if they could guarantee the maintenance of reliability and price levels. Over six out of ten customers (61%) suggested that they would not be concerned at all about changing the source of generation for their connection.

Pricing

In general, the notion of adopting different tariffs for customers in different circumstances, for example those with an electric vehicle, a battery or who want to feed-in to the network resulted in mixed views. There was misunderstanding about the meaning of the word 'tariff' and when more information was provided on what these pricing mechanisms could mean, there was more positivity towards the concept. This topic was something that many wanted to discuss further in the next round of forums.

Location-based pricing was understood better and was not supported, with 80% indicating that Essential Energy should not charge a different amount to those living in different locations based on the cost of supplying them with electricity.

Discounted pricing for some customer groups was however felt to be something that Essential Energy should consider (61% agreement).

Price cap versus revenue cap

While this issue was complex to grasp there were concerns that no matter which one was preferred the retailer would not be made to pass on exact prices anyway, and that it would not be transparent on the bill.

A revenue cap was felt to be advantageous because it was predictable and therefore easier for Essential Energy to plan around, however the disadvantage was thought to be that customers would have less control and never gain in terms of cost because even if they became more energy efficient, prices would still go up the following year to compensate.

A price cap was liked because customers would know what to expect in terms of prices but the risk to Essential Energy was acknowledged.

Value for Money

Perceptions of the distribution component of their bill being 'good value' increased from an average of 33% at the beginning of the forums to 59% at the end, suggesting that after becoming more knowledgeable and discussing the issues perceptions of value for money improve.

Future Engagement

In terms of future engagement participants believed that Essential Energy were currently doing a good job and that the coverage was wide.

There were only minimal suggestions for topics for future forums mainly around tariffs, time of use pricing, smart meters and plans for the future in terms of microgrids/renewables and future technology.

Background and Objectives

Background

Essential Energy is a NSW Government owned corporation with responsibility for building, operating and maintaining Australia's largest electricity network. The organisation's service area covers most of New South Wales and a small part of Southern Queensland, and is operated as three regions, Northern, North Coast and Southern.

In common with all providers of electricity networks in the National Electricity Market, Essential Energy is required to submit to the Australian Energy Regulator a regulatory proposal and tariff structure statement on a five year basis. The AER is the independent, national regulator of public and privately owned electricity networks. It determines the funding for Essential Energy's capital and operating programs and the funding needs for jobs to undertake the work. This regulatory proposal is due to be submitted for the 2019-24 period by January 2018.

Essential Energy has an underlying philosophy of placing customers and stakeholders at the centre of everything they do. In particular, the organisation has a specific commitment to engaging with stakeholders and including their views and opinions in the formulation of future business planning. In this context, it is envisaged that a significant programme of stakeholder engagement will be conducted to contribute to the development of the 2019 - 2024 regulatory proposal.

A considerable body of work has been carried out within the broad Australian energy marketplace in developing frameworks and guidelines for stakeholder engagement and consultation. At the highest level, there are broad requirements set out in the National Electricity Rules and at the next level the AER has formulated a set of guidelines for Network Service Providers. The Energy Networks Association, in collaboration with the CSIRO, has produced an excellent and very comprehensive handbook on customer engagement and Essential Energy themselves have developed a Stakeholder Engagement Framework.

Objectives

The objective of the project as a whole was to develop and implement a stakeholder engagement plan for Essential Energy's 2019-24 regulatory proposal. This had to:

- be consistent with and build upon Essential Energy's Stakeholder Engagement Framework and associated guide and the Energy Networks Association's Customer Engagement Handbook and

- meet the requirements of Chapter 6 of the National Electricity Rules (NER) and the Australian Energy Regulator's (AER) Consumer Engagement Guideline for Network Service Providers.

Engagement plan

The whole engagement plan will occur from April through to September 2017 and consists of two phases. For each phase, there will be:

- An online survey with a representative sample of 750 residential customers and 250 small to medium businesses. These customers, from across the network area, will be invited to complete the survey.
- 20 in-depth interviews with large customers and stakeholders.
- Seven deliberative community forums with residential customers across the network area.

There is also a dedicated website available for the whole engagement programme for people to visit to ask questions, provide feedback and complete a short survey at:

<http://essentialenergy.com.au/yoursay>

Engagement plan for the 2019-2024 Regulatory Proposal

Launch of Discussion Paper

Engagement Phase 1

- Online survey with n=750 residential customers and n=250 small to medium businesses
- 20 in-depth interviews with large customers and stakeholders
- 7 deliberative forums across the network area
- Dedicated microsite for people to ask questions, provide feedback and complete the survey

Drafting regulatory proposal

Engagement Phase 2

- Online survey with n=750 residential customers and n=250 small to medium businesses
- 20 in-depth interviews with large customers and stakeholders
- 7 deliberative forums across the network area
- Dedicated microsite for people to ask questions, provide feedback and complete the survey

Finalising regulatory proposal

Methodology

This report represents the findings of round one of the community deliberative engagement forums.

A total of n=513 residents of the Essential Energy region attended:

Region	(n=513)
Northern Region	
Port Macquarie	78
Southern Region	
Goulburn	76
Cootamundra	65
Wagga	75
Western Region	
Tamworth	76
Broken Hill	61
Dubbo	82

A deliberative style methodology was used for the forums whereby participants were seated at round tables and engaged in discussion rather than in a lecture theatre style format. Deliberative methods go considerably further than traditional consultation methods to elicit the depth of insight required for the development of a policy or plan. They are ideal for enabling meaningful dialogue between participants, exploring complex issues and for getting beyond initial reactions and knee-jerk responses.

In this context, deliberative techniques offer a powerful means of including community views in the development of the Draft Regulatory Proposal.

Participants spent most of the time working on tables in small groups each with a table facilitator. The table facilitators from Woolcott Research guided the discussions and recorded the main points.

The forums consisted of a mix of table discussions, presentations/films/speakers from the front, and participant response and feedback sessions from tables. The agenda is included in the appendix.

Woolcott Research provided a Lead Facilitator, who chaired the forums, and sufficient table facilitators for each of the forums.

Laptops were used at each table for facilitators to capture the table's discussions. Each laptop was set up to offer:

1. Facilitator prompts - providing a structured format for facilitators to input discussion summaries, with screen prompts where necessary
2. Time-coded storage of all qualitative data - available for download into grids for subsequent detailed analysis

Keypad polling was also included whereby participants were each given a handheld device that was used to answer questions shown on screen, and results given in real time.

After each event the data from laptops and from keypads was collated and downloaded for analysis. Data from the keypads has been weighted to be representative of Essential Energy area in terms of gender, age, and region.

Recruitment

Recruitment for the forums took place up to two-three weeks before each forum. Participants were recruited through stratified random sampling from the regions surrounding the forum locations. Quotas were set on location, age, and gender, however as is common in community engagement programs, in some areas it proved difficult to recruit the youngest age group. People were telephoned randomly within the communities and asked for their interest in attending, then those interested completed a short screening questionnaire. This resulted in the inclusion of people 'off the street' who were not generally engaged in the electricity industry.

Confirmation telephone calls were made in the week leading up to each event and followed up by email. Over a hundred participants were recruited for each forum.

Detailed Findings from the Community Forums

1. Awareness of Roles in the Electricity Supply Chain

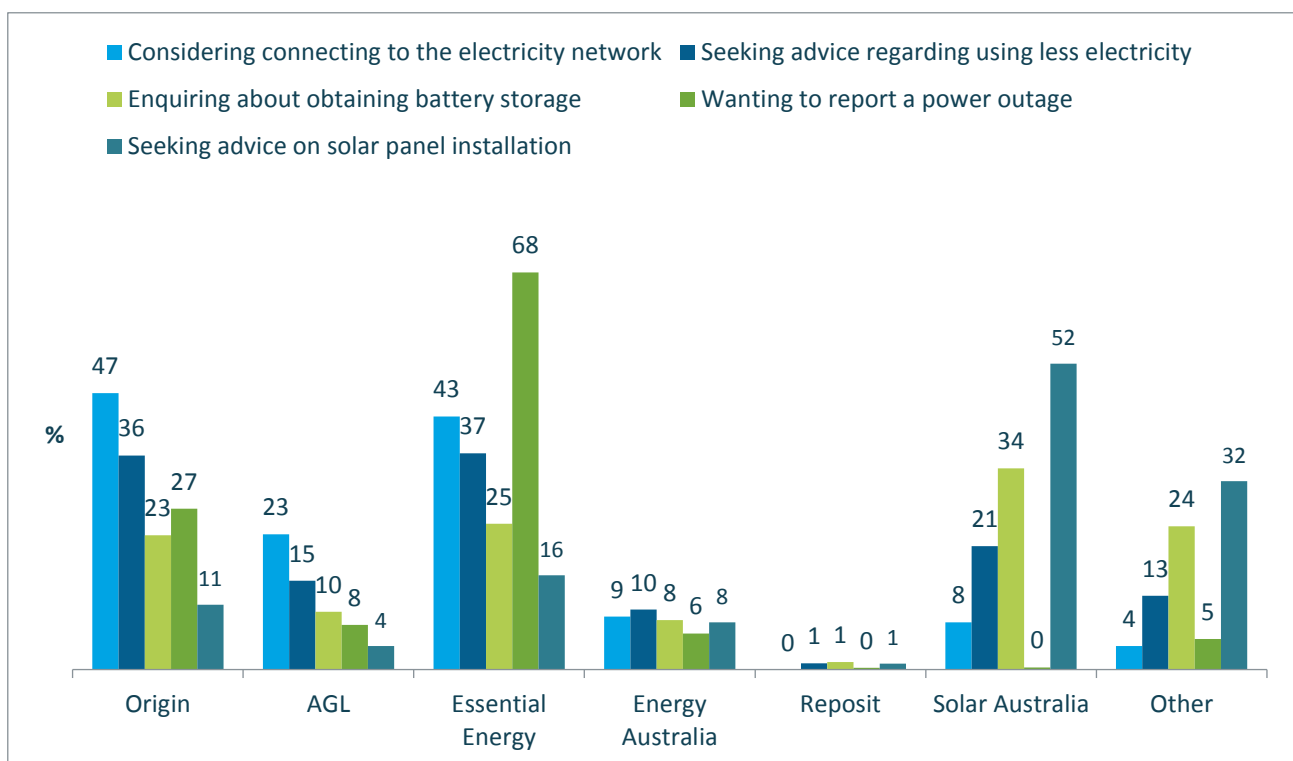
Prior to any information being presented by Essential Energy, it was important to determine any existing understanding of the electricity supply chain. Participants were asked to choose up to three energy organisations (from a list) who they would contact regarding various scenarios.

Participants were asked who they would consider contacting if they were considering connecting to the electricity network (e.g. building a house). Most indicated that they would contact Origin (47%) or Essential Energy (43%), with those in the Northern Region particularly likely to call Origin (56%).

Next, participants were asked who they would consider contacting if they were seeking advice regarding using less electricity, with the majority again selecting Essential Energy (37%) and Origin (36%). Some participants also indicated that they would contact Solar Australia for this advice (21%), particularly those in the North Coast Region (39%).

When asked who they would consider contacting if they were enquiring about obtaining battery storage, a third indicated that they would contact Solar Australia (34%), particularly those in Goulburn (48%) and Port Macquarie (47%).

Figure 1 Existing knowledge of the energy supply chain



Who would you consider contacting if you were...? Total n=508

Participants were most likely to contact Essential Energy if they were wanting to report a power outage (68%) compared to any other energy organisation. This was consistent across all locations.

Finally, those seeking advice on solar panel installation were most likely to contact Solar Australia (52%) including two thirds of those in the North Coast Region (66%). Some indicated that they would contact Essential Energy (16%), particularly those in the Northern Region (30%).

2. Critical Values for the Ideal Electricity Provider

2.1 Table discussions

At the outset of the forums, participants introduced themselves and briefly indicated where they lived. Following on from this they were asked to consider the future and what they thought would make an ideal electricity supplier. More specifically, participants considered what an electricity supplier should focus on and do, and what they felt the critical factors or values would be to ensure customers are satisfied.

The values that emerged across all the forums were relatively consistent, with the main themes outlined below:

Safety

Safety of the public and employees was raised by many participants as a key value. Safety included aspects such as ensuring that the poles and wires are regularly maintained; that damaged wires that occur during storms are fixed as soon as possible; that staff are highly visible at all times; and best practice safety procedures are followed to ensure staff protection. The idea of having more cables underground was also raised in relation to safety, with some participants suggesting that if there were less poles and wires above ground there would be fewer accidents and risks to supply during storms and other weather conditions which would be safer for workers and customers.

Some also mentioned education in relation to safety, suggesting that an ideal energy company would continue to educate the community, including children, about the risks involved in electricity supply.

While safety per se was a top of mind factor for many participants, it was felt to be almost 'taken for granted' or was 'cost of entry' so in this respect it was not always spontaneously mentioned in the initial discussions.

"Safety should be the number one value in the future that they should concentrate on. It's pretty dangerous stuff electricity. Marking powerlines so you can see them. Being a farmer you can't see them in the dark. Powerlines sag in the summertime too. It is an issue because you can't see them a lot of the time so it's dangerous for farmers." (Cootamundra)

"They need to have more underground lines particularly in new developments to get poles and wires out of the way to make it safer and so there are less accidents." (Wagga Wagga)

Affordable/value for money energy supply

Many forum participants indicated that an affordable or good value for money energy supply was a very important value. This included aspects such as minimal price increases each year and ensuring that people are able to pay their bills and use electricity to carry out essential tasks without having the stress or worry of ‘thinking twice’ before they turn on a light, an air conditioner on a hot day or a heater during cold weather. Many agreed that electricity supply should also be affordable to those in lower socio economic groups, pensioners, the elderly and other disadvantaged groups.

“Price increases under CPI.” (Cootamundra)

“Keep the prices down. Continue to work on efficiency and keeping bureaucracy down in terms of numbers.” (Dubbo).

“Elderly people can’t afford to run air con - they sit in the car or go to the plaza, and go to Cheap as Chips and buy solar lights for night time.” (Broken Hill)

“It’s an essential resource, have to have it, you can’t control how much use, pensioners shouldn’t not turn the heater on because they can’t afford it.” (Wagga Wagga)

“We want it as cheaply as possible. I know people going to bed at 5pm so they get warm – they can’t afford the bill to run heating.” (Goulburn)

“We need to be able to afford air con – it’s hot out here so we need to have air con and not feel scared to turn it on.” (Dubbo)

There were also references to an ideal energy supplier providing access to incentives or loyalty schemes to help save energy and assist customers to keep costs to a minimum. Examples of other cost saving methods mentioned within the table discussions included having fixed rates regardless of how much energy is used; incentives or rebates for green solutions; discounts on bills e.g. early payment, concession rates; cheaper rates for off peak usage; and an option for monthly billing.

“Incentives, if you are saving a bit more and not draining the system.... There should be bonus points, make competitive people like myself cut down, recognition of the power saving that the individual home does.” (Port Macquarie)

“It should be a fixed rate, just because you’re using the power doesn’t mean they should charge more for the services, they don’t have to do that much more to give you more power - the pole and wire is still there regardless of what you use; like for your phone bill, flat rate to have your phone on at home, they’re making money out of people.” (Dubbo)

"Offering incentives to customers e.g. solar, pay on time, putting power back into the grid, offering batteries to remote communities." (Dubbo)

There were also frequent comments made regarding the perceived increase in the relative cost of energy compared to 'say 20 years ago', compared to other states such as Western Australia, or compared to other countries such as Canada.

Reliability of power supply

A prominent ideal electricity supplier factor that emerged across all forums was reliability. This simply meant ensuring that electricity was available at all times, whenever they wanted or needed electricity. In this respect electricity was felt to be a necessity or essential service that was likened to water and health services. The theme of reliability also extended to discussions regarding outages and 'brown outs', with frequent comments regarding ensuring that service disruptions were kept to a minimum, and that similar high standards should extend to rural communities.

"Less frequent and shorter outages." (Port Macquarie)

"Keep the power going, 24 hour blackouts are unacceptable." (Broken Hill)

"As near to 100% as possible." (Goulburn)

"To hit the switch and the lights come on." (Dubbo)

"Same supply guaranteed no matter where you live, like rural areas." (Goulburn)

"Stop having black outs. There are too many black outs – the birds chew the wires." (Broken Hill)

"Enough power, don't want to be a South Australia." (Wagga Wagga)

The broad theme of reliability also extended to the issue of quick restoration of supply during storms or unplanned outages. While most participants were very accepting of the fact that there are weather conditions, accidents and other unforeseen circumstances that affect poles and wires, the focus was more on the ideal energy company ensuring that there is quick and efficient restoration of power when unplanned outages occur. Many commented that this is particularly important for the elderly or those on life support systems, but also because aspects such as the phone (via NBN) and internet need electricity and water pumps in some rural locations are electricity dependant.

"We are always going to have interruptions but it is how they deal with it." (Wagga Wagga)

"Quick response to fix outages." (Dubbo)

"Focus on network up time - no blackouts and quickly restoring power." (Cootamundra)

"Quick service to restore power during blackouts, - this is very important for those on life support machines." (Port Macquarie)

"We have our own water and if the electricity goes, we can't get water because our pumps don't work.....we need systems to overcome this problem." (Goulburn)

"Cockies chew the wires and we can be out for a long time." (Broken Hill)

In addition to black outs and outages, participants commented that reliability extended to ensuring that power surges or brown outs do not occur or are kept to a minimum. Brown outs were felt to be particularly annoying as they could destroy computers and other electrical appliances.

"Appliances go down when there are electricity disruptions I've had three appliances go within 2 years." (Tamworth)

"Minimal surges." (Wagga)

"Quality of the power being delivered – it's to do with the voltage coming through.... less power surges – it should be continuous otherwise bulbs blow, refrigerator will go and water pumps." (Cootamundra)

Good communication/customer service

Another important factor for an ideal energy supplier was to have good communication and good customer service. This encapsulated aspects such as advance communication about planned outages and provision of information during unplanned outages, including ideally the reason for the outage and when they should expect power to be restored. It was also felt that the company should be communicating with customers via a range of channels such as email, texts, social media and hardcopy letters

Good customer service was felt to cover aspects such as not waiting too long on the phone when calling the company, speaking to a person not a computer, and speaking to a person based in Australia that could be easily understood and who had some knowledge of their local area. Ideally this person would be based in their local area.

Other aspects mentioned in relation to good customer service included quick response times when power outages occur or when poles and wires are damaged or in need of upgrading.

"Good communication system – through letters, emails, and a choice of the communication system." (Dubbo)

"We need to all know the number to ring when a blackout happens and be able to get an approximate time that power will be out." (Port Macquarie)

"Communication on the nature of a blackout is very important." (Dubbo)

"Customer service – having somewhere to go to talk to when you have issues – support for trouble shooting.....having a local office to talk to someone to help you." (Broken Hill)

Bill transparency/itemisation

Amongst forum participants there was a lack of knowledge and confusion regarding the various components of their energy supply, the role of the retailer and wholesaler and what each component of their bill comprised. Many were not aware, prior to the forum, that Essential Energy were only responsible for the poles and wires, so upon hearing this information there was agreement that there should be greater transparency on the bills - showing the components and the associated cost for each component.

Some also called for greater transparency on their bill regarding aspects such as how much of the energy is generated from alternative sources such as solar.

"Simplify and streamline the retail billing process - the invoices need to be standardised across suppliers, we need to be able to look at the different areas to see where variations are." (Dubbo)

"Bills should have a breakdown of all costs and we should be told the source of energy (solar, hydro, coal generated, etc)." (Goulburn)

"More transparent bills – seeing exactly who charges what." (Tamworth)

Environmentally friendly/using renewable sources of energy

The theme of using alternative environmentally friendly sources of energy was frequently raised amongst forum participants. For many it was important that an energy supplier was using or working towards using alternatives sources such as solar, water and wind, in addition to coal, to help reduce greenhouse gas emissions and to ensure a secure supply of energy in the future if coal resources become depleted.

Environmental friendliness also extended to include caring for vegetation in the area and utilising trained professionals to prune and trim vegetation.

The issue of incentives for solar power was also frequently raised at this stage in discussions with many unhappy that the government rebate had been withdrawn and dissatisfied with the price they were (now) getting for their solar to feed back into the grid.

“Environmental impact and willingness to look towards renewable energy because we can’t rely on coal forever. It needs to be reliable and not destroy the environment. We have the sun why not use it.” (Wagga Wagga)

“Display an environmental conscience, following initiatives especially these days with global warming – they need to look after flora and fauna, take the green way of doing things, thinking outside the square.” (Wagga Wagga)

“To look after the trees when they cut them.” (Cootamundra)

“Greater incentives to go solar - they didn’t expect Australians to want solar power, the people who went in early are doing well, there should still be an incentive, I couldn’t afford the electricity so I’ve got solar panels...we provide the electricity through the day, so should get it back during the night.” (Goulburn)

Use of Innovative Technologies

The overall theme of innovative technologies overlapped with environmentally friendly sources of energy in many instances however there was a sentiment amongst many participants that an ideal energy supplier should be investigating and embracing new technologies to help efficiently distribute energy. Some examples of these technologies mentioned by participants included clean coal, gas turbine back-ups, hydro, batteries, lithium batteries, wind, solar, geothermal, coal by-products, smart technologies and smart meters.

“Future technology – geothermal. Not a lot of potential for geothermal in NSW, but hydro would be worth looking at. Being open minded about alternatives on offer.” (Tamworth)

“Newer technologies – renewables. Improved means of storage e.g. batteries. They are not the only means of storage. Reverse hydro is another. Not being scared to put foot down and go for it. Might cost people more in start-up process but in long run will help everyone and bring costs down.” (Port Macquarie)

“Innovative technology to encouraging self-sufficiency.” (Goulburn)

Good maintenance

Good maintenance of the network was an issue that was mentioned more often in Cootamundra, however in many instances it was also raised in the context of ensuring good customer service. Regularly maintaining the poles and wires was considered important as a means of prevention of supply issues in the future.

“Investing in maintenance, more maintenance people and less in head office – there are less maintenance people now than there used to be.” (Cootamundra)

“Equipment maintenance and replacement. More efficient in their work.” (Dubbo)

“They need to keep the white ants out of the poles – we’ve got them and they won’t fix it.” (Tamworth)

“Not waiting for something to break before mending them.” (Tamworth)

Australian owned / Government owned

While not a prominent top of mind issue for most, there were discussions around the ownership of Essential Energy with many commenting that energy supply is a necessity and therefore should be a Government run and owned service like health, police, roads, etc. In this context some participants agreed that it was important that ownership of any component of energy supply in the country should be an Australian company, not a foreign company. This issue was more often raised amongst Goulburn participants.

“Too many people are trying to make profit out of these essential services. It just costs us more. It should be government run. I’d worry about services missing out if the government doesn’t takes total control, we have let too much control come from overseas.” (Goulburn)

“Australia first – instead of selling to China.” (Port Macquarie)

“Less privatisation – everybody needs to make a profit along the chain now – it was better when one company did it all” (Wagga Wagga)

“Local ownership and ensuring jobs remain local are also important, no one wants to see their local jobs shipped overseas.” (Cootamundra)

Local focus - caring about the local community / Local presence

In some communities, particularly the more remote towns of Broken Hill and Dubbo, it was clearly important for an energy supplier to have a local presence in the form of a local office and/or employment of local people. This often extended to discussions suggesting that an ideal energy supplier would care about their community and support local businesses and organisations.

"A localised call centre or local office to employ people locally. We used to have one, they used to put the Christmas tree up and now they won't do it..... I want to be able to talk face to face, I have to ring up now and the service is shocking. Half don't know where Broken Hill is, they say 'are you are in Seven Hills?'" (Broken Hill)

"Having a local office to talk to someone to help you" (Broken Hill)

"It would be better if they had local staff – there would be a better level of information and communication inherent in that." (Dubbo)

Equitable pricing across towns and rural areas

Another theme to emerge, albeit in a less top of mind sense, in the initial table discussions was the idea that there should be the same price for electricity wherever you live – cities, towns and rural properties. Many agreed that in particular rural residents should not be charged extra for living in more remote areas because it is a basic service needed to survive like health services and water.

"Equitable for customers way out west e.g. Broken Hill. It should be about how far they have to get wires to get to that customer - they should have the same reliability." (Dubbo)

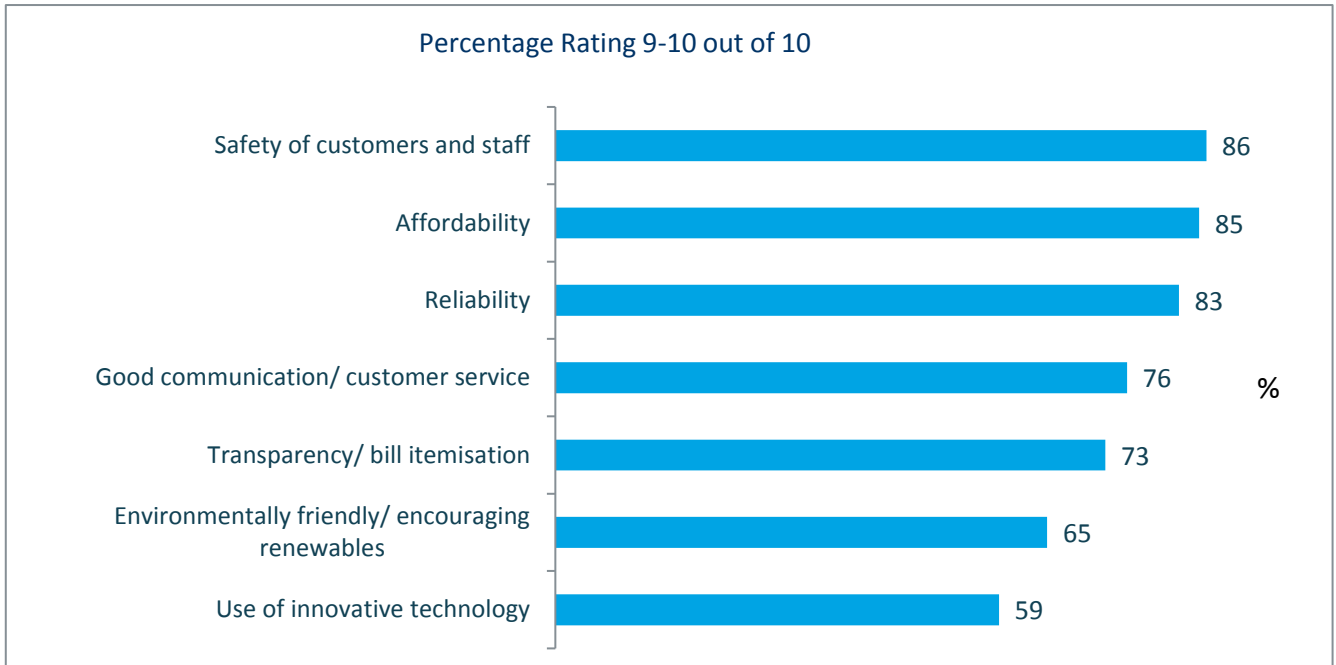
"All locations should have access at the same price." (Goulburn)

"There shouldn't be difference between town and bush because it comes from the same source." (Broken Hill)

2.2 Keypad voting: Rating and Ranking of Values Deemed Important

The values generated by participants in the initial session were recorded and a list was compiled and presented back at the end of the forum. Participants then rated each value out of 10 in terms of their importance for an energy provider to focus on in the future. The results are presented on Figure 2 below which shows the values that were rated highest at the majority of forums. The figures shown are averages across all the forums that rated each particular value.

Figure 2 Rating of Values Deemed Important: Values Rated at the Majority of Forums (Average score across all forums rating each value)

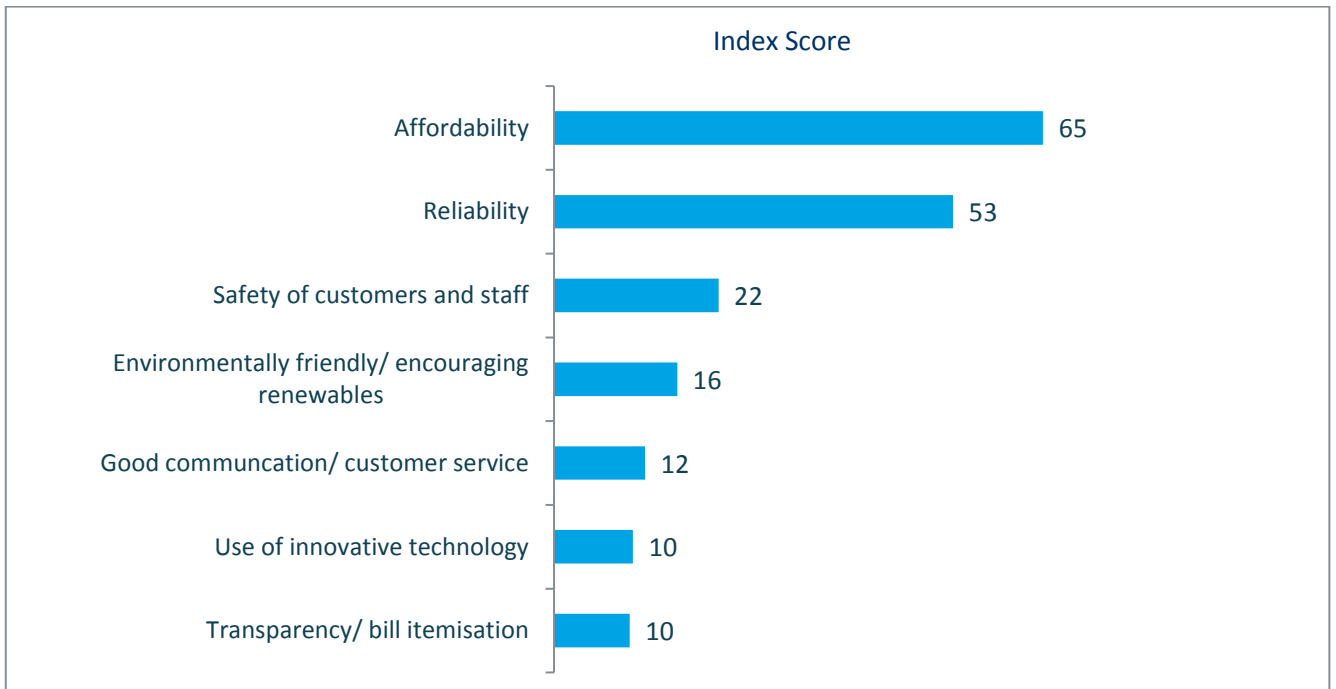


Q. Thinking back to the beginning of the forum and the values that you thought were important for an energy provider to focus on in the future. We'd now like you to rate each on a scale of 0-10, where 0 is not important at all and 10 is extremely important for Essential Energy to focus on in the future?

Values such as safety, affordability and reliability were the highest rated across forums with over 80% of attendees giving the values a score of 9 or 10 out of 10 in terms of importance. These three values were followed by good communication/customer service, transparency, environmentally friendly sources and innovative technology.

Following this participants were asked to rank their top three factors in order of importance. The figure below presents the results of this question for the key values rated across the majority of forums.

Figure 3 Ranking of Key Important Values (average of results across the majority of forums)



Q. And now please choose the top three factors to you in order, i.e. choose the most important one first, then the second most important one, then the third. Total n=508

NB. Scores have been indexed – with most important being given 3 points, second most important 2 points and third most important 1 point, resulting in an indexed score out of 100

3. The Condition of the Network

3.1 Current Reliability of the Network

Following the presentation regarding the average frequency of outages and the average length of time without power across the state, most participants were very impressed. Given the vastness of the network, participants felt the statistics presented were very good, even amongst those who were supposed to have poorer reliability (such as Cootamundra).

"I was surprised how high their percentages were. For a business that is so vast, they are doing a good job." (Cootamundra)

"I am amazed by figures and the short time we have to wait to get it fixed is great." (Dubbo)

When asked about outages, most (more often in the towns) customers were very happy with their electricity supply and the reliability of the network. The majority of customers claimed they did not experience too many outages, with many failing to remember when they last had one.

"I think I have only had two outages in the last 5 years." (Port Macquarie)

"It only goes down after the occasional a storm," (Broken Hill)

"Sometimes it goes out and comes back before you can even really tell." (Wagga Wagga)

"We still get the occasional brown out, but it has improved." (Broken Hill)

There were however some who had experienced a number of outages and recited stories of long stretches of 8 hours or more. Many suggested that those in more rural settings tended to experience more outages and for longer periods of time. Furthermore, outages for these people seemed to have a greater impact, with many claiming that when their electricity went out, their water also stopped due to them requiring pumps.

"Power outages are very inconvenient. The power is linked up with water pump so I have to make sure everything is filled up, we fill up buckets and so on before the outage occurs." (Port Macquarie)

"There are some pockets that have a worse experiences." (Port Macquarie)

"I have had outages lasting 6-8 hours, but that's been OK." (Wagga Wagga)

The attitudes expressed regarding outages were quite reasonable in the main. Whilst they were considered to be an inconvenience, the feeling was that planned outages were acceptable if they

were no longer than about 4-6 hours and customers were given prior notice with expected outage times and duration.

Not all felt they were being well communicated to by Essential Energy in the event of planned outages. Some reported receiving letters in advance, whilst others (more so a minority) felt they were never informed.

Planned outages were accepted by customers as a necessary part of maintaining the lines and in that sense they were tolerant of them, however many felt that they would like to think Essential Energy planned their maintenance to ensure minimal disruption. The general feeling was that they tended to be scheduled at good times of the day (during working hours) and generally not for too long - up to 6 hours.

"Planned outages tend to be scheduled for good times with plenty of notice given." (Wagga Wagga)

"If it's planned and you are given plenty of notice, you can organise yourself." (Broken Hill)

There were some customers however, who ran businesses and felt that outages during the week were extremely inconvenient and had a detrimental effect on their business.

"If I am shearing and have an outage, I lose income. I don't get paid for the days that I can't work." (Goulburn)

"(Healthcare worker) if they take electricity off too early in the morning then my clients have a cold shower, it would be good after 9 and back on before 4, especially in winter." (Cootamundra)

Many participants spontaneously cited the problems in South Australia and stated that in comparison, people in NSW were very lucky.

Participants did discuss experiencing 'brown outs' more regularly in recent times, and blackouts due to accidents, weather and (in Broken Hill) the cockatoos chewing the wires.

"The cockies are really bad here - they ruin the lines. They can't do anything about it." (Broken Hill)

Whilst they recognised that these conditions were out of Essential Energy's control, there were some complaints that customer service levels could be improved. A small number complained that the call centre staff sometimes had no idea where customers were calling from when they rang to find out information about blackouts and that they were offered no estimate of how long the delay

would be. Others however were very impressed with the service and described Essential Energy as responsive to calls and very helpful at explaining the issue.

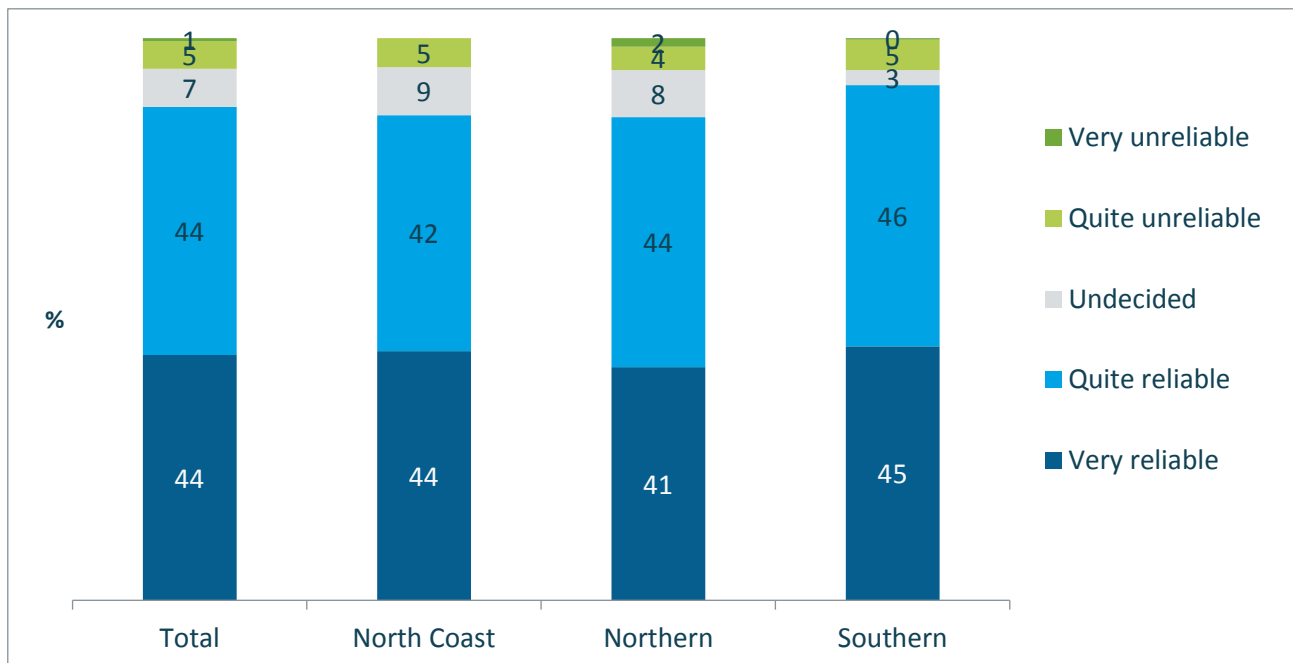
“You can ring Essential Energy to let them know the power is out, but all you get is a recording that says, ‘if you live in this area... we know about it, only tell us if you live somewhere else’; the computer hangs up on you, it’s very annoying and there is no prognosis or estimate of what the delay is likely to be. It wouldn’t be hard to insert into the recorded message.”
(Cootamundra)

“It is amazing how quickly they have it back online, it is good considering the amount of damage that can happen in a storm.” (Dubbo)

During polling, customers were asked to indicate through a vote, how reliable they felt their electricity supply was. Almost 90% of participants suggested that their electricity supply was reliable, with 44% claiming it was very reliable, and the same proportion indicating that it was quite reliable. Perceptions of reliability were slightly more positive amongst those within the Southern region.

Only 6% of customers within the forum felt their supply was unreliable.

Figure 4 Perceived reliability of electricity supply



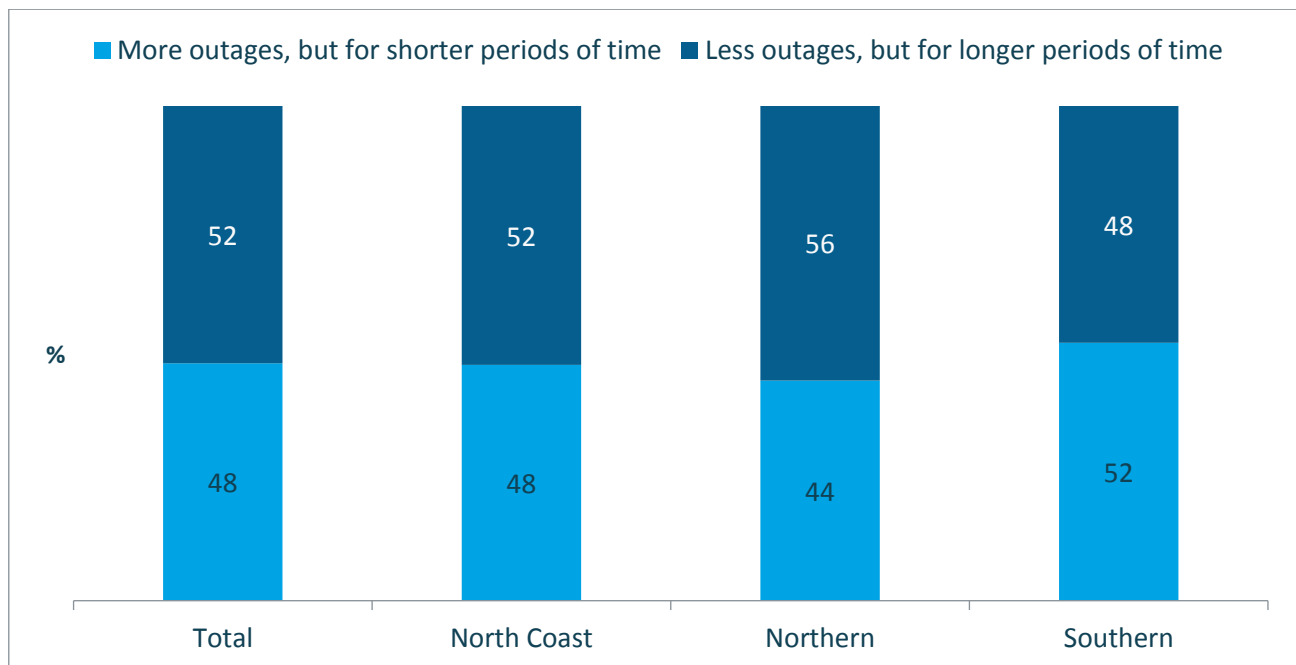
How reliable do you think your electricity supply is?

Total n=508; North Coast n=77; Northern n=216; Southern n=215

3.2 Outage preference

It was difficult to get a consensus on the best time of the day and day of the week for planned outages. It often depended on the individual's situation and concern over loss of food in the fridge, an individual's electricity needs, and impact on their daily activities. This was reflected in the key pad voting question in that when asked to trade off frequency of outages against the length of time without power, 48% claimed that they would prefer more outages, but for shorter periods of time, and 52% were the reverse, preferring less outages for longer periods of time.

Figure 5 Planned Outage Preference



If you had to trade off frequency of outages against the length of time you were without power, which would you choose?

Total n=508; North Coast n=77; Northern n=216; Southern n=215

Most however, did agree that it was not good to lose power in extreme weather conditions, particularly given the high temperatures experienced this summer.

"A long outages is shocking for people in summer." (Broken Hill)

Despite their needs, customer did appreciate that Essential Energy did need to consider: the safety of workers so working on the powerlines at night would be dangerous and out of the question, and the length of time to fix a line properly and not do a patch up job

3.3 Willingness to pay for reliability

When faced with the concept of trading on length and frequency of outages against cost the vast majority were not willing to pay more to reduce their outage frequency or length of time without power. **The trade-off options are provided in the appendix.**

The general feeling was that nobody wanted to pay more for their electricity and most were accepting and reasonably happy with the frequency and duration of outages at the moment. In that sense, the reactions to the trade-offs were:

Option 1: This was preferred by some who were happy with the current situation and were not willing to suffer more or pay for less outages.

Option 2: Many customers felt that more outages were not really going to make a great deal of difference to them so a reduction on their bill was appealing.

"I've never noticed the outages they happen when I'm at work so I'd be happy to have some more to pay less – save \$120 per year." (Tamworth)

"I would be happy to have a few more outages and pay less. It is more about the reliability of the network. If they don't maintain it we would have more outages." (Wagga Wagga)

Option 3: This option was considered appealing for those who were running businesses as there was a suggestion that they would rather pay \$40 extra on the bill than suffer the loss of income from their business.

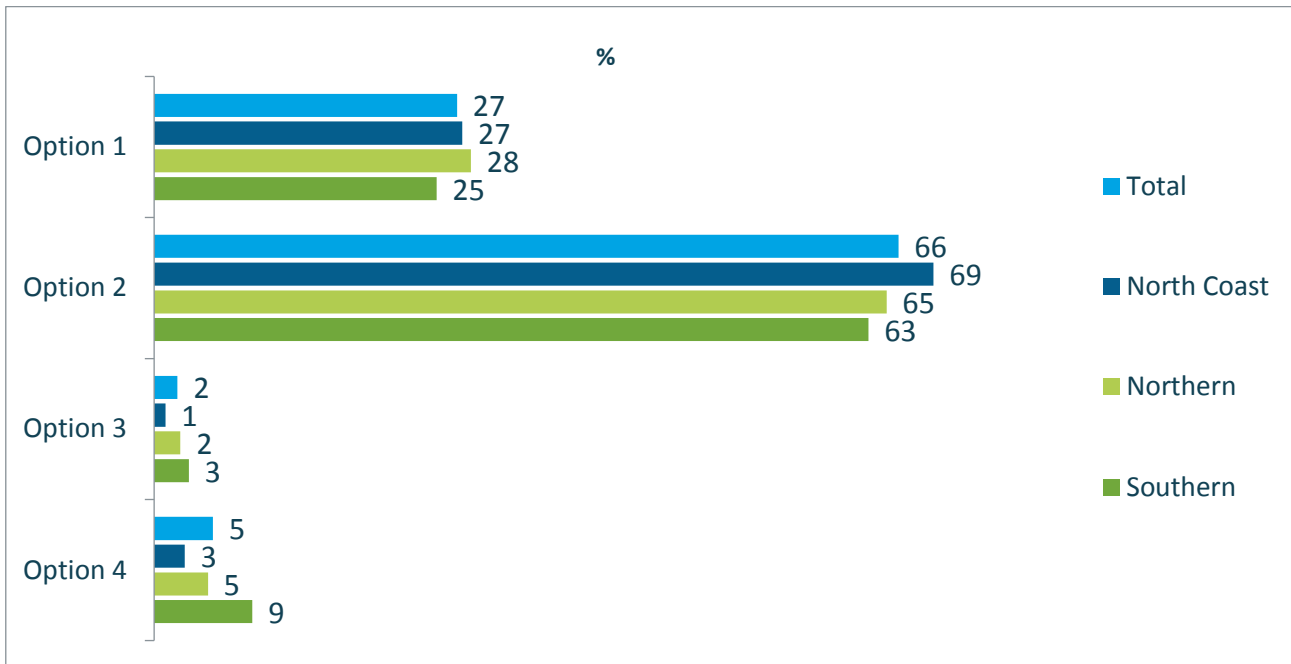
Option 4: Few found this option appealing and had difficulty understanding why they needed to pay more for more outages, albeit for shorter periods of time.

"Why are we paying for outages, aren't we paying for a reliable service. I prefer to not pay anything. I am happy with what is happening now. I don't want to pay anything extra on my bill." (Goulburn)

"I have a question about the shorter durations, what are they actually doing if they can cut the maintenance time down? I am not happy with paying more to shorten the duration of maintenance." (Port Macquarie)

When the vote was cast as to which option they preferred, option 2 was the favourite amongst 66% of participants, followed quite a way behind with option 1 at 27%. There was no significant difference between the regions, other than option 2 was more popular in the north coast region and option 4 slightly more favoured in the southern region.

Figure 6 Preferred planned outage scenario



Thinking about the following scenarios, which would be your preferred scenario?

Total n=508; North Coast n=77; Northern n=216; Southern n=215

3.4 Reliability for worst served customers

The tables were asked to discuss their views regarding the handling of those in really remote locations / worst served customers. The immediate view amongst the majority of customers was that no one should be penalised for living in a remote location and that everyone on the network should pay the same amount.

"I don't think it is fair that rural areas get charged more than those in towns. It is discrimination!" (Cootamundra)

"They should be treated the same. If they are living in a remote location they should be entitled to the same service. The costs should be shared amongst everybody in the State." (Cootamundra)

"It is important that EE put more money into improving services in the most remote locations." (Broken Hill)

"If their electricity prices go up, then are food bill goes up." (Wagga Wagga)

However on further discussion, customers started to waiver and question how much their bill was being impacted by maintaining the network service levels in remote locations. Some began

suggesting that they were not really happy subsidising the rural communities if it meant substantial costs, and many began offering alternative solutions.

“However, while we are willing to pay a little more for others (in really remote locations) to get a better service, the amount of that increase on our bill will impact people’s acceptance of this. Therefore I think we are only willing to subsidise to a certain degree.” (Broken Hill)

“We need to know how much more we would have to pay to enable somewhere like Bourke to have the same reliability.” (Cootamundra)

“Everyone should have the same level of service – but I don’t want to pay more for my electricity and subsidise them.” (Port Macquarie)

Participants began spontaneously putting forward solutions such as helping these communities become self-sufficient by offering other generation options and/or providing battery storage. Others suggesting incentivising communities to become self-sufficient or offering generators to take pressure off the system.

“Remote areas should have solar and other options offered to them e.g. wind, geothermal.” (Cootamundra)

“They need to look at the infrastructure, and use technology such as batteries, solar, wind farms. It could be cheaper to hand someone a solar kit instead of running the lines for ‘000s of km – to have a power generation source there.” (Dubbo)

“Subsidising the use of generators in remote areas would help. This would encourage more people to have back-up generators which would then take the pressure off restoring the power.” (Wagga Wagga)

4. Network Demand

4.1 Technological advances

Following the presentation of technological advances that were available for current use, many participants were surprised at the number and variety of ‘new’ types of technology that they could potentially adopt. For some this was a little overwhelming, and to a few of the older participants, while interesting, the advances were not something that they would pursue.

“It all looked very interesting, and if I was younger I think it would make sense for me to look into it. But I’m unlikely to see any return on these things at my age I’m afraid” (Cootamundra)

However, most were interested in at least one of the advances that were presented, with the advances tending to generate the most discussion being, solar, batteries, electric vehicles, and smart meters.

Solar was something that all were generally already familiar with, and many had adopted for their own homes already. Batteries were of interest (particularly to those that already had solar), but were viewed as expensive, and still in a rapid stage of development.

There were mixed reactions to smart meters. Some welcomed the introduction of them – particularly if they were currently receiving bill estimates, rather than accurate readings. However, some were sceptical of them in that they did not trust that they would always provide accurate readings, that they put more control in the retailers’ hands, and that their introduction will equate with a loss of jobs. Negative media coverage was also mentioned by a few.

“Does that mean that a retailer can just switch your supply off remotely if you are having a dispute with them over a bill?” (Dubbo)

Electric cars were of interest to quite a few tables, but were not necessarily seen to be suitable for regional areas – given the large distances that they often had to travel, and over the sort of terrain that they sometimes had to deal with.

“They’re advancing all the time, but I’m not sure that they’re at the stage where we could use them out here.” (Tamworth)

One of the overall concerns was that new technology is often expensive, and some participants expressed a desire to wait until the technology was ‘proven’ before considering it for themselves, while others felt that it would be out of reach for those who needed it most (i.e. those with limited

income). Even so, most were supporting of Essential Energy looking further into the type of technological advances that were shown to them, and discussed at their tables.

“Of course they should be looking into them. They can mean savings for the customer, and for the supplier” (Wagga Wagga)

Some table level discussions ventured further into the discussion of alternative power generation (such as wind farms and the capturing of tidal power, and solar roof tiles), and where this sort of discussion occurred, there was again general support for these alternative sources to be developed further and utilised more.

“Look at where we are. This sort of location is ideal for solar generation. I know there’s some of it here already, but there should be more. Much more” (Broken Hill)

4.2 Solar and battery use

As has already been indicated, many of the forum participants were already generating solar power for their homes. However, few had battery storage.

Those who had solar capability often expressed their dissatisfaction at the price they were receiving for the power that they generated and fed back into the grid. They indicated that when they established their system they were getting a good rate, but that it had been reduced significantly in more recent times. There was a feeling that this discouraged uptake of solar, while a few (e.g. those who knew that retailers were establishing solar farms and feeding back into the network) felt that consumers were being taken advantage of by the rate that they were being offered.

“Look at that solar farm outside of town. I bet that AGL are getting more than 6 cents for what they’re generating. It’s one rule for them, and another for us” (Broken Hill)

Overall though, the idea of having solar with battery storage was received very positively – mainly because it was seen as a clean and plentiful supply source, and with storage meant that there was less reliance on the grid. However, there also appeared to be an underlying reluctance to adopt what was considered by some to be an ‘unproven’ technology.

“It still early days with battery storage. Nobody really knows the longevity of those things, so I’m not sure that I would want to jump on board just yet” (Dubbo)

The main advantages of a solar system with battery storage were seen to be:

- The idea of using the power that they generated themselves (while solar by itself often meant that power generated was not used by those generating it as they were less likely to be home in daylight hours)
- The potential cost savings (not needing to draw power from the grid)
- Being able to use the power generated by a solar system during the day meant that more value was gained than they would otherwise get from it going back to the grid at a low rate
- The power source is seen to be environmentally friendly
- More self-reliance means that they would be less concerned about outages
- Australia having the perfect climate for it (used effectively in other countries with less sunny days)
- It allows greater distribution capacity if fewer customers are relying on the grid

The main issues, or disadvantages with this arrangement were seen to be:

- The set-up costs involved (including the huge mark-ups in Australia for products that are significantly cheaper in other countries), and the pay-back time associated with this cost (resulting in older participants not necessarily seeing it as worthwhile)
- The way that technology keeps advancing, so once a system is installed it is already seen to be out of date
- The equipment requiring physical space to be set up in, and the concern that it may not be aesthetically pleasing
- The ongoing system maintenance that will be required
- That a grid connection would still need to be maintained to cover unforeseen circumstances (ongoing poor weather)
- Concerns over the fragility of solar cells (e.g. if they can be damaged by a hail storm)
- Some concern over the use of batteries and their impact on the environment
- A few felt that there were different quality batteries available, but that consumers were not being informed of the differences between brands
- Potential misinformation from companies 'pushing' solar
- A concern that some would miss out, in that such a system was unlikely to be adopted for rental properties and Department of Housing stock
- The impact on maintenance of the grid if the majority of customers were generating their own power
- The suitability of battery storage for some situations (e.g. large households, and businesses/industry) as it was seen to be somewhat limited in capacity

4.3 Microgrids

Microgrids were a new concept for most of the forum participants, so tended to require some further explanation at table level. While there were a range of questions raised, and some concerns also emerged during the discussion period, most participants were ultimately supportive of Essential Energy exploring microgrids as an option.

"It's a changing world. I can see that this may be the future of electricity for regional areas"
(Dubbo)

Some, however, felt that the microgrid concept was most appropriate for the more remote locations within the Essential Energy catchment area – where they potentially have a less reliable supply.

"This is the ideal solution for the likes of Bourke or places at the end of the feeder lines. Surely it would improve the reliability of their supply, and cost less to service" (Port Macquarie)

Overall there were several perceived advantages with the establishment of a microgrid:

- Some felt that this may be a cheaper option for the customer (if it involved the production of solar power for example), as well as for the distributor (who then wouldn't need to maintain a grid connection to certain localities);
- Some participants felt that it may result in local employment opportunities;
- Some suggested that when outages did occur they may be for a shorter duration (assuming that staff were also positioned locally);
- There was a suggestion that there would be less loss in the transmission lines if the source and end user were closer together;
- There may be environmental advantages if, for example, the power is solar generated (locally) rather than coal generated (e.g. in the Hunter);
- The 'local' or 'community' aspect of the idea also had appeal to some participants.

However, there were also some issues, concerns, and questions raised in relation to microgrids:

- It was not clear to participants who would have responsibility for the microgrid, both in terms of the initial set-up costs, and in terms of ongoing maintenance. Outright ownerships was also commonly discussed (with many assuming that the community would own the system, and would need to set up a body corporate type system to manage it themselves);
- Some wondered if pricing would increase for other customers if lots of communities effectively took themselves off the grid with the establishment of a microgrid;

- Being a new concept, some were concerned about the potential reliability of a self-contained system (this was of particular concern amongst participating farmers who may be reliant upon electricity for some aspects of their work);
- Some participants did not see this as a practical option for all locations/townships, as there may not be available land for a power generation source to be set up;
- There were questions raised about the potential for demand exceeding supply in some locations;
- Conversely, there was also the realisation that some remote locations had a declining population, and the establishment of a microgrid in such areas may end up being an 'over-investment';
- Some participants also wondered if there would be limits/caps placed on each user to ensure that they did not use more than their quota;
- Some also wondered if this was a move on behalf of Essential Energy to takeover some of the responsibility of those currently responsible for power generation (and then questioned whether Essential Energy would then also get the proportion of the bill currently allocated to the power generators).

The forum participants were presented with the scenario of having their own electricity supplied from a microgrid (under the condition that Essential Energy would guarantee reliability and pricing levels remain unchanged) to determine if they were concerned with this concept.

Most participants had already indicated that price and reliability were major issues for them, and these were guaranteed under the scenario presented, so most participants were unconcerned in relation to the exact location source of their power generation.

"I would be happy to get electricity from anywhere – it doesn't matter where it is produced. If solar keeps getting better why can't we all become self-sufficient?" (Cootamundra)

"As long as we're talking about renewable sources, and not including nuclear, I don't really care" (Broken Hill)

In fact, some reacted very positively to the idea.

"For sure. Absolutely. Great idea. Use of renewables, it stays local, there is less distance to travel. It may actually be more reliable" (Port Macquarie)

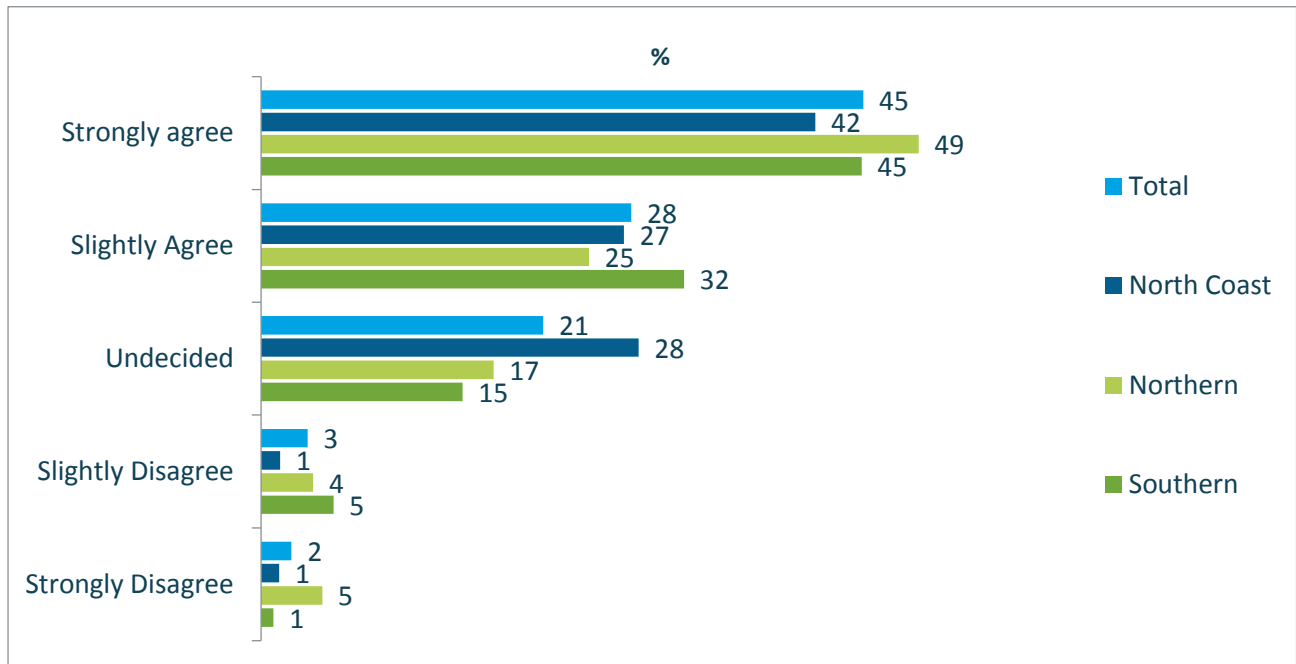
"Using a clean energy source is a definite advantage" (Wagga Wagga)

At the end of this session, participants were asked to indicate whether they agreed that Essential Energy should invest in researching microgrids as an option. Almost three quarters of customers at

the forum agreed with this notion, with 45% of customers agreeing strongly and 28% agreeing slightly.

The northern region were more marginally likely to strongly agree with that Essential Energy should be investing in researching microgrids.

Figure 7 Agreement that Essential Energy should Invest in Researching Microgrids



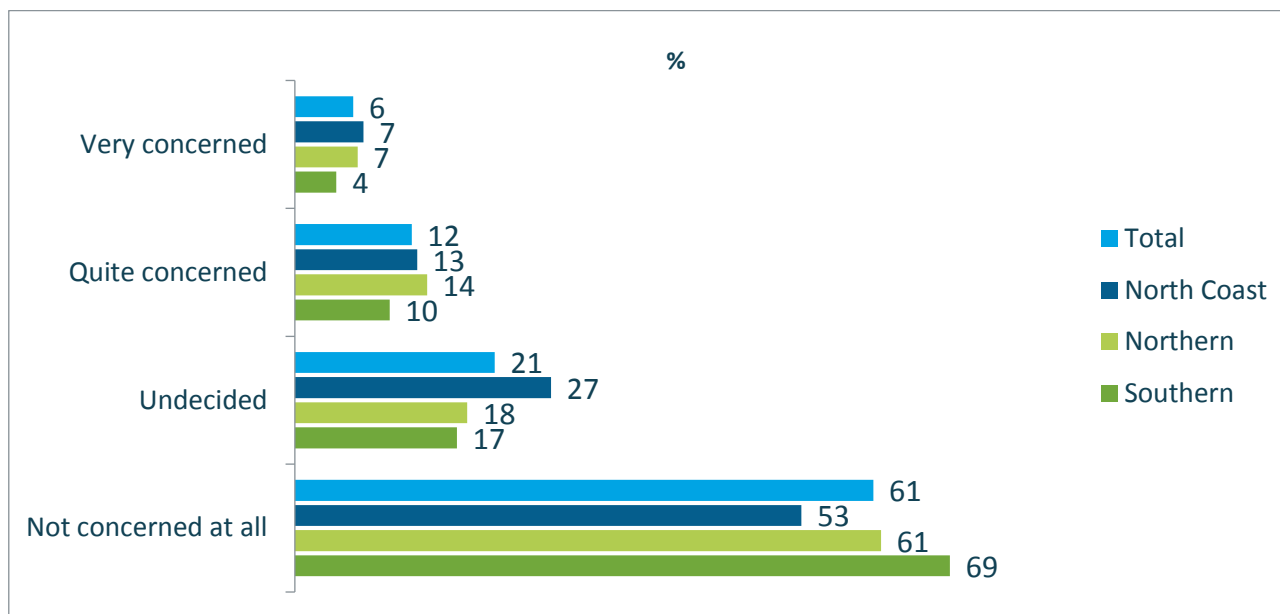
Total n=508; Goulburn n=76; Cootamundra n=64; Wagga Wagga n=75; Broken Hill n=61; Port Macquarie n=77; Tamworth n=75; Dubbo n=80; 18-24 n=36; 25-44 n=105; 45-64 n=174; 65+ n=193; Male n=269; Female n=239; Town n=259; Property n=86; North Coast n=77; Northern n=216; Southern n=215

Participants were also asked to indicate how concerned they would be if Essential Energy changed the source of generation for their connection, if they could guarantee the maintenance of reliability and price levels.

Over 6 out of ten customers (61%) suggested that they would not be concerned at all about changing the source of generation for their connection, with the Southern region being the least concerned.

Almost one and five felt that they would be concerned about if their electricity generation source changed, with 6% very concerned and 12% claiming they would be quite concerned.

Figure 8 Concern about changing the Source of Generation for your Connection



If Essential Energy could guarantee the maintenance of reliability and price levels, to what extent would you be concerned if they changed the source of generation for your connection? For example, if they provided you with locally generated solar electricity.

Total n=508; Goulburn n=76; Cootamundra n=64; Wagga Wagga n=75; Broken Hill n=61; Port Macquarie n=77; Tamworth n=75; Dubbo n=80; 18-24 n=36; 25-44 n=105; 45-64 n=174; 65+ n=193; Male n=269; Female n=239; Town n=259; Property n=86; North Coast n=77; Northern n=216; Southern n=215

5. Pricing

5.1 Adoption of Tariffs

In general, the notion of adopting different tariffs for customers in different circumstances, for example those with an electric vehicle, a battery or who want to feed-in to the network was not widely understood and therefore there were mixed views. It was often assumed that the tariffs would result in higher prices for those customers.

“Too many tariffs will make people go off grid – they’ll have no customers except the ones that can’t afford it like pensioners.” (Goulburn)

There was also much uncertainty about how multiple tariffs could be applied in practice and whether it would be too difficult to manage. There was a widespread perception that pricing is already so complicated and unclear, that adopting different tariffs would just add another layer of complication. Some wondered whether it could all be done automatically through smart meters.

If multiple tariffs were to be adopted in the future it was believed that the transition would have to be conducted carefully over a period of time, with substantial communication so that people are made fully aware of the changes and how they might affect them.

In general, there was support for time of use pricing, with peak and off peak times. However, many stated that they did not have access to time of use pricing currently, or did not know if they were on time of use pricing now. There were many requests for more information about this aspect and how to access it.

Overall, it was thought that customers should be incentivised to be more environmentally friendly rather than penalised, so new tariffs should not involve charging customers more to have electric vehicles or batteries.

Electric Vehicle Tariff

Although electric vehicles are not widespread currently it was acknowledged that they will be in the future, particularly in certain areas.

Most believed that there should not be a higher tariff on electric vehicle ownership per se as this would penalise those trying to be more environmentally conscious, but rather on time of charging.

“Not exactly encouraging responsible practices if charging more to those with an electric vehicle.” (Broken Hill)

“Shouldn’t punish the early adopters.” (Broken Hill)

The argument was put forward that when other new technologies were adopted that used substantial amounts of electricity such as air conditioning, these customers were not charged a different tariff so why should those with electric vehicles be on a different tariff.

As the general interpretation was that an electrical vehicle tariff meant that those with these vehicles had to pay more, participants started to discuss the concept of a tariff on time of charging – to discourage charging electric cars at peak times such as after work, and thus taking the pressure off the network. There was support for a tariff that would result in higher prices for those people who would want to charge their vehicles intensively for 15 minutes at peak times rather than overnight.

It was thought that the network should not be upgraded to cater for those charging electric cars, particularly as this would result in everyone having to pay more for network costs, even those who cannot afford electric vehicles.

“Take the pressure off the grid, incentivise charging at night.” (Tamworth)

“Don’t want to discourage people from getting electric cars but want to encourage them to charge at off-peak times.” (Broken Hill)

“There are concessional tariffs for off peak water heating so nothing lost in offering a similar tariff for electric vehicles.” (Wagga Wagga)

However, it was also believed that there is already an incentive in place to encourage electricity use at off peak times so it was in effect ‘doubling up’.

“There are rates already that give an incentive to off peak use so why do you need an additional tariff, what is the purpose behind it?” (Wagga Wagga)

“I am opposed to electric vehicle tariffs because they are already paying the fair price for the electricity that they use.” (Wagga Wagga)

There was some concern that if in the future everyone charges their electric cars at night then this will become the new ‘peak’ time and there will be no off peak.

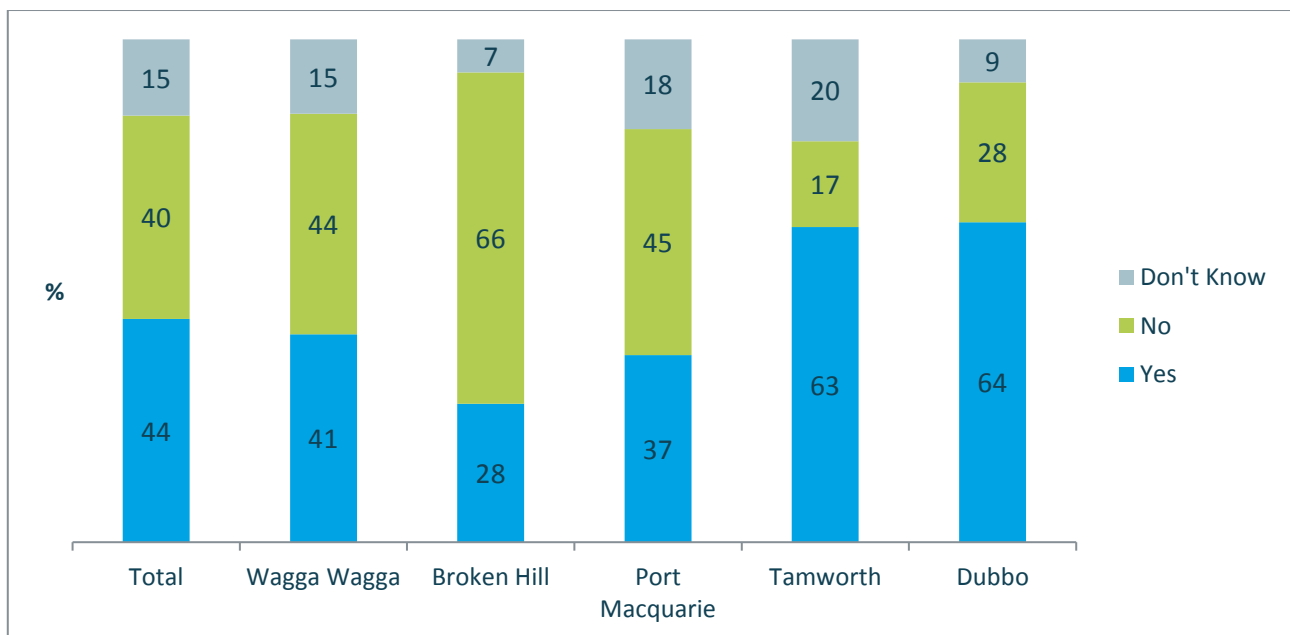
There were some questions raised about how different tariffs would work in situations when people wanted to charge their electric cars away from home, such as at the office during the daytime or if visiting friends or family.

Some participants also mentioned that currently they do not have time of use pricing so would not have the option of charging during off peak. They questioned how a new tariff would work for them.

Some imagined that in the future electric vehicles might be able to be charged using solar panels on the roof and batteries, which would avoid having to use the network at all.

When participants were asked to vote on this issue, that is, 'Should Essential Energy adopt an electric vehicle tariff?', as mentioned, most interpreted a tariff to mean a higher price which resulted in most voting no to this question, except in the final two forums - Tamworth and Dubbo where it was explained that a tariff simply meant a different price, either higher and lower. The chart below presents the results where it is clear to see that a significantly greater proportion of people agreed with the question in Dubbo and Tamworth where the tariff definition had been clarified.

Figure 10: Should Essential Energy adopt an electric vehicle tariff?



Should Essential Energy adopt an Electric Vehicle Tariff?

Total n=508; Wagga Wagga n=75; Broken Hill n=61; Port Macquarie n=77; Tamworth n=75; Dubbo n=80

Note: This question not asked at the Goulburn or Cootamundra forums

Battery Tariff

Again, there was widespread misunderstanding about the word 'tariff' in this context. There was little understanding amongst participants that a battery tariff could mean either higher or lower prices, as most assumed that a tariff meant a higher price.

Within that context, participants believed that there should not be a higher battery tariff because those with a battery are trying to reduce demand on the network.

"By having a battery we are helping maintain the network so we shouldn't be charged more."
(Wagga Wagga)

"I am using my own battery and my own solar panels, so why should they charge me for storing my own electricity?" (Broken Hill)

Future consumers could be charging their batteries at night during off peak time and using the stored electricity during the day, or they could be using the solar panels in the daytime to charge the battery and using this stored electricity at night. Either way, it was felt that they are trying to put less demand on the network through battery use.

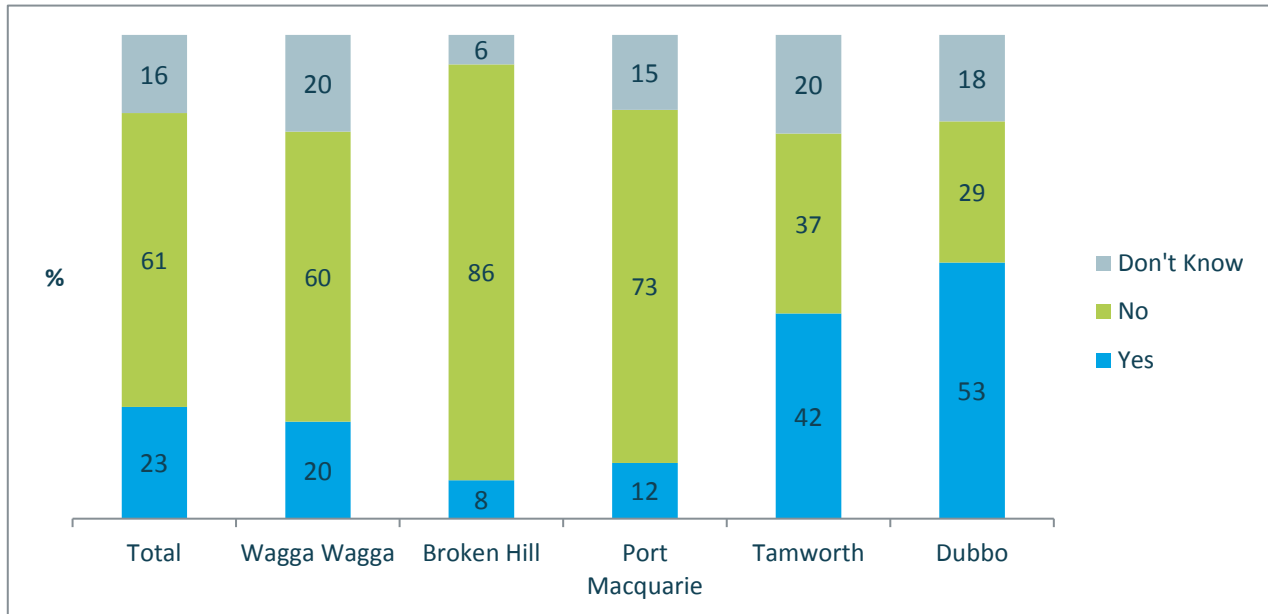
"Harder to understand this one. Hard to justify given that the cost of the battery is so high to start with." (Dubbo)

"I don't think we should be charged more, but ok to charge less, or encourage off peak."
(Tamworth)

There was support for a reduced tariff for battery users. However, there was some concern that people who could not afford a battery were not able benefit from this tariff.

This question was also voted on in the forums and again there were differences between the earlier forums and the later forums (Tamworth and Dubbo) where the term 'tariff' was explained to mean a different pricing mechanism which could result in either higher or lower prices. In the earlier forums participants were clearly against the idea of a battery tariff (assuming that a tariff meant a higher price), while in the later forums considerably more were in agreement that a tariff (different price) should be paid for a battery.

Figure 11: Should Essential Energy adopt a battery tariff?



Should Essential Energy adopt a Battery Tariff?

Total n=508; Wagga Wagga n=75; Broken Hill n=61; Port Macquarie n=77; Tamworth n=75; Dubbo n=80

Note: This question not asked at the Goulburn or Cootamundra forums

Feed-in and Export Tariff

Again, it was assumed that this adoption of this tariff would mean higher prices for those feeding back into the grid. With this in mind there was little support for this as participants with solar panels already believed that they were not receiving high enough prices for the electricity they were feeding back into the grid.

“They are already profiting from solar feed-in – they pay producers 6c, and then sell power to others for 20-30c”. (Cootamundra)

The cost of purchasing solar panels meant that participants believed that they should not be ‘charged’ again for feeding electricity back into the system. Again it was thought that people should be provided with incentives for installing solar systems rather than disincentives.

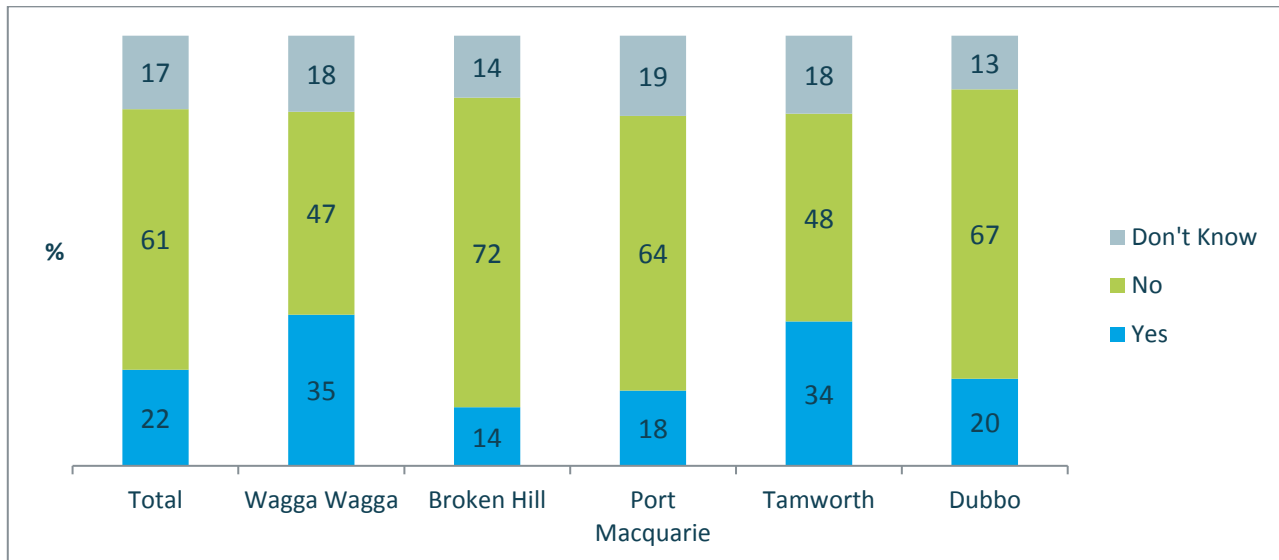
“The customer has made huge outlay for the technology, so they shouldn’t be slogged again to put the power back into the system.” (Cootamundra)

“Is this two bites of the cherry for the provider? Can’t see how this is at all justifiable. They should be encouraging this. Only Ok if the tariff is lower.” (Tamworth)

There was an acceptance that the infrastructure needed to be maintained but it was believed that this should be paid for by all customers equally rather than charging those people who can feed back into the grid a higher price.

When participants voted on the issue of a feed-in and export tariff, overall it emerged that the majority did not want a tariff of this type, however as mentioned there was a general interpretation that a tariff mean a higher price, except in Tamworth and Dubbo where a tariff was explained to mean a different price.

Figure 12: Should Essential Energy adopt a feed-in and export tariff?



Should Essential Energy adopt a Feed-in and Export Tariff?

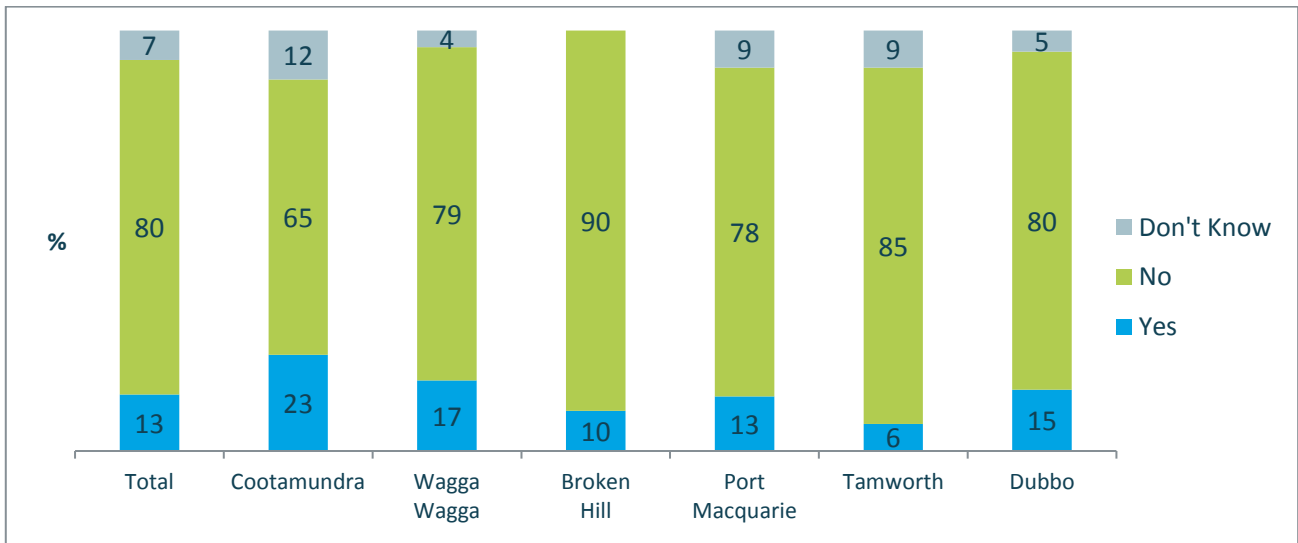
Total n=508; Wagga Wagga n=75; Broken Hill n=61; Port Macquarie n=77; Tamworth n=75; Dubbo n=80

Note: This question not asked at the Goulburn or Cootamundra forums

5.2 Location-based Pricing

There was very little support for a transition to location based pricing from cross subsidisation in the forums. In total 80% of participants stated that Essential Energy should not charge a different amount to customers in different locations based on the cost of supplying them with electricity. This was consistent across the forums.

Figure 9 Charging customers a different amount to customers in different locations



Should Essential Energy charge a different amount to customers in different locations based on the cost of supplying them with electricity?
Total n=508; North Coast n=77; Northern n=216; Southern n=215

Charging customers more in rural and remote areas seemed unfair to participants on a number of different levels.

"I think everybody should be pay the same – it's fair." (Wagga Wagga)

"I feel that we have to put ourselves in the situation of someone in a remote location. We wouldn't want to pay more in their situation. I ultimately feel that one price structure should be applied." (Cootamundra)

"Location based tariffs, - no not a good idea. It's like health, education – we all have a right to a fair price for electricity." (Tamworth)

"You shouldn't be disadvantaged for where you live." (Broken Hill)

Reliability of the service was thought to be poorer in those areas anyway so the argument put forward was that they should not have to pay more for a less reliable service. In fact, some thought that customers in remote areas should be paying less than those in towns with a good service.

"If they are receiving a poorer service, maybe they should get a discount?" (Wagga Wagga)

Petrol and food was considered dearer in those areas, so if electricity also became more expensive it was thought that it would discourage people from living in those more remote areas. Those in rural areas were generally thought to be on lower incomes anyway, so may not be able to afford to pay more.

"We already pay top prices out here anyway, we pay more for food, etc." (Broken Hill)

"You need cross subsidisation. The small communities need help." (Dubbo)

"Differential pricing would encourage more people to just move out of rural areas and into towns." (Cootamundra)

"Lots of people who live in the country are on lower incomes than those in the cities so they may not be able to afford to pay more." (Goulburn)

Many of those living in more rural and remote areas were assumed to be farmers, so charging them a higher price would be seen to disadvantage them and may also result in costs being passed onto consumers in towns anyway.

"If locational pricing is introduced it would affect the price of other things, i.e. farmers would charge us more." (Port Macquarie)

"No everyone should pay the same price – can't penalise people in rural areas. Primary producers would suffer. Can't penalise the farmers." (Wagga Wagga)

The solution to the problem of it costing more to supply electricity to remote areas was thought to be in encouraging and helping these people to go off grid, with usage of solar generation, battery storage and a back-up generator. It was thought that in the long run this would be a more cost effective solution than trying to keep the poles and wires maintained to their properties.

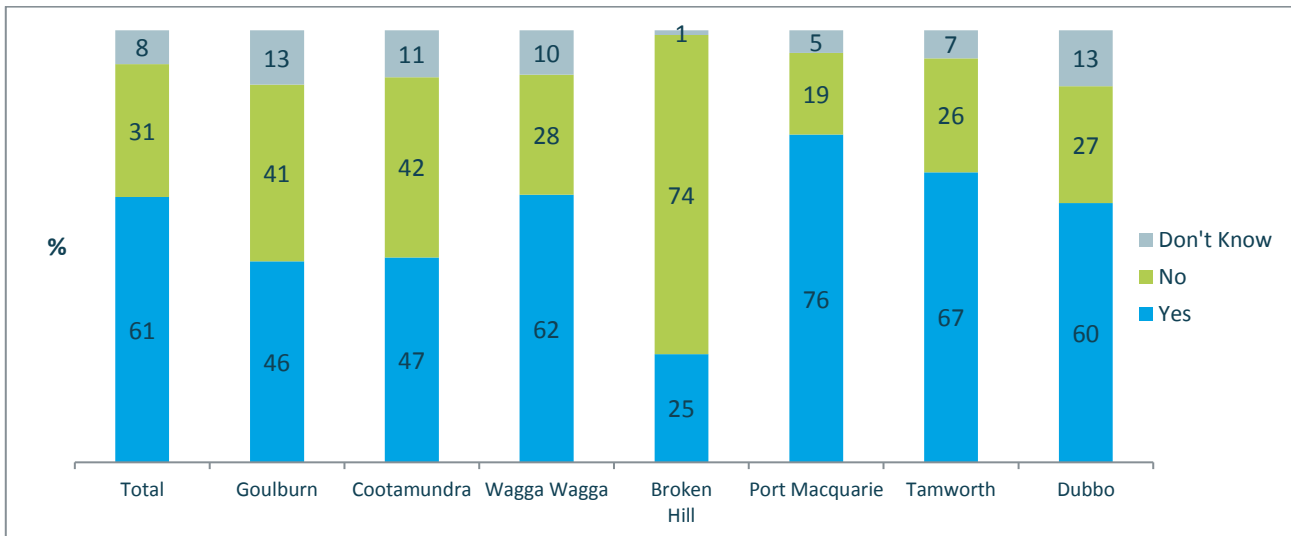
"If customers at the end of a line are really expensive then Essential Energy should buy them out." (Goulburn)

Many actually believed that prices should be equal across the whole of NSW (across Ausgrid, Endeavour and Essential Energy network areas). They believed that customers in regional NSW should not be paying any more than people in metro areas.

5.3 Discounted pricing for some customer groups

At the forums participants were asked if Essential Energy should consider providing discounted pricing to some customer groups such as irrigators or those on microgrids. The majority stated that they believed that Essential Energy should consider this (61%).

Figure 10 Providing discounted pricing to some customer groups



Essential Energy does not currently provide any reduced pricing for specific customer groups. Should Essential Energy consider providing discounted pricing to some customers? Total n=508; North Coast n=77; Northern n=216; Southern n=215

Industry, agriculture and seasonal tariffs

There mixed views about farmers being on a different tariff and having reduced prices for their electricity consumption. On the one hand some participants believed that farmers are providing an essential service for the community and are facing tough times, so should be provided with some support, particularly as there is more international competition coming into the agricultural industry.

“There should be support for farmers rather than excessive charges. You can't penalise someone for being a farmer, they need to be growing food and supplying Australia with the necessities.” (Dubbo)

“Food producers should have reduced pricing. Puts a lot of pressure on them if they have to produce food.” (Wagga Wagga)

It was thought that there are already extra charges that farmers have to pay, for example they often have multiple meters which attract multiple charges and higher fixed costs.

However, others believed that farmers and residents should be on the same tariff because there are other rebates in place for farmers already.

There was a slightly different perspective regarding irrigators as many believed that they would already be on a business tariff which includes a demand charge, and it was believed that they should not be on a different tariff to other businesses.

"Irrigators shouldn't be charged a different tariff to other businesses. It is a business cost. They make enough money." (Tamworth)

"Businesses are on a demand tariff anyway." (Broken Hill)

Seasonal tariffs were not always seen to be fair as there was a feeling that although industry put a high demand on the network during some of the year, there was the rest of the time when they were not using much at all.

"If they only use it for 3 months of the year, it means they are sucking more out of the grid then but there are times when they are going to not be sucking anything out. So evens out". (Dubbo)

"It could be penalising the farmers to force them into irrigating when EE says" (Cootamundra)

In terms of industries other than agriculture there was general consensus that industries that need to place a high demand on the network should pay a higher tariff than other customers.

"Happy for a primary producer to have a lower tariff, but not a mining company." (Port Macquarie)

"I wouldn't be happy to see subsidies being obtained by the likes of Woolworths or Coles." (Wagga Wagga)

"It should be the customer groups getting lower prices, not big industry." (Cootamundra)

Vulnerable customers

There was general support for people paying lower prices if they are financially disadvantaged (pensioners or those on low incomes) as there was a concern that these people are not able to heat or cool their homes sufficiently when needed.

"Seniors should have a lower price, especially those who have no other form of income other than the pension." (Broken Hill).

However, most thought it would be difficult to implement and there was uncertainty about whether supporting these customers should be the role of the retailer, the distributor, or a Government matter.

"Discounts should be at the retail level, not distribution. Or through Centrelink etc." (Goulburn)

If it was to be the distributors' role to provide this support then the concern was that the retailers would not pass on the discount.

"The support is contingent on the savings actually being passed on, rather than cannibalised by the retailers." (Wagga Wagga)

Many suggested that public services should be charged less, e.g. hospitals, schools and not for profit organisations.

"Hospitals should be paying less, as well as anyone who is using medical equipment reliant on the grid. Nursing homes should also be paying lower prices." (Tamworth)

Some thought that electricity discounts were already available for those on low incomes if people apply for them. The issue being that people are not aware of this facility.

"Low income people should get charged less. You have to apply for that and people don't know about it. You get \$50 off your bill and that is \$200 a year for a pensioner – it is a lot of money. It is from the retailers." (Dubbo)

5.4 Price cap versus Revenue cap

Although this issue was thought to be complex there was some detailed discussion around tables about the concepts.

There was concern that no matter which one was preferred the retailer would not be made to pass on exact prices anyway, and that it would not be transparent on the bill.

Although a clear preference did not seem to emerge, the following views were expressed.

Revenue cap

Being able to predict the level of revenue was thought to be the main benefit of a revenue cap. Participants recognised that this would help Essential Energy plan its maintenance and upgrading of the network accordingly.

"Essential Energy needs a certain amount of money in order to do their maintenance. If that is set through a revenue cap then they can do this." (Tamworth)

"Revenue cap is the best option, that way Essential Energy could govern their prices better rather than have a lack of revenue and not be able to go forward with work in terms of maintenance and development." (Wagga Wagga)

"It's easier for Essential Energy to build a business model with a revenue cap. They have within their grasp the ability to pull back revenue. We need to give them the ability to build a business model that is most effective going forward." (Goulburn)

However, on the other hand it was thought that customers have less control and can never gain in terms of cost because if they become more energy efficient and use less electricity then prices would just go up the following year to compensate.

The risk of greater price fluctuations was mentioned as a disadvantage of this option.

"Possibility of more bill shock for the revenue cap." (Broken Hill)

The possibility that the retailer would not adjust the bills accordingly seemed more applicable to the revenue cap where there would be greater price fluctuation.

"I would doubt we would get the price reduction in the following years. Retailers would not give it back to us. It comes back to honesty." (Tamworth)

Price cap

The benefits of this were that as a customer you know what to expect in terms of prices and you have more control.

"If we use less power than expected, we shouldn't get penalised for that. Essential Energy would get less revenue because we've conserved power, but that's our bonus." (Port Macquarie)

"Most people would go for the price cap – reward people who are efficient." (Dubbo)

It was acknowledged that there is more risk for Essential Energy under a price cap. However, many expressed the view that most businesses operate without a guaranteed revenue and that perhaps Essential Energy should do so too.

"If I had a shop and I don't sell everything then I make a loss. That is how business works so it should be the same. That is a price cap. Then the risk is theirs." (Goulburn)

There was some concern that Essential Energy will try to influence the AER to set prices too high so that there is less risk for them under a price cap.

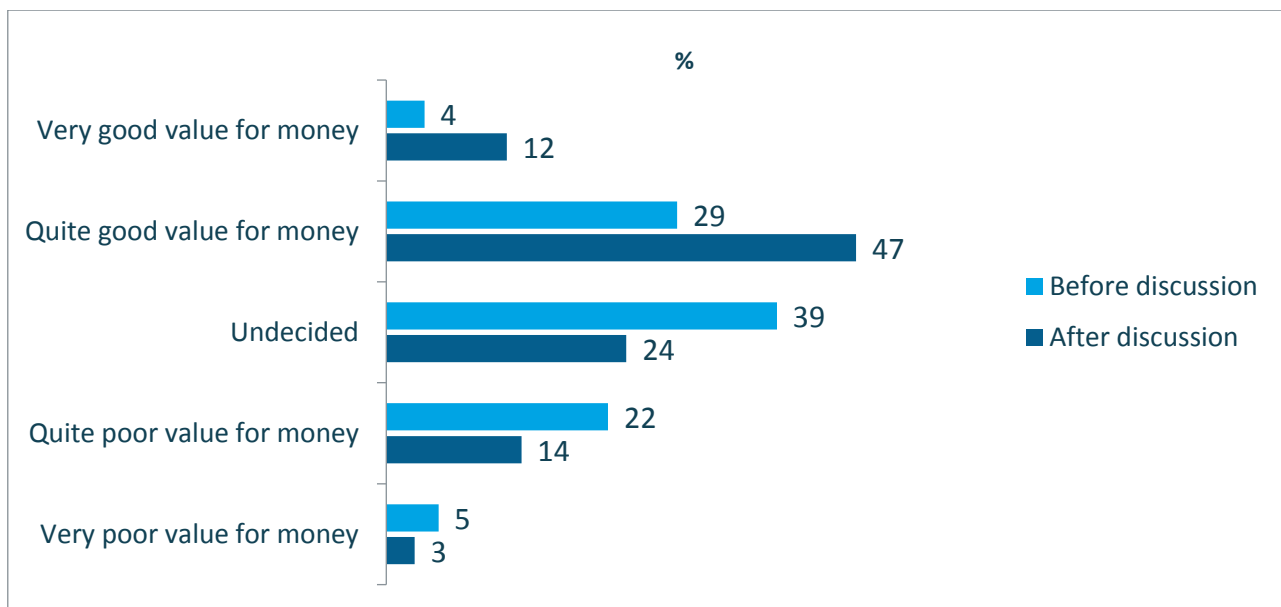
"Price cap means that we could be paying too much and we would never get it back. Revenue cap seems more in the customers' interests." (Cootamundra)

There were many questions about how long the price cap would last for as it was felt that five years would be too long, particularly with all the technological changes going on.

5.5 Value for Money

Participants were asked to rate the distribution component of their bill on value for money at the beginning of the forums and at the end. There was a significant change in perceptions in that at the beginning 33% rated it as good value for money whereas at the end, after hearing all the information and taking part in discussions, 59% rated it as good value for money, suggesting that after being informed and educated there are better perceptions of value for money.

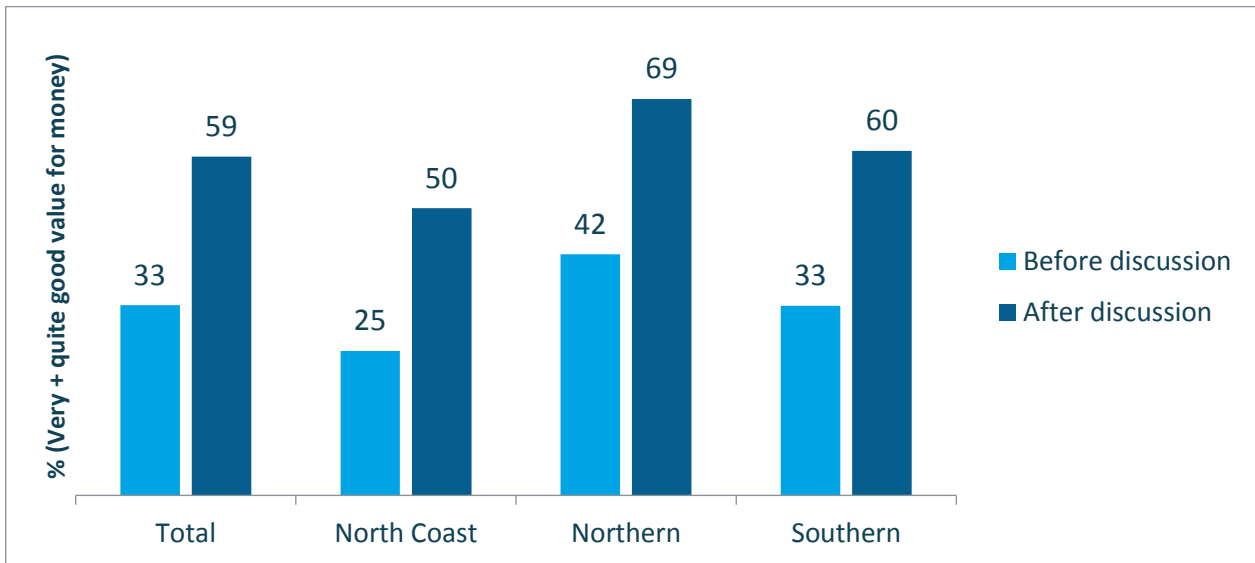
Figure 11 Perceived value for money for distribution component of a customer's bill



Before discussion: Currently around 36% of a customer's bill is for electricity distribution. How would you rate this in terms of value for money?
After discussion: As mentioned, around 36% of a customer's bill is for electricity distribution. Now how would you rate this in terms of value for money. Total n=508

This was evident across all regions with similar increases in perceptions – 25% increase in North Coast, 27% in Northern and 27% in Southern.

Figure 16 Perceived value for money for distribution component of a customer's bill – region split



Before discussion: Currently around 36% of a customer's bill is for electricity distribution. How would you rate this in terms of value for money?
After discussion: As mentioned, around 36% of a customer's bill is for electricity distribution. Now how would you rate this in terms of value for money. Total n=508

6. Future engagement

Participants enjoyed the forums and felt that they had gained a lot of knowledge about the industry.

Forum feedback is provided in the appendix (THIS WILL BE ADDED LATER).

In terms of future engagement they believed that Essential Energy were currently doing a good job and that the coverage was wide. There were not many alternative suggestions put forward except:

- They need to raise awareness and publicise what they do more as current awareness is low
- Record call centre feedback
- Reach out to all consumers about their future plans and invite direct feedback
- Specific youth forum or Essential Energy should go to schools to provide information and obtain feedback.

Some did request that customers are provided further information about specific topics:

- The availability of time of use pricing – who can access it, when off peak is and how it works;
- More bill transparency – showing different components of the bill;
- Information on smart meters – what they are, how they can be used, pros and cons;
- How to be more energy efficient;
- Any incentives available for solar panels, batteries, ‘going green’; and
- How to expose of batteries, enhancing the performance of solar panels e.g. cleaning them.



















6.1 Future topics in forums

Participants were asked if there were any other topics they would like to discuss at the next forums. There were a small number of suggestions made:

- Tariffs - more specific information about the future options for these e.g. higher or lower and for which people/situations;
- Possible future plans/scenarios for renewables and future technology and what they would mean for the customer and for Essential Energy;
- Microgrids – more about how this might work in the future, e.g. a costing of an off grid system with battery power versus on-grid. Cost per kw and how long it would take to pay it off/pay back for an average home;
- Time of use pricing and smart meters;
- Vegetation management;
- Generation of electricity – what currently is used? Alternatives e.g. other forms of renewable sources – wind, water etc.

- More reliability statistics on rural areas – smaller country towns, and how many outages etc, they get versus large country towns
- More details on location pricing - how that would work in practice
- Peer to peer trading – how this would work, logistics

Appendix

Time	Session details	Responsibility	Materials																
5.00-5.02pm	Welcome and Introduction <ul style="list-style-type: none">Woolcott Research Lead Facilitator to welcome and thank participants for coming and introduce opening speaker	WR Lead Facilitator																	
5.02-5.05pm	Introduction <ul style="list-style-type: none">Essential Energy to explain reason for engagement i.e. AER regulatory proposal.Lots to grapple with (setting the scene). This needs to be high level as we don't want to give too much away up front.Description of engagement plan – how we are engagingImportance of the Forum to EE	EE	PP slides																
5.05-5.10pm	Housekeeping <ul style="list-style-type: none">Woolcott Research Lead Facilitator to give overview of Forum agenda and approach, the key sessions, guidelines and housekeeping. Location of toilets and evacuation in emergency.	WR Lead Facilitator	PP slides																
5.10-5.20pm	Introduction to keypads <ul style="list-style-type: none">Lead facilitator to introduce keypads and do some warm up questions. Results shown on screen: <p>PRACTICE QUESTION: Q. How did you travel to the forum today?</p> <ul style="list-style-type: none">Car,bus,train,on foot,helicopter,other. <p>KEYPAD QUESTIONS: Q. Who would you consider contacting if you were...</p> <table><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>Other</td></tr><tr><td>Considering connecting to the electricity network</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr></table>								Other	Considering connecting to the electricity network	1	2	3	4	5	6	7	WR Lead Facilitator	PP slides and Keypads
							Other												
Considering connecting to the electricity network	1	2	3	4	5	6	7												

	e.g. building a house										
	Seeking advice regarding using less electricity	1	2	3	4	5	6	7			
	Enquiring about obtaining a battery storage	1	2	3	4	5	6	7			
	Wanting to report a power outage	1	2	3	4	5	6	7			
	Seeking advice on Solar Panel installation	1	2	3	4	5	6	7			
	<p>Q. How reliable do you think your electricity supply is?</p> <p>Very reliable 1</p> <p>Quite reliable 2</p> <p>Undecided 3</p> <p>Quite unreliable 4</p> <p>Very unreliable 5</p> <p>Q Currently 36% of a customer’s bill is for distribution of electricity. How would you rate this in terms of value for money?</p> <p>Very good value for money 1</p> <p>Quite good value for money 2</p> <p>Undecided 3</p> <p>Quite poor value for money 4</p> <p>Very poor value for money 5</p> <p><i>N.B We will re-ask this question again at the end of the forum to see if perceptions have changed</i></p>										
5.20-5.30pm	<p>Presentation: The Essential Energy Business</p> <ul style="list-style-type: none">Two minute video to introduce EEWhat services are provided by EEWhere the electricity supply comes fromWhat EE’s role is/ the vastness of the networkAverage customer price for bill – network versus other components									EE	Video PP slides

5.30-5.55pm	<p>Table Discussion (The Ideal Energy Supplier)</p> <p>Participants to introduce themselves on tables and say where they live</p> <p>In the future, what do you think would make an ideal electricity supplier? What do they need to ensure they focus on and do? What are the critical factors to ensure customers are satisfied? <i>(Participants should be encouraged to get things off their chests here i.e. any burning issues)</i></p> <p>Each table to create a value tree on the flipchart. GIVE OUT HANDOUT 1 (e.g. reliability, safety, affordability, etc. should emerge here)</p> <p><i>A nominated spokesperson at each table is chosen to feedback their table's high level values. Let them know they only have 1 minute each to present so they should be brief and just go through the high level values.</i></p>	WR Table Facilitators	Flipcharts Handout 1
5.55-6.10pm	<p>Table Feedback</p> <ul style="list-style-type: none"> Feedback invited from all tables on the values that they consider to be important to them with regard to electricity supply <p><i>Long list is compiled. The list will be condensed and put into themes (by WR) during the forum. These will be put to participants later and they will be asked to rate them in terms of their importance.</i></p>	WR Lead Facilitator	Flipcharts List created
6.10-6.25pm	<p>Presentation: The Network Condition</p> <p>EE to outline sheer size of network Main drivers of cost – low density, large area, high vegetation and remote customers Issue of servicing farthest parts of the regions The need to maintain the network including enabling solar The reasons for planned (and unplanned outages) and why longer planned outages could reduce costs Servicing remote locations Worst served customers Medical customers</p>	EE	PP Slides
6.25-6.45pm	<p>Table discussion: Condition of the network</p> <p>What do you think of the information presented? What do you think about the reliability of your electricity supply? What is your view on outages? What about the duration and frequency of outages? Brownouts, surges etc Would you prefer more outages, but for shorter periods of time, or less outages, but for longer periods? Why? GIVE OUT HANDOUT 2</p>	WR Table Facilitators	HANDOUT 2

	<div>○ Would you be willing to pay more to have less outages and for shorter periods of time? Why/why not?</div> <div>Should EE try to reduce the number and duration of outages in locations with more outages? E.g. Bourke</div> <div>How should EE handle those in really remote locations?</div> <div>Should EE invest more to ensure remote/worst served customers (1% of customers) receive the same levels of service as other more populous parts of the network? Currently they have up to 20 outages a year. Why? Why not?</div> <div>What else could be done to help the reliability in those areas?</div>																						
6.45-6.50pm	<div>Key pad voting</div> <div>Q. Power outages happen from time to time for a variety of reasons. Thinking about the following scenarios, which would be your preferred scenario?</div> <table><tr><th>OUTAGE TRAITS</th><th>Option 1</th><th>Option 2</th><th>Option 3</th><th>Option 4</th></tr><tr><td>Duration (how long your power is out for)</td><td>No change to current duration</td><td>No change to current duration</td><td>50% shorter duration</td><td>50% shorter duration</td></tr><tr><td>Frequency (how often you have a power outage)</td><td>No change to current frequency</td><td>1 to 2 more outages per year</td><td>No change to current frequency</td><td>1 to 2 more outages per year</td></tr><tr><td>Quarterly Bill Change</td><td>No change to current amount</td><td>\$40 less than current amount</td><td>\$40 more than current amount</td><td>\$20 more than current amount</td></tr></table> <div>Q: If you had to trade off frequency of outages against the length of time you were without power, which would you choose?</div> <div>More outages, but for short periods of time1</div> <div>Less outages, but for longer periods of time2</div>	OUTAGE TRAITS	Option 1	Option 2	Option 3	Option 4	Duration (how long your power is out for)	No change to current duration	No change to current duration	50% shorter duration	50% shorter duration	Frequency (how often you have a power outage)	No change to current frequency	1 to 2 more outages per year	No change to current frequency	1 to 2 more outages per year	Quarterly Bill Change	No change to current amount	\$40 less than current amount	\$40 more than current amount	\$20 more than current amount	WR Lead Facilitator	PP Slides and Keypads
OUTAGE TRAITS	Option 1	Option 2	Option 3	Option 4																			
Duration (how long your power is out for)	No change to current duration	No change to current duration	50% shorter duration	50% shorter duration																			
Frequency (how often you have a power outage)	No change to current frequency	1 to 2 more outages per year	No change to current frequency	1 to 2 more outages per year																			
Quarterly Bill Change	No change to current amount	\$40 less than current amount	\$40 more than current amount	\$20 more than current amount																			
6.50-7.10pm	<div>DINNER BREAK:</div> <div>During the break, the list of key factors/themes from ‘Ideal Energy’ session will be finalised for participants to vote on at the end of the forum.</div> <div>Videos on screen without volume for participants to look at during the dinner break.</div>																						
7.10-7.25pm	<div>Presentation: Network Demand</div> <div>Planning for network growth</div> <div>Demand on the network at peak times</div> <div>Number of customers are increasing but usage is lower</div> <div>Using emerging technologies to move off-grid</div>	EE	PP Slides																				

	Discuss solar, microgrids Demand management technologies		
7.25- 7.40pm	<p>Table Discussion: Network Demand</p> <p>What are your reactions to the presentation? What do you think of the technological advances? Which are of interest to you and why? Which should EE look into further? Who had solar on the table? Who has batteries? What do you think of the use of solar power and batteries? Why? What are the pros and cons of using solar power and batteries?</p> <p>GIVE OUT HANDOUT 3</p> <p>What are the pros and cons of microgrids? Do you think EE should be exploring this as an option? Why? Why not?</p> <ul style="list-style-type: none"> ○ If EE could guarantee the maintenance of reliability and price levels, would you be concerned if they changed the source of electricity generation? For example, if they provided you with locally generated solar electricity with a battery back-up, rather than sourcing power from the national electricity grid? Why? (THIS WILL BE A KEYPAD QUESTION) 	WR Table Facilitators	HANDOUT T 3
7.40- 7.45pm	<p>Key pad voting</p> <p>To what extent do you agree or disagree that Essential Energy should invest in researching microgrids as an option?</p> <p>Strongly agree 1 Slightly agree 2 Undecided 3 Slightly disagree 4 Strongly disagree 5 Don't know 6</p> <p>Q If Essential Energy could guarantee the maintenance of reliability and price levels, to what extent would you be concerned if they changed the source of generation for your connection? For example, if they provided you with locally generated solar electricity with a battery back-up, rather than sourcing power from the national electricity grid?</p> <p>Very concerned 1 Quite concerned 2 Undecided 3 Not concerned at all 4</p>	WR Lead Facilitator	PP Slides and Keypads
7.45- 7.55pm	DESSERT – participants to bring back to tables		
7.55- 8.05pm	<p>Presentation: Our prices</p> <ul style="list-style-type: none"> • Revenue v price cap 	EE	PP Slides

	• Tariff structures – current and other options		
8.05-8.30pm	<p>Table discussion: Our prices</p> <p>Should EE adopt different tariffs e.g. Electric Vehicle charging tariff, a battery tariff, alternate demand charging methods, for example seasonal or critical peak, feed-in and export tariff?</p> <p>Should EE consider different pricing for some customers? If so, which ones? (e.g. specific industries (food and fibre tariff), those living in remote locations)</p> <p>Should EE consider charging customers different amounts based on where they live?</p> <p>Essential Energy does not currently provide any reduced pricing for specific customer groups. Should they consider reduced pricing for some customers? If so, which ones?</p> <p>GIVE OUT HANDOUT 4</p> <p>Which form of control mechanism would you prefer EE's standard control services to operate under – a price cap or revenue cap? Why?</p>	WR Table Facilitators	HANDOUT 4
8.30-8.35pm	<p>Key Pad Voting</p> <p>Should Essential Energy charge customers a different amount to customers in different locations based on the cost of supplying them with electricity?</p> <p>Yes 1 No 2 DK 3</p> <p>Should Essential Energy adopt an electric vehicle tariff?</p> <p>Yes No Don't know</p> <p>Should Essential Energy adopt a battery tariff?</p> <p>Yes No Don't know</p> <p>Should Essential Energy adopt a feed-in and export tariff?</p> <p>Yes No Don't know</p> <p>Essential Energy does not currently provide any reduced pricing for specific customer groups. Should Essential Energy consider providing discounted pricing to some customers?</p> <p>Yes 1 No 2 DK 3</p>	WR Lead Facilitator	PP Slides and Keypads

8.35-8.45pm	<p>Table discussion: The Future</p> <p>What should the future of electricity supply be/look like? How have your views changed from the beginning of the night? Is there anything else you personally feel EE should be doing to get customer’s input about its future business plans? Any other topics we have not discussed today that you think should be included in the next round?</p>	WR Table Facilitators											
8.45-8.55pm	<p>Key Pad Voting: Values ranking</p> <p>Using the list compiled and the key pads, participants will be asked to rate and rank the values in terms of their importance Lead facilitator guides the voting process (whole of Forum):</p> <p>Q. Thinking back to the beginning of the forum and the values that you thought were important for an energy provider to focus on in the future. We’d now like you to rate each on a scale of 0-10, where 0 is not important at all and 10 is extremely important for Essential Energy to focus on in the future? <i>(list of factors to be compiled at the forum and shown individually on screen for rating)</i> <i>(do not show results until after the ranking question below)</i></p> <p>Q. And now please choose the top three factors to you in order, i.e. choose the most important one first, then the second most important one, then the third. <i>(show list of values and participants select their top 3)</i> <i>(result shown for rating questions now)</i></p> <p>Q Currently 36% of a customer’s bill is for distribution of electricity. How would you rate this in terms of value for money?</p> <table><tr><td>Very good value for money</td><td>1</td></tr><tr><td>Quite good value for money</td><td>2</td></tr><tr><td>Undecided</td><td>3</td></tr><tr><td>Quite poor value for money</td><td>4</td></tr><tr><td>Very poor value for money</td><td>5</td></tr></table>	Very good value for money	1	Quite good value for money	2	Undecided	3	Quite poor value for money	4	Very poor value for money	5	WR Lead Facilitator	PP Slides and Keypads
Very good value for money	1												
Quite good value for money	2												
Undecided	3												
Quite poor value for money	4												
Very poor value for money	5												
8.55-9.00pm	<p>Summing up, thank you</p> <p><i>Essential Energy closing remarks – what Essential Energy will take from today and confirmation of next steps, encouragement of future participation.</i></p> <p>WR will also contact all attendees after the forum to encourage participation in next forum.</p>	EE											

9.00pm	<p>CLOSE</p> <p><i>Woolcott Research Lead Facilitator</i> – thanks and reminder to fill in end of session questionnaire on tables</p>	WR All	End of session q Incentive s and signing sheet
--------	--	--------	--