

Customer and Stakeholder Engagement for the 24-29 Regulatory Proposal – Phase 4

Research report prepared for
Essential Energy

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Woolcott Research and Engagement
Level 6, 104 Mount St
North Sydney NSW 2060

Telephone: +61 2 9261 5221
Email: info@woolcott.com.au
Website: www.woolcott.com.au

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1. Executive Summary

This report summarises the findings from Phase 4 of Essential Energy's customer and stakeholder engagement program for the Regulatory Proposal 2024-2029.

The engagement program as a whole consisted of four phases with a range of connected customers, business partners and stakeholders and utilised a variety of methods and levels of influence across the IAP2 engagement spectrum.

The focus of the Phase 4 engagement was to test the proposed content of the Regulatory Proposal with customers and stakeholders before its finalisation and submission in January 2023.

The engagement program for Phase 4 included:

- A virtual drop in website containing information and findings from the previous phases
- Seven face-to-face deliberative forums with residents and small to medium businesses across the Essential Energy network area who had attended at least one previous phase of engagement (346 participants)
- Six in-depth interviews with Aboriginal and Torres Strait Islander customers (ATSI)
- Six in-depth interviews with culturally and linguistically diverse customers who speak a language other than English at home (CALD)
- One group session with new technology providers
- Stakeholder Collaboration Collective (SCC) and Pricing Collaboration Collective (PCC) meetings

The group, depths and meetings were conducted online using the Zoom videoconferencing platform.

In total 358 individual customers took part in the Phase 4 engagement (residential and small to medium business customers) along with four new technology providers and the members of the SCC and PCC.

The deliberative forum format involved presentations of the proposed content of the Regulatory Proposal, discussions in small groups of 6-10, Q&A sessions and polling. Topics included:

- Fairness and the pricing implications of the proposed introduction of the Sun Soaker two-way tariff
- Timing for transitioning to the Sun Soaker two-way tariff
- Flexible Connection Agreements
- Customer Service measures
- Revisiting investment options from the Phase 3 findings
- Support for the Proposal and engagement process

1.1 Engagement Findings

1.1.1 Support for the Sun Soaker two-Way

There was an agreement from the majority of participants that the Sun Soaker two-way tariff will solve some of the issues associated with integrating renewables and new technologies to the network (67% of forum participants). In particular it was believed that it will increase the reliability of the network and improve power quality issues. Discussions suggested implementation could ameliorate the need for significant network upgrades and assist in keeping costs lower for customers.

Almost half of the forum participants believed the Sun Soaker two-way tariff would improve fairness (49%) and many more did not agree or disagree (24%). Essential Energy presented data on the expected savings that different types of customers would make, even without behavioural change. On the positive side it was thought that it would encourage all customers to consider, and potentially shift, their usage. However, many discussions focussed on the perceived 'unfairness' for certain types of customers who might struggle to modify their usage, such as families with school aged children, people who don't work from home and also those who would not be able to afford to invest in smart appliances to capitalise on this tariff.

While 53% of the participants voted in support of the Sun Soaker two-way tariff being the new standard tariff and valued the opportunity to save money, it was considered a complex structure requiring a significant education campaign to accompany the roll-out. A large proportion of the remaining vote was 'in the middle' neither supporting or against the introduction of the new tariff (27%). A small proportion of participants still felt this tariff would negatively impact people's decision to invest in solar.

The introduction of the new tariff was also generally supported by new technology providers and stakeholders in the SCC and PCC.

1.1.2 Transition to the Sun Soaker Two-Way Tariff

There was mixed support for Essential Energy's proposed timescale for transitioning to the proposed Sun Soaker two-way tariff. For existing solar customers, opting into the tariff from 2024 was welcomed. However, considering the expected benefits, many participants believed the timeframe for existing smart meter customers should be brought forwards from 2028 to 2026.

Polling on the proposed one-year grace period for the new tariff being applied to customers with faulty meter replacements showed 68% of participants were in support, however discussions showed a lack of strong sentiment. Assuming its implementation, the conversations on tables emphasised the need for customers to be able to opt into the tariff at any stage within the one-year period. Participants strongly suggested the need for bill comparisons or calculators so that customers could compare prices on the different tariffs. The onus for this was thought to be firmly on the retailer.

1.1.3 Removing the Ability to Opt Out to a Flat Rate Tariff

Retaining the flat rate tariff was supported by 56% of forum participants who valued choice as a customer priority. There was mention that the simplistic nature of the flat rate tariff is conducive to some customers but also that there was a desire for greater understanding of the range of tariffs. It was felt that education on the impact these have on an electricity bill prior to the roll out of the Sun Soaker two-way would greatly assist in decision making.

Stakeholders stressed that customers are not the direct recipients of the network tariffs, retailers are. There were strong views that customers should be provided with choice through the retailer rather than through the network. They felt that a cost reflective network signal should be sent to the retailer and then they decide what they do with it in terms of what they offer to customers.

1.1.4 Flexible Connection Agreements

The concept of flexible connection agreements was popular, with 77% of participants supporting the implementation of this solution. There was a consensus that the new types of agreements would assist in absorbing the upswing in solar exports and therefore not 'waste' solar generated electricity.

There remained many questions concerning how Essential Energy would actually implement a reduction in exports across a 'handful' of days, and scepticism about whether the number of days would increase over time.

Generally, participants believed the fairest approach was relative to imposition on the network and supported larger exporters being limited more significantly than smaller exporters. Some thought applying a percentage to everyone was the simplest and fairest solution (43%) while others wanted larger exporters to be impacted more (40%). A minority questioned why flexible connection agreements only pertained to new customers and suggested that over time they could be applied to existing exporting customers for fairness' sake.

New technology providers and stakeholders were supportive of the idea of flexible connection agreements for new solar connections, but it was thought to be not without its issues. It was felt that learnings could be gained from distributors in other States who have already gone through this process.

1.1.5 Customer Service Measures

There was support from 81% of forum participants for the proposed customer service measures with an acknowledgement that an estimate time to restore power (ETRs) for unplanned outages with regular updates are a top priority for customers. Increasing the levels of communication of outages was considered as a welcomed improvement in customer service. The ease of dealing with Essential Energy and resolving customer complaints were also valued measures.

The averaged weightings from participants in forums were similar to Essential Energy's proposed weightings with ETRs being weighted highest (50%). There was a slightly stronger emphasis placed on the average time to resolve customer complaints (29% rather than 25%) and slightly lower emphasis on easy to deal with (21% rather than 25%).

1.1.6 Investment Options

In spite of increases due to inflation and interest rate hikes, 86% of participants were still supportive of the proposed investment options including a larger than predicted spend on the smarter network. There was an acceptance of an uncertain future financial landscape and recognition of Essential Energy's attempts to employ transparency.

1.1.7 Support for the Proposal and Engagement

Overwhelmingly, 96% of participants believed Essential Energy has taken customers' views into consideration in the Draft Regulatory Proposal, with 90% convinced the content reflects their priorities and preferences.

Commentary reflected support for Essential Energy moving hastily towards using more renewables and considering batteries and microgrids.

A major outtake from the forums was the growing need for community education, and the migration of more customers to smart meters. Final comments urged an improved capacity to focus on climate change.

Feedback on the overall engagement process was equally as positive with 97% of participants agreeing that Essential Energy has collaborated with customers to make key investment and pricing decisions. Participants praised the face-to-face community forums with key positives being a good cross section of demographics, becoming informed and educated, having the opportunity to discuss issues and hear other perspectives, and they appreciated seeing the direct results of the keypad voting.

1.2 Implications

The outtakes from this engagement include the following:

- There is some support for Essential Energy to adopt the Sun Soaker two-way as the new default tariff for smart meter customers, assuming the tariff trials support it and there is a strong education campaign to run alongside it.
- There is a push to transition existing smart meter customers to it sooner, so Essential Energy should consider whether it is possible to implement the new meter data and billing system earlier.
- There is support for the one-year grace period for faulty meter replacements however feelings about this were not strong. If it is introduced, customers should be provided with clear information that enables them to decide if the new tariff will be beneficial for them, and they should be able to opt into it within the one-year grace period if they so desire. Further engagement with stakeholders, retailers and community representative groups on this issue would be beneficial before Essential Energy makes a final decision.
- Although the reasons for phasing out the flat rate tariff were understood by most participants, there is a reluctance for Essential Energy to take this step, as choice was highly valued and this is seen as a straightforward tariff that might suit some customers. However, as long as there is a choice in tariffs provided from the retailer, including a flat rate option, this would be acceptable to customers. Further engagement with stakeholders, retailers and community representative groups on this issue would be beneficial before Essential Energy makes a final decision.
- Overall, customers would like further information on an individual basis to help decide which tariff suits them best, and how they can manage their usage to gain the most benefit, such as a bill calculator or examples on their bills.
- There is support for flexible connection agreements, so Essential Energy can move forward with their implementation. Customers believe that the fairest application is to reduce large exporting customers the most, either through a percentage reduction or a more complex two step approach. The details of how flexible connection agreements can be applied will need to be examined further and possible learnings gained from other DNSPs in South Australia and Queensland.
- There is support for the implementation of the three proposed customer service measures for the Customer Service Incentive Scheme - providing an ETR for unplanned outages as well as updates, ease

of dealing with Essential Energy and average time to resolve complaints. The weightings given by customers were roughly as Essential Energy had assigned them so can be taken forward.

- There is continued support for the proposed investment options, even in the context of interest rate and inflation increases. These can be taken forward into the Proposal.
- In general there is strong support for the Proposal as a whole, and the engagement process that fed into it, so a 'green light' has been given to the submission of the draft Proposal.
- There is particular support for Essential Energy to move quickly towards accommodating more renewable electricity, battery storage and electric vehicles in a cost-efficient and fair way.
- One of the biggest outtakes from the engagement is the recommendation by customers for further education and communication about tariffs and the management of exports (including encouraging more self-consumption of solar generated electricity). Essential Energy should consider the development and implementation of a broad education campaign to meet this need, ideally working with stakeholders, business partners and a fresh group of customers to develop its content.
- Many voiced a strong desire to stay involved in the engagement process with Essential Energy, outside of the regulatory engagement process. Essential Energy has already committed to creating a Deep Dive panel of customers to meet on a regular basis which is strongly encouraged.

2. Background and Objectives

2.1 Background

Essential Energy builds, operates and maintains one of Australia's largest electricity distribution networks, providing electricity to regional, rural and remote NSW, and parts of southern Queensland. It covers 95 percent of NSW that is 737,000 square kilometres with 183,612 km of powerlines.

As a government owned entity, the business is regulated by the Australian Energy Regulator (AER), and every five years it must present a Proposal to the AER which outlines its investment plans, the costs to deliver those plans and the proposed prices that customers will pay. The Proposal for 2024-2029 is due to be submitted to the Australian Energy Regulator (AER) for review and approval in January 2023.

Essential Energy is committed to customers and stakeholders and has adopted a comprehensive engagement program to identify the ongoing needs and priorities.

Essential Energy's engagement for the previous proposal (2019-24) received considerable praise from the AER and customer representative group, reinforced by winning the Energy Networks Australia and Energy Consumer Australia (ECA) 2018 award for consumer engagement. Essential Energy is striving to build on their achievements and improve for the next regulatory period.

Woolcott Research and Engagement, with the assistance of ERM (previously KJA) were commissioned to develop and conduct the customer and stakeholder engagement program for the 2024-29 proposal.

2.2 Engagement Program Objective and Goals

The objective of the engagement program is to ensure the views and expectations of Essential Energy's diverse customer base are accurately and meaningfully reflected in the business's 2024-29 Regulatory Proposal, to facilitate acceptance and approval by the AER.

The goals of the engagement program as a whole are:

- To identify and understand electricity related issues that are important to customers
- To involve customers in decisions that affect them
- To understand their individual perspectives on matters relating to Essential Energy's business
- To distill technical concepts from the electricity industry in a way that can be more easily understood by the general public

Specifically, for the Phase 4 forums, groups and depths, the objectives were:

- To test the content of the Draft Proposal with customers including:
 - Presenting a summary of the main points of the Proposal
 - Reminding participants about the main issues facing the electricity network now and into the future

- Understanding whether there is wider support for the outcomes of the Deep Dive, specifically the proposed Sun Soaker two-way tariff and the transition to that as the new default tariff for smart meter customers
- Exploring views on how the amount customers can export can be shared fairly and specifically their support for flexible connections agreements
- Exploring how flexible connection agreements could be implemented in a fair way across exporting customers
- Determining the level of support for the proposed customer service measures and their weightings
- Ascertaining whether customers are still happy with the proposed investment options they chose in Phase 3, considering the increases in inflation, interest rates and expenditure
- Garnering the level of support for the proposal as a whole and feedback on the engagement process that has informed it

3. Engagement Program Design

3.1 Overview of the Engagement Program

The program involves four phases of engagement with a range of connected customers, business partners and stakeholders and utilises a variety of methods across the IAP2 engagement spectrum. The work adheres to The Research Society and International Association of Public Participation (IAP2) Core Values and Codes of Ethics.

A summary of the program is outlined below.

Figure 1: Engagement Program Outline

Engagement plan					
	Planning (Jul – Sep 2021)	Phase 1 - Setting the scene (Oct – Dec 2021)	Phase 2 - Understanding our customers (Jan – Apr 2022)	Phase 3 - Investment options forums & collaborative deep dive (Apr – Jul 2022)	Phase 4 - Testing the Proposal (Sept – Oct 2022)
Engagement	<ul style="list-style-type: none"> Stakeholder co-design workshop Essential Connectors meeting Develop Stakeholder Collaboration Collective (SCC) 	<ul style="list-style-type: none"> SCC Meetings Consumer testing of materials Virtual room Visioning forums Groups and in-depth interviews 	<ul style="list-style-type: none"> SCC meetings Consumer testing of materials Virtual room update Deliberative forums Groups and in-depth interviews Survey Develop Pricing Collaboration Collective (PCC) 	<ul style="list-style-type: none"> SCC & PCC meetings Consumer testing of materials Virtual room update Investment options forums Groups and in-depth interviews Pricing deep dive sessions 	<ul style="list-style-type: none"> SCC & PCC Meeting Virtual room update Public launch of draft Proposal Customer forums In-depth interviews with minority customers
Outcomes	<ul style="list-style-type: none"> A leading edge engagement plan Know who to engage with, what to engage on; and how to engage 	<ul style="list-style-type: none"> Informed participants Customers' future vision and what's important to them Identify information needed to make informed decisions 	<ul style="list-style-type: none"> Participants informed at a higher level An understanding of customers' views and priorities in relation to the key issues and service outcomes 	<ul style="list-style-type: none"> Identification of program preferences Development of proposals based on customer and stakeholder collaboration 	<ul style="list-style-type: none"> A Regulatory Proposal developed collaboratively and supported by customers and stakeholders Evaluation Report

3.2 Engagement for Phase 4

The engagement program for Phase 4 consisted of the following components:

3.2.1 Connected customers

- A virtual drop in website containing information about the findings from Phase 3 and the issues to be covered for Phase 4
- Seven face-to-face deliberative forums with residents and small to medium businesses across the Essential Energy network area
- Six in-depth interviews with Aboriginal and Torres Strait Islander customers (ATSI)
- Six in-depth interviews with culturally and linguistically diverse customers who speak a language other than English at home (CALD)

3.2.2 Business partners and stakeholders

- One group session with new technology providers
- Stakeholder and Pricing Collaboration Collective meetings

The approach for each element is outlined below.

3.3 Connected Customers

3.3.1 Virtual drop in

The virtual drop in site was updated for Phase 4 with a summary of content and findings from Phase 3. Forum participants were directed to visit the site prior to attending, to familiarise themselves with the relevant topics.

The content can be viewed using the Virtual Room link at:

<https://www.essentialenergy.com.au/ext/regulatory-proposal/>

3.3.2 Deliberative forums

Seven deliberative forums were conducted with residents and small to medium businesses – known as ‘small customers’ by Essential Energy. Given the expected prior knowledge, all the participants from the previous rounds of engagement were invited as return attendees for Phase 4, with no fresh participants recruited. The face-to-face forums took place in the following locations:

Table 1: Locations and number of participants at the deliberative forums in Phase 4

Location	Date	Participants
Wagga Wagga	Monday 5 September	67
Bega	Tuesday 6 September	39
Ballina	Tuesday 13 September	51
Inverell	Wednesday 14 September	39
Taree	Thursday 15 September	51
Dubbo	Monday 10 October	59
Broken Hill	Tuesday 11 October	40
TOTAL		346

The forums consisted of a mix of presentations from Essential Energy executives, table discussions and activities and polling sessions. There were 6-10 participants per table, and each session ran from 6:00pm - 9.30pm and included dinner and dessert.

For each forum Woolcott Research & Engagement provided a lead facilitator - Ian Woolcott (who chaired the sessions and managed flow and timing), five to nine table facilitators relative to the size of the forum, plus one to two support staff. Woolcott facilitators ensured all issues were covered and everyone's views were heard and captured in discussions. Further probing by facilitators into issues that arose within the discussion provided a greater level of detail.

Polling included the capacity for participants to answer questions displayed on a screen and view real time results. A copy of the agenda used by the facilitators is in Appendix A.

Essential Energy executives presented, observed the discussions throughout the sessions and were on hand to answer any questions that arose. Forum presenters included Amalie Smith (Chief Human Resources Officer), Justin Hillier (Chief Financial Officer), Luke Jenner (Executive Manager Engineering), Natalie Lindsay (Acting Executive General Manager Corporate Affairs), Patrick Bossert (Chief Transformation Officer) and Sarah McCullough (Chief Information Officer). Overall, there were 60 Essential Energy attendees across the seven forums, and twelve observers from external stakeholder organisations, with 24 different Essential Energy staff members observing at least one, showing the high level of staff interest and engagement.

By design, the demographics of the Essential Energy network area were reflected in the composition of each table - a mix of age, gender, and solar/non-solar users. Participants were offered \$150 to take part in the forum.

The table below shows the demographics of those who attended the forums.

Table 2: Participant profile for deliberative forums in Phase 4

	Total (n=346) (%)	North Coast (n=102) (%)	Northern (n=138) (%)	Southern (n=106) (%)
AGE				
18-44	34	34	33	36
45-64	42	53	38	37
65+	24	13	29	27
GENDER				
Male	47	38	47	54
Female	53	62	53	46
LANGUAGE OTHER THAN ENGLISH (CALD)				
Yes	8	2	12	8
No	92	98	88	92
ABORIGINAL OR TORRES STRAIT ISLANDER (ATSI)				
Yes	4	6	5	2
No	96	94	95	98
SMALL TO MEDIUM BUSINESSES (SMB)				
Yes	14	14	13	17

	Total (n=346) (%)	North Coast (n=102) (%)	Northern (n=138) (%)	Southern (n=106) (%)
No	86	86	87	83
RURAL				
Yes	18	21	15	18
No	82	79	85	82
SOLAR				
Yes	46	44	51	42
No	54	56	49	58
FINANCIALLY VULNERABLE				
Yes	20	22	23	13
No	80	78	77	87

What age bracket do you fall into? / Do you speak a language other than English at home or with family members? / Are you of Aboriginal or Torres Strait Islander origin? / Are you the owner or a decision maker for a small or medium enterprise (less than 200 employees)?

Base: All respondents (n=346); North Coast (n=102), Northern (n=138), Southern (n=106)

For explanation of the red and green numbers, please see section 3.5.2 below.

Data was weighted during analysis to be representative of the Essential Energy network area on region, age, gender and solar penetration (weighted down to 26.5%).

3.3.3 Groups and depths

As in Phases 1 to 3, the Phase 4 forums were supplemented with groups and depths with harder to reach audiences, such those from an Aboriginal and Torres Strait Islander background or different language background. The participants in Phase 4 were repeat attendees from the previous phases.

The forum materials and questions were adapted for an in-depth interview format, refer to Appendix B.

Table 3: Groups and depths with connected customers

	Participants
ATSI customers	6
CALD customers	6
TOTAL	12

3.4 Business Partners and Stakeholders

3.4.1 New Technology Providers

A group discussion was conducted with new technology providers as Essential Energy was keen to hear their feedback on the proposed move to the Sun Soaker two-way tariff as the new standard tariff and flexible connection agreements. Again, the same participants were invited as for Phases 1 to 3. Recruitment was conducted internally by Woolcott Research and Engagement.

Natalie Lindsay and Adam Causley from Essential Energy attended the session, presented information on the issues and answered questions.

The following new technology providers took part in the group session: Tesla, AG-MURF AUSTRALIA PTY LTD, Stuart Watson & Associates Energy Consultants and Self Sufficiency Supplies.

3.4.2 Stakeholder Collaboration Collective

This advisory group was formed during the planning phase to engage and collaborate throughout the project. The group met at least five times each phase to provide input and feedback on the draft engagement information, key questions and materials. They also provided their own feedback on the topics throughout the engagement program. The sessions were conducted via Zoom and included the following members:

- Energy Users Association of Australia, Andrew Richards
- Council of Small Business of Australia, Dominic Schipano
- St Vincent de Paul, Gavin Dufty
- Public Interest Advocacy Centre, Craig Memery or Jan Kucic-Riker
- Cotton Australia, Jennifer Brown
- Australian Energy Council, Ben Barnes
- Total Environment Centre, Mark Byrne
- Renew, Dean Lombard
- Australian Energy Regulator, Clare McIntosh or Meg Zerafa

3.5 Interpreting the Findings in this Report

3.5.1 Percentages and averages

Percentages are rounded to whole numbers and as a result, for some closed-ended questions (where a total of 100 per cent may be expected), total percentages may not add to exactly 100 per cent due to rounding. In addition, the open-ended (or free response) questions permit the respondent to provide as much detail as they like in explaining their response. As a result, a single response often contains more than one idea, theme or concept, and where this occurs the single response has been coded into multiple categories (or response codes) to separate these out and represent each part of their response. Because results are reported on a

respondent basis, it follows that the sum of the percentages for each open-ended question generally exceeds 100 per cent.

Mean scores have also been calculated for scale questions and have been rounded to one decimal place.

3.5.2 Test of statistical significance

Tests for statistical significance have been conducted to indicate differences in results that are considered significant at the 95% confidence interval. This means that where there is a statistically significant result, we can be confident that this has not occurred by chance.

Where results have been found to be significantly higher, they are indicated in **green**, and where they have been found to be significantly lower, they have been indicated in **red**.

4. Pricing

4.1 Sun Soaker Two-Way Tariff

4.1.1 Main forums

In this initial session of the forums, Essential Energy representatives provided a recap of the challenges facing the organisation and possible solutions to share costs fairly between customers. They also provided an overview of the findings from the Deep Dive session conducted in Sydney with a small group of customers, the outcome of which was support for the Sun Soaker two-way tariff. Participants were then presented with information regarding the proposed new tariff, including reasons why it is being proposed and an outline of how smart meter customers would transition to this two-way pricing structure.

Overall, there was some support for the Sun Soaker two-way to be the new standard tariff, assuming that the tariff trials that Essential Energy are conducting support its introduction and that it will benefit customers.

Participants tended to recognise that it would assist in solving network issues without requiring significant and expensive network upgrades.

"If it is going to increase reliability I would support it. We need the network to be reliable in the future. This pricing is there to help reliability. It is taking more pressure off the network." - Wagga Wagga participant

"Less investment in the system is a positive." - Bega participant

"It's certainly a good idea in theory. It seems fairer, and a better plan for the network. We just need to see how people will use it." - Inverell participant

"It's necessary to keep the network up and running." - Dubbo participant

Some saw the tariff structure as being quite complicated, while others felt that having two different levels was relatively straightforward.

"I think it's great. It's simple enough." - Ballina participant

"I'm struggling to get my head around it at the moment." - Bega participant

"It's very confusing, and I don't even have solar." - Inverell participant

"I sort of understand it and I do want things to be fairer." - Dubbo participant

However, while there was recognition that it would go some way to solve this network issue, not all felt that it was fair. Those who worked standard office hours, and those with large families that included children were typically seen to be the least likely to be able to alter their consumption pattern of electricity, and therefore there was an automatic assumption that they would be worse off under this new tariff. There was also a concern that the tariff would require smart appliances which would be expensive, therefore disadvantaging those who can't afford them. Meanwhile some of the businesses felt that they would not need to shift their consumption.

"If you're a parent with 3 kids and the house is running full blow until they go to bed I don't see how you can adapt to this. Kids just want to turn things on - so until they're older it won't be great." - Wagga Wagga participant

"It doesn't seem fair to me. It's not made for families – all of our electricity is used in those peak times, if I want all those smart appliances, I need to have a better paying job." - Ballina participant

"It is punishing working people because they are not at home between 10-3pm. It is hitting them the most. That's not fair." - Bega participant

"Business-wise, most would be using their energy during the day, so there's no need for us to change what we're doing." - Dubbo SMB participant

This was not a view held by all, as many participants believed they would be able to shift at least some of their load by (for example) delaying the start of their household appliances using timers. There was a general feeling that consumers will need to be more mindful of their electricity use under this tariff. While they were unlikely to consider the implications of using appliances during peak times currently, many felt that they would be more likely to consider this if they were subject to this new tariff.

"It would give you the opportunity at least think about it and work out what you can change." - Wagga Wagga participant

"You could put a timer on at 6am in the morning or put a timer that you could monitor on your phone." - Bega participant

"The good thing about the Sun Soaker is it is going to educate the general community about their energy use and when it is best to use it. It will make people think about their energy use." - Bega participant

"I feel that you could program things in your house to come on in the middle of the day." - Broken Hill participant

Some also liked the fact that the tariff seemed to present individuals with the opportunity to save money if they were able to shift some of their load. To this end, some without a smart meter were asking how they could go about getting one so that they would be able to take advantage of the proposed cost structure in this tariff.

"It would be good to have the opportunity to make a difference to my bill" - Wagga Wagga participant

"Smart timers are what you need. They would be really helpful for this, and allow people to save money if they want to." - Taree participant

"I want to be a part the idea of having more control and to be helping the community and making a difference to society using less power. It will make me feel good." - Inverell participant

In order to achieve this, at some of the tables there were calls for Essential Energy to put effort into educating their customers about the tariff and providing tips on how residents can take advantage of the new fee structure.

"Essential will need to put some effort into educating people. I work standard hours, so I need help in working out how I can change things." - Taree participant

“We will need educating about how to drop our energy use.” - Inverell participant

“Education will be key.” - Bega participant

“They will need to educate people about different time periods so that they can take advantage of them.” - Broken Hill participant

As in previous forums, some participants struggled to comprehend the exporting aspect of the tariff, and a few solar customers initially believed they would face a net cost to export at certain times. Once it was explained that this was not the case, there was a greater acceptance, though some people were not necessarily ‘sold’ on the concept.

“When they say (they) will charge us for exporting, does that mean I will be worse off?” - Taree SMB participant

“They have been trying to encourage us to get more renewables – but this sort of goes against that.” - Dubbo participant

“It seems unfair that I’ll be paying to export.” - Inverell participant

“I’m exporting during that time and we’ll be stung under this.” - Taree participant

“I think people who have invested in solar and can generate back to the grid, will think why am I being punished for putting panels on?” - Ballina participant

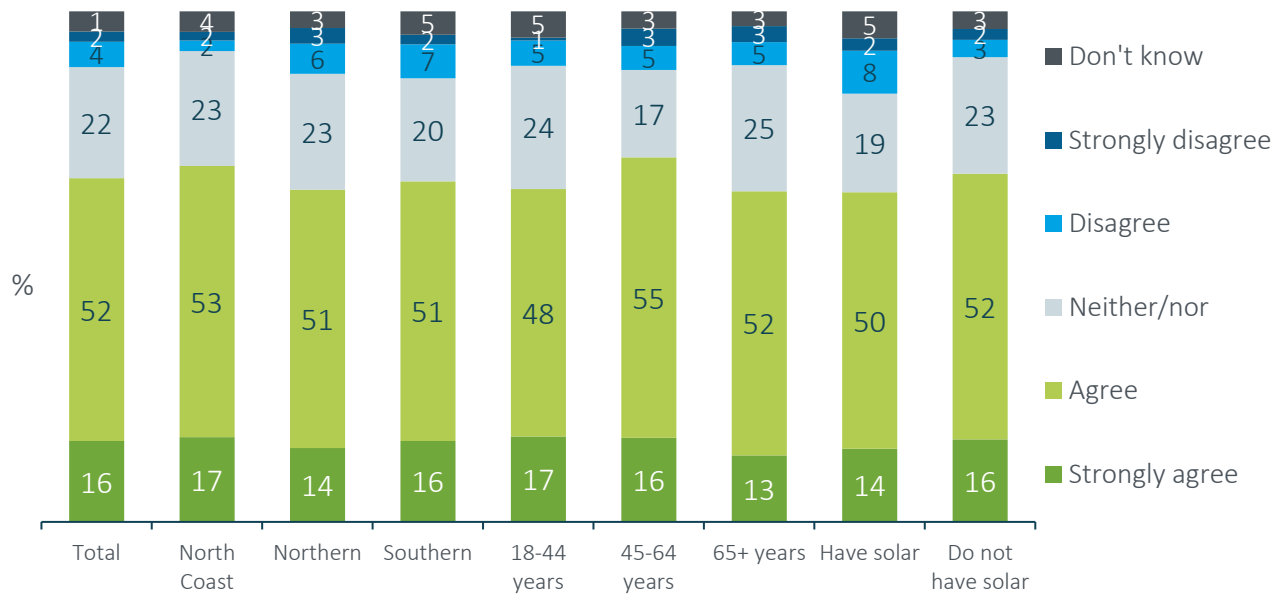
“I get it. We just won’t get as much back. Obviously not ideal when they’re already reduced the rate we get for exporting to almost nothing.” - Wagga Wagga participant

“It solves a lot of equity issues – It’s just a fairer system. People without solar before were subsidising those with it.” - Inverell participant

Following the table discussions, participants responded to some polling questions about the Sun Soaker two-way price and the results are presented on the graphs on the next pages.

As revealed in Figure 2 below, over two thirds (68%) of participants agreed (agreed + strongly agreed) that the Sun Soaker two-way tariff would help solve some of the issues associated with integrating new technologies and renewables into the network. This was relatively consistent across all locations, ages and amongst solar and non-solar customers. Overall disagreement was minimal, and those uncertain comprised approximately 20% of the sample. Feedback was similar across region and demographics, however those in Bega were more likely to agree (83% agree).

Figure 2: Level of agreement that the Sun Soaker two-way tariff would help some of the issues associated with the network

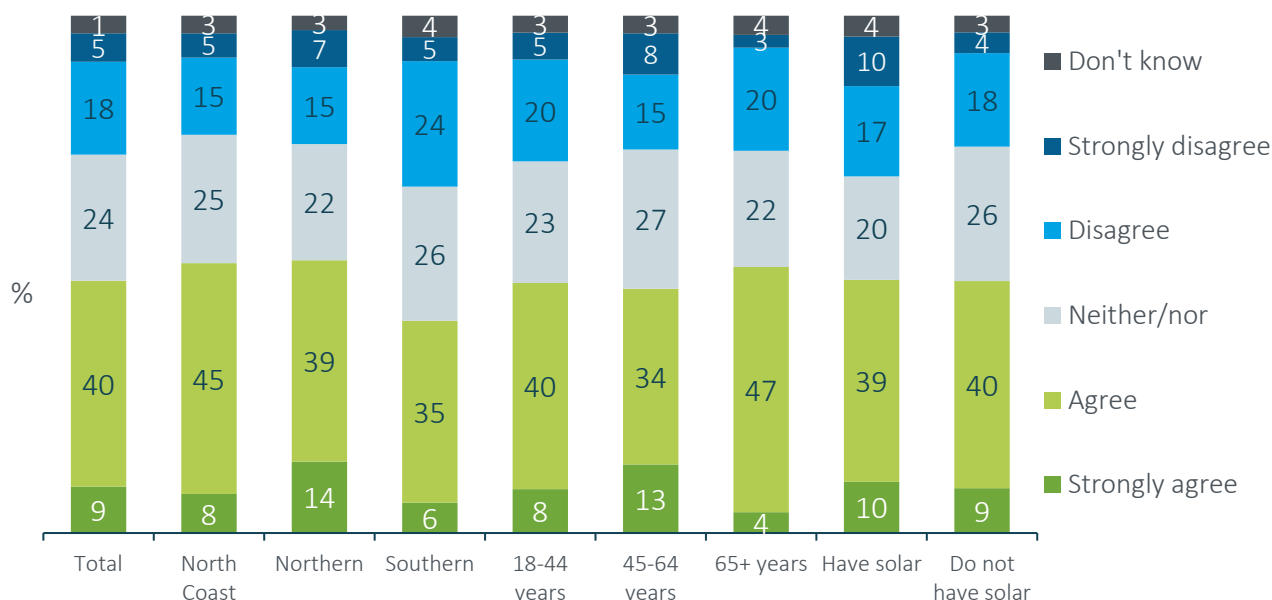


Q: To what extent do you agree that the Sun Soaker two-way tariff would help solve some of the issues associated with the network [integrating new technologies and renewables]?

Base: All forum participants who answered this question; Total (n=335), North Coast (n=99), Northern (n=134), Southern (n=102), 18-44 years (n=115), 45-64 years (n=142), 65+ years (n=78), Have solar panels (n=156), Do not have solar panels (n=179)

When participants were asked if the Sun Soaker two-way tariff would improve fairness, approximately half the sample agreed that it would (49%), 24% neither agreed nor disagreed and those who disagreed made up 23% of responses. Agreement was greater in Broken Hill (72%) and less so in Wagga Wagga (34%). Those in Dubbo were more likely to be uncertain (37% neither agree nor disagree).

Figure 3: Level of agreement that the Sun Soaker two-way tariff would improve fairness

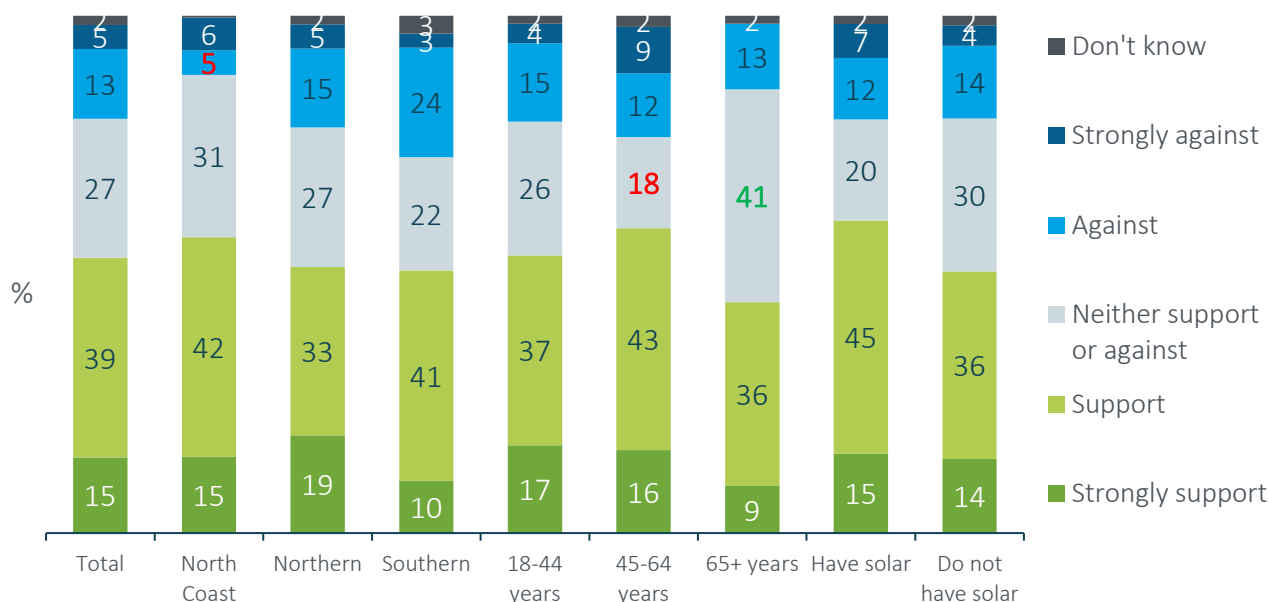


Q: To what extent do you agree that the Sun Soaker two-way tariff would improve fairness?

Base: All forum participants who answered this question; Total (n=342), North Coast (n=101), Northern (n=135), Southern (n=106), 18-44 years (n=118), 45-64 years (n=146), 65+ years (n=78), Have solar panels (n=156), Do not have solar panels (n=186)

Overall, however, there was quite a good level of support for the Sun Soaker two-way becoming the new standard tariff with 54% indicating they supported or strongly supported it. Those neither agreeing nor disagreeing comprised 27%, while fewer (18%) were against the idea. Again, agreement was greater in Broken Hill (79%) and those aged 45-64 were less likely to be uncertain whereas those aged 65+ were more likely to be uncertain (18% and 41% neither agree nor disagree respectively).

Figure 4: Level of support for the Sun Soaker two-way being the new standard tariff



Q: Do you support the Sun-Soaker two-way being the new standard tariff?

Base: All forum participants who answered this question; Total (n=341), North Coast (n=99), Northern (n=137), Southern (n=105), 18-44 years (n=116), 45-64 years (n=145), 65+ years (n=80), Have solar panels (n=157), Do not have solar panels (n=184)

4.1.2 CALD and ATSI interviews

Findings from the in-depth interviews suggested there were mixed feelings about adopting the Sun Soaker two way tariff as the new standard tariff. Some felt the tariff addressed fairness adequately while others were concerned it would anger and confuse customers and generate perceptions of misrepresentation.

"It definitely helps to even out the customers. The customers are also saving money – quite a lot really."
– ATSI participant

"It's like a regressive tax, the more you consume the more you should pay, so that's fair." – CALD participant

"I like it, it's based on the time of day – people who are home during the day, like me, people who are older. If you are already at home, it helps people's existing behaviours." – ATSI participant

"I think this is brilliant, honestly, I love the sound of it. It not only makes logical sense, it's completely natural and it's based on customers' needs." – CALD participant

Some of the negative commentary related to the changing landscape of solar investment and even though not initially impacted, some of the scepticism that emerged in the main forums was reiterated.

“As a solar customer, I understand the rationale but I think it’s a bit rude, but I understand the idea, the reasoning. I don’t like it though. It’s not how solar was sold to us by the government.” – ATSI participant

“I’m not sure if it makes things fairer. It’s debatable. People with solar, they might not want to do something that doesn’t benefit them.” – ATSI participant

Further to this, modifying behaviour to capitalise on this tariff was considered a more difficult concept for elderly customers in particular, and was also dependent on appliance capability. The cost of upgrading to smarter technology was mentioned as a deterrent to adopting the Sun Soaker two-way tariff.

“I know older people are going to struggle with the concept of setting their appliances in off-peak times, and it depends if the appliances can do it too.” – ATSI participant

“We are currently on a time of use tariff, and we do a lot in off peak. We already have things set to a timer and my husband works nights, so he is also doing a lot in off-peak times.” – ATSI participant

“It’s another issue if people can’t afford to update their appliances.” – ATSI participant

4.1.3 New Technology Providers and Solar Installers

Generally, there was a positive response from new technology providers to the proposed new standard tariff.

“I like the idea of the Sun Soaker two-way. There has obviously been a lot of effort put into it and I can see the advantages for everyone with it. It will inspire the uptake of storage.”

“I am very supportive of the introduction of this, particularly the two-way with the introduction of the rebate in the evening peaks. It does send the right signals to market. Having that free band makes a lot of sense.”

However, there were concerns voiced about the high voltage peaks on some areas of the network currently and many questions about how the tariff would operate alongside some of the future developments such as Virtual Power Plants (VPP) and Peer to Peer (P2P) trading.

“It is inevitable that we head in this direction but I still have major concerns about the grid itself. The elephant in the room is high grid voltages and this affects the export from systems. They are shutting on and off all day.”

“I have some questions - how would you opt in? Would there be exemptions for VPP participants? How is it going to enable P2P trading? Are we still considering the introduction of LUOS charges?”

Essential Energy explained that the introduction of the Sun Soaker two-way would be one component of the solution. The approach would be multi-pronged with dynamic operating envelopes and other investments to the network planned alongside the new tariff as well as closer voltage management and control through investment in a new system and interventions at the zone sub-station level, in the near-term. The group were reassured that Essential Energy would invest to improve the network through the ‘network of the future’ options discussed at the previous meeting.

In terms of the detail of the tariff, there was a concern about the export pricing being applied on a kW rather than a kWh basis.

“The big VPP consideration to me - I am not convinced on the export pricing being applied as \$ per kW not \$ per kWh. It can disincentivise short duration responses. I think really what you are probably trying to disincentivise is those long duration energy exports at 5-10kW for up to 3- 4 hours. Also how does this tie in with dynamic operating envelopes? It would seem that it would work better on a \$ per kWh basis.”

Essential Energy responded that the tariff was built through engagement with customers and stakeholders but that the outcomes of the tariff trials will inform the final structure and detail of the tariff.

The group supported the inclusion of pricing signals to try to reduce the evening peak but felt that this could be incentivised further. It was summarised that the only incentive provided through this tariff is the rebate between 5-8pm but the comment was made that most customers can't export directly from solar panels between these times, and those who have batteries can't export from those either.

“You can't export from batteries at the moment. The capacity for solar between 5-8pm is not particularly great so you need to be able to export from batteries during that time. My understanding is that you can't export from batteries to the grid. They are zero export limited.”

“For DC coupled batteries there is a regulatory barrier but for AC there isn't. That is something that needs to be considered moving ahead. It is an Australian Standard 4777 2020.”

The reliance on retailers to actually pass through the tariff structure was also raised as a possible barrier to solving the issues for the network.

“The retailers have to bring it up and trigger it as well. They just have flat rates and they really don't give a damn about the peak and off peak.”

4.1.4 SCC and PCC feedback

Stakeholders were generally supportive of Essential Energy moving to cost reflective pricing and in particular the Sun Soaker two-way tariff. However, they stressed that customers are not the direct recipients of the cost reflective tariffs, retailers are, so prices should be cost reflective at the retailer level.

“The primary principle of cost reflectivity is an efficient reflection of costs at the retail level not all the way to the consumer.”

“The future is in retailers working out what to do with network tariffs.”

“This tariff makes it clearer to the retailers where the costs are being incurred and which customers are incurring those costs.”

“It needs to be done in a way that puts the responsibility on retailers, that doesn't let them opt out on behalf of customers.”

There was also some disagreement about whether the Sun Soaker two-way is a truly cost reflective tariff.

4.2 Transition to Sun Soaker Two-Way Tariff

4.2.1 Main forums

Essential Energy outlined the proposed timeline for transition to the Sun Soaker two-way. This involves an opt-in from 2024, new smart meter customers from 2025 and existing smart meter customers from 2028.

There was overall appreciation of the ability to opt into the tariff from 2024 if individuals so desired.

"I don't think there's an issue with Sun Soaker during that period – because it's opt in, and people can get used to it." – Bega participant

"It's good that people have the option to join in before the end date." – Inverell participant

"Great that existing smart meter customers get to opt in straight away." – Taree participant

"It's gradual. It's good. You have the choice, you can get it if you want it." – Broken Hill participant

For existing smart meter customers, some participants wanted to see the transition occurring quicker, and didn't see any point in what they viewed as a delayed transition timeframe.

"People are going to be better off under this. If they can do it quicker than they're saying, then they should bring it in sooner." – Wagga Wagga participant

"Why not just transition everyone now?" – Inverell participant

"It's good for the network for more people to go on the Sun Soaker, so I would want it faster than that." – Ballina SMB participant

However, some who had solar systems were less likely to be accepting of the tariff implications for their exporting, and so they felt that the proposed timeline would allow solar owners to recoup some more of their expenses before the exporting cost was introduced.

"Six years away doesn't seem so bad." – Bega participant

"It's a reasonable timeframe for those with solar to be making the most out of it before anything changes for them." – Ballina SMB participant

"Those with solar are going to want to recoup their investment, and I think that amount of time would allow that wouldn't it?" – Inverell participant

"Yes, for people with solar panels it gives them a chance to pay the panels off before the new tariff comes in." – Dubbo participant

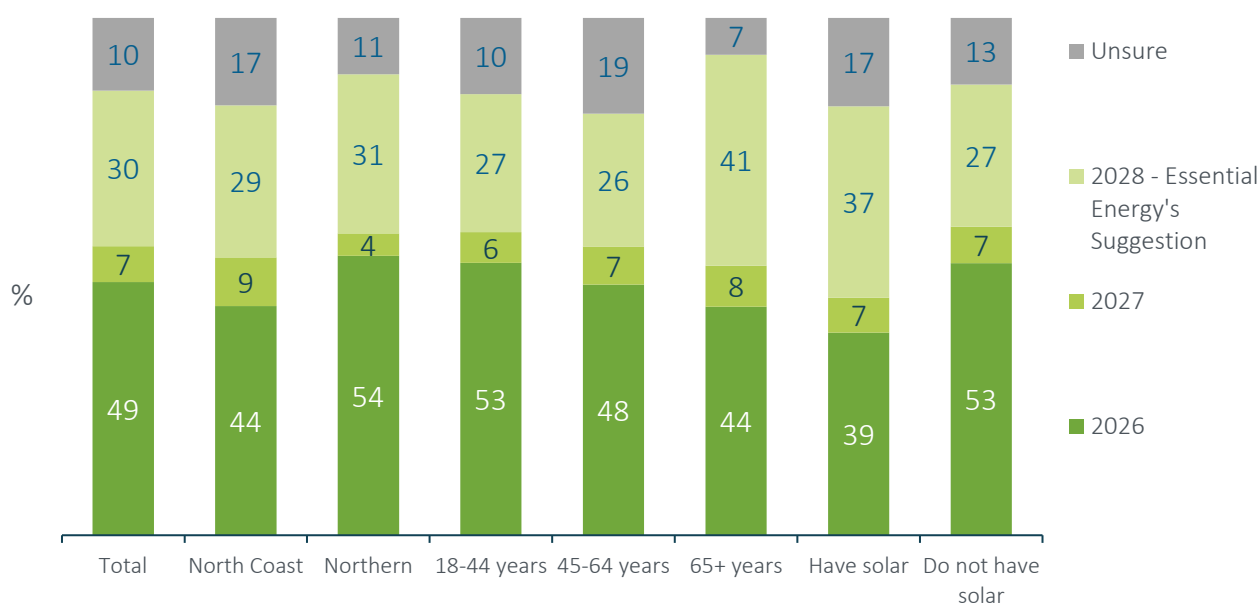
All tended to recognise that the situation would be different for any new solar customers – as they would be aware of these conditions before purchasing their system, and so would have the opportunity to determine whether or not they still believed that it would be a good investment for them.

"New solar customers will know what they're signing up for." – Broken Hill participant

A polling question asked forum participants to consider when they felt the Sun-Soaker tariff should be brought in for existing smart meter customers, and half of the sample (49%) indicated that it should be 2026, reflecting the theme of the table discussions. A further 30% however, felt that Essential Energy's suggestion of 2028 was appropriate.

Please note, this question was introduced after the two Southern forums had taken place, so there are no responses amongst Southern forum participants.

Figure 5: Timeline for the Sun Soaker two-way to be brought in for existing smart meter customers



When do you think the Sun-Soaker two-way should be brought in for existing smart meter customers?

Base: All forum participants who answered this question; Total (n=238), North Coast (n=100), Northern (n=138), Southern (n=0), 18-44 years (n=80), 45-64 years (n=106), 65+ years (n=52), Have solar panels (n=114), Do not have solar panels (n=124)

As part of the discussions regarding transitioning to two-way pricing, participants were asked to consider the proposed idea that customers who have had a faulty meter replaced be given a one-year grace period before being moved to the new Sun-Soaker two-way tariff.

Discussions on the tables appeared to indicate that most felt that customers with faulty meters should be given the opportunity to move on to the new tariff, earlier than one year, if they wanted to. While there did not appear to be a strong level of commitment towards either supporting or opposing the proposed delay, it was more an issue of giving customers the freedom to choose rather than making it a hard rule. Most participants did not see this as a major issue.

Some certainly saw an advantage to the customer in being able to analyse their usage before being transferred to the new tariff. They felt that this would allow them to consider and potentially alter their behaviour quite easily. There were suggestions that the retailers would have to assist in enabling customers to analyse their usage.

“One year will give the option to monitor all of the seasons.” – Bega participant

“It makes sense to have a year of bills to monitor it but they need to show you the comparison between the new tariff and the one they are on currently.” – Wagga Wagga participant

“It’s good if it gets people thinking about the electricity they are using.” – Ballina SMB participant

However, some did not feel that the delay was necessary. They suggested that the new tariff would be in place for them at some stage, so they could not see much advantage in delaying the inevitable. A few also indicated that delaying the introduction of the tariff would delay any potential behavioural change – which was seen to be counter to the objective of the tariff in the first place.

“The grace period is not good, if it costs Essential Energy more money, then it puts our prices up.” – Taree participant

“It seems dragged out. Maybe allow for a year but let people know they can opt in before the year expires.” – Ballina participant

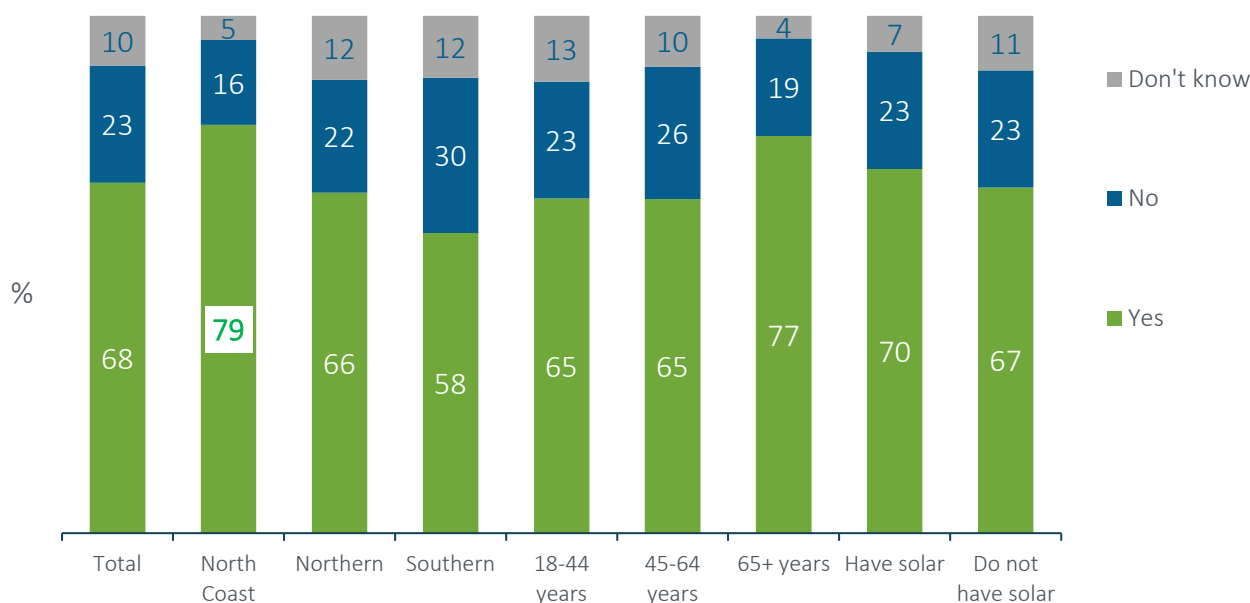
“I don’t think it’s fair that they have to wait a year when they could be benefiting before that.” – Bega participant

“A one year wait is too long.” – Dubbo participant

“They should give people the option to opt-in or not to the Sun Soaker two-way as soon as the new smart meter is installed, no need to wait a year.” – Broken Hill participant

In the polling, two thirds of forum attendees (68%) indicating that those with a faulty meter replacement should have a one-year grace period before being moved to the new tariff. This proportion was higher amongst North Coast NSW forum attendees (79%) and in particular Taree (89%).

Figure 6: One-year grace period for faulty meter replacements before applying the Sun Soaker two-way



Should we give customers who have a faulty meter replaced a one-year grace period before applying the Sun Soaker two-way?

Base: All forum participants who answered this question; Total (n=335), North Coast (n=96), Northern (n=134), Southern (n=105), 18-44 years (n=114), 45-64 years (n=143), 65+ years (n=78), Have solar panels (n=155), Do not have solar panels (n=180)

4.2.2 CALD and ATSI interviews

When asked about the timeline for transitioning to the proposed tariff, participants thought customers needed adequate time to interpret and understand the new framework. Conversations also reflected the need for an education programme to accompany the proposed tariff roll-out.

"I like that I can opt in but I also have time to get used to it. People with newer systems would be aware of what's going on, they have made an informed decision." – ATSI participant

"Information is power. People should have time to figure out their usage patterns." – CALD participant

"There is a lot of information and customers would need education on how to best use the Sun Soaker." – CALD participant

There were comments from some suggesting that the timeframe should be hastened to avoid the tariff structure becoming obsolete before it was even implemented.

"2028 is eons away and who knows how the world is going to change in that time? This could be obsolete. To me there should be massive communication to convert existing customers as much as possible." – CALD participant

For customers with faulty meters, the proposed one year holding off period before application of the Sun Soaker two-way tariff was viewed as excessive by some participants and justified by others.

“Why? They have a faulty connection, just say here’s your new connection and a way better tariff that comes with it.” – CALD participant

“I’m in two minds, if a new meter was put in – it’s not really their choice. But if everyone eventually moves to this tariff, does it really make a difference?” – ATSI participant

“If you can’t understand it after a month or two, something must be wrong. Essential Energy should be all upfront with all the information then allow six months maximum.” – ATSI participant

4.2.3 New Technology Providers and Solar Installers

The group seemed supportive of the transition timeframe to the Sun Soaker two-way with one member even wanting the opt-in to be brought in earlier.

However, the group had concerns about how the tariff would impact their larger exporting and embedded network customers.

“They have grid protection so they don’t cause any grid high voltage problems so it seems unfair that they get penalised.”

Essential Energy offered to calculate the individual impacts for specific customers if the group participants provided their National Meter Identifier numbers.

There was also a suggestion made that another solution might be to move the relays for controlled load to the middle of the day to minimise the network issues.

4.2.4 SCC and PCC feedback

There was agreement amongst stakeholders that the export charge implementation should start at the beginning of the next regulatory period (2024).

If a one-year grace period is introduced for customers who have had a faulty meter replacement it was believed that this should be at the customer level, not the retailer level, i.e. the retailer wouldn’t get a one-year grace period.

It was thought that there should be stability in the transition so that tariffs do not need to be changed much in the future.

“Avoid having to increase cost-reflective tariffs in the future by setting sustainable cost recovery levels on these rather than unsustainable discounts.”

4.3 Removing the Flat Rate Tariff

4.3.1 Main forums

Next in the forums, Essential Energy outlined the proposal to remove the ability for customers to opt out of the Sun Soaker two-way to a flat rate tariff. They would still be able to opt out to another cost-reflective tariff such as a Time of Use.

The participants clearly liked the idea of having choice, and many felt that it was important to retain choice for others, even if they didn't want it themselves. As such, there was a desire to allow customers to opt out of the new tariff and have the choice of a flat rate if they so wanted.

"It's good to allow people choice. Choice is key." – Wagga Wagga participant

"The option to go back is good. One size doesn't fit all." – Inverell participant

"People should have the choice – it's their choice to save money or keep doing what they're doing." – Dubbo participant

However, there was also a level of support for the phasing out of the flat rate tariff – particularly if it were to be phased out over time, and those likely to be impacted had time to deal with the change. There was an understanding of the reasons for doing this and encouraging people to change their usage behaviours.

"People aren't going to want to go to the flat rate if they see the benefits of the Sun Soaker." – Ballina participant

"It's not going to be a big deal phasing it out." – Taree participant

The flat rate tariff was seen to be very straightforward and easy to understand, and this seemed to be the basis of the preference to move back to this if someone no longer wanted the new tariff – as opposed to moving to a Time of Use tariff which was seen to be more complex and complicated to understand and work with.

"A flat rate is easy for people to deal with." – Ballina participant

"It may be difficult to try and explain some of those other tariffs to people." – Taree participant

"People will want to go back to the flat rate because they understand it and it's simple." – Taree participant

"The younger generation will understand things a lot quicker." – Dubbo participant

"I think some people like the predictability of flat rate." – Broken Hill participant

However, some participants were unsure, and there was a desire expressed to know how each potential tariff structure would impact them according to their particular usage pattern. To this end, in an ideal situation, they would like to see their bill replicated under the different tariff structures to see how costs would vary – before they made any final decision about which tariff structure was best for them.

"You need to know what the alternative would be and how your usage would look under each different option." – Bega participant

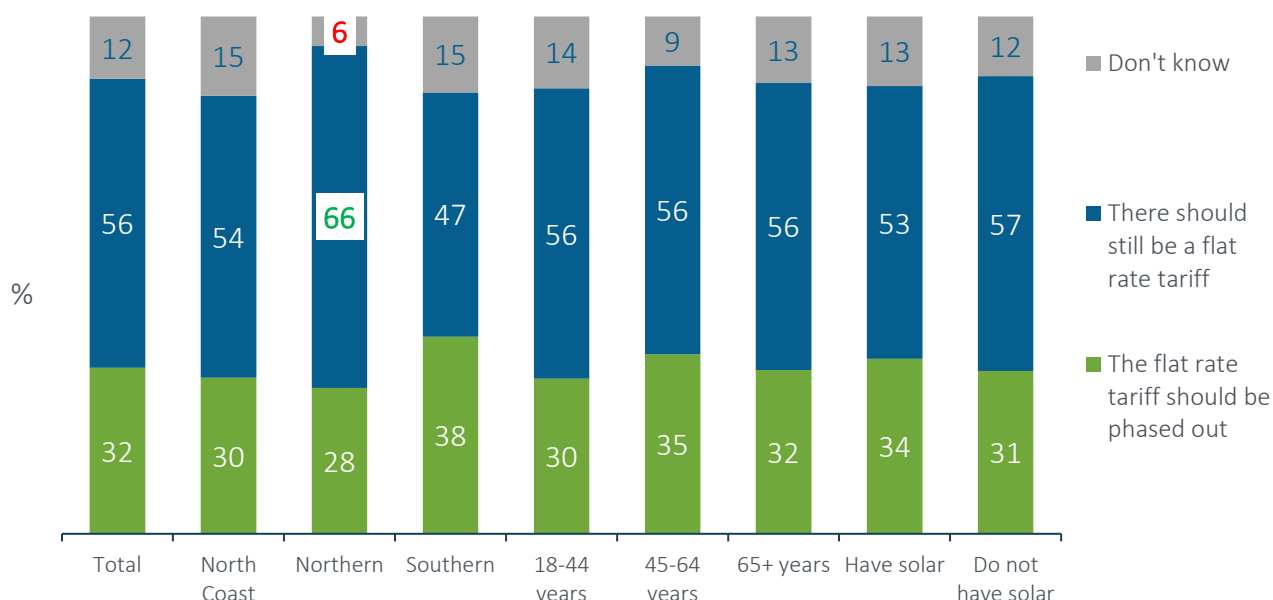
“You would need to look at the other tariffs to compare to see what tariff is best.” – Taree SMB participant

Given that it was explained that there were currently real-life trials in place, some participants were keen to see the outcomes of these trials before making any real commitment on this issue.

“Once they have done their research and we’re more informed, then maybe they could change their thinking.” – Dubbo participant

As shown in Figure 7 overleaf, when polled about whether or not there should still be a flat rate tariff that customers can opt out to, or the flat rate tariff should be phased out, over half indicated that there should still be a flat rate tariff (56%), which reflected the views expressed during the table discussions. Around a third (32%) however were in favour of phasing out the flat rate tariff. Those in the Northern region were more in favour of retaining a flat rate tariff (66%), particularly in Dubbo (74%). Those in Broken Hill were more likely to say that it should be phased out (54%).

Figure 7: Phasing out the ability for customers to opt out from the Sun Soaker two-way tariff to the flat rate tariff



Should there still be a flat rate tariff that people on the Sun Soaker can opt out to or do you think the flat rate should be phased out?

Base: All forum participants who answered this question; Total (n=337), North Coast (n=99), Northern (n=134), Southern (n=104), 18-44 years (n=115), 45-64 years (n=143), 65+ years (n=79), Have solar panels (n=154), Do not have solar panels (n=183)

4.3.2 CALD and ATSI interviews

The suggested removal of the flat rate tariff made some of the participants feel aggrieved that choice was ‘being taken away from them’. Once again participants expressed they should be empowered with choice.

“If I sign up for something, I’d probably like to stay on that.” – CALD participant

“I guess I like the idea of choice. I wouldn’t necessarily pick the Sun Soaker tariff but it makes sense if you change your behaviours, you benefit. People don’t like the idea of choice being taken away from them.” – ATSI participant

“People should still have a choice, even if it’s more expensive.” – CALD participant

However, once the scenario was explained in more detail with potential cost savings emphasised, opinions softened somewhat. It was apparent that education plays a significant role in acceptance of the changes in Essential Energy’s tariff structure.

“Well if it’s cheaper then maybe it’s OK. It goes back to education, telling people and helping them to change their behaviour.” – ATSI participant

“It’s still good to have the flat rate tariff but maybe encourage these ‘time of use’ ones. Then you can revisit it next time in the next regulatory period.” – ATSI participant

4.3.3 SCC and PCC feedback

There were strong views by the stakeholders that it should be through the retailer that choice is provided, not the network. Ultimately the long-term goal should be that there is no choice in *network* tariffs – a cost reflective network signal should be sent to the retailer and then they decide what they do with it in terms of what they offer to customers.

“Give retailers a single cost reflective network tariff and let them work out how to smear it amongst their customers.”

“Just give customers a network tariff. Let the retailers sort out how to charge their customers.”

“It’s the retailers that should offer tariff innovation on this front.”

At the retailer level they suggested that they did not have a problem with customers being offered a flat rate tariff per se, as long as the costs of servicing those customers are recovered from that group.

5. Flexible Connection Agreements

5.1 Response to Flexible Connection Agreements

5.1.1 Main forums

An Essential Energy representative presented two possible ways to future proof the network which was to introduce flexible connection agreements or a fixed limit for exports. Participants were provided with information about these types of agreements and given hypothetical examples of how they would affect two typical families.

Discussions at the table level at the forums revealed that most participants supported the introduction of flexible connection agreements for new exporting customers, with recognition that action was necessary to protect the network from overload. Participants clearly didn't like the concept of renewable energy potentially going to waste under the fixed limit option.

"It's sad that we're generating free energy and it is becoming a problem. It seems like the only way to make it work is to control it somehow." – Ballina participant

"Good idea – if they are saying that it is causing too many issues then being able to reduce people would resolve the issues." – Wagga Wagga participant

"Flexible connection agreements are a good idea because it means that the electricity is going back into the grid. You are not using it, but the house next door is using it." – Bega participant

"Limiting green energy in any way is just wrong, when we are still relying on coal. We need to harness it somehow. Otherwise, it is a waste." – Bega SMB participant

There was increased acceptance due to the assurance that flexible connection agreements would only occur for a few days each year.

"If it's only for a few hours on a few days a year then it's not a huge issue to worry about as a customer." – Wagga Wagga participant

"The positives are we don't have to upgrade the whole network to prevent a meltdown, the customers are trying to help the problem that is coming." – Ballina participant

"It's only a handful of days. It's a lot of conversation about a small amount of money." – Inverell participant

"It would be much easier to deal with restrictions on just a few days a year, instead of having the permanently low export allowance." – Broken Hill participant

Most participants were positive about the fact that the flexible connection agreements would only apply to new solar connections, with stronger support conditional on the assumption of a detailed education programme prior to investing in solar.

"We shouldn't assume that we have the right to pump as much as we can into the grid all the time. Clearly getting the 1.5 flat limit is not an option so flexible connection agreements are terrific." – Bega SMB participant

"A flexible connection agreement is better than a flat 1.5kW." – Wagga Wagga participant

"If I was buying new panels, I would rather the flexible approach." – Broken Hill participant

"People need to know that this is going to be in place before they put on solar. Then they can look at the size of the system they put in." – Ballina participant

However, some participants questioned why existing solar customers were not going to be reduced too when they had been instrumental in contributing to the network overload.

"So, if it only applies to new customers why should those who have already invested in solar be able to go on without the new changes applying?" – Wagga Wagga participant

"In terms of fairness, I don't think it's fair that only new customers get curtailed. Agreements have changed in the past – so they can again in the future. So, they could apply it across the board." – Taree participant

There was also some scepticism that the 'handful' of days may be a gross underestimate when climate change is considered and that the number may creep up over time.

"Climate change could change those 10 days into much bigger numbers. Environmental factors are becoming more frequent with 50 degree days in Sydney by 2080." – Ballina participant

Some participants questioned what happens to the excess energy when exporting is reduced and how the exports would actually be reduced in practice.

"How would they do this? How would they actually turn the exports down?" – Ballina SMB participant

In a few discussions there was disgruntlement with Essential Energy's passing the onus back onto the customers to resolve this issue rather than investing in infrastructure. This theme linked back to the June 2022 deep dive in Sydney where at the outset participants supported investing to build the network, but post-presentation switched to supporting pricing as a crucial and lower cost part of the portfolio of solutions to resolve the network issue.

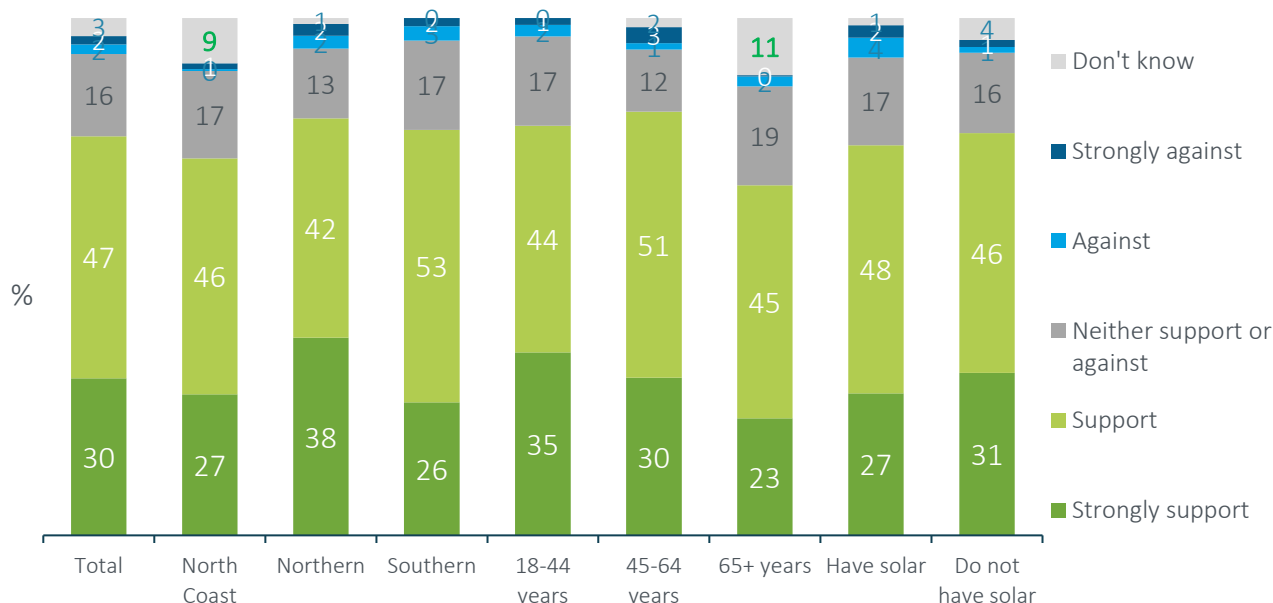
"They seem to be putting the cost onto the producer not onto themselves." – Inverell participant

"The obvious question should be rather than limitations, why don't we expand the system?" – Bega participant

"Limiting people to generate their own electricity is showing a lack of foresight." – Dubbo participant

The sentiment expressed during the table discussions was supported in the polling results. Overall, there appeared to be strong support for the introduction of flexible connection agreements with 77% supporting the idea.

Figure 8: Support for the introduction of flexible connection agreements for new exporting customers



To what extent do you support the introduction of flexible connection agreement for new exporting customers?

Base: All forum participants who answered this question; Total (n=338), North Coast (n=99), Northern (n=136), Southern (n=103), 18-44 years (n=116), 45-64 years (n=143), 65+ years (n=79), Have solar panels (n=156), Do not have solar panels (n=182)

5.1.2 CALD and ATSI interviews

The CALD and ATSI participants interviewed were in favour of flexible connection agreements from a fairness perspective.

"I support flexible connections because it's a fairer option and better for customers than lowering export limits." – CALD participant

"I don't have a huge system, but I like that it's based on exports not your generation." – ATSI participant

5.1.3 New Technology Providers and Solar Installers

Amongst this group there was support for the concept of flexible connection agreements for new solar connections, but it was thought to be not without its issues. There were calls for Essential Energy to ensure consistency in implementation with other networks and to learn from other distributors who are going through it currently, particularly in Queensland and South Australia.

"It has got to be the flexible it can't be the fixed one – that is not fair for anyone. So, it is how you implement it."

“It definitely makes sense but it is not without its issues. It is good that you are thinking about the different ways of reducing the export across different customer bases but there are practical implementation issues that need to be looked at – how systems are integrated with Essential, ensuring consistency across networks.”

Again, there were questions about how this would impact VPPs in the future.

“Are you applying the dynamic operating envelope to the primary connection point or to individual assets? What impact does that have on VPP operation?”

There were suggestions that the systems at the customer level could manage any problems with export capacity, particularly the larger systems.

With larger systems above 30kW, where there is already grid protection, can it not just be left up to the voltage in the network to govern the export? Even with smaller systems, if it is properly set they will not contribute voltage to the network, they will shut down.”

5.1.4 SCC feedback

Stakeholders were supportive to the idea of dynamic operating envelopes (DOEs) through flexible connection agreements and it was thought that these should be implemented as quickly as possible for new exporting connections.

“People will be able to export more than what they currently can under DOEs and it gives customers options.”

“People who are on a fixed export limit agreement and move to a DOE agreement will be better off financially.”

It was suggested that the wording in the flexible connection agreements should ensure that flexibility is maintained, so that they are dynamic and changes can be made to the timings and levels of exports allowed. Again, education was deemed to be important to ensure that exporting customers understand the reasons for these agreements and what they can do to benefit everyone.

“Need a strong education piece so that people self-consume as much as they can. Communications and education needs to be behind this as this is a fundamental behaviour change.”

Suggestion was made to consider retrospective agreements for those who began exporting in the last five years.

5.2 Options for the Application of Flexible Connections Agreements

5.2.1 Main forums

During the forums participants were provided with three possible options for the application of flexible connection agreements and asked which they believed to be the fairest. Option 1 was reducing all exporting customers by the same amount (e.g. 3kW) which would impact smaller exporters the most, Option 2 was reducing them by the same percentage (e.g. 45%) which would impact larger exporters proportionally more and Option 3 was reducing larger exporters down first, then applying Option 1 or 2, which would also impact larger exporters even more so than Option 2. They were also asked whether they could think of other options that might be fairer.

During the table discussions there was strong agreement that Option 1 was not a fair option. Participants endorsed those customers with larger systems being penalised more heavily as there was a consensus that these users are proportionally creating more of a network issue. There was a recurring theme that solar customers should shift their emphasis from generating personal wealth to considering the sustainability of the network for the greater good.

“Option 1 is quite unfair in that smaller users get punished for having a smaller system. – Inverell SMB participant

“It makes sense to target those who are putting strain on the network and a percentage is better.” – Wagga Wagga participant

“I am a large solar customer so I would go Option 3 as I benefit most of the time so I should give back. They should be thinking more about the network than themselves. It ensures the quality and stability of the system.” – Taree participant

Option 2, limiting all solar customers by the same percentage, was considered the simplest option as it is easy to explain and hence easy to understand. However, some preferred Option 3 as they believed that the larger exporters should be impacted even more so.

“Number 2 seems the fairest and the easiest to understand.” – Wagga Wagga participant

“I prefer number 2 – it cuts evenly and is a bit fairer.” – Inverell participant

However, there was mention of an unwitting negative contribution to the network by customers who had been sold solar solutions beyond their needs. It was felt that the unregulated nature of the solar industry contributed to customers being unaware of their solar system requirements and subsequent impact on the network.

“We have been misled by solar – the correct way is to have houses with the correct percentage of solar to use themselves.” – Wagga Wagga participant

“Why would people put on a large system nowadays? It sounds like a bad idea to put on a big system, expensive and you won’t get your money back. People should be putting them in to “save money not to make money.” – Wagga Wagga participant

“If you can make sure new connections are all thinking more about the size of the system they are putting on, that would be good.” – Wagga Wagga participant

Overall, conversations conveyed an overwhelmingly large opportunity for customer education and enlightenment.

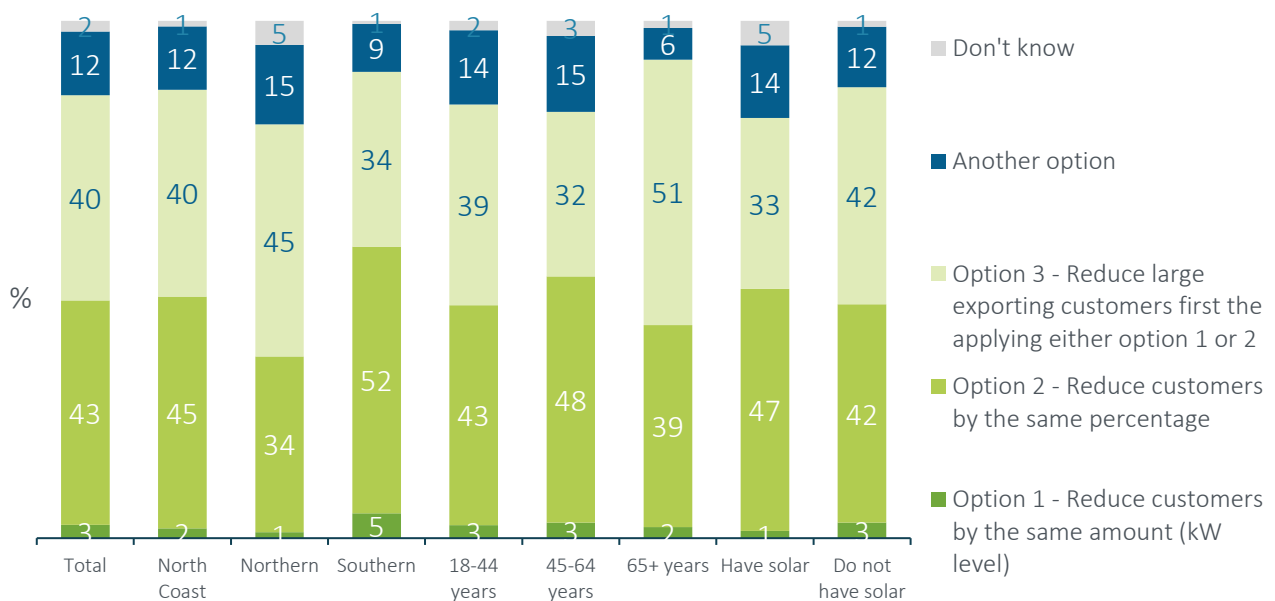
“They need to educate those new solar customers and tell them what will happen in the future.” – Ballina participant

“Everyone needs to be encouraged to get the right sized system. Why should the large systems still get more money? It’s not fair.” – Bega participant

“There needs to be an independent body that educates and gives the correct information to people looking at solar. They all tell you something different and use jargon/terms we don’t understand.” – Inverell participant

Participants were polled regarding the fairest option and the results revealed that Option 2 (reducing customers by the same percentage) and Option 3 (reducing large exporting customer first), were both deemed appropriate (43% and 40% respectively), with Option 2 marginally preferred. Option 3 was particularly preferred in Dubbo (55%).

Figure 9: Fairest way of applying the flexible connection agreements



Which is the fairest way to apply the flexible connection agreements when needed?

Base: All forum participants who answered this question; Total (n=336), North Coast (n=99), Northern (n=135), Southern (n=102), 18-44 years (n=115), 45-64 years (n=143), 65+ years (n=78), Have solar panels (n=155), Do not have solar panels (n=181)

In the above polling, twelve per cent (12%) of participants preferred an alternative option to the three presented. Alternative approaches varied considerably in the forums and the following suggestions were made:

- Reducing solar and wind farms first before reducing residential and small business exports

- Reducing generation from fossil fuels during those peak export periods
- Limiting the size of new solar connections
- Using communications (SMS) to encourage self-consumption of solar during those periods
- More battery storage at the network and community levels as well as peer-to-peer trading and microgrids to manage it in certain areas

5.2.2 CALD and ATSI interviews

Options 2 and 3 proposed by Essential Energy garnered the most favour by ATSI and CALD participants. Some of the interviewees made the assumption that the owners of larger solar systems could potentially cope with a greater financial impact than the smaller solar generators.

“If it costs more to the network when you are exporting too much, it should be option 2 or 3. With option 3 the smaller system gets to export more. They don’t have as much money, otherwise they would have put on a larger system.” – ATSI participant

“The family with the larger systems, they are losing more with those options (2 and 3) but I want to ask, why do they need to have such a big system?” – ATSI participant

A suggestion for an alternative option to a flexible connection agreement was to drive self-consumption.

“Some sort of programme to encourage self-consumption where there are too many exports.” – ATSI participant

5.2.3 New Technology Providers and Solar Installers

Of the options presented to the group Options 2 and 3 were thought to be the fairest solutions.

“It is really good to see these options set out. Options 2 and 3 are definitely worth looking into in more detail. I don’t necessarily have a preference off the cuff.”

“Option 1 is not workable.”

However, there were many questions about how the flexible connections agreements would be implemented in practice, when there was a need to do so. The group did not want to see a blanket approach to the reductions required but instead wanted to see a more dynamic implementation, ideally feeder by feeder. It was felt that some locations may actually need the extra export whereas other locations might need reducing. Again, it was suggested that learnings could be gained from other states such as South Australia.

“Can the DRM determine on an NMI basis the specific voltage issues that are happening on that site and then dynamically reduce accordingly and cut out if they reach a critical level?”

“It is how you implement those limits that is the issue. In South Australia it was fairly blunt and slow.”

There was also a suggestion that there may need to be different approaches for VPP and other larger exporters compared to individual household level exports.

“Do we need to have different prioritisation for services that are being provided? For example do you prioritise the scheduled export of VPP over some of the more passive exports? We may need to have a standard approach for self-consumption and then an approach for exports that are providing grid services or that are scheduled by AEMO.”

6. Customer Service Measures

6.1 Support for the Proposed Measures

6.1.1 Main forums

This session of the forums addressed potential customer services measures that Essential Energy are planning to include in the Regulatory Proposal. These measures have been developed through the engagement program and include:

1. Provision of an estimated time to restore unplanned outages and updates;
2. How easy it was to deal with them (from quarterly survey data and immediately after an interaction) and
3. The average time to resolve customer complaints.

A weighting that each measure should contribute to the overall metric was also proposed and participants discussed the service measures and the ideal weighting for each one.

Most participants were supportive of Essential Energy's proposed measures to incentivise their customer service performance.

"They match what we discussed and they make sense." – Ballina participant

"It's definitely an improvement from the previous measure." – Taree participant

"I'm generally happy with the measures included." – Inverell participant

"I like that they are simplified to just three measures." – Wagga Wagga participant

"I am happy with these three measures, they are representative of what is important in customer service." – Broken Hill participant

They agreed with Essential Energy that unplanned outages were the key customer touch points and that an increased provision of an estimated time of restoration (ETR) for an outage would provide a noticeable improvement for most in the customer experience.

"Unplanned outages are the most important thing." – Inverell participant

"If Essential Energy says we know we have a problem and we are onto it, you can relax." – Bega participant

"It's a no brainer, unplanned outages are the main issue." – Wagga Wagga participant

"My business would be freaking out if there was an unplanned outage. If you get communication, then it makes a massive difference." – Bega SMB participant

"When the power is coming back is the most important issue." – Ballina participant

As noted from previous forums, ETRs are particularly important for life support customers, business customers and those with electric water pumps.

"I just need to know if it's going to be an extended period of time, then we need to put on the generator." – Ballina SMB participant

"An estimated time will help me run my business, so I know they are looking into it." – Wagga Wagga SMB participant

"I have a CPAP machine, so it's important to know if it will be an extended outage or not." – Ballina SMB participant

Some participants were concerned that the proposed measure may prioritise the provision of ETRs without a focus on their accuracy, as both are important during an unplanned outage.

"If you were trying to score well you may give an ETR to get one out there and it may be a terrible estimate. You need to consider how accurate the ETR was in the end." – Ballina SMB participant

"If it is inaccurate, then the ETR is useless." – Bega SMB participant

A few also noted that the method of providing ETRs and outage updates was important and could influence the other measures. For example, if customers receive an automated SMS then there will be fewer people contacting Essential Energy to ask about an ETR and fewer complaints.

"It depends on how it is found out. If it's a generated message, then you don't have to worry about the other measures as much." – Wagga Wagga participant

Most agreed that the ease of dealing with Essential Energy was an important customer service measure and there were some calls to include more sub-components within this in the future, as it was thought to be quite broad.

"If you talk to them or make a complaint, the ease of dealing with them is important." – Ballina participant

"It comes back to how easy it was to deal with Essential Energy, that's key." – Ballina participant

"We aren't just dealing with them for outages, so being easy to deal with is important too." – Wagga Wagga participant

"Being easy to deal with is important. I need to speak to someone, not a machine." – Taree SMB participant

Overall participants agreed that customer complaints were important and should be resolved quickly, where possible. Along the same theme, there was some discussion about how resolution should be measured and incentivised.

"If I had a complaint, I'd like it to be solved quickly." – Ballina participant

"It shouldn't be about average time, it should be about whether or not the complaint gets resolved." – Wagga Wagga participant

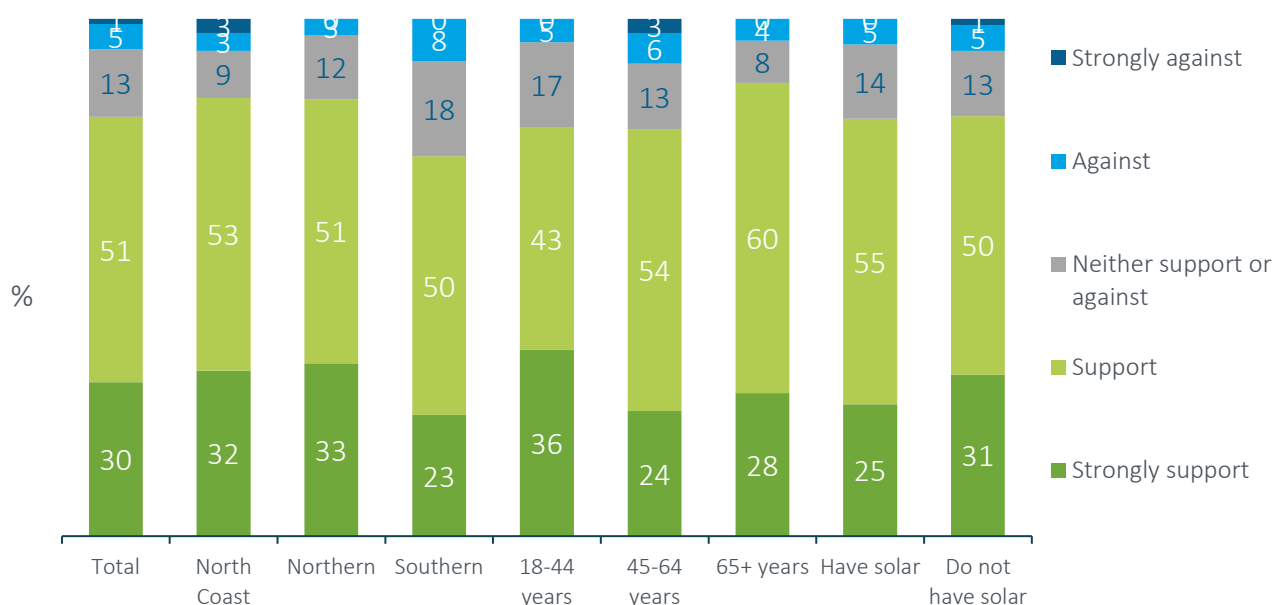
Many participants recognised that there should be exceptions for when Essential Energy's performance is impacted by external factors – such as during extreme weather events. Some complaints would be about issues that Essential Energy can't actually control.

"If it's during the bushfires and it's out of their control, then that should be considered." – Bega participant

"If you can't resolve a complaint because it's out of Essential Energy's hands, should that be considered?" – Bega participant

The results of the polling question regarding the customer service measures also revealed that support for the three measures proposed by Essential Energy was very strong (81% either supported or strongly supported the measures).

Figure 10: Support for the adoption of the three proposed customer service measures



To what extent do you support the adoption of the three proposed customer service measures?

Base: All forum participants who answered this question; Total (n=339), North Coast (n=100), Northern (n=137), Southern (n=102), 18-44 years (n=117), 45-64 years (n=143), 65+ years (n=79), Have solar panels (n=155), Do not have solar panels (n=184)

6.1.2 CALD and ATSI interviews

Reinforcing the findings from the forums, there was a general support from participants for the three proposed customer service measures with more emphasis placed on communicating an ETR. Participants were happy that Essential Energy is being incentivised to improve customer service.

"Providing an estimated time should be given a higher priority given it is more important for customers." – CALD participant

"When there are unplanned outages that's when you contact Essential Energy. They need to be ready, have a phone line and a time ready to go." – ATSI participant

"We're ringing to find out what the problem is, so I reckon it should be more than 50%." – ATSI participant

"I think it's good they're incentivising themselves to do better." – ATSI participant

6.2 Weightings for the Proposed Customer Service Measures

6.2.1 Main forums

As mentioned, Essential Energy outlined their proposed weightings of the three measures and during discussions on tables most participants seemed relatively happy with these.

"I think the weighting is about right." – Taree participant

"Outages are obviously the most important." – Inverell SMB participant

"I'm really happy with the weightings." – Wagga Wagga participant

Almost all agreed that ETRs should be the highest weighting within the metric, as it was a key touchpoint for customers.

"If ETRs and complaints are done right, then it should be easy to deal with them." – Wagga Wagga participant

"If you provide ETRs, then the other two measures are going to be high. So maybe ETRs should have a higher weighting." – Wagga Wagga participant

"ETRs are why you contact Essential Energy. It's the most important too." – Taree participant

"If you're paying for power you want it on – so a 50% weighting is about right." – Wagga Wagga participant

"50% weighting for unplanned outages, as it's clearly important." – Bega participant

Many felt that complaints should be weighted higher, as there was a sense that Essential Energy is already easy to deal with and the introduction of a customer portal will further improve this. Additionally, many indicated that they have never needed to contact them – except during an outage.

"I haven't found a big issue with them being difficult to deal with." – Inverell SMB participant

"Honestly Essential Energy were there when there is a problem and they were amazing. They were so quick, really friendly and they focussed on the areas that needed it the most." – Ballina participant

"Aren't they going to make it easier to deal with them online?" – Inverell participant

"It's hard to evaluate 'easy to deal with'. Many people have had no interaction with them." – Ballina participant

Some also felt that as the average time to resolve complaints was currently quite long, this should be a priority area.

“People have called and that’s important should be addressed as they have a reason to call and complain.” – Ballina participant

“There should be a target of when complaints should be resolved.” – Taree participant

“I think their average time to resolve customer complaints could be better.” – Dubbo participant

“The current rate is appalling/unacceptable. They really need to work on this area, so it is important that it is given more focus.” – Taree SMB participant

Across all the forums, except the two in Southern NSW, participants were asked to complete an activity sheet to indicate which weighting they felt should be applied to each of the three customer service measures proposed. The table below shows the mean weightings for each service measure. Providing an estimated time to restore an unplanned outage obtained the highest mean weighting of 50% – which is the same as the weighting that Essential Energy had proposed. The average time to resolve customer complaints obtained an average weighting of 29%, slightly higher than the 25% weighting proposed, and an ‘ease of dealing with’ score obtained a lower average weighting of 21% (which was slightly lower than the 25% proposed). Participants in the Northern region put a slightly higher weighting on the ETR provision on average (53%) and a slightly lower weighting on the time taken to resolve customer complaints (25%). Participants with solar put a slightly lower weighting on ETRs and higher on being easy to deal with (25%).

Table 4: Mean weightings for the three proposed customer service measures

Proposed Customer Service Measure	Total (n=239)	North Coast (n=102)	Northern (n=137)	18-44 (n=80)	45-64 (n=106)	65+ (n=53)	Solar (n=114)	Non-solar (n=125)
An estimated time to restore unplanned outages and updates	50%	49%	53%	51%	48%	51%	45%	52%
How easy it was to deal with us	21%	21%	22%	21%	22%	22%	25%	20%
Average time to resolve customer complaints	29%	30%	25%	28%	31%	28%	31%	28%

Base: All forum participants who answered this question; Total (n=239), North Coast (n=102), Northern (n=137), 18-44 years (n=80), 45-64 years (n=106), 65+ years (n=53), Have solar panels (n=114), Do not have solar panels (n=125)

6.2.2 CALD and ATSI interviews

Overall, the majority of participants endorsed the proposed weightings and were happy that efforts to communicate a time for restoration for unplanned outages was being prioritised.

“I think it makes sense. It’s annoying when there are unplanned outages so it’s good to have ETR information. Last time it happened, it would have been nice to know that it was only going to be around 2 hours so I could make plans appropriately.” – ATSI participant

Some believed that the ETR weighting should be upwards of 50%, and the easy to deal with measure should have a lower weighting than 25%, as many customers utilise the website in preference to the call centre. This means customers' interactions are less personalised and they're empowered to seek the information they require, independent of the efficiency of a call centre.

"It's probably like 65%, that's why they're ringing. Then 17.5% and 17.5% as I'd just look it up online. Personally, I've never called them." – ATSI participant

7. Investment Options

7.1 Support for the Investment Options

7.1.1 Main forums

Essential Energy presented a recap of the investment options that participants had chosen in the last round of forums, including the level of support for each option and the average bill impact. However, it was explained to participants that since the last round of forums interest rates and inflation has increased, and some of the options (smarter network and composite poles) have had some changes to take into consideration. Participants discussed these impacts and explored whether or not they were still happy with the investment options in view of these changes.

Despite the projected increases in interest rates and inflation, the overwhelming majority of participants still supported the inclusion of the optional investments discussed in Phase 3. Most felt that that these investments were important and needed to occur, despite the cost increase.

"It's the same as everything else that is going up. You just wear it, it's not that much in the scheme of things." – Ballina participant

"I understand and accept that prices are changing." – Wagga Wagga participant

"I would happily pay now to move in the right direction." – Wagga Wagga participant

"That seems like a small price to pay for building a resilient network." – Ballina SMB participant

"I think most people would think the cost wasn't high if they knew what they were getting for that cost." – Inverell participant

"We are already far behind with a lot of these measures. The material costs will only increase, we need to go ahead with it." – Dubbo participant

"The investments were important to increase resilience. They can't help inflation and interest rate rises." – Broken Hill participant

A minority did voice some concerns, particularly for pensioners and other vulnerable customers. There were also comments about how this is just the network component of the bill and other aspects are increasing too. Some commented that as projects start costs could 'blow out' and become a lot higher.

"Depends on income groups, already pensioners deciding if they can turn their lights on. While for us we are saying it is ok, for someone else it might be major." – Wagga Wagga participant

"This is just the Essential Energy costs. Four percent of interest is not even worth talking about but I think the whole increase would be a lot more a year." – Bega participant

"My concern is that this is only an estimated number and could grow to be even more." – Taree participant

A few residential participants felt that the increased costs could be neutralised for some by the cost-savings associated with more cost-reflective tariffs. However, this sentiment was not shared by business participants.

*“If you put it in combination with the tariff which shows we will save money it is not going to matter.”
– Bega participant*

“At least a resident has the ability to change their behaviour, so it could go down more! Businesses have less control/ability to make changes.” – Dubbo participant

Most participants did not object to the small change in the proposed optional investments related to smarter networks. Many saw this investment as non-negotiable, as it was seen as integral to the desired energy future they wanted Essential Energy to work towards.

“I think it’s going to be more relevant with the proposed changes around tariffs and solar. It’s going to be beneficial if they can regulate the system. This fits in the overall system.” – Inverell participant

“It matches our energy future – we are putting money into what is needed and wanted for the network to move towards that.” – Ballina participant

“I’m happy with the amount increasing in the smarter networks component. This will improve the speed of identifying and rectifying issues and communication.” – Wagga Wagga participant

“There will be a payoff to having a better, smarter system.” – Bega participant

“It gives us the ability to adjust, to work. It fits in to the earlier energy future.” – Taree participant

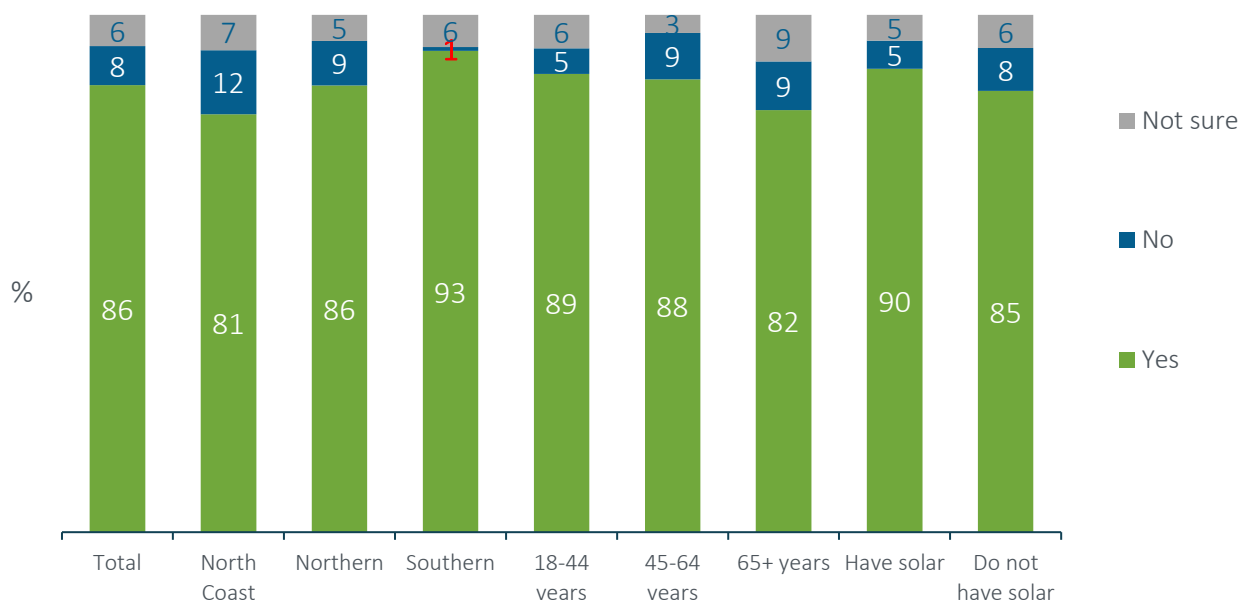
Participants understood that the decreased pace of change associated with composite poles was due to the current manufacturing capacity. However, some wanted additional investment in the future as the capacity increases in this area, particularly those in bushfire-prone regions.

“With composite poles, in this area in particular where you need it, we are behind the eight ball.” – Bega participant

“Composite poles are awesome – I wish we had more companies that make them.” – Taree participant

The strong support for the investment options as proposed by Essential Energy was also reflected in the polling results, with 86% of forum participants indicating that they still supported the investment options being included.

Figure 11: Support for investment options given interest rate and inflation rises



Given that interest rate and inflation rises have increased Essential Energy's business as usual costs, do you still support the investment options being proposed?

Base: All forum participants who answered this question; Total (n=334), North Coast (n=99), Northern (n=136), Southern (n=99), 18-44 years (n=113), 45-64 years (n=144), 65+ years (n=77), Have solar panels (n=153), Do not have solar panels (n=181)

7.1.2 CALD and ATSI interviews

When the proposed investment options were presented, participants stated that they had faith in Essential Energy and were happy with the slight increase in spend. Those interviewed felt the best solutions had been reached and that these increases were a shared responsibility.

"I think people should be prepared to pay that much when we're using so much more electricity these days." – CALD participant

"In the scheme of things, it's not much of a difference in cost." – ATSI participant

"An increase in prices is never ideal but I think Essential Energy is trying to get the maximum benefit for everyone." – CALD participant

"I would be happy to spend a few extra dollars to save the environment and keep those options." – CALD participant

8. Wrap Up – Support for the Proposal and Engagement

8.1 Support for the Draft Proposal

8.1.1 Main forums

In the final session of the forums, participants discussed their overall level of support for the Draft Proposal that Essential Energy is planning to present to the AER, and whether or not the content reflected customers' priorities and preferences. Following this, participants were asked to comment upon and provide feedback regarding the overall engagement program – including the extent to which Essential Energy collaborated with customers, if they felt their views were taken into account, and whether or not they understood the reasons for certain decision-making.

There appeared to be a great deal of support for the Proposal as it had been presented to forum participants, with the suggested changes. It was frequently acknowledged that although complex, presentations and discussions were adapted to ensure the content was easy to comprehend and relatable. Most agreed that Essential Energy was trying to be fair and transparent, even those who disagreed with elements such as the introduction of an export price.

"I'm happy with what's going to be put forward and seeing our feedback reflected in how they've identified things. It's very complex and work has been put in." – Inverell SMB participant

"They have listened to feedback as we have gone through. They are steering more to modest solar systems and making sure we are fair to remote communities. Reducing reliance on poles and wires for those people. It is all good stuff." – Wagga Wagga participant

"They seem to be trying to be fair to everyone. But ultimately, they won't be able to please everyone...what they are doing is being driven by their regulator, and they will be held accountable." – Dubbo participant

"I still don't like the Sun Soaker two-way, but that won't change. But yeah I understand why they're going to introduce it." – Bega participant

"They have at least listened to us about the export tariff - I understand that they are going ahead with the two-way pricing despite this, but yeah I'm ok with it, they've listened to us at least." – Wagga Wagga SMB participant

"There wasn't anything in there that hasn't been mentioned... and it's transparent. People might be mad that the price is changing but it was transparent and they explained where it was going." – Broken Hill participant

Few could think of other significant elements they would add, remove or change, with the exception of a few solar customers who remained unhappy that an export tariff would likely proceed. Favourable mentions relating to the Proposal content included that it was 'more tech based', Essential Energy was considering renewables and moving as fast as they could towards integrating these and that batteries and microgrids were on the agenda.

Final comments highlighted the growing need to educate the community across all topics covered in the forums and urged a greater push to migrate more customers to smart meters. Participants felt that Essential Energy should prioritise efforts to reduce household energy consumption and dramatically increase focus on the bigger picture of climate change.

“They need more education. People do not understand what Essential Energy do.” – Ballina participant

“I would like to see what we have learnt offered to the community. There is a need for education.” – Taree SMB participant

“A lot of the focus is that we have to fix that problem (unstable network), but that problem is caused by the community because they are moving towards the vision and trying to fix a bigger problem (climate change). We need to focus on the bigger picture.” – Ballina SMB participant

“Prioritising smart meters – they should build in an incentive. They need to incentivise me to re-wire the business.” – Wagga Wagga SMB participant

“We need more education about power usage and how we can help the environment and use less. Is it covered in our high schools? I don’t understand why they’re not working on ways to use less energy to do things.” – Ballina participant

There was a strong sentiment that the content conveyed in the forums reflected the majority of customers’ views, priorities and preferences. Many indicated they had learned a great deal throughout the process and were pleasantly surprised at the level of feedback and preferences reflected in Essential Energy’s decisions. They also appreciated that Essential Energy staff were in attendance, were transparent and answered their questions directly when asked.

“I think the process is involved – it is a step-by-step process, we may not agree with everything, it’s ok because the process has been followed. They can’t just cater for me, they have to cater for everybody.” – Inverell participant

“We see the same Essential Energy people each time so we can see how it has evolved...there’s evidence they have listened to and developed what we have thought. We have been taken seriously.” – Wagga Wagga participant

“I was actually surprised to hear and see that they listened to us!” – Ballina participant

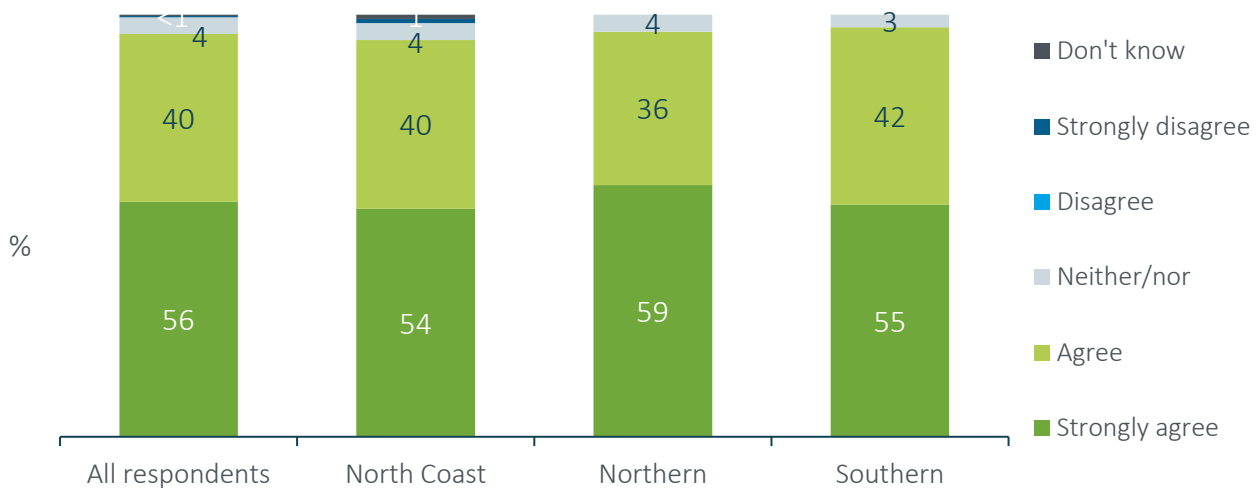
“I think what people don’t like is pouring money into unseen [not transparent] things. We want to be able to see what we are contributing to. This process has been brilliant like that – showing how it is being used in a productive way.” – Bega SMB participant

“There is a lot of discussion behind it. Seems pretty considered. You’d like to think that the proposal they’re putting forward will be very close in terms of the figures being put to us.” – Broken Hill SMB participant.

Reflecting the themes from the forums discussions, in the end of session survey participants were asked whether they thought that Essential Energy had taken customers’ views into account in the Draft Proposal and whether the content reflects their priorities and preferences.

The majority agreed that they felt Essential Energy had taken customers' views into account in the Draft Regulatory Proposal (96% agreement overall).

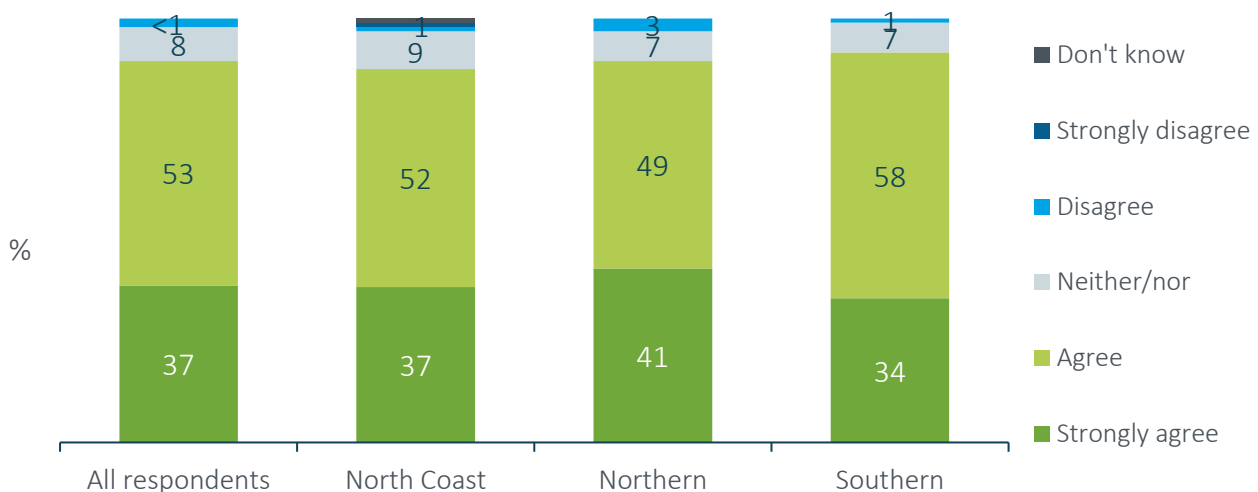
Figure 12: Level of Agreement that Essential Energy have taken customers' views into account in the Draft Regulatory Proposal



Based on your experience today, please indicate whether you strongly agree or disagree with each of the following statements: **'I feel that Essential Energy have taken customers' views into account in the Draft Regulatory Proposal.'**
Base: All customer forum participants who answered this question (n=347); North Coast (n=104); Northern (n=138); Southern (n=105).

The vast majority also agreed that the Proposal reflected their priorities and preferences (90% agreement overall) with a further 8% neither agreeing, nor disagreeing.

Figure 13: Level of Agreement that the content of the Draft Proposal reflects priorities and preferences



Based on your experience today, please indicate whether you strongly agree or disagree with each of the following statements: **'The content reflects my priorities and preferences.'**
Base: All customer forum participants who answered this question (n=347); North Coast (n=104); Northern (n=138); Southern (n=105).

8.1.2 CALD and ATSI interviews

When questioned about their support for the Regulatory Proposal Essential Energy is planning to submit to the AER, participants stated there was nothing they would change.

“I’m happy with it, it all makes sense. It’s been good going all the way along and I think it matches what I expected. It’s good that they asked our opinion.” – ATSI participant

“It’s been quite good and it’s made me think more about this.” – ATSI participant

“Overall I’m very supportive of the process. There’s nothing I would change or remove.” – CALD participant

8.2 Feedback on the Engagement Program

8.2.1 Main forums

Feedback on the overall engagement process also strongly supported that Essential Energy had effectively collaborated with customers, actively listened to viewpoints and captured this in the draft Proposal.

“It reflects the customers’ views wholly. Yes, I’m happy with the engagement process, it makes me feel like a shareholder.” – Inverell SMB participant

The method of conducting face-to-face community forums was generally praised, with key positives outlined as:

- a good cross section of demographics represented in the customer quota
- becoming more informed and educated courtesy of Essential Energy’s presentations
- the opportunity to discuss issues with fellow customers and be exposed to different points of view
- keypad voting and viewing instantaneous results

“I think the way that the information is presented is really good because you get to see the different options, you had time to discuss and then make your own vote... you can see the personal votes of the room, and see if we are on the same page.” – Taree participant

“It is so good to be asked – they did listen to what we said, I think they covered everything...It was good to hear about renewables. Resilience and affordability is important and they spoke a lot about it, we also learnt a lot.” – Broken Hill participant

“They’ve been well run forums, informative, and at the forefront is education. It’s good that we’ve got the diversity – what a great way to collaborate and get a real mix of things... we all think about home life and work while we are here and how we can do things differently.” – Wagga Wagga participant

“I wondered at first if it was just a tick box, but hearing that it’s helped them – I’m surprised, it’s interesting to see that they have rejigged things.” – Bega participant

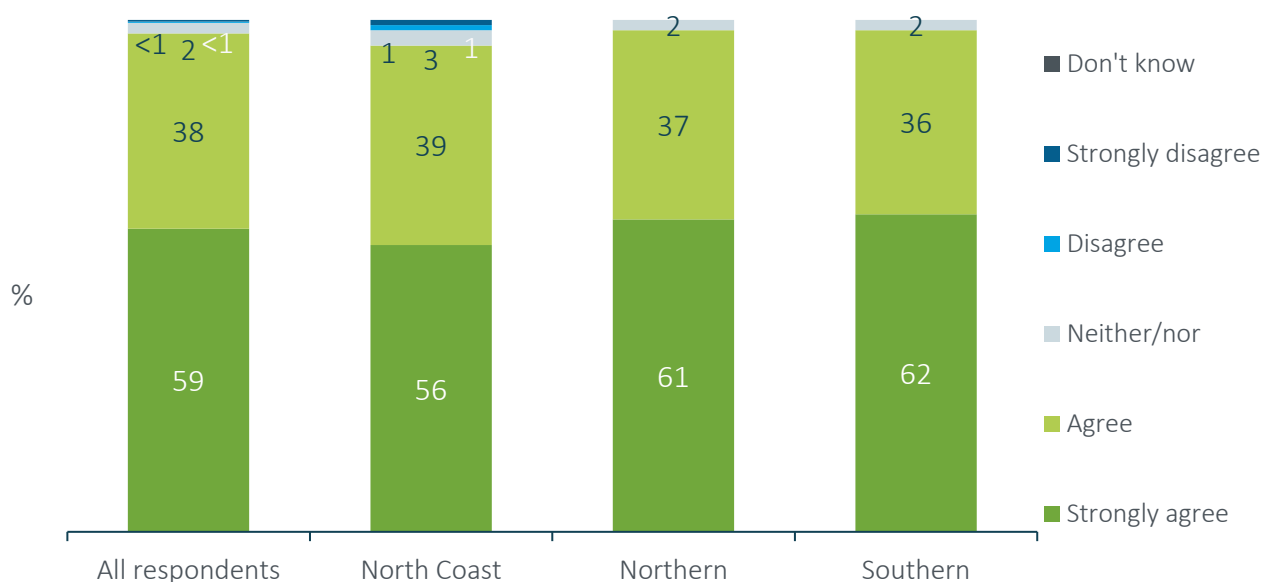
“I think they’ve done extremely well – from the very first forums to the last sessions they’ve sort of all brought it together to make sense. They’ve got opinions from lots of different households and different areas, not just one demographic.” – Dubbo participant

“Everyone got a chance to contribute. Our ideas were reflected in the next sessions.” – Wagga Wagga participant

“Giving the customer a voice is imperative. These forums provide that.” – Wagga Wagga participant

In the end of session questionnaires participants answered questions relating to the extent to which Essential Energy collaborated with customers to make investment and pricing decisions, and whether they thought the forums were a good way of involving the public in decision making. As shown in the figure below, almost all agreed that the organisation had collaborated with customers to make key investment and pricing decisions (97% agreed or agreed strongly).

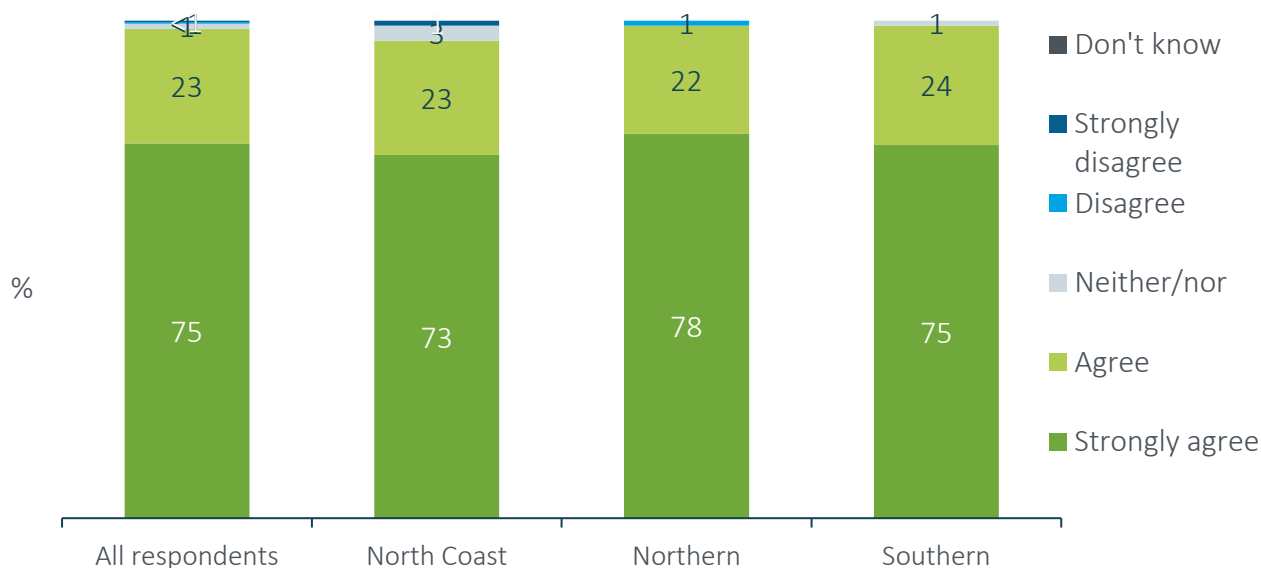
Figure 14: Level of Agreement that Essential Energy have collaborated with customers to make key investment and pricing decisions



Based on your experience today, please indicate whether you strongly agree or disagree with each of the following statements: **‘I feel that Essential Energy have collaborated with customers to make key investment and pricing decisions.’**
Base: All customer forum participants who answered this question (n=347); North Coast (n=104); Northern (n=138); Southern (n=105)

Almost all (98%) agreed that events like the customer forums were a good way of consulting the public about issues, with three quarters (75%) agreeing strongly.

Figure 15: Level of agreement that these events are a good way to consult the public



Based on your experience today, please indicate whether you strongly agree or disagree with each of the following statements: **'I think events like this are a good way of consulting the public about issues.'**

Base: All customer forum participants who answered this question (n=347); North Coast (n=104); Northern (n=138); Southern (n=105)

8.2.2 CALD and ATSI interviews

In summing up the engagement process, there was overwhelming support for the Proposal as being reflective of customers' views and an endorsement that cultural sensitivities had been considered. Comments praised the educational elements of the engagement in empowering participants with knowledge. Participants reinforced there was nothing they would change about the community engagement process.

"It's been a really good process. My opinion and perspectives match nicely with what you went through. It's nice to see Essential Energy looking forward and preparing, shoring up their systems so there is less inconvenience to people." – ATSI participant

"I feel that my community's views have been taken into account and I have been engaged throughout the whole process." – CALD participant

"I understand the energy space more." – ATSI participant

"I'm happy to know we have a voice." – CALD participant

9. Implications

There is some support from customers for the Sun Soaker two-way to be the new standard tariff, on the proviso that there is a strong education campaign to run alongside its introduction. There are some concerns about whether certain types of customers, such as families and those who work outside the home during the daytime, will be disadvantaged under the new tariff, as it may be difficult for them to make changes to energy usage patterns. The engagement suggests that Essential Energy can adopt the Sun Soaker two-way as the new default tariff for smart meter customers but information about how to make the most of the new tariff to gain bill savings will be crucial for its understanding and support in the wider population.

There are some concerns about its complexity so as planned, Essential Energy should also consider the results of the tariff trials before finalising the new tariff structure, to ensure it is as simple as possible.

There is an appetite to transition existing smart meter customers to it sooner, so Essential Energy should consider whether it is possible to implement the tariff on a large scale any earlier than the planned 2028 introduction.

There is support for a one-year grace period for customers with faulty meter replacements however feelings about this were not strong. Participants also suggested that these customers should be able to opt into the new tariff during the one-year grace period if they so desire, and that clear information should be provided to help them make that decision (e.g. retailers providing a bill calculator comparing different tariffs). Essential Energy should consider conducting a detailed cost benefit analysis of the one-year grace period concept, and further engagement with stakeholders, retailers and community representative groups would also be beneficial, before a final decision is made on this issue.

Although the reasons for phasing out the flat rate tariff were understood by most participants, there is a reluctance for Essential Energy to take this step, as choice was highly valued. Even if the flat rate tariff is more expensive in general, it is a straightforward and easy to understand tariff, so it was felt it could still suit some customers, particularly those who feel they can't change their usage pattern much. Stakeholders were very clear that there does not need to be choice in network tariffs as it is the retailer that offers a choice of tariffs to customers. Therefore, it seems that as long as there is choice at the retail level, including a flat rate, this would be acceptable to customers. Further engagement with stakeholders, retailers and community representative groups would be beneficial before Essential Energy makes a final decision on this issue.

Related to choice of tariffs, ultimately customers would like further information to help them decide which tariff suits them best, and how they can manage their usage to gain the most benefit, such as a bill calculator or examples on their bills. Again, this would also have to come from the retailers.

There is support for flexible connection agreements so Essential Energy can move forward with the introduction of these. Customers believe that the fairest application is to reduce large exporting customers the most – either by applying the same percentage to everyone (Option 2) or by reducing large exporters first then applying either a percentage or an amount reduction to everyone (Option 3). Option 2 would be the simpler option for customers to understand. The details of how flexible connection agreements can be applied will need to be examined further and possible learnings gained from other DNSPs in South Australia and Queensland.

There is support for the implementation of the three proposed customer service measures for the Customer Service Incentive Scheme – providing an ETR for unplanned outages and updates, ease of dealing with Essential

Energy and average time to resolve complaints. The weightings given by customers were roughly as Essential Energy had assigned them so can be taken forward.

There is continued support for the proposed investment options, even with the slight increase in spend and in the context of interest rate and inflation increases. These can be taken forward into the Proposal.

In general there is strong support for the Proposal as a whole, and the engagement process that fed into it, so a 'green light' has been given to the submission of the draft Proposal.

One of the biggest outtakes from the engagement is the recommendation by customers for further education and communication about tariffs and the management of exports (including encouraging more self-consumption of solar generated electricity). Essential Energy should consider the development and implementation of a broad education campaign to meet this need, taking into account the outcomes of the education only tariff trial. Ideally stakeholders and business partners should be involved in its development and implementation, in particular electricity retailers as well as solar and smart meter installers. It would also need to be tested with fresh groups of customers to ensure it is easy to understand and conveying the right messages.

Many voiced a strong desire to stay involved in the engagement process with Essential Energy, outside of the regulatory engagement process, so consideration should be given as to how this can be accommodated. Essential Energy has already committed to creating a Deep Dive panel of customers to meet on a regular basis which is strongly encouraged.

10. End of Session Feedback

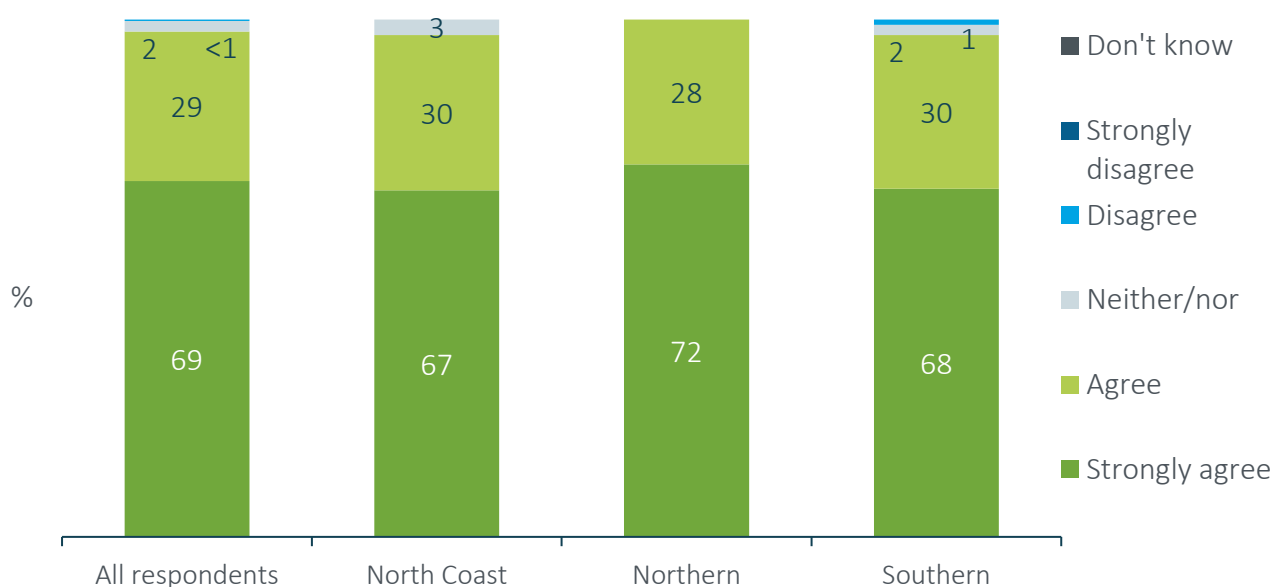
After the forums, attendees were asked for their feedback on the Phase 4 sessions by rating their level of agreement with several statements.

Almost all customer forum participants agreed that they had enjoyed the session, with over two thirds agreeing strongly (69%).

“Well-managed, well-staffed, enjoyed myself.” – Inverell participant

“Well-organised and engaging. Enjoy the transparency provided.” – Dubbo participant

Figure 16: Level of agreement that they enjoyed taking part in the session



Based on your experience today, please indicate whether you strongly agree or disagree with each of the following statements: ***'I enjoyed taking part in the session.'***

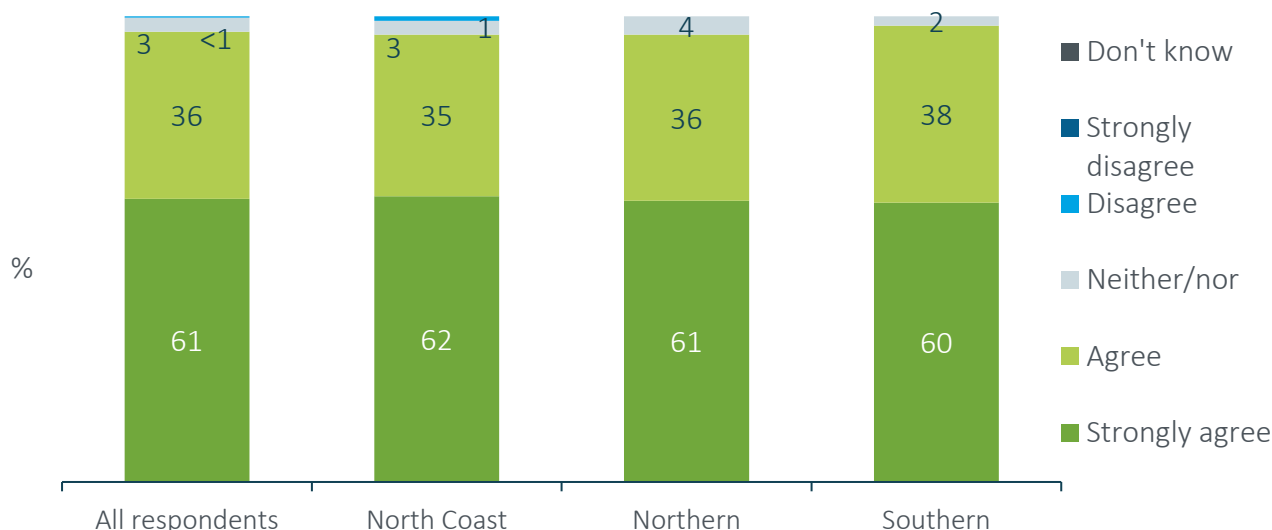
Base: All customer forum participants who answered this question (n=347); North Coast (n=104); Northern (n=138); Southern (n=105)

The majority of forum participants also agreed that the session was informative, and they learned a lot (61% strongly agree, 36% agree).

“Well structured and informative presentations. Collaborative interactions both via Zoom and in person.” – Ballina participant

“The information given was understandable and informative and as such were able to make the best choice.” – Broken Hill participant

Figure 17: Level of agreement that the session was informative and they learned a lot



Based on your experience today, please indicate whether you strongly agree or disagree with each of the following statements: ***‘It was informative and I feel I have learned a lot.’***

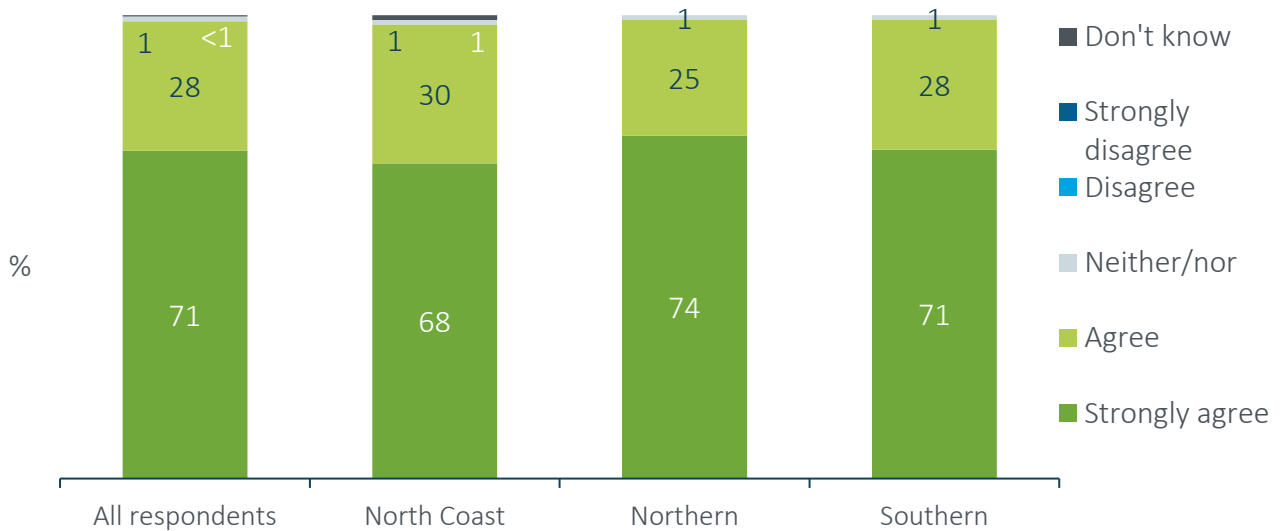
Base: All customer forum participants who answered this question (n=347); North Coast (n=104); Northern (n=138); Southern (n=105)

Similarly, ninety-nine percent of participants agreed that the session was well structured and organised, with over two thirds (71%) agreeing strongly.

“I found it very organised and provided clarity to questions I had.” – Ballina participant

“Highly organised and structured program. Knowledgeable presenters and table facilitators.” – Inverell participant

Figure 18: Level of agreement that the session was well organised and structured



Based on your experience at the Zoom session, please indicate how strongly you agree or disagree with each of the following statements: **'The session was well organised and structured.'**

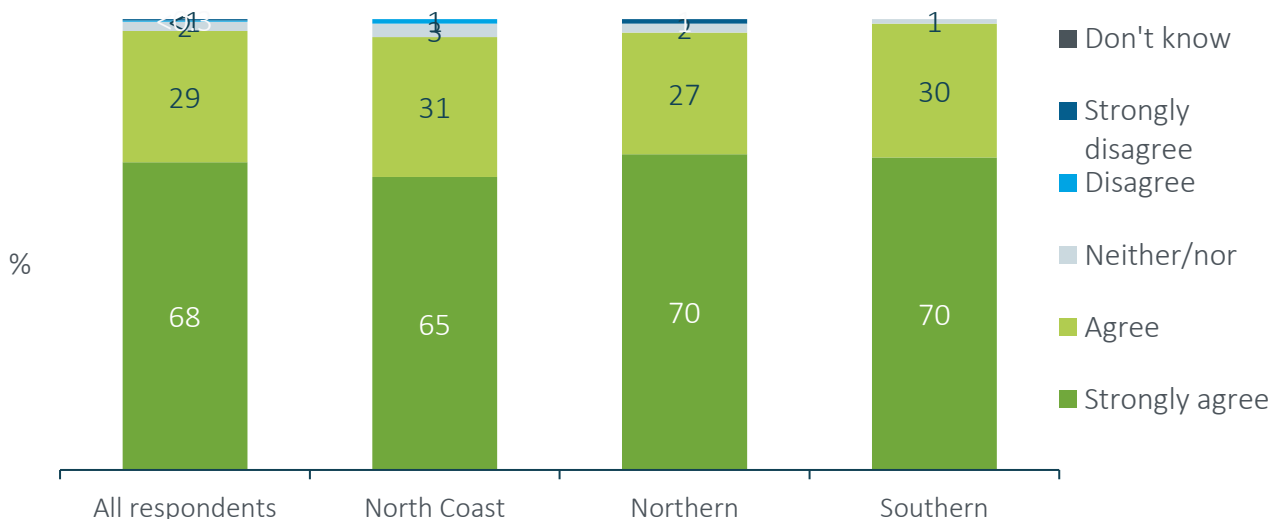
Base: All customer forum participants who answered this question (n=347); North Coast (n=104); Northern (n=138); Southern (n=105)

Almost all also agreed that the session allowed them to share their views and contribute to discussions (68% strongly agree, 29% agree).

"A chance to contribute and learn about the process." – Broken Hill participant

"Diverse community views taken into account." – Wagga Wagga participant

Figure 19: Level of agreement that they were able to provide views and contribute



Based on your experience today, please indicate whether you strongly agree or disagree with each of the following statements: **'I was able to provide my views and contribute during the session.'**

Base: All customer forum participants who answered this question (n=426); North Coast (n=132); Northern (n=167); Southern (n=127)

Appendices

Appendix A: Deliberative Forum Facilitators' Agenda

Project:	Essential Energy – Regulatory Proposal 24-29				
Event:	Phase 4 Forums				
Details:					
Dates and location:	Monday 5 th Sept – Wagga Wagga Tuesday 6 th Sept – Bega Tuesday 13 th Sept – Ballina Wednesday 14 th Sept – Inverell Thursday 15 Sept – Taree Monday 10 th Oct - Dubbo Tuesday 11 th Oct – Broken Hill	Time:	6.00pm-9.30pm	Duration:	3.5 hours
Forum objectives:	<ul style="list-style-type: none">• To present the outcomes from Phase 3• To share the proposed content of the Regulatory Proposal• To measure support for the Sun Soaker two-way price as the new standard tariff, the transition strategy and the removal of the ability to opt out to a flat rate tariff• To evaluate support for the introduction of flexible connection agreements and how they could be introduced in a fair way• To assess the level of support for the investment options to be included, particularly after informing participants of the impact of higher interest rates and the high rate of inflation				

Time	Session details	Responsibility	Materials
Before 6.00pm	Pre-forum <ul style="list-style-type: none"> Registration Provide participants with filming/photography permission forms and signing sheet (ask them to write in keypad number) 	WR	Filming/photography form Signing sheet
6.00-6.05pm (5 mins)	Welcome and guidelines for the session <ul style="list-style-type: none"> Structure of the session Guidelines Location of toilets and evacuation in emergency Introduce speaker 	WR Lead Facilitator	PPT slides
6.05-6.15pm (10 mins)	Presentation 1: Introduction <ul style="list-style-type: none"> Acknowledgement of Country Purpose of tonight – Phase 4 – Testing the proposal What matters to you – vision and priorities Snapshot of proposal Why the baseline bill including 'business as usual' activities will go up anyway with interest rates and inflation increases 	EE Exec	PPT slides

6.15-6.30pm (15 mins)	Section 2: Quiz: Questions and Answers <ol style="list-style-type: none"> 1. What proportion of Essential Energy's customers currently have solar panels? 2. How much has this proportion increased by since 2011? 3. What proportion of Essential Energy's customers do we expect to have solar in 15 years' time? 4. What is the average size solar system installed on Essential Energy's network? 5. What proportion of Essential Energy's customers currently have a smart meter? 6. What proportion of Essential Energy's residential customers are currently on a flat rate tariff (same price all day)? 7. Who pays customers for the solar energy they export back into the grid i.e. who pays customers' feed-in-tariffs? <p><i>IF NEEDED - Tie breaker question:</i></p> <p><i>What size solar systems are automatically approved by Essential Energy for new connections in urban areas (2kW, 3kW, 4kW, 5kW, 6kW)? Answer is 5kW</i></p> <p>Hand out prize to winning table</p>	WR Lead Fac and WR Table Facs	PPT slides and Table Fac Quiz Answer Sheet
6.30-6.45pm (15 mins)	Presentation 3: Pricing <ul style="list-style-type: none"> • Recap of the challenges facing EE and possible solutions including pricing • Findings from Deep Dive • We need a future proof new standard tariff • Sun Soaker two-way • Estimated savings on the Sun Soaker two-way • Proposed level of free exports • Proposed transition 	EE	PPT slides
6:45-7.05pm (20 mins)	Table discussion: Pricing <p><i>Introductions on tables: Ask participants to introduce themselves – where they live and one thing they like about where they live. SME's – ask them what their business does.</i></p> <p>READ OUT: As you just heard, Essential Energy are looking at pricing to help with two main challenges:</p> <ul style="list-style-type: none"> ○ To help support the move to more renewables being connected to the network and 	WR Table Facilitators	HANDOUT 1 AND 2

	<ul style="list-style-type: none"> ○ To help ensure that the prices different customers are paying are fairer, i.e. they reflect the way they are using the network <p>GIVE OUT HANDOUT 1: SUN SOAKER TWO-WAY (double sided).</p> <p>READ THROUGH AND CHECK UNDERSTANDING</p> <ul style="list-style-type: none"> • What are your thoughts on the Sun Soaker Two Way tariff being the new standard tariff? <ul style="list-style-type: none"> ○ Pros and cons? <ul style="list-style-type: none"> a. Do you think it helps to make things fairer? Why/why not? What is <u>most</u> fair in your eyes? <i>Facilitators note: make sure you really delve into the detail of what they think is fair and why</i> ○ How easy would it be to make the most of this tariff? What could your household do to make the most of it? <p>GIVE OUT HANDOUT 2: TRANSITION</p> <p>READ THROUGH AND CHECK UNDERSTANDING</p> <ul style="list-style-type: none"> • What do you think of the staggered approach – opt in 2024, new solar or non-solar customers from 2025 and 2028 for existing customers? <ul style="list-style-type: none"> ○ Do you think 2028 is a reasonable timeframe to bring it in for all existing customers with a smart meter or would you prefer it be brought in sooner? • It has been suggested by some retailers that customers who have a faulty meter replaced with a smart meter should only be placed on the Sun Soaker two-way tariff a year afterwards. This is to allow customers and retailers time to understand their consumption (and exports if they have any) so they can work out the best tariff for them. However, it would cost more to manage this process. Do you agree or disagree with this idea? What do you like/dislike about it? 		
7.05-7.30pm (25 mins)	DINNER		
7.30-7.33pm (3 mins)	<p>Presentation 3b: Removing the flat rate tariff</p> <ul style="list-style-type: none"> • Opting out of Sun Soaker two-way to a cost reflective tariff but not flat rate 	EE	PPT slides
7.33-7.40pm	<p>Table discussion: Removing the flat rate tariff</p> <p>GIVE OUT HANDOUT 2b</p>	WR Table Facilitators	HANDOUT 2b

(7 mins)	<ul style="list-style-type: none"> Do you support phasing out the ability for customers to opt-out to a flat rate tariff when they are moved to the Sun Soaker two-way? They will still be able to opt-out to another cost-reflective tariff like the Time of Use. Why/why not? 		
7.40-7.50pm (10 mins)	<p>Polling: Pricing</p> <p>PRACTICE QUESTION then...</p> <ul style="list-style-type: none"> To what extent do you support the Sun Soaker two-way being the new standard tariff? <ul style="list-style-type: none"> Strongly support Support Neither support or against Against Strongly against Don't know To what extent do you agree that the Sun Soaker two-way tariff would help solve some of the issues associated with the network [integrating new technologies and renewables]? <ul style="list-style-type: none"> Strongly agree Agree Neither agree or disagree Disagree Strongly disagree Don't know To what extent do you agree that the Sun Soaker two-way tariff would improve fairness? <ul style="list-style-type: none"> Strongly agree Agree Neither agree or disagree Disagree Strongly disagree Don't know When do you think the Sun Soaker two-way should be brought in for existing smart meter customers? <ul style="list-style-type: none"> 2026 2027 2028 – Essential Energy's suggestion Unsure Should we give customers who have a faulty meter replaced a one-year grace period before applying the Sun Soaker two-way? <ul style="list-style-type: none"> Yes No 	WR Lead Fac	PPT slide and keypads

	<ul style="list-style-type: none"> ○ Don't know • Should there still be a flat rate tariff that people on the Sun Soaker two-way can opt out to or do you think the flat rate should be phased out? <ul style="list-style-type: none"> ○ There should still be a flat rate tariff ○ The flat rate tariff should be phased out ○ Don't know 		
7.50-8.02pm (12 mins)	Presentation 4: Flexible connection agreements <ul style="list-style-type: none"> • Increasing amounts of exports, particularly in some areas, is leading to voltage issues and shortage of capacity on the network for a handful of days each year • There are two solutions – lower export limits or flexible connection agreements • How these solutions would work in practice – The Mayfields and the Silvas • We want to hear from you about what you think of this idea and how you think we can introduce it in a fair way - if it is introduced who it should apply to and how it should apply. 	EE	PPT slides
8.02-8.17pm (15 mins)	Table discussion: Flexible connection agreements <p><i>READ OUT: Just to recap EE want to make sure that the amount of electricity that customers can export is shared fairly among solar households. So we want to find out what you think is fairest.</i></p> <p>GIVE OUT HANDOUT 3 (double sided)</p> <p>READ THROUGH AND CHECK UNDERSTANDING</p> <ul style="list-style-type: none"> • What do you think of introducing these flexible connection agreements for new solar connections? <ul style="list-style-type: none"> ○ What are the positives of this approach? ○ What are the negatives? • What would be the fairest way for these flexible connection agreements to work in constrained areas during those busy times? As we know, there are different ways of thinking about fairness: <ul style="list-style-type: none"> ○ Should we: <ol style="list-style-type: none"> 1. Reduce large and small solar customers by the same amount OR 2. Reduce all customers by the same percentage OR 3. Reduce large exporting customers first then apply either 1 or 2 to everyone ○ What are the pros and cons of each option? 	WR Table Facs	HANDOUT 3

	<ul style="list-style-type: none"> Or is there a better option? <i>(Facilitators note: make sure you explore whether they think there is another option that might be 'fairer' than the ones presented)</i> 		
8.17-8.20pm (3 mins)	Polling: Flexible connection agreements <ul style="list-style-type: none"> To what extent do you support the introduction of flexible connection agreements for new exporting customers? <ul style="list-style-type: none"> Strongly support Support Neither support or against Against Strongly against Don't know Which is the fairest way to apply the flexible connection agreements when needed? <ul style="list-style-type: none"> Option 1 - Reduce customers by the same amount (kW level) Option 2 - Reduce customers by the same percentage Option 3 – Reduce large exporting customers first then apply either option 1 or 2 Another option Don't know 	WR Lead Fac	PPT slide and keypads
8.20-8.30pm (10 mins)	DESSERT		
8.30-8.34pm (5 mins)	Presentation 5: Customer Service Measures <ul style="list-style-type: none"> What EE are proposing for customer service measures 	EE	
8.34 - 8.44pm (10 mins)	Table discussion: Support for options included <p>GIVE OUT HANDOUT 4: Customer service measures</p> <ul style="list-style-type: none"> To what extent do you support the customer service measures proposed by Essential Energy? Are you happy with the weightings that EE have given them? How would you allocate the 100% weighting across the 3 measures? ASK THEM TO FILL IN THE HANDOUT 4 SHEETS AND PUT KEYPAD NUMBER ON Talk through why they have allocated the weightings as they have on their sheets 	WR Facilitators	HANDOUT 4 (including column for weighting the measures)
8.44-8.45pm	Polling: Customer service measures	WR Lead Fac	PPT slide and keypads

(1 min)	<ul style="list-style-type: none"> To what extent do you support the adoption of the three proposed customer service measures (this doesn't include the weightings – we will gather your feedback on those from your activity sheets)? <ul style="list-style-type: none"> Strongly support Support Neither support or against Against Strongly against Don't know 		
8.45-8.55pm (10 mins)	Presentation 6: Investment Options <ul style="list-style-type: none"> What we talked about last time What we heard – Resilience, smarter network, lowering our environmental impact and customer service What the average total bill impact was (Resi: \$6.59, SMB: \$28.65) and what it is now - revised cost for smarter network and why Want to find out if you are still happy with this 	EE	PPT slides
8.55 – 9.03pm (8 mins)	Table discussion: Support for options included GIVE OUT HANDOUT 5 (different one for residents and businesses) <ul style="list-style-type: none"> What are your thoughts on the information you've just heard? Thoughts on the new spend? Are you happy to go ahead with the slightly increased spend for real time network monitoring (smarter network)? Given that interest rate and inflation rises have increased EE's business as usual costs, do you still support the investment options being proposed? 	WR Facilitators	HANDOUT 5 – Different one for residential and business customers
9.03-9.05pm (2 mins)	Polling <ul style="list-style-type: none"> Given that interest rate and inflation rises have increased Essential Energy's business as usual costs, do you still support the investment options being proposed? <ul style="list-style-type: none"> Yes No Not sure <p><i>If there is more than 70% vote for 'yes' then take it that the majority is happy and there is no need to revisit the options so skip next discussion and polling. INSTEAD open up for a Q and A on the full proposal before the discussion at 9.20pm.</i></p> <p><i>If there is less than 70% that vote for 'yes' then proceed to the next discussion session, and then polling, so they can revisit the options.</i></p>	WR Lead Fac	PPT slide and keypads

<p>9.05-9.15pm</p> <p>(10 mins)</p>	<p>Table discussion: Support for options included continued... (might not be needed)</p> <p>There was less than 70% support for going ahead with the proposed options so we are going to revisit the topics and options.</p> <ul style="list-style-type: none"> Firstly, would you like to see the investment dialled back a bit for smarter network? <p>GIVE OUT HANDOUT ON SMARTER NETWORK OPTIONS</p> <ul style="list-style-type: none"> Bearing in mind what you know now, which option do you prefer now? Do you want to revisit any of the other topics to see if you want to dial back any of the investment? If yes... <p>GIVE OUT HANDOUT ON EACH TOPIC THEY WANT TO REVISIT</p> <ul style="list-style-type: none"> Revisit composite poles Revisit undergrounding Revisit community resilience Revisit customer service Do you want to dial back the investment on any of these? <p><i>They will be asked to vote on this in the next session.</i></p>	<p>WR Facilitators</p>	<p>OPTIONAL HANDOUTS: OPTION SHEETS</p>
<p>9.15-9.20pm</p> <p>(5 mins)</p>	<p>Polling (might not be needed)</p> <ul style="list-style-type: none"> What is your preference now for smarter network (real time monitoring and dynamic assets)? <ul style="list-style-type: none"> Option A Option B - stay with Essential Energy's proposed investment Don't know What is your preference now for composite poles? <ul style="list-style-type: none"> Option A Option B Option C Option C+ - stay with Essential Energy's proposed investment Don't know What is your preference now for undergrounding? <ul style="list-style-type: none"> Option A Option B Option C - stay with Essential Energy's proposed investment Don't know What is your preference now for community resilience? <ul style="list-style-type: none"> Option A Option B Option C - stay with Essential Energy's proposed investment 	<p>WR Lead Fac</p>	<p>PPT slide and keypads</p>

	<ul style="list-style-type: none"> ○ Don't know • What is your preference now for customer service? <ul style="list-style-type: none"> ○ Option A ○ Option B ○ Option C - stay with Essential Energy's proposed investment ○ Don't know 		
9.20-9.25pm (5 mins)	<p>Table discussion: Support for the proposal and engagement</p> <p>Content of the proposal</p> <ul style="list-style-type: none"> • How supportive are you of the proposal EE is planning to present to the AER? • Is there anything that you would like to see removed/changed now that you have seen the full extent of EE's proposal? Why? • Do you feel that the content reflects customers' priorities and preferences? <p>Engagement program</p> <ul style="list-style-type: none"> • To what extent have EE collaborated with customers in their decision making? • Do you feel they taken customers' views into account? • Where they haven't been able to take into account customers views have they fully explained why this has been the case? <ul style="list-style-type: none"> • Any final comments? 	WR Table Facs	
9.25-9.30pm (5 mins)	<p>Summing up and thanks</p> <ul style="list-style-type: none"> • Closing remarks – what EE will take from today and confirmation of next steps. • <i>Woolcott Research Lead Facilitator – thanks and reminder to fill in end of session questionnaire on tables.</i> • Give out end of session survey and incentive. • At the end make sure you collect: <ul style="list-style-type: none"> ○ Handout 4 activity sheets – weighting for the CSIS measures ○ End of session surveys ○ Sign in sheet (check everyone has signed it) ○ Filming permission forms 	<p>EE</p> <p>WR Lead Fac</p> <p>WR Table Facs</p>	<p>End of session questionnaire and signing sheet</p> <p>Incentive</p>
<u>CLOSE</u>			

Appendix B: ATSI and CALD Topic Guide

There is a specific ATSI and CALD PPT pack for these in-depths. Note that you will need to use the speaking notes for each slide so you will need to print them out first.

Also ensure you have a Handout 4 Activity Sheet with you that you can fill in for the participant

Note that timings are to be used as a guide only

INTRODUCTION (2 MINS)

Thank you for agreeing to take part in this next phase of research for Essential Energy's future planning.

- We work for an independent research company WR
- As you know, the purpose of the project is to involve customers in developing Essential Energy's future plans and pricing.
- Essential Energy are regulated by the Australian Energy Regulator and have to put in a proposal every 5 years that shows what their plans are and how much it will cost. They need customer input into those plans.
- (FOR CALD ONLY) We are talking to people who speak a language other than English to find out if there are certain things that Essential Energy needs to consider specifically for those groups. So I'd like you to answer the questions from your own perspective, but also the perspective of people who speak a language other than English.
- (FOR ATSI ONLY) We are talking specifically to people from an Aboriginal and Torres Strait Islander background to find out if there are certain things that Essential Energy needs to consider specifically. So I'd like you to answer the questions from your own perspective, but also the perspective of Aboriginal and Torres Strait Islander people generally if possible.
- Our role is to report back to them on your feedback however your responses are confidential and anonymous. We report on an overall basis only and do not mention specific names, etc.
- Check ok to record the discussion (if relevant)

INTRODUCTION (2 MINS)

SHOW SLIDES 2-3: 'Purpose' and 'Our first topics today'

PRICING (15 MINS)

SHOW SLIDES 4-10 and ask questions on slide 11 (copied below):

- What are your thoughts on the Sun Soaker Two Way tariff being the new standard tariff? **SHOW SLIDE 7/8 FOR THIS QUESTION**
 - What are the pros and cons?
 - Do you think it helps to integrate more renewables?
 - Do you think it helps to make things fairer? Why/why not?
 - How easy would it be to make the most of this tariff? What could your household do to make the most of it?

- What do you think of the staggered approach – opt in 2024, new solar or non-solar customers from 2025 and 2028 for existing customers? **SHOW SLIDE 10**
 - Do you think 2028 is a reasonable timeframe to bring it in or would you prefer it be brought in sooner?
- It has been suggested by some retailers that customers who have a faulty meter replaced with a smart meter should only be placed on the Sun Soaker two-way tariff a year afterwards. This is to allow customers and retailers time to understand their consumption (and exports if they have any) so they can work out the best tariff for them. However, it would cost more to manage this process. Do you agree or disagree with this idea? What do you like/dislike about it?

REMOVING THE FLAT RATE (5 MINS)

SHOW SLIDES 12-15 and ask the questions on slide 16 (copied below):

- Do you support phasing out the ability for customers to opt-out to a flat rate tariff when they are moved to the Sun Soaker two-way? They will still be able to opt-out to another cost-reflective tariff like the Time of Use. Why/why not?

FLEXIBLE CONNECTION AGREEMENTS (15 MINS)

SHOW SLIDES 17-23 and ask the questions on slide 24 (copied below):

- What do you think of introducing these flexible connection agreements for new solar connections?
 - What are the positives of this approach?
 - What are the negatives?
- What would be the fairest way for these flexible connection agreements to work in constrained areas during those busy times? As we know, there are different ways of thinking about fairness:
 - Should we:
 - Reduce large and small solar customers by the same amount OR
 - Reduce all customers by the same percentage OR
 - Reduce large exporting customers first then apply either 1 or 2 to everyone
 - What are the pros and cons of each option?
- Or is there a better option?

CUSTOMER SERVICE MEASURES (7 MINS)

SHOW SLIDES 25-27 and ask the questions on slide 28 (copied below):

- To what extent do you support the customer service measures proposed by Essential Energy?
- What do you think of the weightings that EE have given them?
- How would you allocate weightings to these measures? **FILL IN TABLE BELOW**

Measure	Essential Energy's proposal	Participants' weighting
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Providing an estimated time to restore unplanned outages and updates	50%	
How easy it was to deal with EE	25%	
Average time to resolve customer complaints	25%	

INVESTMENT OPTIONS (10 MINS)

SHOW SLIDES 30-38 and ask the questions on slide 39 (copied below):

- What are your thoughts on the information you've just heard? Thoughts on the new spend?
- Are you happy to go ahead with the slightly increased spend for real time network monitoring (smarter network)?
 - Given that interest rate and inflation rises have increased EE's business as usual costs, do you still support the investment options being proposed?

CLOSING (3 MINS)

And finally:

- How supportive are you of the proposal EE is planning to present to the AER?
 - Is there anything that you would like to see removed/changed now that you have seen the full extent of EE's proposal? Why?
 - Do you feel that the content reflects customers' priorities and preferences?
- To what extent do you think EE have collaborated with customers in their decision making?
- Any final comments?
- There may be further interviews next year when EE hear back from the regulator on their Proposal. Would you be willing for us to contact you then to see if you will take part in a further interview?

Thank and close



Woolcott Research & Engagement
L6, 104 Mount Street, North Sydney 2060



+61 29261 5221



woolcott.com.au

Engagement for Essential
Energy's 24-29 Regulatory
Proposal – Phase 4

Contacts

Karyn Wong
kwong@woolcott.com.au

Liz Sparham
lsparham@woolcott.com.au

