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Customer and Stakeholder Engagement for the 24-29 Regulatory Proposal – Phase 1

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 1 of Essential Energy's customer and stakeholder engagement program for the Regulatory Proposal 2024-2029.

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

The engagement program for Phase 1 consisted of the following components:

- Virtual drop in website containing information and videos about the issues to be covered for Phase 1

- Seven visioning forums with residents and small to medium businesses across the Essential Energy network area

- One group discussion with young people (16-18 year olds)

- 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)

- Six in-depth interviews with large business/commercial and industrial customers (C&Is)

- Six in-depth interviews with retailers

- One group session with renewable developers

- One group session with new technology providers

- One group session with Local Councils

- One group session with consumer and industry advocates

- Stakeholder Collaboration Collective meetings

All of the components were conducted online or by phone due to the COVID-19 pandemic.

In total 444 connected customers took part in the Phase 1 engagement (residential and small, medium and large business/C&I customers) along with 46 business partners (renewable developers, new technology providers, retailers, Councils) and stakeholders (consumer and industry advocates, Stakeholder Collaboration Collective).

In most of the sessions, questions and discussions were related to:

1. Customers' priorities - what would customers, business partners and stakeholders like Essential Energy to focus on, i.e. what do they value from Essential Energy the most?

2. Customer service measures - what makes good customer service and how should it be measured?

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3. Investment decision making – what risks should Essential Energy consider when deciding which projects to invest in and how much should each be weighted?

4. Network of the future – what is customers', business partners' and stakeholders' vision for the future and what will customers want from Essential Energy then?

1.1 Engagement findings

1.1.1 Customer priorities

Participants in all components of the engagement were asked what they felt was important to customers regarding their electricity supply and what they thought Essential Energy should focus on currently.

Common themes that frequently emerged were reliability and affordability. A focus on a green energy future was also top of mind, with a desire for electricity to predominantly come from renewable sources, along with the use of innovative technologies such as batteries and electric vehicles.

When the list of customer priorities identified for the previous Regulatory Proposal was discussed there was widespread acceptance that the elements are still highly relevant today.

o   Safety was still seen as so important it is 'a given'

o   Reliability and affordability were key priorities for customers (affordability was particularly important for those in financial hardship).

o   Encouraging renewables has grown in importance since the last period and it was suggested the word 'encouraging' was now better represented as 'facilitating' or 'enabling' renewables. Innovative technologies was thought to be closely related to renewables.

o   Although still seen as a priority, customer service was considered less important than some of the others because customers do not have as much interaction with Essential Energy as their electricity retailer. However, this priority was more important for those with a CALD or ATSI background and they suggested the need for patience, respect and sensitivity.

o   For bill itemisation participants spoke of replacing the word itemisation with transparency. Discussions focused on the need to better understand electricity bills in order to inform usage and reduce costs.

Stakeholders and business partners believed that action is required now to ensure that the network is able to continue to accommodate distributed energy resources (DER) in a planned and sustainable way. It was thought that a key focus should be on resolving the issues with limiting exports whilst structuring tariffs to encourage more electricity usage in the middle of the day and encouraging the uptake of batteries, to help manage affordability for the end consumer.

Resilience of the network against severe weather events was raised as a priority in the Councils' group as some of their areas had been impacted by the bushfires last year. For the other groups, resilience was considered to be a part of reliability.

For business partners, customer service was considered more important as they dealt with Essential Energy more frequently than most customers and stakeholders.

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1.1.2 Customer Service Measures

Good customer service was thought to involve clear and simple communication, via multiple channels. Interactions involving outages were considered to be the most important communications that customers have with Essential Energy currently.

The majority of participants across the forums stated that both internal data collection and customer survey feedback are equally important measures of customer service (59%). ATSI and CALD customers preferred the use of internal measures as there are less likely to be issues with language barriers or comprehension than with a survey.

Measures that are relevant to a wider customer base (e.g. outages) were thought to be more important than those that are only relevant to a smaller proportion of customers (e.g. new connections, complaints).

There was limited support amongst forum participants for retaining the current measure of customer service – the percentage of phone calls answered within 30 seconds, with just under a quarter suggesting this was a very important measure (22%).

Of the alternative measures presented, communicating accurate planned outage timeframes and providing an estimated time to restore power for unplanned outages and its accuracy were considered most important to measure (72% and 64% stating these are very important respectively).

Most participants were supportive of the use of customer surveys in general and liked the idea that customers had the opportunity to provide feedback in relation to the performance of Essential Energy. Although customer satisfaction results from quarterly surveys were not considered as important as other measures with just under a third stating that these were very important (31%), instead it was suggested that customers should be surveyed immediately after interactions for more 'real time' feedback.

There weren't many additional measures suggested. Some that were mentioned were:

- o   The accuracy of communications about the timing of meter reading

- o   Notification that power has been restored after planned and unplanned outages

- o   First call resolution

- o   The proportion of solar customers who are able to export their full amount of electricity

- o   Time taken to upgrade or alter a connection

- o   Time taken to repair street lights

Business partners and stakeholders tended to agree with customers on the measures presented. Renewable developers, solar installers and retailers commented on the importance of the time taken to facilitate new connections as this measure was relevant to their businesses. Streamlining the NMI allocation process and having a single point of contact were suggested as ways of making it quicker and easier for customers.

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1.1.3 Investment Decision Making

Most participants believed that the five risk categories of safety, reliability, bushfire risk, ecology and heritage and customer experience covered all of the important risks that should be considered in investment decision making. However, there were some consistent suggestions for the inclusion of additional risk evaluation for:

- Climate change – will a project reduce any climate change/carbon emissions risk?

- Future proofing/sustainability of the network - will a project increase the network's longevity and utilisation or could the asset become obsolete in the future?

Reliability and safety were given the largest average weightings by customers at the forums (26% and 25% respectively), with bushfire starts closely behind with 20%. Ecology and heritage was given an average of 17% with customer experience being given the smallest piece of the pie with roughly a sixth (12%).

Bushfire starts was commonly thought to be an aspect of safety and therefore very closely related.

There was also some discussion about how the weightings needed to change based on locations, as in some locations certain risks were perceived to be more important than in others. For example, in Bega and Taree participants gave the risk of bushfire starts a higher weighting than in other areas (24% and 23% respectively). Those in Broken Hill gave this aspect the lowest weighting (15%).

Some business partners weighted reliability lower and customer experience higher than customers, due to their more frequent interactions with Essential Energy.

1.1.4 Network of the Future

Customers were excited by the many changes presented by Essential Energy that are occurring in the electricity industry and most wanted to be a part of the movement towards distributed energy resources (DER) including renewables and new technologies.

The expected progression of take up of DER by customers was thought to be solar, then batteries, electric vehicles and then peer-to-peer trading and virtual power plants.

- Around a quarter of participants stated that they would be very likely to install solar in the next five years in addition to the portion who already had solar, resulting in a prediction of almost half of customers having solar in 5 years' time. Under 10% stated that they were not able to install solar.

- Just 1% of participants stated that they already had a household battery and/or an electric vehicle with 17% stating that they would be very likely to purchase a battery in the next 5 years, and 10% an electric vehicle.

    o Amongst solar customers 5% already had a battery and 30% stated they were likely to get one in the next 5 years.

- Participants were more likely to say they are unlikely to purchase an electric vehicle than a battery or solar, with over half stating that they are unlikely to get an electric vehicle (54%), 26% unlikely to get a battery and 15% unlikely to get solar.

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- Customers agreed that technology such as smart meters, smart appliances and home energy management systems would be a useful addition in the future, with the uptake expected to be greatest amongst the younger generation, technologically savvy and the wealthier customers.

- There is more of a desire for the uptake of electric vehicles in towns but some uncertainty about their applicability in more rural and remote areas, particularly for farm machinery and equipment.

- There was very little awareness of the possibility of using an electric vehicle as a battery at the household level, but much interest in this development.

- There was support for Essential Energy considering the use of SAPS and microgrids to increase reliability for more remote customers (88% and 86% of forum participants respectively) with almost half strongly supporting the introduction of these innovations.

- Shared generation, storage and trading of electricity at the community level were particularly well liked. The perceived advantages of these developments were that those who couldn't access these technologies at the household level could still participate, that electricity was not being transported long distances so was expected to be cheaper for everyone, as well as being more reliable and less bushfire prone.

- There was some concern about the disposal of solar panels and batteries and whether or not they could be recycled.

- Around three quarters of participants supported Essential Energy facilitating the installation of electric vehicle charging stations to the network (76%).

Many stakeholders and business partners thought that the changes would happen quicker than Essential Energy was predicting, at least in larger regional centres.

Customer priorities in the future

When the customer priorities from the beginning of the forum were revisited at the end of the session, it was thought that the core priorities of safety, reliability and affordability were still going to be the strong priorities in the future, but that facilitating renewables and innovative technologies will become more important. Being able to understand bills will also increase in importance as costs are likely to become more complex with developments like peer-to-peer trading.

It was believed that long term planning should be a focus now, as with all the developments likely to happen it will be crucial that the foundations are laid now to incorporate these changes in the best way possible. Ensuring that all customers can benefit from these changes, whether they can install solar, batteries or electric vehicles or not, was thought to be crucial.

Essential Energy's Role

It was expected that Essential Energy's role in the future could change to:

- Advising on and facilitating the uptake of DER and then helping to maintain them.

- Educating the community and ensuring that customers are set up as best as possible to take advantage of new technologies and renewable energy sources.

- Managing and regulating the energy market to some extent, to ensure people were not profiteering from generating and selling energy to others.

- Balancing supply and demand – managing the equilibrium between network capacity/functionality and energy usage behavior through the setting of tariffs.

1.2 Outtakes and considerations for Phase 2

1.2.1 Customer Priorities

The collated customer and stakeholder priorities for the next regulatory proposal as suggested by the findings from Phase 1 are:

- **Safety** *– protect workers and the public, maintains assets*

- **Affordability** *– keep costs as low as possible for **all** customers and support those in financial hardship*

- **Reliability** *– maintain a consistent supply, plan for and respond to unplanned outages quickly*

- **Future focussed** *– be proactive, plan for the long-term future, accommodate the use of renewables and new technologies in a sustainable way*

- **Good customer service and communication** *– make things easy and keep customers informed*

- **Transparency/simplicity –** *make information and pricing clear and simple to understand so customers feel empowered to make informed choices*

- **Equity/collective good -** *cater to the diversity of customer needs in a fair and inclusive way*

These should be tested with customers, business partners and stakeholders in Phase 2.

1.2.2 Customer Service Measures

- Both internal data collection and customer survey feedback measures should be adopted with a good mix across the different service elements. The following are priorities:

  o Communicating accurate planned outage timeframes (internal data)

  o Communicating an estimated time to restore power for unplanned outages and its accuracy (internal data)

  o Customer satisfaction immediately after an interaction (customer feedback)

- Other measures such as the time taken to facilitate connections to the network, average time taken to resolve customer complaints and customer satisfaction from quarterly surveys should be considered.

- Multiple channels of communication should be adopted for planned and unplanned outages to ensure maximum coverage of the diverse customer base. An SMS alert system is recommended for its 'immediacy' and likelihood to be read when it was received, along with information through email,

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letters and the website as a first port of call. Following this, consideration should be given to supplying information through the contact centre, social media, an app, online chat facility or call back facility.

- Customer satisfaction surveys should include multiple types of customer and business partner, e.g. residential, small and medium businesses, large businesses/C&I customers, renewable developers, ASPs, solar installers, councils and retailers.

1.2.3 Investment decision making

The risk factors should align with the customer priorities of safety, reliability, affordability, future focussed (including environmental and network longevity themes) and customer service.

In order to do this, and in line with feedback, it is recommended that Essential Energy consider the inclusion of environmental risk at the macro level i.e. climate change and carbon emissions, as well as risk to the network's utilisation, longevity and resilience in the long term. Whether this is at the same point in decision making as the five presented, or at a different level, will be a decision for Essential Energy.

Of those presented, safety and bushfire risk could be considered together and attributed with the largest weighting, with reliability next in importance.

1.2.4 Network of the future

Everyone now agrees that the electricity landscape is changing – stakeholders knew this for the last Regulatory Proposal, but now small customers are becoming aware too.

Although unaware initially, when communicated, the challenges for the network are understood by customers. Solar customers see their feed in tariffs decreasing all the time and are concerned that there may be negative feed in tariffs in the future. Customers believe that things need to change.

New technologies are going to help manage bills and make electricity affordable for people, but it will become a lot more complex for customers. Most will be looking to a trusted authority to make it simple for them, so they can be involved in the movement at an affordable price.

As the pace of renewable adoption and electrification increases, being able to accommodate these technologies on the network at the pace that customers and society desire will become even more important.

The diversity in the ways that customers will interact with the grid will mean that catering for individual needs whilst also focusing on the collective good will be key.

Essential Energy will need to address the following challenges/considerations in order to manage the changes and meet customers priorities for the future:

- o More extreme weather events

- o The network not having been built to accommodate two way flows

- o Constraints on electricity exports versus investment

- o Managing peak demand and improving utilisation of the network

- o Making the most of customers' DER

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o   Ensuring fairness and equity in pricing and keeping it simple

Key aspects for Essential Energy's role are:

- Increasing awareness of and helping customers to navigate the changes so they can take advantage of new technologies and renewable energy sources.

- Long term planning to ensure the future energy network is developed in a way that benefits all customers (and keeping it affordable).

- Streamlining the network to make it cost efficient, but keeping reliability and safety levels the same or better, e.g. putting in SAPS and microgrids where applicable.

- Structuring tariffs to encourage better utilisation of existing network assets and the facilitation of new technologies, whilst also managing affordability for the end customer.

- Ensuring the full continuum of consumers to prosumers are catered for in a fair way.

- A balancing authority - to balance the supply and demand (managing the flow of electricity versus customers' usage).

- Being a trusted authority – managing the energy market to some extent (helping to ensure fairness and that customers can make informed decisions).

The above will require collaboration will all the other key entities involved in the energy industry – e.g. government, the regulator, retailers, renewable developers and new technology providers, to design and plan for the electricity system of the future.

1.2.5 Implications for the next phases of engagement

The next phase of engagement should focus on starting to develop collaborative solutions and should clearly show we are building on what customers have told us so far. The content of the forums should flow on from customers' vision and priorities from Phase 1.

Therefore content could include:

- Outlining the vision, what Essential Energy can do to meet this vision (its role in 14realising the vision), the challenges/considerations faced and possible ways to overcome them.

- Testing the revised customer priorities and asking participants to rank them

- Focusing on the topics of importance to customers, business partners and stakeholders:

  o   **Affordability** - tariff structures that encourage more electricity usage in the middle of the day and encourage the uptake of batteries amongst solar customers, whilst still ensuring prices are affordable to all customers

  o   Ensuring network **reliability and resilience**

  o   How the network can be **future focused** and accommodate DER in a planned and sustainable way

- o **Customer service** – finalising the measures for the Customer Service Incentive Scheme

- o Helping customers to navigate the complexity of the new energy landscape (**transparency/simplicity**)

- o How to cater for individual needs whilst also focusing on the collective good (**equity/collective good**)

Time should be dedicated to exploring customers' preferences for solutions in these areas and starting to develop options that can be costed by Essential Energy and then tested in Phase 3.

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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 placing customers and stakeholders at the centre of everything it does. Therefore, in order to develop its proposal, the business has adopted a comprehensive engagement program to identify customers' needs and priorities.

Essential Energy's approach to engagement for the previous proposal (2019-24) received considerable praise from the AER and customer representative groups, as well as winning the Energy Networks Australia and Energy Consumer Australia (ECA) 2018 award for consumer engagement. In a constantly evolving environment, there is a desire to build on this and do even better for the next one.

Woolcott Research and Engagement, along with Kathy Jones Associates (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, such that it is capable of acceptance and approval by the AER.

The goals of the engagement program as a whole are:

- To identify and understand all 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 Phase 1, the objectives were:

- To determine customers' priorities now and whether they have changed since the last Regulatory Proposal.

- To understand what makes good customer service and how it should be measured.

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- To explore customer views of risk factors that help shape Essential Energy's investment decision making.

- To understand customers' vision for the future and what customers will want and expect from Essential Energy then.

The desired outcomes of this phase were to increase customers' knowledge so that they are able to provide informed feedback in this and future phases, and identify what's important to them.

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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 in the diagram below.

Figure 1: Engagement Program Outline
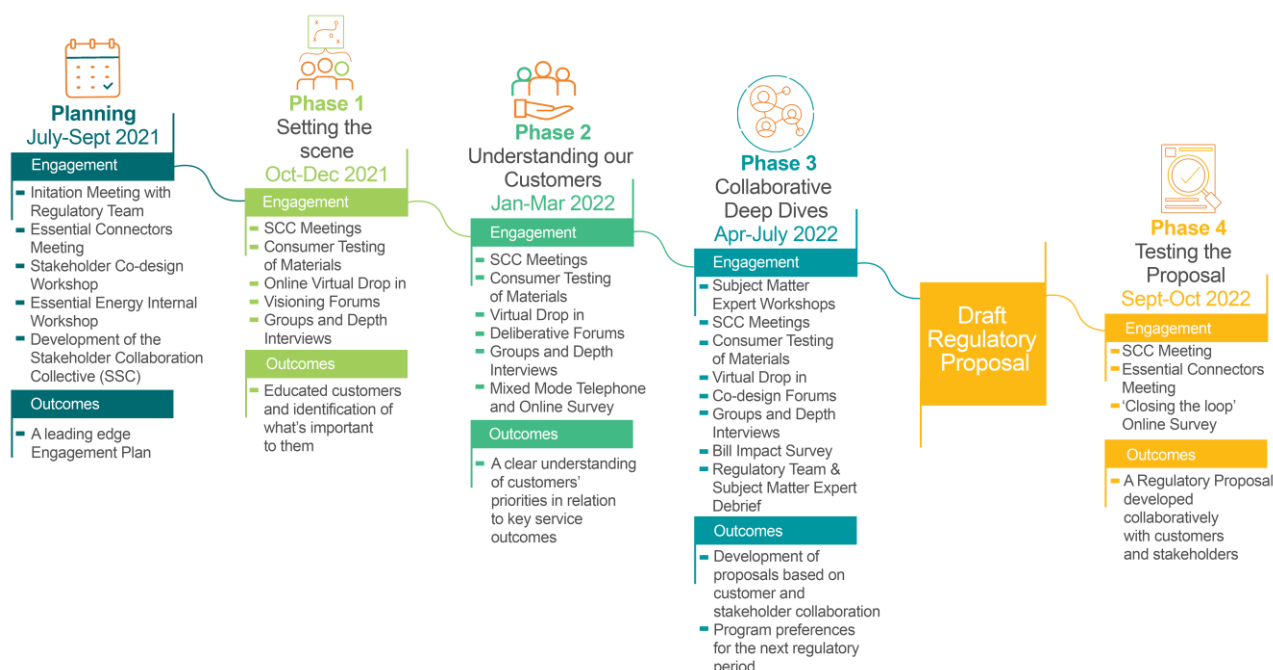
3.2 Phase 1

The engagement program for Phase 1 consisted of the following components:

Connected customers

- Virtual drop in website

- Seven visioning forums with residents and small to medium businesses

- One group discussion with young people (16-18 year olds)

- 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)

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- Six in-depth interviews with large business/commercial and industrial customers (C&Is)

Business partners and stakeholders

- Six in-depth interviews with retailers

- One group session with renewable developers

- One group session with new technology providers

- One group session with Local Councils

- One group session with consumer and industry advocates

- Stakeholder Collaboration Collective meetings

The approach for each element is outlined below.

3.3 Connected customers

Virtual drop in

Prior to the Phase 1 visioning forums, a virtual drop in portal was developed, where information was made available for pre-reading. All forum participants were encouraged to visit the site prior to attending, to ensure they were informed on the relevant topics.

The content can be viewed using the Virtual Room link at https://engage.essentialenergy.com.au/hub-page/eeyoursay

During the period of the forums there were 215 unique visitors to the virtual drop in and 352 visits.

Visioning forums

Seven visioning forums were conducted with residents and small to medium businesses – known as 'small customers' by Essential Energy.

Throughout the current COVID-19 pandemic, Woolcott Research & Engagement and Essential Energy have continued to adhere to strict health guidelines regarding the gathering of large groups.

The traditional 'in-person' forum has been moved to an online format, utilising the Zoom platform to conduct large scale group meetings. This allows for the delivery of information in a larger group setting, as well as smaller group discussions in 'break-out rooms' that give facilitators the ability to gather more in-depth feedback.

Table 1: Locations, dates and number of participants at the visioning forums

Location	Date	Participants
Ballina	19 October 2021	49

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Location	Date	Participants
Broken Hill	21 October 2021	56
Dubbo	25 October 2021	78
Inverell	27 October 2021	53
Taree	28 October 2021	55
Wagga Wagga	1 November 2021	81
Bega	3 November 2021	48
TOTAL		420

The forums consisted of a stimulating mix of 'breakout' discussions and activities, presentations from Essential Energy executives and polling sessions. There were 6-9 participants in each of the pre-assigned breakout rooms per forum.

The workshops ran from 6:00 - 8.00pm.

For each workshop Woolcott Research & Engagement provided a lead facilitator, Ian Woolcott (who chaired the sessions and managed the flow and timing), six to nine breakout room facilitators and two support staff members. Woolcott facilitators ensured that all issues were covered in the discussions and that everyone's views were heard and captured. They ensured that no one participant dominated the discussion in their breakout session and that everyone had a chance to have their say and provide feedback. They also probed into issues that arose within the discussion to ensure that sufficient detail was gained.

Polling was also included whereby participants were able to answer questions shown on screen, with results given in real time. A copy of the proforma used by the facilitators is in Appendix A.

Essential Energy executives attended to present information, observe the discussions throughout the sessions and to answer any questions that arose. John Cleland (CEO), Chantelle Bramley (General Manager Strategy, Regulation and Corporate Affairs), Luke Jenner (Executive Manager Engineering) and Justin Hillier (Chief Financial Officer) presented at the forums. Overall there were 81 observers from Essential Energy across the seven forums with 44 different staff members observing at least one, showing the high level of staff interest and engagement.

Participants were recruited to reflect the demographics of the Essential Energy network area and each breakout room included a mix of demographics in terms of age, gender and solar/non-solar user status. The recruitment screener and information can be found at Appendix B.

We also included some 'Essential Connectors' in this project to continue the conversation with them. This group of customers were involved in the Engagement program for the last Regulatory Proposal and indicated their desire to stay involved with Essential Energy. They made up a sixth of the total sample (16%).

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Participants were recruited by Woolcott Research & Engagement using a range of techniques, such as telephone recruitment and social media as well as through external recruiters. Participants were offered $120 to take part in this Phase, in appreciation for their time and to cover any expenses incurred.

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

Age was fairly consistent across regions, with most participants being aged over 44 years. There was a slight skew towards females with 56% being female in the forums. Four percent of respondents spoke a language other than English at home, however in the Southern region this increased to seven percent. Over one in twenty participants identified as being of Aboriginal or Torres Strait Islander origin. One in five were the owner of a small or medium business (SMB), which was consistent across locations. Almost a quarter resided in a rural area, which did not vary across region. Forty three percent (43%) stated that they had solar panels for electricity, which varied across regions – 37% in the Southern region and 49% in the Northern region. Almost a quarter reported that they have had difficulties paying their electricity bills in the last 12 months.

Table 2: Participant profile for visioning forums

	Total (%)	Southern (n=129) (%)	Northern (n=187) (%)	North Coast (n=104) (%)
AGE				
18-44	**38**	36	42	35
45-64	**43**	45	37	51
65+	**19**	19	21	14
GENDER				
Male	**44**	41	47	42
Female	**56**	59	53	58
LANGUAGE OTHER THAN ENGLISH				
Yes	**4**	7	3	3
No	**96**	93	97	97
ABORIGINAL OR TORRES STRAIT ISLANDER				
Yes	**6**	4	7	6
No	**93**	96	93	91
Prefer not to indicate	**1**	-	1	3
SMB				
Yes	**20**	22	20	19
No	**80**	78	80	81
RURAL				
Yes	**24**	23	22	27

	Total (%)	Southern (n=129) (%)	Northern (n=187) (%)	North Coast (n=104) (%)
No	**76**	77	78	73
SOLAR				
Yes	**37**	31	42	34
No	**63**	69	58	66
FINANCIALLY VULNERABLE				
Yes	**23**	15	28	22
No	**77**	85	72	78

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 business (less than 200 employees)?
Base: All respondents (n=420); Southern (n=129), Northern (n=187), North Coast (n=104)

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

Groups and depths

The forums were supplemented with groups and depths with harder to reach audiences such as young people, those from an Aboriginal and Torres Strait Islander background or different language background and large C&I customers.

The youth group were recruited as those interested in topical issues such as civil rights and racial discrimination, gender inequality, poverty and homelessness, climate change and global conflict.

An analysis was conducted on the proportions of language groups in the Essential Energy network area which showed that Italian, Punjabi, German and Mandarin were the largest groups. The CALD participants were therefore recruited from these groups including two Punjabi, two Mandarin, one Italian and one German.

The C&I customers were recruited from a range of industries including manufacturing, retail, mining, water and waste services.

The forum materials and questions were adapted for an in-depth interview format. For the ATSI and CALD customers, questions were included on whether there are certain things that Essential Energy needs to consider specifically from their perspective, or the perspective of ATSI or CALD people in general. This can be found at Appendix C.

Table 3: Groups and depths with connected customers

	Date	Participants
Youth – 16-18 year olds	18 November 2021	8

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ATSI customers	18-23 November 2021	6
CALD customers	29 Nov – 8 Dec 2021	6
C&I customers	25 Nov – 8 Dec 2021	6
TOTAL		**24**

3.4 Business partners and stakeholders

Group interviews were conducted with renewable developers, councils, solar installers and new technology providers, electricity retailers and consumer and industry advocates.

Lists of potential participants for the in-depth interviews and group sessions were provided by Essential Energy and supplemented by Woolcott Research and Engagement. Recruitment was conducted internally by Woolcott.

Justine Langdon and Natalie Lindsay from Essential Energy attended the group sessions and presented information on the issues. An example of the discussion guide and presentation can be found at Appendix D.

Table 4: Groups and depths with business partners and stakeholders

	Date	Participants
Renewable developers	17 November 2021	8
Local Councils	22 November 2021	9
New tech providers	23 November 2021	5
Electricity retailers	24 Nov – 8 Dec 2021	7
Consumer and industry advocates	25 November 2021	6
SCC meeting	21 October 2021	11
TOTAL		**46**

Renewable Developers

Participants attended from the following organisations: Metka EGN, Komo Energy, NEOEN, Elliot Green Power (Nevertire), Terrain Solar Pty Ltd, Providence Investment Management Pty Ltd, Moree Solar Farm Pty Ltd.

Councils

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Representatives took part from the following Councils: Tamworth Regional Council, Dubbo Regional Council, Eurobodalla Shire Council, Wagga Wagga City Council, Port Macquarie-Hastings Council and Tweed Shire Council.

New Technology Providers

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

Retailers

The following businesses took part in the engagement: Enova Energy, Energy Australia and Red Energy. Several staff members took part from each organisation.

Advocates

Representatives took part from the Council of the Ageing, Ethnic Council of Australia, Caravan and Camping Association of NSW, Cotton Australia and the EV Council.

Stakeholder Collaboration Collective

A reference or advisory group was formed during the planning phase to engage and collaborate with throughout the project. The group will meet at least five times each phase to provide input and feedback on the draft engagement information, key questions and materials. They will also provide their own feedback on the topics throughout the engagement program. The sessions are conducted via Zoom.

The members of the group are:

- 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/ Thea Bray

- NSW Farmers, Kathy Rankin

- Australian Energy Council, Ben Barnes

- Thriving Communities Partnership, Ciara Sterling/
  Gabby Sundstrom

- Total Environment Centre, Mark Byrne

- Renew, Dean Lombard

- Australian Energy Regulator, Adam Young

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At one of the meetings in this phase, the Collective were asked for their feedback on the relevant topics of this Phase – customer priorities, customer service measures, risk and priorities for the future.

3.5 Interpreting the findings in this report

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.

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. Customer Priorities

4.1 Connected Customers

4.1.1 Aspects felt to be important from an energy provider

At the beginning of the forums, following a presentation by Essential Energy on what its role is, the services it delivers, the challenges facing the business and the customer priorities from the previous Regulatory Proposal, forum participants were asked what they felt was important to them regarding their electricity supply and what they thought Essential Energy should focus on.

At the outset there were some common themes to emerge in the discussions, the two most consistent ones being the cost of electricity and ensuring there is a reliable supply, showing the importance of affordability and reliability.

> *"Reliability - blackouts are a pain in the bum, especially during summer, we're 30 minutes out of town, if we lose power we lose water and phone (because we need a booster), without power we have nothing." – Inverell participant.*

> *"Price – lowering the price of the kilowatt. That is my concern, especially for older people. The power bill always sets you back." – Dubbo participant.*

> *"That's simple - just price and as long as it works. That's all I want."- Ballina participant.*

> *"Reliability is key. As a customer I am concerned about bills getting out of hand, so affordability is important too." – Ballina participant.*

There were many who also raised renewables early in the discussion, indicating that it was important to them that electricity comes from renewable sources for generation and that we cut down on the reliance on fossil fuels/coal fired power stations.

> *"The most important thing for all of us is sustainable and renewable… not burning our country to the ground and taking the minerals out of the earth." – Ballina participant.*

> *"Investment in renewables – solar, wind. Innovation and being ahead of the game – particularly because we have a lot of sun exposure and wind, with so few customers per km." – Inverell participant.*

There was also greater use of new technologies mentioned such as community batteries.

> *"Even though they are not generators with innovative technologies there should be more sharing and benefiting from electricity. There should be big community batteries that absorb all the excess energy and distribute it at night at the local level." – Bega participant.*

Some solar customers brought up the continued reduction in feed in tariffs at this point in the conversation. Although this is not Essential Energy's remit, there was frustration that solar customers have invested in a technology that benefits the environment (and therefore all customers) but are not seeing good returns on that investment.

4.1.2 Reactions to the previous list of customer priorities

When the list of customer priorities identified for the previous regulatory proposal was discussed there was general widespread acceptance of most of the elements. Overall, safety was still thought to be so important that it is 'a given', with affordability and reliability also key priorities.

Following on from this was encouraging renewables and innovative technology which were often felt to overlap or be difficult to separate, while customer service and communication was seen as moderately important. Bill itemisation was thought to be less of a priority, and for some it was not felt to fit with the other priorities. Each of the priorities are discussed below.

Safety

A safe electricity network was frequently agreed to be the most important priority for Essential Energy, and most were in agreement that it should be taken as a given or assumed to be done. It was considered vital that the public and workers are kept safe when living and working near or maintaining the electricity poles and wires.

> *"Safety is something we take for granted and don't think about, but it is definitely an expectation. Safety is not a problem at this stage but other things are a bit of a problem such as reliability." – Taree participant.*

> *"As consumers we assume that Essential Energy is doing everything to keep the community and their workers safe. But for me I think safety has to be above everything. I would say, we take safety for granted." - Broken Hill participant*

Affordability

Affordability or keeping costs down as much as possible was also frequently agreed to be one of the top priorities for Essential Energy. Often reliability and affordability were felt to be equal in importance and the desired outcome was to strike a good balance between the two.

> *"For me, affordability sits right up there with reliability, there's no point being able to pay for it if it's not a reliable source. Getting stuff cheap doesn't always mean it's great. I'm happy to pay a bit more for a service that doesn't come up short." – Bega participant.*

Many acknowledged that the cost of electricity was increasing and that anything extra that Essential Energy could do to keep costs as low as possible should be a priority for the organisation. There was particular concern for customers in financial hardship, and it was believed that more people are struggling financially due to the COVID pandemic. Electricity is thought of as an essential service, so thinking that they may not be able to pay their bills is stressful and results in having to make difficult choices about when and how to use it.

> *"Affordability is definitely a priority. As prices rise it becomes hard to prioritise what you want to run in your house. It's a big one to me and I think for a lot of other consumers." – Broken Hill participant.*

> *"Petrol is through the roof, rego for cars and power is on top of that making it even harder. It is essential, you need power, it causes stress." – Broken Hill participant*

> *"I was unemployed 2- 3 months ago and having problems affording electricity. The price you have to pay to just have your electricity connected - I turned everything off at the power point except the fridge and the freezer." – Broken Hill participant*

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"The constant up curve in supply charges pricing. We have two meters on our property. One meter is in a low power use area. The supply charge is often higher than the electricity used. I struggle to understand that. Obviously supply charge isn't based on user pays. In that sense, I'm subsidising bigger business." – Ballina participant

Reliability

The theme of reliability and ensuring that the power supply is always maintained, with as few power outages as possible, was very important to the majority of participants.

"I thought the list was pretty good. Safety is a given. Reliability and affordability would be top without safety." – Ballina participant

"Reliability has obviously got to be very high on the list. We have been lucky in the area but with storms and bushfires recently, and power being unavailable for a long time, it's very difficult. Everything in the fridge and freezer goes, water is a pump requiring electricity – it's very concerning not to have basic amenities." – Inverell participant

"Reliability is a definite must. If we get blackouts here, we're sitting in 45 degree heat, pretty much dying." – Broken Hill participant.

In some locations with better reliability some participants went so far as to suggest that, to them, reliability was also 'a given', in addition to safety. It was something that they don't really think about and just assume that when they want electricity, it will be available.

"Reliability is assumed. We have very reliable electricity really, we are very fortunate." – Dubbo participant

Reliability of supply was also extended to conversations revolving around operating a business, in addition to discussions of supply at the household level. Business owners stressed the importance of reliable power for business continuity.

"Reliable infrastructure to ensure business continuity. Adelaide spent a whole two days without power last year, that's a good lesson for the world." – Broken Hill participant.

"Safety and reliability go without saying, they're no brainers, we expect that. But reliability might be better with microgrids and stand-alone systems." – Bega participant

Renewables

There was positivity expressed by participants for a future than embraces renewable technology and a sense that this priority is growing in importance. It was suggested the word 'encouraging' was better represented as 'facilitating' or 'enabling' renewables.

"For me, encouraging renewables is number one by a mile, it's important to be ahead of the game and it helps people who are concerned about the environment and my future children's planet." – Wagga Wagga participant.

"For me encouraging renewables is very important. That's shaped some of the decisions we've made for our life lately, so it's definitely important in terms of energy. We've chosen green energy when sourcing our power as well as having solar." – Taree participant.

A theme emerged that the term "renewables" was confusing for some participants and significant education is required to improve customer understanding and subsequent adoption. In addition to this, the price of switching to greener solutions was a consideration for many people, and potentially a barrier to take-up.

"The best way to encourage renewables is they need to tell us all about it and give us an incentive to take them up. If you lower the price of renewables you will encourage more people to take it up. Batteries need to be encouraged." – Dubbo participant.

"Let's get support for renewables like we have for fossil fuels and make them affordable." – Bega participant.

Within this theme there was also the idea of equity and ensuring that those more vulnerable members of the community such as the elderly, unemployed, and those on lower incomes, have access to renewable energy at a cost that they can afford.

"Affordability is becoming more of an issue. There is more of a divide between those who can afford renewables and those that can't. Essential Energy should encourage renewables so that all people can afford things and bring the costs down." – Bega participant

Sentiment was expressed that guidance in the move to renewables (and in particular solar) would be welcomed, particularly advice on solar installation. There were some reports of solar installers providing confusing information and recommending larger systems than required. Some participants suggested the solar industry should be legislated and that the government should re-introduce a rebate scheme.

Innovative technologies

Participants often noted a link between renewables and innovative technologies and assumed the adoption of these as priorities would flow on to increasing affordability and reliability. In some discussions it was evident that innovative technologies was a difficult concept to grasp and an unknown given it was too far into the future to predict what this would involve.

"Innovative technologies create efficiencies and open up opportunities for renewables." – Dubbo participant.

"I think innovative technology should go first, it's important with more energy efficient lights and all that. Innovation means better technology therefore less power in the household, so affordability and reliability goes up anyway." – Taree participant

Customer Service and Communication

Although still seen as a priority, customer service was thought to be less important than some of the other priorities, simply because customers do not have as much interaction with Essential Energy as with their electricity retailer. Communication in relation to planned outages was thought to be good currently.

Participants expressed that they like Essential Energy's customer service calls being answered by a person, not by an automated messaging service and that the business should continue to employ customer service representatives that speak clearly, are easy to understand, and have excellent English speaking skills.

"Being able to speak to a real person – when you speak to an automated service you don't get the response you want. I hate (businesses that use) automated services!" – Broken Hill participant

"Customer service is important, being able to ring up and understand what they're saying." – Wagga Wagga participant.

Bill itemisation

Participants spoke of replacing the word itemisation with transparency to make it clearer what this priority means. Discussions focused on the need to better understand electricity bills in order to inform usage. There was confusion about Essential Energy's role in billing and a need for this to be clearly defined, given it's the retailer's responsibility to detail the costings. Since it is the retailers role, it was questioned whether bill transparency should be a priority at all.

"How can EE really influence bill itemisation? It's important but is it really their job?" – Inverell participant.

CALD and ATSI priorities

When asked what is important in terms of electricity supply, ATSI and CALD participants mentioned cost as a top priority.

"Money talks, it doesn't matter what language it is." – CALD participant.

"Keeping costs low." – ATSI participant

Unprompted responses also reflected the need for deeper cultural considerations including supplying more information and assistance to customers to increase their knowledge.

"A lot of people with the same cultural background fall behind on their bills and have trouble with their bills because they don't know what they're looking for and they don't have that knowledge of usage until that bill comes in." – ATSI participant.

"Knowledge, so we're able to prepare and organise is the biggest thing," – ATSI participant.

Participants also spoke of the need for sensitivity to their English language skills and suggested improved access to information be made available for different cultural groups via QR codes (for instance) that link customers to translated pages on Essential Energy's website.

"It would be ideal if they could communicate correspondence in different languages, like when your bill is sent out – perhaps a QR code on the back of the bill, that gets them to a page that potentially lists all the other languages they have." – CALD participant.

When it came to discussing the customer priorities and considering whether there has been a change since the last regulatory proposal five years ago, there was a consensus that there were no additional priorities. It was stated that the six categories remain important, with affordability and reliability top of mind. It was thought that consideration needs to be given to those who cannot afford the new developments such as solar. Reliability is particularly important in the smaller outlying areas with ATSI populations.

"They're all important. The reliability and the affordability are the most important, then bill itemisation and then encouraging renewables. Not everybody can afford the new technology that comes around like the solar." – ATSI participant

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"I work, but there's a high percentage of the aboriginal community who don't work so they don't have the financial means to implement it (renewable and innovative technology)." – ATSI participant.

"I can't get solar because I am in department of housing but I believe that the government should supply the tenants with solar." – ATSI participant

Helping those who might struggle to understand the bill and their usage was also considered key.

"Helping people understand the bill – how much electricity they use. People don't understand energy ratings. They need to be informed about how to use electricity better. I know there are brochures but a lot of them don't read them. Better in a community meeting where someone can explain things in person." – ATSI participant

Youth priorities

Unlike the main customer forums, affordability was not personally an issue for most youth group participants, however some mentioned that cost was important to their parents so they needed to alter their behaviour to reduce their family bill.

"I don't really pay the bills, I'm good."

"I think about it when my parents tell me to turn the lights off. That's when I think about it the most."

Instead, many youth group participants thought about their electricity usage in terms of its environmental impact rather than cost.

"In geography we've done some of those footprint calculators, carbon foot print, shows how much you really use."

They emphasised the long term importance of encouraging renewables more than the main forum customers. However, like the main customer forum, some recognised that cost was a barrier to introducing household renewables, and suggested that making the technology cheaper or providing incentives could improve uptake.

"Now encouraging renewables is super important, with climate change and everything, it's on the forefront of people's minds. In the long term I think that's more important."

"I think a lot of people want to use renewable energy, but at the moment it's too expensive. So making it cheaper so it's more accessible."

Innovative technologies appeared to be a higher priority for youth group participants compared to the main forum attendees, perhaps due to their familiarity with technology and natural focus on the future and long term sustainability.

"Having the newest stuff to give to people, as in keeping up-to-date with technology."

"It will happen as society advances, but being future proof and not just sticking with the same thing… so things that you get now will work in a couple years."

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C&I customers

The key priority for most C&I customers was reliability and ensuring consistent high-quality power, including minimal planned and unplanned outages.

> "Reliability and stability of power are the two key priorities which they don't deliver currently. At 8am every morning we get a voltage drop from 240v to 210v. That won't run our machines. We have to turn on a back-up generator every morning for 3 hours."

Affordability was also important as network costs make up a large proportion of most C&I customers' bills.

Providing good customer service and communication about outages was also mentioned. Many C&I customers wanted a direct point of contact, ideally in the local area, who they could call in the event of an unplanned outage to find out an expected time of restoration. This would enable them to make quick decisions to plan around the outage, such as bringing in generators or sending staff home.

> "One of my biggest gripes is the lack of approachability. We have an account manager but so difficult to get in touch to find out the duration of an outage when they occur. We count the downtime of outages in thousands of dollars a minute. Some knowledge allows us to make strategic decisions about what the staff should do."

4.2 Business Partners and Stakeholders

4.2.1 Local Councils

The priorities from customers were largely supported by Council representatives and were seen to reflect what they were hearing from their communities.

> "This certainly reflects what we want as it touches on the sustainability perspective in terms of resilience – protection against severe weather events and a more proactive narrative around facilitating innovation around local energy sharing and renewables."

Safety and reliability were high on the priority list, with the emphasis on these and the importance of the resilience of the network having increased during the bushfires. Many Councils commented that the recent events had highlighted the criticality of maintaining power in order to communicate to the community and to worksites.

> "Reliability is the critical area here for disaster management. Power is what matters to the whole community."

> "Essential Energy need to focus on the critical infrastructure areas as it took a long time to get back online in the bushfires, we had to send people in time and time again to make sure places were safe for Essential Energy to go in. Composite poles would be good."

> "There is a telecommunication area where there are only 28 poles, so we would like these to be changed to composite poles. It services an aged care facility and resilience at age care facilities was very important at that time."

Encouraging the use of renewables was also important to Councils. Many indicated that they had zero emissions targets that the LGA was trying to meet and that the use of renewables was central to them reaching those.

"We have set a zero emissions target so renewables is very important."

"We are at the heart of a renewable energy zone and have a bright future. We are getting quite a bit of solar activity around here, so Essential Energy needs to be geared up to take what we produce."

Within that conversation the issue of LED upgrades to street lighting was also mentioned as a contributing factor to help reduce emissions and reach targets.

Affordability was discussed and deemed to be an important priority by Councils for both themselves and their community.

Many also pointed out that environmental sustainability needed to be considered as another key priority as the focus of communities was shifting to bringing environmental impacts of activities to the fore.

"We are starting to focus on urban heat island effect. Maintenance on street trees has been an issue for us. We would be looking at that going forward and would like some consideration around some of the easements and how maintenance can be done."

4.2.2 Renewable Developers

Those within the Renewable Developers group saw the main priorities to be safety, encouraging renewables, reliability and affordability.

It seemed obvious to them that there was a strong need for safety across all aspects of the network however, then the conversation quickly turned to the encouragement and facilitation of the use of renewables.

"Encouraging renewables is good in our respect."

But the way in which this was being facilitated and managed was seen to have changed considerably over the last few years. Renewable Developers suggested that in the past it was about Essential Energy setting up processes to encourage the connection of renewables. This saw a significant increase in large scale solar and in the up-take of residential solar PV's which resulted in cheaper electricity prices for customers and energy savings through substantial feed in tariffs. Now, it was argued that the market had reached a saturation point, and that there was now negative pricing and solar challenges for the network.

"Now we have built a whole lot of solar at the large scale and residential level to the point that the market is saturated."

In that sense, the emphasis for the future was seen to be on structuring tariffs to encourage usage in the middle of the day and enabling the uptake of batteries, to help manage affordability for the end customer.

"In SA, shoulder prices are often cheaper than off peak prices"

"The other way to encourage renewables is by not leveraging distribution charges on batteries."

Affordability was also a key factor for the Renewable Developers themselves. Many went on to discuss the Distribution Loss Factor (DLF) impacts, and called for clear and transparent consultation.

"The DLF impacts on our revenue dramatically and so if that changes without a lot of forewarning and clear consultation and without transparency that is a huge problem. The longer term you can fix those the better."

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"Affordability is crucial for us."

They also agreed that Customer Service and Communication was an important priority as if that aspect was in place, then it was felt the rest should fall into place.

"If you had good customer service and communication then the rest should fall out."

4.2.3 New Technology Providers/Solar Installers

The new technology providers and solar installers agreed with the customer priorities shown but reported that there are multiple issues around encouraging renewables. They suggested that the grid is 'not fit for purpose' and that significant investment is required to support solar installation.

The priority for this group was to fix the voltage issues so that solar customers do not need to be limited in their solar exports. At the moment it was suggested that the issues are being 'band-aided'.

"We install solar and invariably there is a high voltage issue, then we have to call Essential Energy and they send someone out to fix it. However, this doesn't resolve the issue of the whole feeder into the area, or the massive number of feeders across the whole state that are all having the same issue."

"You are limiting people exporting for 24/7 every day of the year for occurrences that happen a few hours a day on a few days of the year."

It was suggested that Essential Energy should be proactive rather than reactive and look to innovative technological solutions for this issue such as switching hot water systems to when grid voltage is higher, dynamic response on inverters, considering battery storage at the substation level and encouraging electric vehicles to be used as batteries.

"The next tsunami will be electric vehicles. There is a huge battery capacity there that will be available to the grid very soon. We will be on the back foot if it the approvals are not moved on soon."

They also brought up the issue of Stand Alone Power Systems and whether Essential Energy is planning to design and install them, which would effectively 'cut out' those in the solar industry. It was subsequently explained by Essential Energy that this was not going to happen.

4.2.4 Retailers

Retailers agreed that the priorities presented from the last regulatory period are the key aspects that customers prioritise about their electricity supply, although they suggested that most customers would be confused about the different roles of the distributor and the retailer.

From the retailers' perspective the priorities were thought to be:

- Customer service – retailers have to deal with Essential Energy for a variety of reasons such as systems issues, rule changes and compliance, so it was thought to be important to have a good relationship.

- Affordability - the network charges make up a substantial portion of customers' bills, so strongly impact the prices that retailers can offer customers.

- Encouraging renewables – some retailers wanted to see Essential Energy revise its time of use tariff to encourage customers to shift usage to the daytime. Collaborating with retailers on developing new tariffs was seen as a priority.

Although thought to be important for customers, reliability was not seen as so important from a retailer's perspective.

4.2.5 Consumer and Industry Advocates and the Stakeholder Collaboration Collective

On the whole the customer advocates agreed with the priorities presented from the last regulatory period and that safety is a given. It was thought that many of them interrelate, which makes it difficult to prioritise. It was also noted that although something might be important to customers, it doesn't mean that they want Essential Energy to have full responsibility to deliver it. Some commented that:

- Priorities depend on circumstances and expectations – residents will have different priorities to businesses, those in the rural/remote areas will be different to big country centres. Vulnerable customers will find affordability and customer service more important that other customers. Reliability is particularly important in rural areas.

- Five years ago, encouraging renewables was the priority whereas now it was thought to be more about accommodating or integrating renewables in a fair and equitable way.

- Find the right balance between increasing network capacity to accommodate DER and better utilisation of the network. Data availability was raised as a priority, to provide better visibility over the network, in order to be able to identify where there is capacity and where there isn't and encourage development in those areas.

- Bill itemisation was thought to be about bill transparency and trust – increasing understanding of the bill and how that can be used to save money.

- Planning ahead is a key priority – planning for climate change and increasing the resilience of the network to bushfires, floods and other extreme weather events.

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5. Customer Service Measures

5.1 Connected Customers

5.1.1 What makes good customer service

Participants in the forums were asked to reveal what a good customer experience was to them in relation to their dealings with Essential Energy.

Interestingly, within the breakout groups in most locations, there were participants that at the outset of this discussion, indicated that it was rather difficult for them to put into words what a good customer experience would be because they typically had very little interaction with Essential Energy. Some went further and suggested that an 'ideal' experience for them would be not hearing from Essential Energy – because that (to them) would mean that there had been no issues with their electricity supply, which in turn meant that they had no reason to be in contact with Essential Energy.

> *"Good customer service from Essential Energy would be never hearing from them." – Taree participant*

> *"As far as Essential Energy goes we don't have a lot to do with them except for when there is an outage." – Inverell participant*

In addition, there were suggestions from some participants that they were somewhat confused by the electricity sector – indicating that they found the roles of the distributor and the retailer particularly difficult to distinguish from one another.

> *"They need to make it clear what Essential Energy does versus the retailer." – Bega participant*

> *"I think most people would confuse what Essential Energy does with their retail provider. I really didn't know the difference before this. The information that they provided in this forum is really informative and provides a great context for what they do. Knowing how much network they need to manage along with the limited number of customers they have to fund it is a real eye-opener." – Dubbo participant*

To help counter this, participants were shown a list of the services that Essential Energy provides as a reminder of some of things that may require them to interact with the business. From this, discussion generally commenced with an exploration of communication relating to planned and unplanned outages.

> *"I wasn't aware of the range of services available from Essential Energy so it would be great if they could communicate that a little bit more." – Broken Hill participant*

One of the most common responses was to praise Essential Energy for the communication that they currently receive in relation to planned outages. Participants suggested that Essential Energy was generally quite good at providing advanced written warning of planned outages and then sticking to the timing that they had communicated. Most were happy with the level of information they received, the format they received it in, and the amount of notice they received prior to the planned work. In order to improve the service experience though, a few participants suggested that Essential Energy could introduce an SMS reminder the day before a planned outage.

> *"They do a really good job of letting us know." – Dubbo participant*

"They don't happen often, but we always know in advance when they are going to work on the line. They do a good job." – Bega participant

"Letters are good, but we could we get a text message just before a planned outage – because we forget they are going to happen." – Inverell participant

However, discussion in relation to planned outages sometimes resulted in anecdotes emerging that involved the planned timing for an outage not being adhered to. This was said to result in a poor customer experience - due to the fact that they had taken measures (sometimes significant) to deal with the outage at the time they assumed it would take place. A couple of participants indicated that they went to the extent of emptying out contents of their freezer etc. so that food that they had stored would not spoil while the electricity supply was cut.

"We had an incident last year where we were informed that there would be an outage and then it didn't happen. This went on three or four times, and each time I planned to not have anything left in the freezer, and to be out of the house. So if they're going to go to the trouble of letting us know there will be an outage they really need to stick with their scheduled timing." – Wagga Wagga participant

"I would really like to be informed when planned work doesn't go ahead. It really bugs me if I've planned to go out and not be impacted by the power being out, and then they don't do the work, and they make another date to do it." – Taree participant

Discussion next tended to cover the unplanned outages, and in this area there were suggestions for improvements to be made. While some participants indicated that they understood why it could be difficult for Essential Energy to provide information at these times, what they ideally wanted was an assurance that work was being undertaken to rectify the problem, and an estimate of how long the power outage may last.

"It's all about communication during an outage. People want to know how long the power is going to be out for. They may not know that sometimes, but they should share what they do know." – Broken Hill participant

"You want them to give you the confidence that they are working on it and are empathetic." Wagga Wagga participant

"It's about timely communication." – Taree participant

A few participants, who tended to reside in more rural areas, suggested that their reliance on electricity was more crucial, as the electricity was required in order for them to have water available at their property. This made communication about the unplanned outage estimated time for restoration even more important.

"It's really critical for us. No power means no water. Nothing. So we want to know what is being done." – Bega participant

There were numerous suggestions for the use of an SMS alert system to be introduced for communication about unplanned outages. Many felt that this approach would be suitable for the majority of customers as it was seen to be 'immediate' and likely to be read when it was received.

"If they could send us a text when there is an unexpected outage that would be great. An email is no good, as you probably need power to read them." – Bega participant

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However, not all felt that an SMS was ideal, and so there were also suggestions that the Essential Energy website, a social media channel, or a purpose built phone App could contain updated information in relation to any outage that occurs. This would allow customers to look up their address and see what was happening. There were also some suggestions for an online chat facility, or a call-back facility where you could enter your phone number into the system after calling, and receive a call back from Essential Energy rather than wait on hold to speak with someone. The sentiment was that there should be multiple ways of Essential Energy providing information to customers.

"Is there an app where they can give us an accurate estimation to restore power?" – Ballina participant

"A call-back facility so you don't have to sit on the phone line and wait." – Ballina participant

"I think it's important that they provide updates on the website and social media page." – Bega participant

"I'd prefer to have outage info on their website or received via SMS so I don't need to call up. Or even post it on social media." – Wagga Wagga participant

"I like using LIVE CHAT when I have an issue. It would be good if Essential Energy could use that." – Taree participant

"It would be nice if it was on Facebook if there is an outage. Needs to be shared on the Broken Hill community page." – Broken Hill participant

In addition, the 'call centre' was generally raised at this point in the discussion. While most appeared to be happy with the service offered in this regard, it was not uncommon for questions to be raised about the location and staffing of the Essential Energy call centre – as the participants liked the idea of a locally run and operated call centre where there would be no potential of cultural differences inhibiting the communication process.

"I like to get a person on the phone, not a press 1 for this and 2 for that. Not a recording. I like to be able to understand them, sometimes you can't understand them." – participant in Ballina

"Speaking to a voice at the end of the phone, not being put on hold. They need to be friendly, and English speaking." – participant in Dubbo

"I really hate it when you call up and get someone where English is their second language - we need operators who understand!" – participant in Bega

"I would like it to stay Australian based. Some call centres go overseas. That is frustrating. They have no idea what you are talking about and hard to understand." – participant in Wagga Wagga

"Fluent English speakers in call centre." – participant in Broken Hill

For many the manner in which they were treated was raised as being important to them. When they deal with Essential Energy staff (predominately on the phone) they wanted to be listened to and treated with respect, empathy, and understanding. They also wanted the staff member to be knowledgeable enough to handle their query – or to go to the extent of contacting them back if they did not know the answer immediately.

"Being friendly and helpful goes a long way, but they also need to be knowledgeable." – Wagga Wagga participant

"We need reassurance that they are doing something." – Ballina participant

"Being actually heard - not getting a script being read out, active listening." – Dubbo participant

"For me, good customer service is listening to your customers. If the person you are speaking to doesn't have the answers straight away, they go and find the answers." – Wagga Wagga participant

"The essence in customer service is taking an interest in what someone is taking about, owning it and following up with the person. If they don't know the answer they find out and come back to the customer. Not being left on hold." – Taree participant

While discussions tended to focus on outages, this was not exclusively the case, and some participants mentioned other types of interactions that they have had with Essential Energy, and how the customer experience could be improved (such as with vegetation management and new connections). However, as a general rule, these were often not about the level of customer service, but rather suggestions for service optimisation to improve customer satisfaction.

"They could notify when they are coming to read the meter." – Inverell participant

"Essential Energy workers go onto our property to trim vegetation. Good customer service means letting us know when it'll be happening - so we can open gates, tie up dogs etc." – Wagga Wagga participant

"Leaving the vegetation for us to dispose of is also annoying. That's not good customer service!" – Inverell participant

"When you see the crews on the ground, I think their conduct is a reflection of good customer service. You don't want to see them swearing their heads off." – Bega participant

Some participants also suggested that as a trusted source, they would ideally like to see Essential Energy provide information and potentially advice to customers on matters such as solar energy. They suggested that there was a need for independent advice on solar panels and other forms of emerging technology, and they felt that Essential Energy was ideally positioned to do this. In terms of delivering information of this nature, most tended to suggest that they would be happy to search for it on the Essential Energy website.

"I'd like to see more advice on ways to reduce electricity usage." – Inverell participant

"It would be good if Essential Energy could provide advice on different solar power brands. They could post their recommendations on their website." – Taree participant

5.1.2 How to measure customer service

Current customer service measure

Participants were asked to provide feedback in relation to the current measure of having phone calls answered within 30 seconds. While there was a definite appreciation for calls being answered promptly, without being kept on hold for a long period of time, in overall terms there was limited support for this as a comprehensive measure of customer service. Some participants felt that simply answering a call was totally insufficient (as a call can be answered without a resolution being offered), while others were more concerned with the fact that it only dealt with one aspect of interaction with Essential Energy (via phone). A few participants also suggested

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that they would be happy for the 30 second time-frame to be expanded if that would allow Essential Energy to put more focus on service in other areas.

"The 30 sec measurement seems very specific and very narrow and quite unrealistic. In a big storm there might be thousands of people trying to contact them. They should definitely try and expand that measure." –Inverell participant

"I don't think they can rely on measuring phone calls anymore. There are so many other ways of interacting with them. I haven't phoned them for years." –Taree participant

"It could be a minute or a couple of minutes rather than 30 seconds, as long as it's not half an hour." – Broken Hill participant

In the polling at the end of the discussion, just under a quarter of the participants stated that it is very important that Essential Energy is measured on the percentage of telephone calls to the fault line that are answered within 30 seconds (22%), with a further 28% stating that it is quite important. This perception of importance did not appear to vary significantly across region, age or solar ownership.

Figure 2: Importance of telephone calls to the fault line being answered within 30 seconds
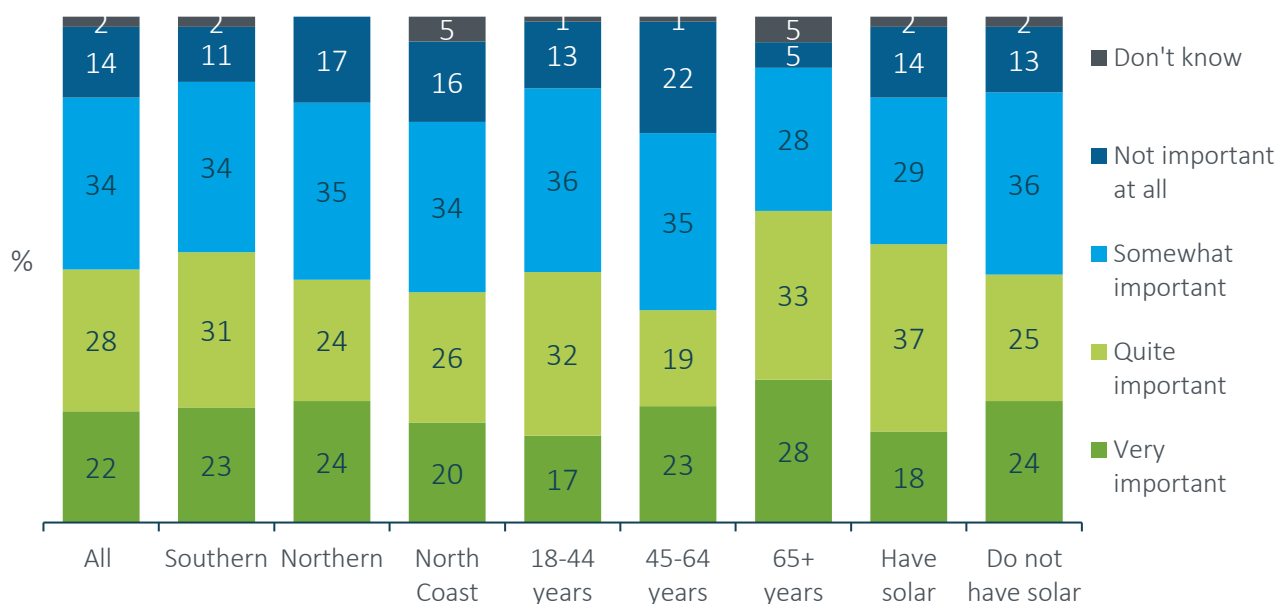
How important is it that Essential Energy is measured on the percentage of telephone calls to the fault line that are answered within 30 seconds?
Base: All forum participants who answered this question (n=293); Southern (n=129), Northern (n=112), North Coast (n=52), 18-44 years (n=112), 45-64 years (n=128), 65+ years (n=53), Have solar panels (n=118), Do not have solar panels (n=172)

Alternative measures

Participants were then presented with a range of potential measures that could be used to assess customer satisfaction, and were asked to provide feedback on them and to reveal which they felt were more important for adoption as measures of satisfaction with Essential Energy. While some had a preference for the use of
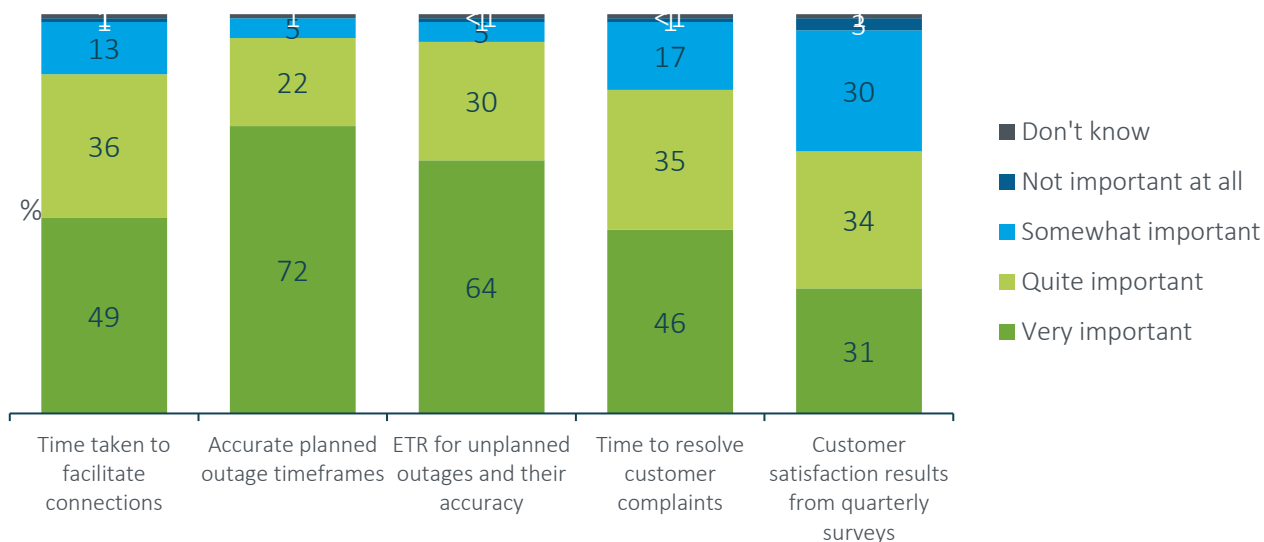
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one type of measure over another, many ultimately felt that all of the measures were important, and could somehow be included.

> *"If they did some sort of average across those measures it would be a fair indicator." – Wagga Wagga participant*

> *"I think both internal and external feedback are needed. Internal collected data is always going to give you the cold hard facts about what's going on internally. But customer feedback is equally important as it gives you customer attitudes towards your service and levels of satisfaction – the soft emotive data which is not going to happen through internal data. I think you have to have both types." – Broken Hill participant*

> *"All of them seem like good measures – internal plus surveys." – Bega participant*

Figure 3: Importance of customer service measures

How important is it that Essential Energy is measured on the time taken to facilitate connections to the network? / How important is it that Essential Energy is measured on communicating accurate planned outage timeframes? / How important is it that Essential Energy is measured on communicating an estimated time to restore power for unplanned outages and its accuracy? / How important is it that Essential Energy is measured on the average time to resolve customer complaints? / How important is it that Essential Energy is measured on customer satisfaction results from quarterly surveys? / How important is it that Essential Energy is measured on customer satisfaction results from quarterly surveys?
Base: All forum participants who answered this question (n=392); Southern (n=129), Northern (n=166), North Coast (n=97), 18-44 years (n=154), 45-64 years (n=169), 65+ years (n=69), Have solar panels (n=165), Do not have solar panels (n=224)

Time taken to facilitate new connections

When looked at individually, the time taken to facilitate new connections was seen to be important, but few participants had been through an actual connection process with Essential Energy (that they recalled). So while

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some thought that it was highly important, others suggested that it was not one of the main measures of satisfaction - due to the low incidence rate of customers experiencing it.

> *"To me I'm surprised that the time taken to facilitate a connection isn't already a measure that Essential Energy is being assessed against. It's really a core deliverable for them." – participant in Bega*

> *"The time taken to connect is really only relevant to people who are wanting to connect." – participant in Inverell*

In the polling at the end of the discussion, just under half of the participants stated that it is very important that Essential Energy is measured on the time taken to facilitate connections to the network (49%), with a further 36% stating that it is quite important. Again, perceived importance of time taken to facilitate connection to the network did not vary across regions, age groups or solar ownership status.

Figure 4: Importance of time taken to facilitate connections to the network
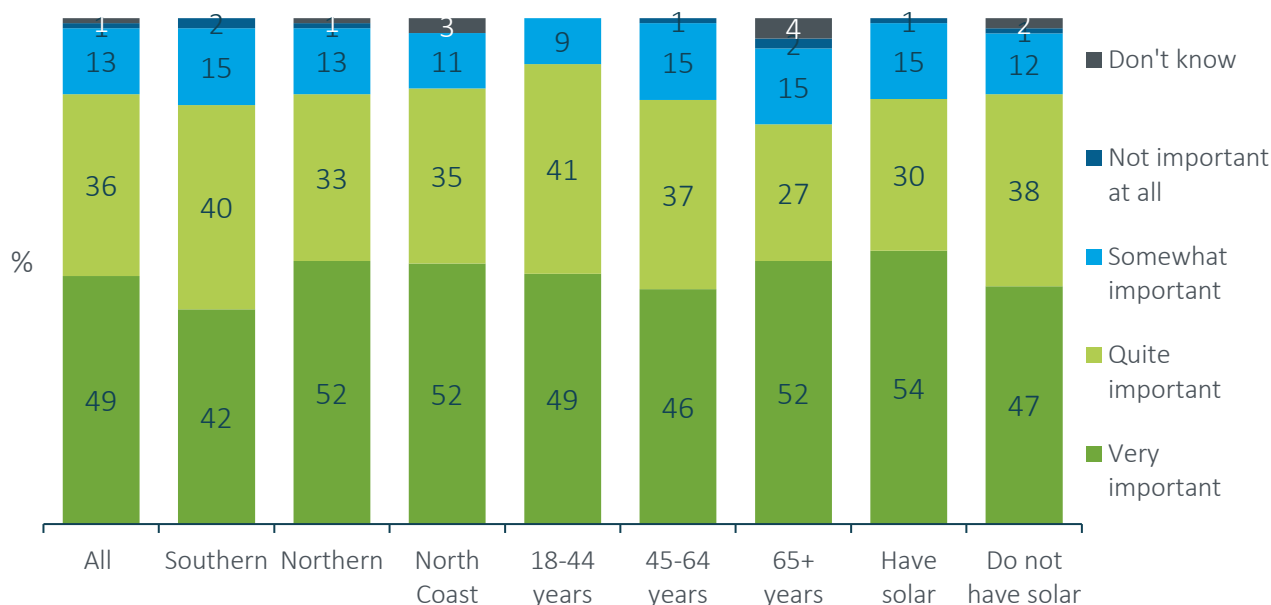
How important is it that Essential Energy is measured on the time taken to facilitate connections to the network?
Base: All forum participants who answered this question (n=392); Southern (n=129), Northern (n=166), North Coast (n=97), 18-44 years (n=154), 45-64 years (n=169), 65+ years (n=69), Have solar panels (n=165), Do not have solar panels (n=224)

Communicating accurate planned outage timeframes

Since outages are an area where most customers do have interactions with Essential Energy, communication in relation to these was thought to be a good measure of customer service by most participants. Communication relating to planned outages was seen to be of high importance as many make alternative arrangements during the time when electricity is not going to be available, and so they rely on an accurate timeframe being provided. As has already been indicated, many were already quite satisfied with the performance of Essential Energy in this area, however a few of the Broken Hill participants reported that there was an ongoing issue with time zones that they experienced there.

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"Letters are sent out from Dubbo which is in a different time zone to us. It's always half an hour wrong. This is a big issue in Broken Hill." – Broken Hill participant

At the end of the discussion, just under three quarters of the participants stated that it is very important that Essential Energy is measured on communicating accurate planned outage timeframes (72%), with a further 22% stating that it is quite important. Communicating accurate planned outage timeframes was equally important to participants across regions, age ranges and solar panel status.

Figure 5: Importance of communicating accurate planned outage timeframes

How important is it that Essential Energy is measured on communicating accurate planned outage timeframes?
Base: All forum participants who answered this question (n=392); Southern (n=129), Northern (n=166), North Coast (n=97), 18-44 years (n=154), 45-64 years (n=169), 65+ years (n=69), Have solar panels (n=165), Do not have solar panels (n=224)
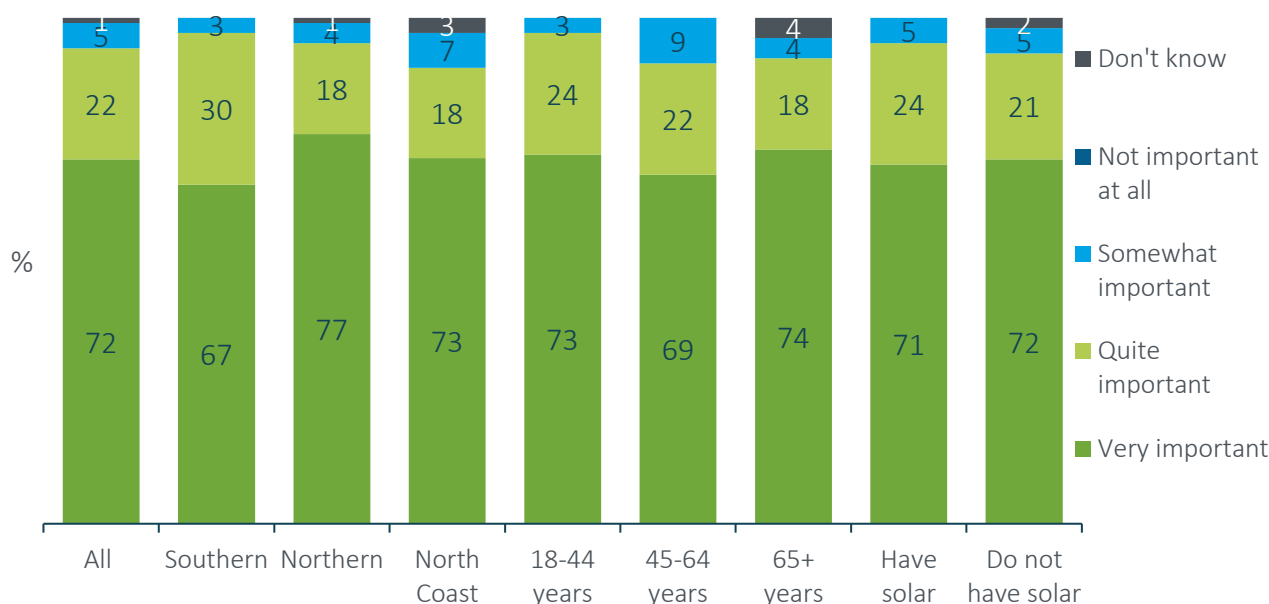
Communicating an estimated time to restore power and its accuracy

Communication relating to unplanned outages often resulted in more discussion within each of the breakout groups, as this was an area where many felt improvements could potentially be made. It was thought that unplanned outages can have a bigger impact on customers as they are unable to plan ahead and make alternative arrangements. However, there was an acknowledgement that giving accurate timeframes for power restoration in the event of unplanned outages, when the cause of the problem may not be clear, is not always easy.

"The impact from an unplanned outage is often greater as well because you haven't been able to prepare for it." – Bega participant

"For unplanned outages and complaints they're terrible! So they should be measured on this." – Broken Hill participant

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At the end of the discussion, just over two thirds of the participants stated that it is very important that Essential Energy is measured on communicating an estimated time to restore power for unplanned outages and its accuracy (64%), with a further 30% stating that it is quite important. Importance of this measure was consistent across regions, age ranges and solar status.

Figure 6: Importance of communicating an estimated time to restore power and its accuracy
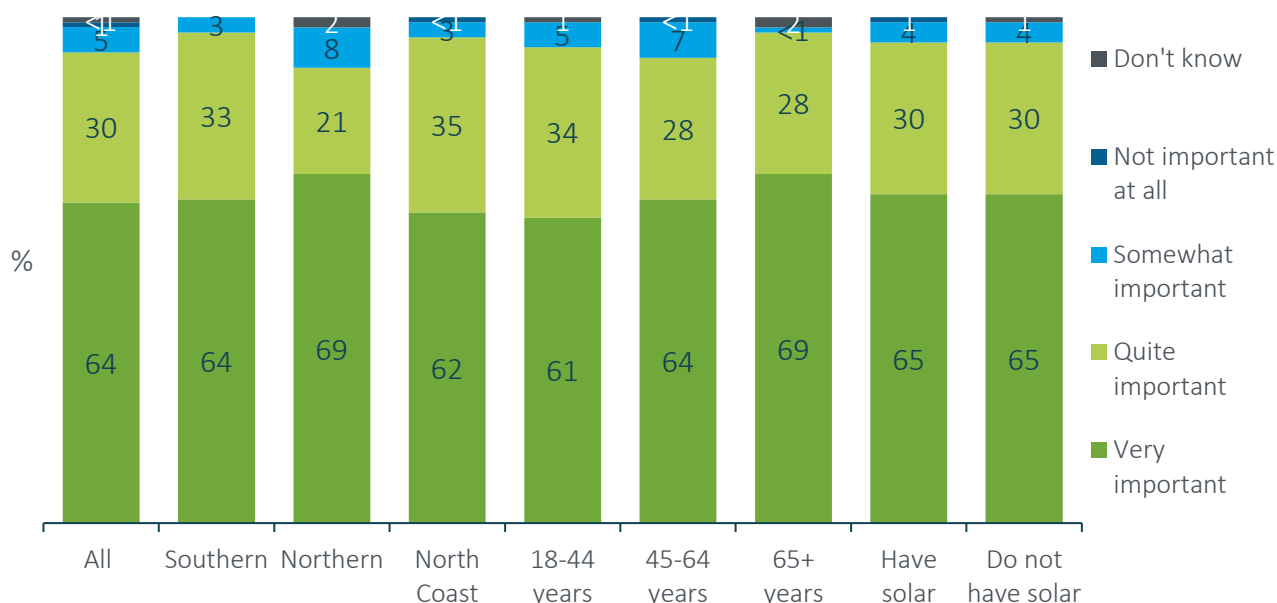
How important is it that Essential Energy is measured on communicating an estimated time to restore power for unplanned outages and its accuracy?
Base: All forum participants who answered this question (n=392); Southern (n=129), Northern (n=166), North Coast (n=97), 18-44 years (n=154), 45-64 years (n=169), 65+ years (n=69), Have solar panels (n=165), Do not have solar panels (n=224)

Average time to resolve customer complaints

The time taken to resolve an issue was also seen to be of high importance, and so many were keen for this measure to be used, although it was also thought to only be relevant to customers with issues rather than the whole customer base. Some also questioned who would actually determine when an issue had been resolved.

> *"This is important, and they could even have a metric for first call resolution." – Ballina participant*

> *"I think the time taken to resolve a complaint is also an important measure, but maybe not as critical as outages." – Taree participant*

> *"This is a hard one because the company could think it's resolved from their perspective, but the customer may not actually have a resolution." – Dubbo participant*

At the end of the discussion, almost half of the participants stated that it is very important that Essential Energy is measured on the average time to resolve customer complaints (46%), with a further 35% stating that it is quite important. Perceived importance of this measure was consistent across regions, age groups and solar panel ownership.

Figure 7: Importance of average time to resolve customer complaints
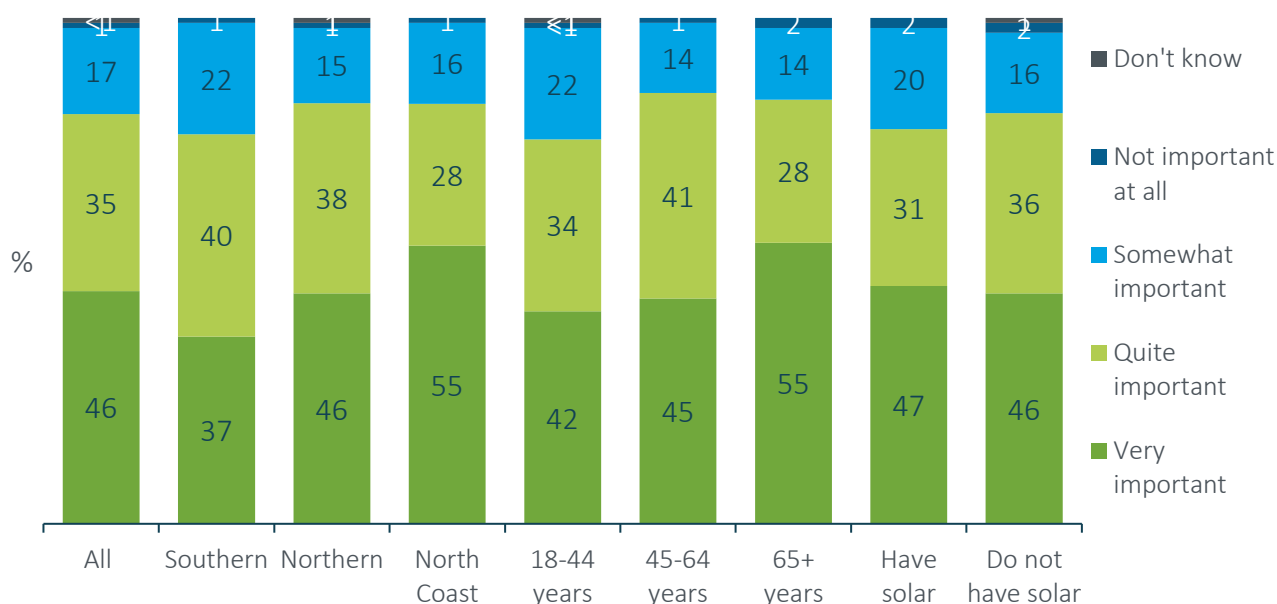
How important is it that Essential Energy is measured on the average time to resolve customer complaints?
Base: All forum participants who answered this question (n=392); Southern (n=129), Northern (n=166), North Coast (n=97), 18-44 years (n=154), 45-64 years (n=169), 65+ years (n=69), Have solar panels (n=165), Do not have solar panels (n=224)

Customer satisfaction results from quarterly surveys

Customer feedback surveys tended to be a main focus area of the discussion sessions. Most participants were supportive of their use, and liked the idea that everyday customers had the opportunity to provide feedback in relation to the performance of Essential Energy. However, some had mixed feelings about surveys of this nature, as they felt that many customers don't really have interactions with Essential Energy or that such surveys can become long and burdensome – which led to many suggestions to implement a shorter measurement system immediately following an interaction with Essential Energy.

> *"Maybe if they were shorter and more appealing. Often they become very in-depth and long and I don't have time for that." – Wagga Wagga participant*

> *"They should have more surveys, like at the end of phone calls. But you need open ended feedback, a number isn't enough." – Broken Hill participant*

> *"What works well I find, is when a service has been provided and a problem resolved to ask people right then to give feedback about their experience. You get a better cross section that way. Then people relate the questions to their experience right then and there." - Taree participant*

> *"Feedback can be a hassle for some. It's Ok if it's a short interaction. You can always go into more detail if you want to." – Bega participant*

> *"I would like to be asked my feedback on things. After there has been an event." – Ballina participant*

It was also mentioned that surveys only provide subjective feedback from customers which although important, is not as objective as internal data collection. Mixed methodologies were thought to be important to adopt so that a wider selection of customers can take part, e.g. phone and online.

At the end of the discussion, almost a third of the participants stated that it is very important that Essential Energy is measured on customer satisfaction results from quarterly surveys (31%), with a further 34% stating that it is quite important.

Figure 8: Importance of customer satisfaction results from quarterly surveys
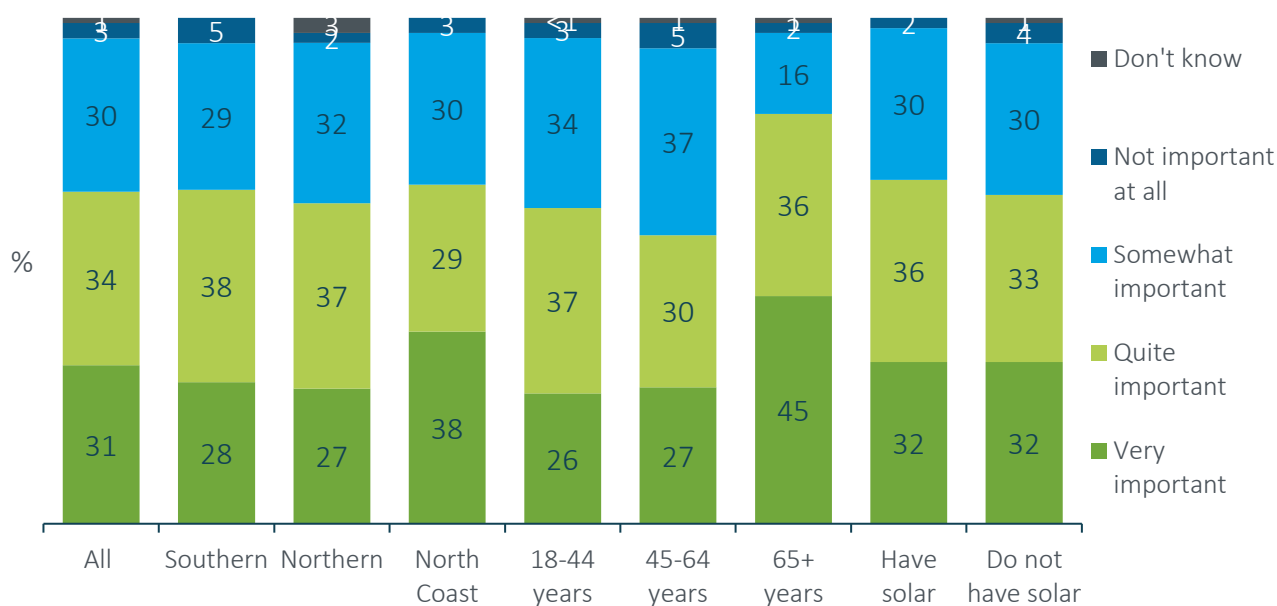
How important is it that Essential Energy is measured on customer satisfaction results from quarterly surveys?
Base: All forum participants who answered this question (n=392); Southern (n=129), Northern (n=166), North Coast (n=97), 18-44 years (n=154), 45-64 years (n=169), 65+ years (n=69), Have solar panels (n=165), Do not have solar panels (n=224)

Other measures suggested

The participants were also asked if they felt that there were any other measures that could be adopted for measuring satisfaction with Essential Energy. The large majority struggled to think of anything that hadn't already been presented to them. However, some individual suggestions did emerge. These included the time take to repair street lights, notification of the timing of meter readings and communication of the restoration of power after planned and unplanned outages.

> *"I'm thinking of an incident we had with street lighting. We had one out for a month for some reason, and it was dangerous. So they could include the average time taken to fix a street light." – Wagga Wagga participant*

> *"A useful measure is how long it takes from reporting a street light to when it's functional again. Also people reliant on medical devices in the home, there should be a separate measure on how long it takes to get issues resolved – maybe a separate category for this." – Inverell participant*

"They could have a quantitative measure of the cost of court actions against Essential Energy due to civil action by customers." – Bega participant

After discussions participants were asked for their view on the type of measures that should be adopted – whether internal data collection or customer feedback was most important.

The majority of participants stated that both were equally important (59%), with 26% stating that internal data was more important and 15% selecting customer feedback from surveys as being most important. This was consistent across regions, age groups and solar panel ownership.

Figure 9: Preference for internal data or customer survey feedback
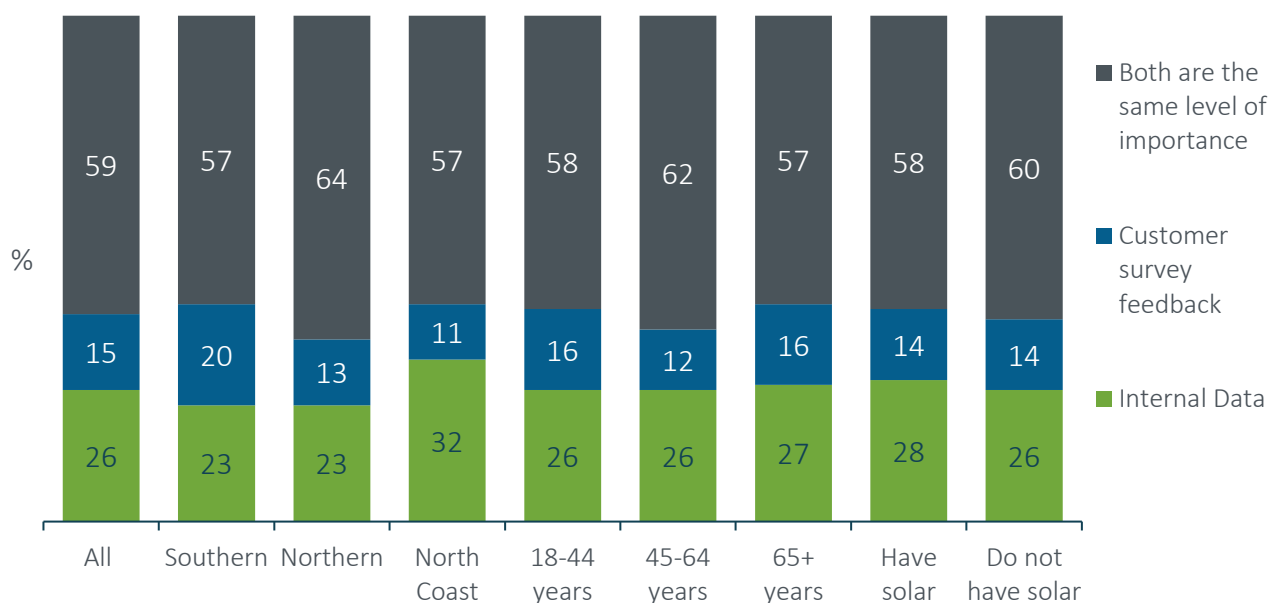
Which do you think is more important as a measure of customer service:
Base: All forum participants who answered this question (n=392); Southern (n=129), Northern (n=166), North Coast (n=97), 18-44 years (n=154), 45-64 years (n=169), 65+ years (n=69), Have solar panels (n=165), Do not have solar panels (n=224)

CALD and ATSI findings

Some CALD and ATSI participants spoke of the need for patience, respect and sensitivity in customer service, when communicating with people from diverse communities and the ATSI elders in particular.

"My dad is 90, when he rings the electricity mob he has a lot of trouble getting them to understand his needs. He doesn't understand what they are saying too well. It doesn't get resolved. He ends up asking me to ring. He gets very frustrated with it." – ATSI participant

"They need to be a bit sensitive when they are talking to the elders. Not talk to them like they are children. Some of them don't understand a lot of the different things which makes it difficult." – ATSI participant

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"Patience – 100% being patient there are so many different varieties of people around here. If something is simple to you, it won't be simple to my neighbour. Patience and understanding when communicating with diverse people are really important." – ATSI participant.

An alternative method of providing optimal customer service was suggested by an ATSI participant, who stated direct face-to-face community engagement as opposed to phone contact was important, as was improved representation in call centres.

"I could say go out and talk to people, get out in the community and talk to people." – ATSI participant

"Aboriginal people talking to Aboriginal people." – ATSI participant

Internal data collection was considered the best measure of customer service by many of the ATSI and CALD participants, as it is less likely that there would be an issue with a language barrier or comprehension. People were eager to receive immediate updates for outages via SMS as they are short and simple to understand. It was suggested that perhaps they could also link to a translated page on a website. Direct data was also stated as, *"factual and very hard to manipulate,"* by a CALD participant.

"Definitely the data, especially if we are having problems with a language barrier as it may push out the time to connect us. Same thing with communicating the outages – getting us to that content, maybe there's a QR code that takes us to page that we could translate to our language." – CALD participant.

Youth findings

Customer service was mentioned by youth group attendees, who somewhat unlike the main customer forum, primarily related good customer service to simplistic, easy-to-understand information that was widely accessible.

Most preferred online customer service that could be accessed via mobile phones. Some assumed that Essential Energy would have a mobile app that you could use to access customer support or information about outages.

"An easy to get around website, minimalistic and straight to the point."

As with the main customer forum, youth group attendees suggested the proactive SMS communication about planned and unplanned outages would be ideal.

"Letting people know in advance if power is going out, so people have a heads up."

"I know Telstra do it, they text you when there's work going on in your area… I think Essential Energy does it, most people have a mobile phone these days."

However, they did acknowledge that SMS notifications would work better for younger customers and that emailing or mailing out pamphlets would be preferred by some.

"Sometimes people who are a bit older never check their phones, so they'll just be caught by surprise."

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C&I findings

For large C&I customers good customer service was about being able to contact Essential Energy quickly, easily and not getting passed around. It involves having a single point of contact who is knowledgeable and can answer questions with authority.

They agreed with the alternative measures presented by Essential Energy, particularly those for outages and time to connect. As large customers they expected that Essential Energy would contact them proactively in an unplanned outage to inform them of what the problem is and the estimated restoration time.

> *"An ETR for outages would be very helpful. Being in the regional areas we have lots of outages. An approximation would be good."*

> *"For unplanned outages it is about getting a quick estimate. Beyond 3 hours we have to start throwing stock out. If we know it will be longer we get a generator."*

> *"I have to chase and have to ring the depot guys, rather than be treated as a big customer who is contacted proactively. The depot guys are more on the ground and a more up to date."*

5.2 Business Partners and Stakeholders

5.2.1 Local Councils

Council representatives agreed that the current customer service measurement was limiting and agreed with the alternatives being suggested by Essential Energy.

Measurements around planned and unplanned outages seemed to make sense, as Councils were very exposed when outages occurred on days where there were big events. In fact, there were comments around the lack of a process to have an outage rescheduled to help avoid critical days.

> *"We get the letter and get plenty of time, but it is difficult if there is an event planned and then there is no process to get it changed."*

The area of new connections was also mentioned as a pain point for Councils and so a metric to improve that area was welcomed.

In an overall sense, there was agreement with the notion of including both internal data metrics and more 'qualitative' feedback from customers in the measurements.

5.2.2 Renewable Developers

The timeframe for connecting to the network was the key service measurement of importance to the Renewable Developers.

It was suggested that some of the distributors were being measured on the accuracy of their estimated timeframe to connect and that had improved the level of service the developers were receiving. It was felt to make the distributor more focused on delivering on agreed dates and making them more likely to communicate if there were problems.

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"With new connections, we need more certainty in time frames to connect to the network. There is not always one point of contact, no one person who is championing it. This can cause miscommunication and delays."

The key connection metric, at the residential level, was also seen to be the time taken for Essential Energy to facilitate the connection, as well as the proportion of customers who are able to export their full amount. The argument here was that Essential Energy should not constrain residential customers exporting solar if they wanted to please customers.

"If they can't export their full amount it makes them grumpy."

The overall feeling was that the data metrics were a better measure and more accurate, reliable and more easily translated into dollars. Renewable Developers were in favour of the outage metrics on the basis that reliability was important.

The qualitative measures were seen to be much harder to manage.

"It's harder to turn the qualitative measures into dollars."

5.2.3 New Technology Providers/Solar Installers

New technology providers/solar installers were generally happy with Essential Energy's customer service and had few suggestions. They valued the personal approach and suggested that it should not be automated in the future.

Planned outages were thought to be communicated well.

The process for new connections was thought be slow which would affect customer service for the end customer. It was suggested that Essential Energy should take on managing NMIs to avoid having to go through the retailer.

"You have to go to the retailer and hopefully the request goes through to Essential Energy then back to retailer and back to you. There is a disconnect there. If the information doesn't get through it doesn't work. I really think Essential Energy needs to take on managing NMIs." – Solar installer

The measures presented were thought to be important to customers. It was suggested that multiple methods should be included for communicating with customers about planned and unplanned outages as there is not a 'one size fits all' for customer communication.

Both internal and external measures were thought to be important and they suggested that regular surveys should be introduced for solar installers to provide feedback to Essential Energy, possibly every 12 months.

5.2.4 Retailers

Both internal data collection and collecting feedback through surveys were thought to be important measures. Internal data was thought to be an objective measure but does not capture the 'real experience', whereas surveys capture feedback 'from the horse's mouth'.

As far as the measures presented went, retailers thought that most were important as they are the main touch points that Essential Energy has with customers. The planned outage measure was less important to retailers than the unplanned outage measure, as customers often contact the retailer during unplanned outages to ask

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about the estimated time to restore power. Communications by Essential Energy about this would be of benefit in reducing call numbers to retailers.

Some additional customer service measures were suggested including the accuracy of communications about the timing of meter reading. This is important to customers who have dogs that need to be tied up or gates that need to be left unlocked in order for the meter reader to gain access. Other electricity companies such as Energex have introduced a service for customers to register to receive SMS and/or email alerts 24 hours before their meter is due to be read. That way, they can ensure that their dog is suitably restrained when the meter reader arrives.

First call resolution and time taken to upgrade or alter a connection were also suggested as alternative measures.

A specific customer service aspect mentioned was the NMI allocation process. Retailers reported that for other distributors the retailer is less involved in the connections process and as a consequence it is easier and quicker for customers.

> *"The verification of addresses and the legwork is pushed to the retailer for Essential Energy whereas other distributors do it themselves. It is less arduous working with other networks and easier for customers." - Retailer*

5.2.5 Consumer and Industry Advocates and the Stakeholder Collaboration Collective

Again, it was believed that there would be different priorities in relation to customer service depending on the type of customer.

- For businesses, having access to knowledgeable staff who can answer questions directly was seen to be a key component of customer service, as well as prompt and accurate communication.

- For those taking up solar and electric vehicles, the time taken to facilitate new connections would be important.

- Time taken to resolve customer complaints was thought to be less important in rural/remote areas as people don't expect things to be resolved as quickly as in regional towns.

Similar to other groups it was suggested that there should be multi-channel communication regarding planned and unplanned outages as sections of the community are not as 'digitally alert'.

Most of the measures put forward by Essential Energy were thought to be important, and it was suggested that a good mix of them would be needed to cover the range of Essential Energy's services. Ultimately it was believed that both internal and external data collection will be needed as the internal data will provide more objective measures but the external will provide the experience and feelings of the customer.

It was also suggested that a survey should be completed after an interaction with a customer service agent, rather than a quarterly survey, to get a more immediate and real time response.

6. Investment Decision Making

6.1 Connected Customers

Essential Energy has to employ a way of prioritising projects, so that they can ensure they are doing the most important ones first. The three main factors that influence current investment decision making were explained to participants as:

- VALUE: How much value does the project bring to customers – do the benefits outweigh the costs?

- SERVICE: Does the project improve service outcomes for customers?

- RISK: What level of risk does the project alleviate?

Unlike the first two criteria which are measurable and can be defined, the assessment of risk has flexibility depending on what Essential Energy consider the risks to be and the relative weights that they place on those risks. The business wanted to delve into this further with its customers and stakeholders to ensure that it is considering, and giving weight to, the right risk factors.

The current risks that are included in decision making are listed below. Essential Energy assesses the current risk, i.e. before the project takes place, and the risk that they expect after the project is implemented. The larger the risk reduction, the higher the project rating.

- Safety – reducing the risks to customers and the community as well as to staff

- Customer Experience – reducing the risk of a negative customer experience

- Ecology and Heritage – reducing the risk of the destruction of habitat such as koala habitat, and destruction of sites of indigenous, sacred, historic and cultural significance

- Bushfire Starts – reducing the risk of bushfires caused by power lines, lightning strikes and negligence

- Reliability – reducing the risk of interruptions to energy transmission including power outages and surges

6.1.1 Missing risks

Firstly, participants at the forums were asked if there were other risk factors not identified by Essential Energy that should be included in decision making.

The vast majority of participants believed that the five risk categories covered all of the important risks that should be considered. There were just a small number of unprompted comments relating to unidentified risks and these were regarding:

1. **Climate change and the environment** – a number of participants believed that there should be macro level environmental risk included, as its own "slice" of the pie, rather than just ecology and heritage at the local level.

> *"Emissions reduction is missing, does this count as ecology and heritage?"* – Wagga participant.

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"There's the generation of power which Essential Energy doesn't do but could they reduce the impact of their operations on the environment?" – Wagga participant.

2. The risk of **not embracing renewable technology** – a risk associated with not keeping up with the pace of technological change and being left behind was mentioned.

"That's a very big risk moving forward – not embracing innovation and technology." – Taree participant.

3. The risk of a **downturn in employment opportunities and losing local jobs –** some were concerned for local economies.

"The risk to local economies is missing. You sack however many workers in Narromine or wherever due to that particular project. I think that is a risk factor that needs to be considered that is not really considered at all, which I think is concerning." – Dubbo participant.

4. The risk of **foreign ownership** – there was a preference for any projects to be kept under Essential Energy's ownership.

"I think foreign ownership is a risk especially by some countries." – Taree participant.

5. The risk to **network resilience** – a few suggested that projects should be evaluated for their impact on resilience for example in relation to flooding, composite poles and undergrounding.

"We need to add floods, not just bushfires. How well the network withstands floods." – Taree participant.

"How do you prepare for resilience? I didn't know you could put composite poles in, why don't they put them everywhere?" – Broken Hill participant.

"Why do we still have power poles? Undergrounding would solve a lot of problems. I'm in the RFS and I wish all powerlines were underground." – Taree participant.

7. The risk of not investing in **maintenance**

"If everything is well maintained it will reduce all of those risks. Maintenance is vital to all of those things." – Ballina participant.

6.1.2 Weighting exercise

Next, participants at the forums were asked what weightings should be given to each of the five risk categories. A pie chart split into five pieces was displayed on the Miro board in each breakout group, with participants asked to allocate a percentage to each of these five risks (or slices of the pie). The pie that was initially presented split the five risk categories evenly. Participants were asked to apportion percentages as a group, then following this discussion, were required to compose their own personal pie chart so that they could state their individual preferences in the polling.

Some general themes emerged from this exercise. Firstly, participants found this exercise quite difficult as there was seen to be an interrelatedness and overlap between the risk categories. Links emerged as the discussions progressed, such as that between safety and bushfires, as well as a link between bushfires and

reliability, and bushfires and ecology and heritage. These will be discussed in more detail in the following sections. With the interconnectedness of the risks some thought that they should all just be weighted equally.

"Honestly if you look at all of these, apart from customer experience which is super personal, the rest are all equal." – Taree participant.

There was also some discussion about how the weightings needed to change based on locations, as in some locations certain risks were more important than in others.

"A bushfire risk on a project in the middle of a town would have a lower risk – so it's location specific. That's the same with ecology and heritage, they're quite location specific to each project whereas I think customer experience, safety and reliability are potentially across the board."- Inverell participant.

The overall results are provided below. Reliability and safety were given roughly equal proportions of a quarter each, with bushfire starts closely behind with 20%. Customer experience was given the smallest piece of the pie with roughly a sixth.

Figure 10: Average weighting for risks
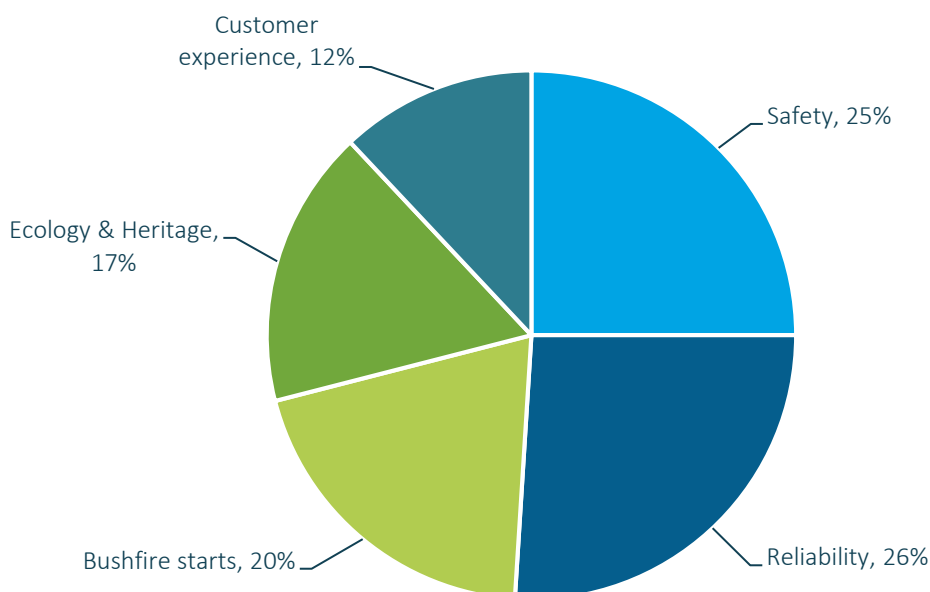
What weighting did you give 'Safety'? / What weighting did you give 'Reliability'? / What weighting did you give 'Bushfire starts'? / What weighting did you give 'Ecology & Heritage'? / What weighting did you give 'Customer experience'? Base: All forum participants who answered this question (n=350); Ballina (n=41), Broken Hill (n=49), Dubbo (n=63), Inverell (n=43), Taree (n=43), Wagga (n=70), Bega (n=41)

The following sections outline the findings for each of the risk factors.

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Safety

A common theme to emerge was that safety was thought to be one of the most important risks to consider, with some saying that it is central to all other risks.

> *"If you have safety in place then the rest falls into place, it's a good one to start with." – Dubbo participant.*

> *"Safety takes a higher percentage than all of them, it's safety to ourselves, our family, workers, the general public." – Broken Hill participant.*

> "Safety is going to impact every other aspect on the pie graph." – Inverell participant.

> *"This is paramount, we don't want to see anyone lose their lives. If the staff aren't safe, it could create faults." – Ballina participant.*

Some participants thought safety should be inbuilt into every project and therefore shouldn't warrant a high weighting or even a specific piece of the pie. These participants linked it back to the priorities at the start of the forum, voicing the opinion that safety should be seen as a given – something that is so important that it can't be weighted.

> *"Out of 100, I'd put safety quite low because that's built into your company ethos, I feel that's something you'd do anyway." – Bega participant.*

> *"Safety is inherent in whatever you do, EE should be looking at how to get better performance out of the network (i.e. reliability)." – Inverell participant.*

In the individual weighting exercise, the average weighting given for safety by participants was 25%, however there were locational differences. In Bega safety was generally given a lower rating of 20%, and instead bushfire starts was given a higher weighting than in other locations.

Figure 11: Average weighting for safety
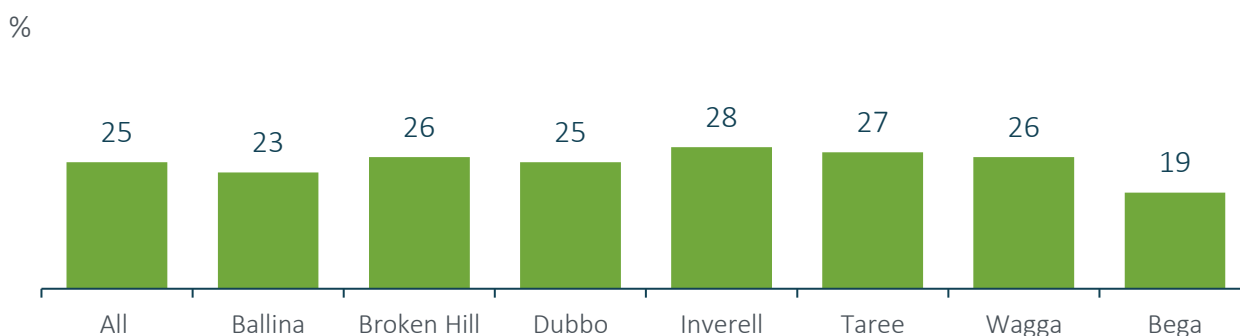
%

All	Ballina	Broken Hill	Dubbo	Inverell	Taree	Wagga	Bega
25	23	26	25	28	27	26	19

Reliability

Alongside safety, reliability was also consistently given a higher weighting than other risks. Since the core service for Essential Energy was seen to be to ensure a continuous electricity supply, any risk to reliability was thought to be a key consideration.

> *"You can have it super safe, and it still doesn't work."* – Taree participant.

It was also thought to have become more important due to changes in work environments and the increase in working from home due to Covid-19.

> *"Reliability is more and more important. With more and more people working from home and businesses going more online. If their service cuts out then they are completely in the dark."* – Ballina participant.

> *"Reliability is up there, you need power every day to live. More so than ever people are working from home on devices, and they need that undisrupted supply."* – Bega participant.

> *"Reliability and consistency are important. I hate it when we have power surges and I know we spend an awful lot of money protecting our appliances and our musical equipment from power surges."* – Wagga participant.

Reducing the risk factor of reliability was also important for participants living remotely, who require power for farming infrastructure and machinery.

> *"Reliability is pretty high as I'm out here away from the village and there's no electricity and I'm relying on generators."* – Bega participant.

The impact of reliability of supply was mentioned in relation to health concerns.

> *"There are quite a few people who rely on power for their sleep apnoea machines and other medical things such as oxygen, as well as the emergency services, the hospitals."* – Broken Hill participant.

> *"Reliability is up there, particularly for emergency services and hospitals, a reliable supply is paramount."* – Wagga participant.

Reliability was weighted more heavily than customer experience in all regions, and it was thought that good reliability negates the need for customers to contact Essential Energy.

> *"At the end of the day, reliability and safety are more important than how nice somebody is at the end of the phone, as long as we've got power."* – Inverell participant.

> *"If you have a reliable service, you don't need customer service. You're not making complaints and dealing with the call centre."* – Inverell participant.

Participants also linked reliability to bushfire starts, in terms of interruption to supply.

"If you address reliability and safety then you should mitigate other risks in the process, like bushfire risk." – Dubbo participant.

In the individual weighting exercise reliability received an average weighting of 26% across the forum locations, similar to safety. There were no significant differences between locations.

Figure 12: Average weighting for reliability

%
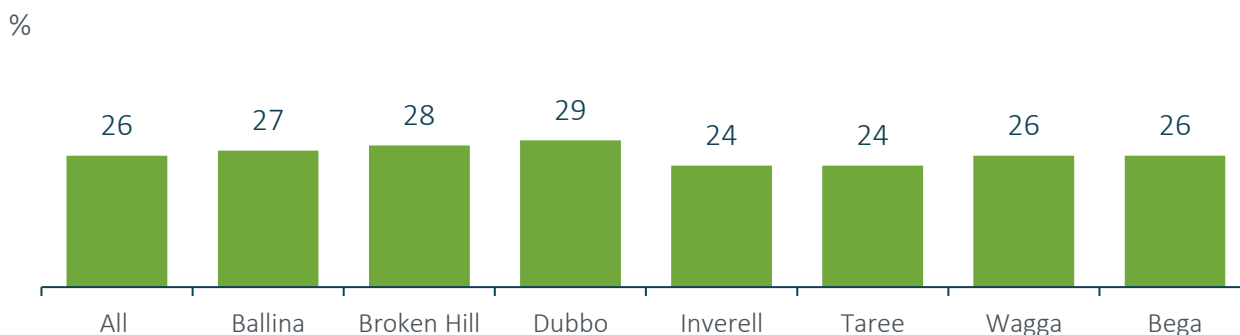
What weighting did you give 'Reliability'?
Base: All forum participants who answered this question (n=350); Ballina (n=41), Broken Hill (n=49), Dubbo (n=63), Inverell (n=43), Taree (n=43), Wagga (n=70), Bega (n=41)

Bushfire Starts

Bushfire starts was thought to be an aspect of safety and very closely related.

The weighting of this risk was location specific, with Broken Hill participants in particular stating they were less affected by bushfires.

"Bushfire Starts are not important in this area. We don't see many here as there is no bush. I've been with Fire and Rescue NSW for 10 years and have only seen two very small scrub fires." – Broken Hill participant.

There was also a differentiation between the rural and urban risk mitigation preferences.

"Bushfires have got to be up there because once they start, they take out all the infrastructure. They vary depending on where you are, out here it's going to be higher than somewhere in Sydney." – Dubbo participant.

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Many participants in the Bega region had personally experienced bushfire damage due to the devastating Tathra fire of March 2018 and South Coast fires of January 2020. Others expressed being impacted by the confronting images on the television news. These participants weighted bushfires with a high percentage.

"I would think that because the Tathra fire started with two power lines crossing, that Bushfire Starts would be pretty high," - Bega participant.

"We saw on TV what it did, and your heart goes out to those people," – Wagga participant.

"We were victims of the Tathra fire and had an $80,000 insurance claim. I sat through the coroner's inquest with all the members of Essential Energy talking and I'd say they really have to invest in that area, as it really needs to be improved." – Bega participant.

"I think bushfire starts should be pretty high, I'm in the building game and we are still rebuilding houses from the fire." – Wagga participant.

Participants discussed the incidence of Bushfire Starts caused by powerlines and lightning strikes and were interested to know the statistics. A participant who was a firefighter contributed his knowledge to the conversations.

"The number of bushfires that start by power poles is fairly low, it is mostly lightning strikes and negligence. We need to be very careful. I still think it needs to be taken into consideration when Essential Energy is putting in power poles." – Wagga participant.

Participants connected Bushfire Starts to Safety and to Ecology and Heritage.

"We've put an emphasis on bushfire starts, that's going to affect reliability, it's going to affect safety, it's going to affect ecology and heritage." – Wagga participant.

"I back onto 30 acres of pure bush. It's full of koalas and it has powerlines going through it and 25% sounds too low." – Taree participant.

The differences in views between locations was prominent in the weighting exercise with Bega and Taree participants giving this risk a higher weighting than in other areas (24% and 23% respectively). Those in Broken Hill gave this aspect the lowest weighting (15%).

Figure 13: Average weighting for bushfire starts

%
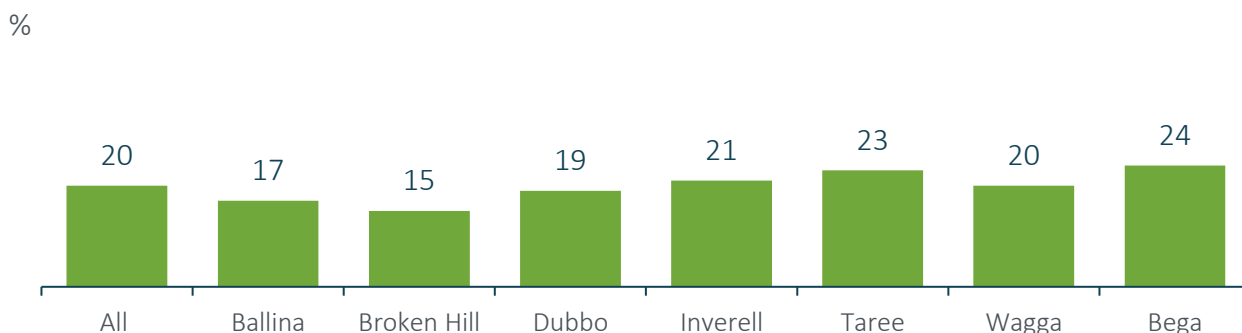
What weighting did you give 'Bushfire starts'?
Base: All forum participants who answered this question (n=350); Ballina (n=41), Broken Hill (n=49), Dubbo (n=63), Inverell (n=43), Taree (n=43), Wagga (n=70), Bega (n=41)

Ecology and Heritage

Discussion on risk mitigation to Ecology and Heritage varied extensively. As safety and reliability were attributed with the larger percentages, this piece of the pie was often determined by the remainder.

> *"Ecology and heritage are important - we don't want to be trashing our heritage. You see stories of 600-year-old trees being cut down, we should value those things, they matter nowadays."*- Bega participant.

> *"Ecology and heritage are important because if things are damaged, they are not replaceable."* – Taree participant.

> *"I think Ecology in our area is also lower than say down on the coast, there are not many koalas and it's not a big thing here."* – Inverell participant.

A theme emerged that interfering with nature disrupts the stability of the environment, which has consequences for other aspects of life.

> *"The cultural, ecological and heritage intermingle with bushfires, when you interfere with ecology, you're a bit more prone to bushfires. It's vital we have these things in our communities for our mental health."* – Bega participant.

There was mention that Ecology and Heritage would be covered by legislation and therefore would not require risk mitigation, hence it should be given a low-risk percentage.

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"I'd be inclined to give Ecology and Heritage a smaller proportion as there's lots of protection laws – land, animal and heritage protection laws so it's taken care of in many ways." – Wagga participant.

"I imagine there's a process, guidance, a plan and regulations before Essential Energy can come in and rip out trees and put up new poles, so it's not a huge priority as long as they are following the guidelines." – Dubbo participant.

Paying respect to heritage particularly indigenous heritage was significant to some participants, and there was an indication that this risk factor is becoming increasingly important in our society.

"We must make sure we have an indigenous voice in here as well in terms of heritage and ecology." - Wagga participant.

"I give the cultural weighting more emphasis, twenty or thirty years ago it would have been different." – Dubbo participant.

Ecology and heritage was given an average weighting of 17%, and was given higher proportions in the coastal location of Ballina (20%) and lower in the inland locations of Dubbo (14%), Broken Hill (15%) and Wagga Wagga (15%).

Figure 14: Average weighting for ecology & heritage

%

All	Ballina	Broken Hill	Dubbo	Inverell	Taree	Wagga	Bega
17	20	15	14	16	17	15	18
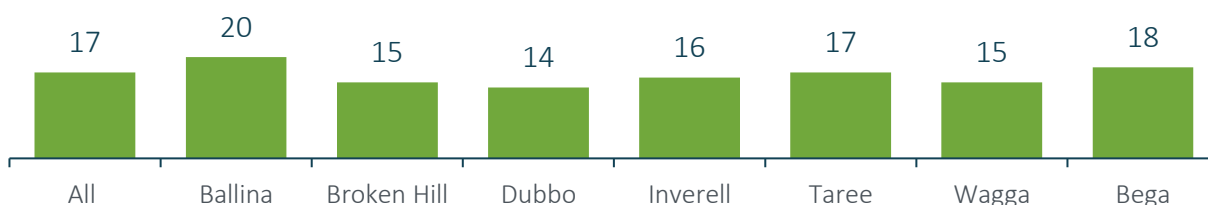
What weighting did you give 'Ecology & Heritage'?
Base: All forum participants who answered this question (n=350); Ballina (n=41), Broken Hill (n=49), Dubbo (n=63), Inverell (n=43), Taree (n=43), Wagga (n=70), Bega (n=41)

Customer Experience

Customer service was generally given the lowest weighting of the five risks.

The common theme that emerged was that if other aspects are working well, and safety and reliability are the major focus, then customer experience looks after itself. If customers are provided with safe and reliable electricity then there is a lower level of customer interaction with Essential Energy.

> *"The least amount of engagement I can have with a provider the better. If I don't ever have to speak to Essential Energy I'm happy. I don't want to call up, I just want to see it online. I don't want to have to make the effort."* – Broken Hill participant.

> *"Customer experience is the least important to me, I just feel that once my electricity is connected, I shouldn't have to deal with EE."* – Ballina participant.

> *"I'm happy to have a little less customer service if we get improved reliability."* – Bega participant.

> *"I don't think it's fair to say that customer experience is as important as bushfire starts, or reliability or safety."* – Inverell participant.

As a result, the average weighting given to customer experience was 12%. Those in Broken Hill allocated a larger proportion of the pie to this risk (17%) compared to those in Inverell (10%) and Taree (8%).

Figure 15: Average weighting for customer experience
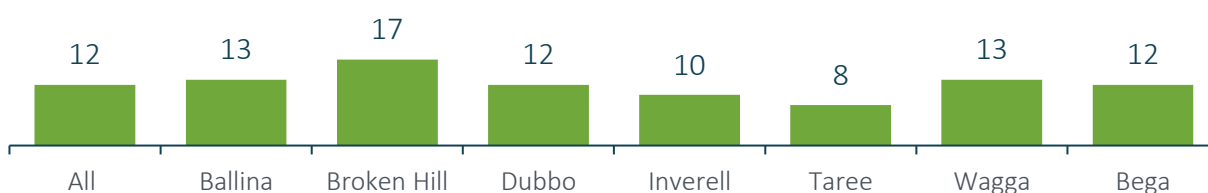
What weighting did you give 'Customer experience'?
Base: All forum participants who answered this question (n=350); Ballina (n=41), Broken Hill (n=49), Dubbo (n=63), Inverell (n=43), Taree (n=43), Wagga (n=70), Bega (n=41)

CALD and ATSI findings

Generally CALD and ATSI participants weighted the risk categories in a similar way to the forum participants. However, the Ecology and heritage category was noticeably prioritised by ATSI participants with the cultural connection to "country" mentioned.

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"I'd give heritage 30% as our heritage is good for everybody and if we keep it safe, we're only going to pass it down." – ATSI participant.

"It's good that they're thinking about that, especially if they're putting power systems through virgin land, they might damage areas with graves." – ATSI participant.

"We don't want to destroy what's already there or a culturally significant area. Can't fix it up afterwards, the damage has already been done." – ATSI participant

C&I findings

Feedback from C&I customers was similar to other connected customers and business partners. They suggested that there was a missing risk about the network being around in the long term.

"The number of people disconnecting from the grid. Are they going to be able maintain it?"

Reliability and customer experience were particularly important for large businesses. Safety was seen as a given.

"Making sure the power is there in terms of voltage and frequency."

6.2 Business Partners and Stakeholders

6.2.1 Local Councils

Whilst Council participants agreed with the risks presented, there was some discussion around the need for the inclusion of a wider climate change risk.

"They need to think about resilience and the impact of climate change on the life of that asset."

"I feel that there needs to be a macro level climate change impact included."

As with other segments, there was some level of agreement with the idea of combining bushfire risk with safety or the newly added climate change risk.

"Bushfire is just one event of the climate change risk."

Again, reliability emerged as a risk that needed to be given a higher weighting, whilst ecology and heritage was considered to be less important due to the existence of other forms of legislation around this area.

"There is legislation we all have to work under. It is more of an administrative issue."

The consensus was that the following weightings should be applied:

o   Safety - 30%

o   Reliability – 30%

o   Bushfires (and climate change) – 20%

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- o   Customer Experience - 10%

- o   Ecology and Heritage – 10%

6.2.2 Renewable Developers

While most Renewable Developers agreed with the risks set out by Essential Energy, there were definitely some risks they gave higher priority to.

Most agreed that Safety was of unquestionable importance and put a high percentage weighting on this factor.

> *"If you need to replace something because it is posing a threat it is a no brainer."*

As with other segments, there was a question over having bushfires as a standalone risk factor, with some Developers suggesting combining it with one of the other risk.

> *"I wonder if you could combine bushfire and ecology as they are super important."*

Interestingly, reliability was felt to be a regulatory requirement and one which should be covered by other measurements. In that regard, Renewable Developers tended to put a lower importance weighting on this factor. There was also one suggestion that if the development or asset upgrade was with respect to poor performing feeders, then they could be dealt with in other ways.

> *"From my perspective this is not important. If there are people with poor performing feeders then they should be considering alternatives."*

Customer Experience was seen to be important from a Renewable Developers perspective, however some thought that ideally the end customer need not know who Essential Energy is. The best service they could receive was not to have any problems and never need to get in touch with Essential Energy.

> *"From renewable developers perspective we would put customer service high."*

Of the risks presented, the weightings applied by Renewable Developers were:

- o   Customer experience – 30%

- o   Safety – 30%

- o   Bushfire starts - 15%,

- o   Ecology and heritage – 15%

- o   Reliability – 10%

When asked if there were any risk factors missing, there was some discussion with regard to the financial loss that would be suffered by third parties.

> *"Changing the DLF or taking longer than expected can impact developers a lot."*

They also discussed the risk of the investment becoming obsolete or the need for it changing. Renewable Developers suggested that some large upgrades take a long time and that the energy market is changing so quickly that by the time the investment has been assessed and commissioned it may not be as useful anymore.

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"Is it a network solution or non-network solution, if it is delayed will it impact the usefulness of the asset?"

6.2.3 New Technology Providers/Solar Installers

This group believed that the risks included were important, but that long term sustainability of the system should be included too, as in will a project increase the long-term sustainability of the network? It was thought that sustainability should envelop all of these risks as it is important that Essential Energy is still in operation in the future.

"There are going to be massive changes in the next decade and it's time to think long term now. All these risk are ongoing at this stage but without an overriding approach of sustainability of the grid moving forward it is useless. These are all a subset of sustainability." – Solar installer

"There is going to need to be a huge amount of expenditure with not much return on investment for a grid that has been let go. We will need to look long term." – Solar installer

Similar to other participants, risk to the environment through carbon emissions was also mentioned as a macro level risk factor that needs to be included.

Of the risks presented, reliability was thought to be the most important by this group. The weightings provided were:

- Reliability – 30%

- Safety – 20%

- Bushfire starts - 20%,

- Ecology and heritage – 20%

- Customer experience – 10%

6.2.4 Retailers

Similar to other groups, retailers believed that the five categories covered the most important risks to consider in investment decision making. There was a suggestion that future proofing should be added.

"After the fires a lot of the new infrastructure that went in was at a higher capacity than the existing infrastructure, to allow for future growth. That planning ahead is really important." - Retailer

Also similar to other groups, it was mentioned that bushfire starts could be part of safety, or could be expanded to include the risk to the network from natural disasters, floods and storms in general.

They believed that safety, reliability and bushfire starts should have the largest weighting of the five risks presented, with ecology and heritage and customer experience having smaller pieces of the pie.

"I would be reducing the weighting of customer experience because if you put more into reliability, bushfire starts and safety the long term outcome would be a better customer experience." – Retailer

6.2.5 Consumer and Industry Advocates and the Stakeholder Collaboration Collective

Most of the advocates and stakeholders believed that the risk model was a very good starting point and couldn't think of much to add.

Similar to other groups they did suggest the inclusion of two further risks:

- Carbon emissions and climate change risk – companies are going to have to report on that in the future.

- A longer term consideration – risk of stranded assets and underutilisation of the network in the future because of changes in the energy industry and customers becoming more self-reliant.

All of the risks excluding customer experience were thought to be longer term risks – they leave longer tails or have residual impact. Customer experience was thought to be a more immediate risk.

Advocates and stakeholders found it difficult to do the weighting exercise. Safety was considered a given, and so important that it perhaps shouldn't be included in the risk evaluation. They also thought that bushfire risk should be part of safety.

They also suggested that the risk weighting would not be equal across different locations.

> *"Ecology and heritage and bushfires would be location specific and community specific. For someone who has been in a bushfire it takes precedence. For someone in a low reliability area then that is most important. Make it more granular." – Customer Advocate*

There was also a question about where resilience fits into this risk evaluation, since it is a focus for the distributors at the moment.

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7. Network of the future

7.1 Connected Customers

Essential Energy informed participants that the Regulatory proposal was going to need to anticipate changes to the way they run the business right through to the end of the decade. They stressed that the energy market is going through significant and rapid transformation and that Essential Energy's role in the future may need to change.

Participants in the engagement were asked to imagine the future developments and what customers might want and need from Essential Energy in 10-15 years' time.

7.1.1 Future vision

At the forums, participants were informed of the many new ways to generate, consume and manage electricity via a video and an accompanying presentation.

Within the breakout session, an urban and rural landscape was presented to participants on a Miro board. Alongside the landscapes, a set of icons were offered that represented all the possibilities of generating, consuming and managing energy. Participants were then asked to take part in a future visioning exercise by moving the icons onto the landscape to describe what they wanted as the energy future in 10-15 years' time.

A high level overview of the outputs from the breakout groups is presented below:

Figure 16: Summary vision of the desired future
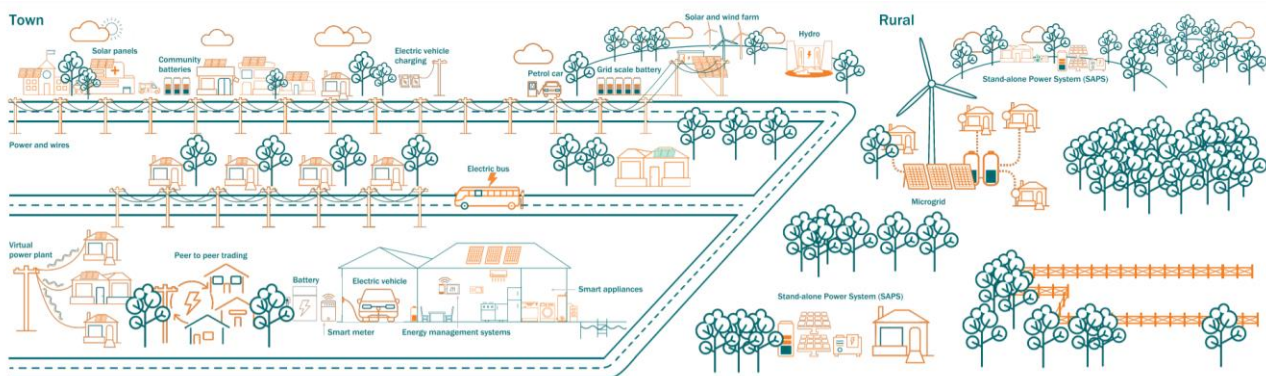
At the household level

Within all forums participants started to discuss the use of renewables and smart/innovative technologies at the household level, as well as the increase in ownership of personal electric vehicles. They imagined a future where solar was on most roof tops and batteries were in many households. For most it seemed to make sense, especially given the Australian climate.

> *"We get an abundance of sunlight, so it's there to use." - Broken Hill Participant*

> *"Solar panels and batteries on houses everywhere, if only it was that easy."- Inverell Participant*

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There was some discussion however, that the use of renewables at the household level will not be possible for all customers, particularly renters, due to the cost and reliance on landlords to pay for their installation.

"There is a cost concern for a lot of people, a lot of us hope that one day Essential Energy will say – we've got some free solar panels and a battery, where would you like us to put it?" – Bega Participant

"I'm thinking about equity and the possibility of rental properties that don't have solar, I'm living on a street at the moment where we share the solar power that goes back to the community battery." - Bega Participant

In that regard, one or two participants suggested that Essential Energy needed to play a role in helping the uptake of solar and batteries at the household level at cheaper rates.

"Essential Energy could own the solar panels on people's roofs and use the people's roofs as a big generator."- Bega Participant

The belief amongst many was that installation of solar panels would mean cheaper electricity bills and less reliance on the electricity grid. Few people thought about the implications of increasing the load on the network.

On the downside, there was some concern expressed over the reliability of solar in winter or over prolonged cloudy days, with many agreeing that there would need to be backup.

"What happens if you get a whole month of no sun?" - Taree Participant

"If we get a week long dust storm, we need alternative sources of power" - Broken Hill

There were also comments around the aesthetics of solar panels and the environmental impact of them and batteries once they reached their use by date.

"If you want to spoil the look of your house, cover it with solar panels. I think they look ugly." Dubbo Participant

"What happens to the batteries – how do we repurpose them or recycle them?" – Ballina Participant

"You can't get rid of them because they have all of their fluid. I had to pay someone to get rid of the panels." - Dubbo Participant

There was also a discussion regarding electric vehicles with most predicting their increase, especially in more built up larger regional towns. It was argued that it would be a long time before there was prevalent use of EV's in rural and remote settings where driving distances would be greater.

Although it was seen as a positive development, most believed that electric engines were not yet powerful enough to run trucks and large machinery, or tow boats or caravans, and that this would be the case for many years to come yet.

"The biggest problem is the range, they can't go that far and they can't tow a caravan." - Wagga Wagga Participant

"I would like to see the technology for EVs to improve to the point where it's a possibility and a probability for rural people, but I don't see that being feasible." - Inverell Participant

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"Definitely, if you look at the farming industry of course we'll still be using fossil fuels. I can't imagine harvest running with all electric vehicles, trucks, machinery, it's just ridiculous to think that we can phase out fossil fuel vehicles in 10-15 years." - Inverell Participant

As an extension to electric cars, electric tractors and buses were positively considered by participants although the question of reliability and availability of charging stations was top of mind. There were also concerns about these electric vehicles having enough 'grunt'.

"The whole electric thing has got to be good – the range of EVs is now 400 kms." – Wagga Wagga participant

"Ideally an electric tractor would be good but they really need to run well – they might need to tow a battery too." – Wagga Wagga participant

Essential Energy also alluded to the fact that electric vehicles will be able to act as a battery storage system enabling the solar generated from household roofs to be stored and used later. This was a welcomed piece of information for many, as the cost of batteries was seen to be prohibitive currently and this would avoid that hurdle.

"It is brilliant to think that it acts as a battery, I didn't know that" – Bega Participant

Participants also suggested that with the fast pace of technology will come many more ways to manage energy usage and consumption. They agreed that smart meters, smart appliances and other innovations would come into play, with the uptake being greatest amongst the younger generation and the more wealthy customers.

With the increase in technology however, it was felt that there might be a possibility of customers being overwhelmed, so some form of education would be needed to help them maximize the advantages it would bring.

"Younger generations who come through will want that. They're a bit more tech-savvy, they'll be looking to solve their problems and make life cheaper and more environmentally friendly." – Ballina Participant

The concept of a Stand-Alone Power System where customers on long feeders could become self-sufficient was appealing to most. It seemed to make sense to ensure they are protected against critical events and to help reduce electricity bills and increase reliability. There was however some concern over being totally self-sufficient, with most feeling that customers would need some form of back up and access to maintenance via Essential Energy.

"In 10-25 years a lot of rural properties, almost all of them, will be standalone." Bega Participant

"I think they make sense." Wagga Wagga Participant

At the forums, participants were asked for their likelihood to acquire certain distributed energy resources. More than two fifths (44%) felt that they were likely to install solar panels in the next five years, while approximately one in five (22%) already had solar panels. The likelihood did not vary across regions, however a larger proportion (25%) of those aged over 64 years old felt they were unlikely to install solar panels in the next 5 years.

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Figure 17: Likelihood that household will install solar panels in the next 5 years
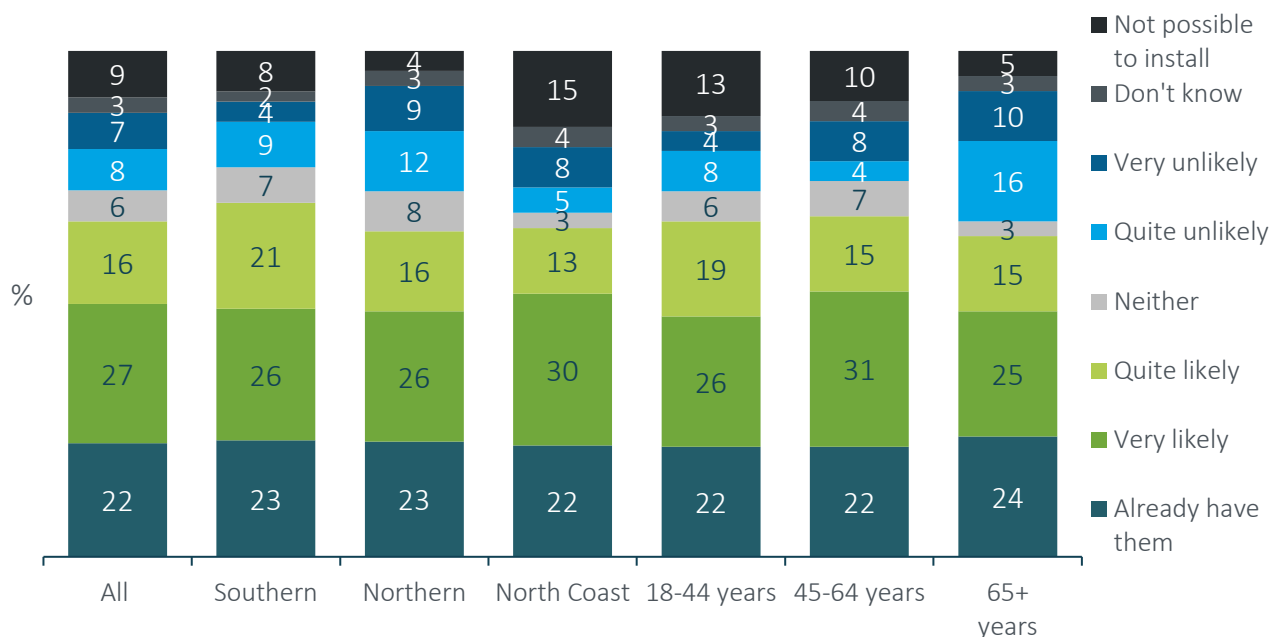
How likely is it your household will install solar panels in the next 5 years?
Base: All forum participants who answered this question (n=398); Southern (n=124), Northern (n=178), North Coast (n=96), 18-44 years (n=157), 45-64 years (n=169), 65+ years (n=72)
Please note that this is weighted data so the actual proportion of participants who had solar was higher than this.

Approximately one in five (22%) indicated that they were likely to purchase an electric vehicle in the next 5 years. This did not vary by age, but a significantly larger proportion (65%) of those in the Northern region were unlikely to purchase an electric vehicle in the next 5 years. Conversely, those with solar panels for electricity were more likely (34%) to indicate that they would purchase an electric vehicle in the next 5 years.

Figure 18: Likelihood that household will purchase an electric vehicle in the next 5 years

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How likely is it your household will purchase an electric vehicle in the next 5 years?
Base: All forum participants who answered this question (n=398); Southern (n=124), Northern (n=178), North Coast (n=96), 18-44 years (n=157), 45-64 years (n=169), 65+ years (n=72), Have solar panels (n=170), Do not have solar panels (n=225)

Over one third (37%) indicated that they were likely to purchase a household battery in the next 5 years. As previously, this did not vary by age group, but a significantly larger proportion (35%) of those in Northern NSW indicated that they were unlikely to purchase a household battery in the next 5 years. Conversely, a significantly larger proportion (59%) of those with solar panels for electricity felt they would purchase a household battery in the next 5 years, and 5% already had one.

Figure 19: Likelihood that household will purchase a household battery in the next 5 years
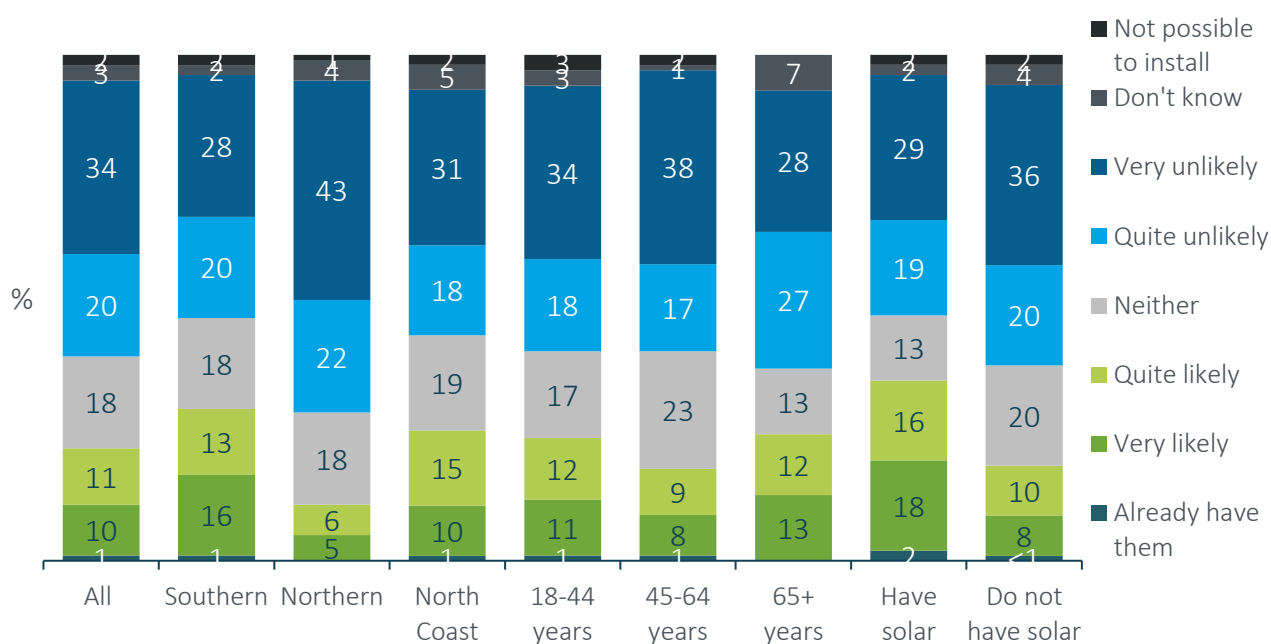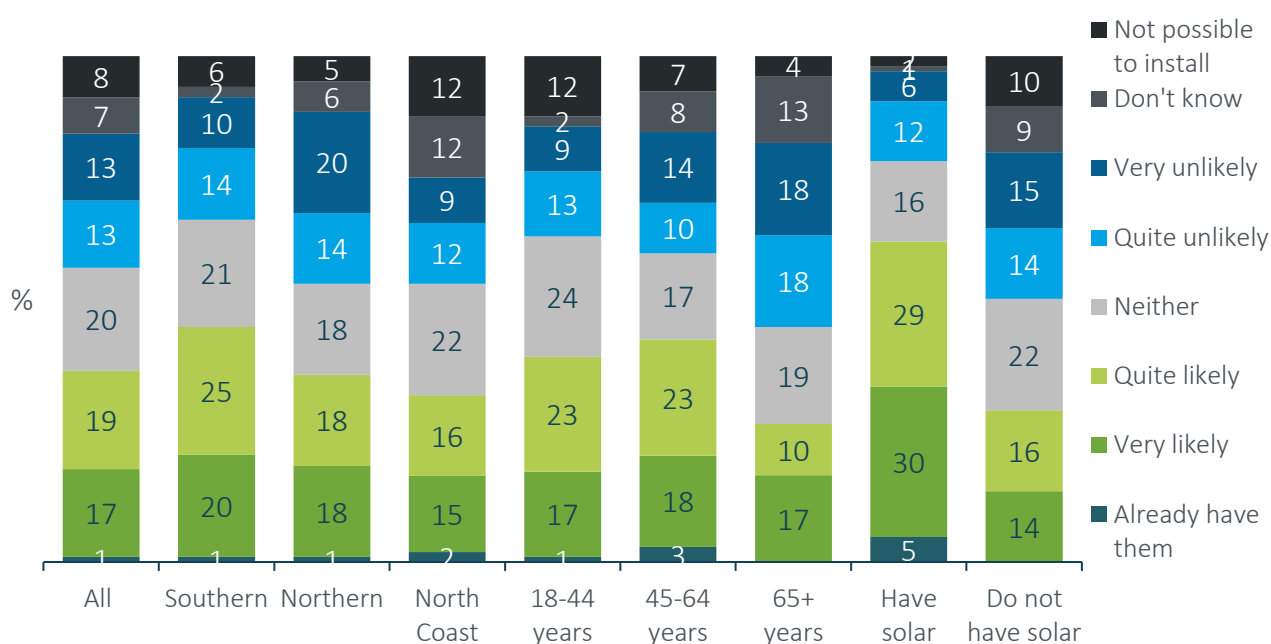

How likely is it your household will purchase a household battery in the next 5 years?
Base: All forum participants who answered this question (n=398); Southern (n=124), Northern (n=178), North Coast (n=96), 18-44 years (n=157), 45-64 years (n=169), 65+ years (n=72), Have solar panels (n=170), Do not have solar panels (n=225)

The sentiment in the discussions was reflected in the polling, with the majority (88%) of participants supporting Essential Energy considering the use of Stand Alone Power Systems (SAPS) for remote customers. Support for SAPS does not vary across region, however participants over the age of 64 were more likely to indicate that they don't know if they support them or not. Additionally, those with solar panels for electricity were more likely (59%) to strongly support the introduction of SAPS in remote communities.

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Figure 20: Support for Essential Energy considering Stand Alone Power Systems for remote customers
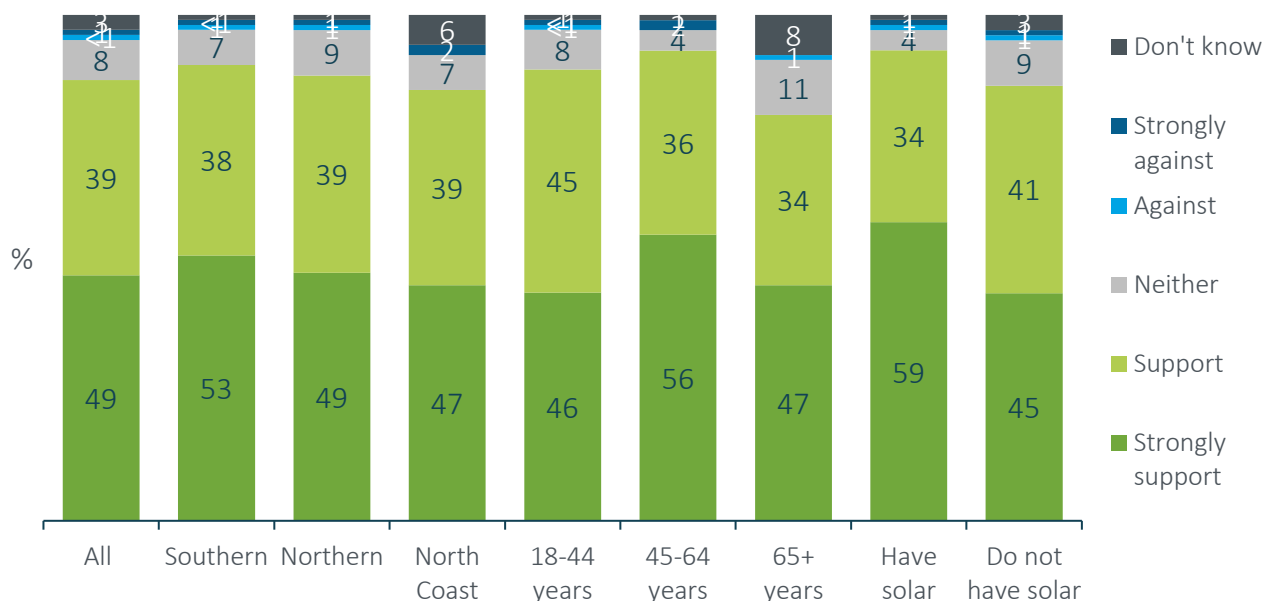
To what extent do you support Essential Energy considering the use of Stand Alone Power Systems for remote customers?
Base: All forum participants who answered this question (n=398); Southern (n=124), Northern (n=178), North Coast (n=96), 18-44 years (n=157), 45-64 years (n=169), 65+ years (n=72), Have solar panels (n=170), Do not have solar panels (n=225)

At the community level

In the visualisation of the future at the community level, participants also wanted to add solar panels to most business roof tops, from Council buildings to commercial blocks to schools, hospitals and all government buildings. In fact, any horizontal surface that could house solar panels.

> *"I love my solar panels, I can't believe how much I have saved with them. We need them everywhere. Scout halls, schools and hospitals. If we can reduce the costs for electricity supply then that money can go to schools and health." - Broken Hill Participant*

> *"I think it should be mandatory that if you have the roof space you need to have it." - Ballina Participant*

There was a great deal of support amongst communities, some more so than others, regarding community innovations, such as peer to peer trading, the use of microgrids and community batteries and virtual power plants.

> *"I think the microgrids are very exciting. A wonderful way to go." - Broken Hill*

Peer to peer trading in particular seemed to make a lot of sense to customers, as the idea of being able to share and trade excess energy with neighbours was very appealing. It was seen as likely to help generate savings, increase reliability and add to community spirit. It was also thought to benefit those who can't have their own solar panels, such as those renting properties, who may want to use renewable electricity but don't have the means of doing so. It also seemed to align with the general movement in other sectors of producing

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food and goods locally so they don't have to be transported vast distances. There were questions however over how it would be governed and how the prices would be set.

"Great for those of us who get solar and don't use it all. You get bugger all if you put it back into the grid. It's a win win. Grey nomads could travel around and sell to their neighbours while they are away." Wagga Wagga Participant

"If you could reduce how far the electricity has to travel then that is a good thing. If you are all working together then that's good. It is power generated locally and will be more reliable." Taree Participant

Microgrids were also very appealing. Participants also saw the benefit in this innovation of limiting the distances that electricity has to travel along feeders to get to more remote homes and businesses. Many imagined that whole small townships could become a microgrid which would improve reliability and make the town less reliant on the grid.

"If the power goes down it's not going to affect everyone. You lose one part of the jigsaw but the other pieces are still there." Broken Hill Participant

The polling findings reflected the sentiments in the discussions as most participants (86%) were supportive of Essential Energy considering microgrids in the future, with almost half strongly supporting (48%).

Figure 21: Support for Essential Energy considering microgrids in the future
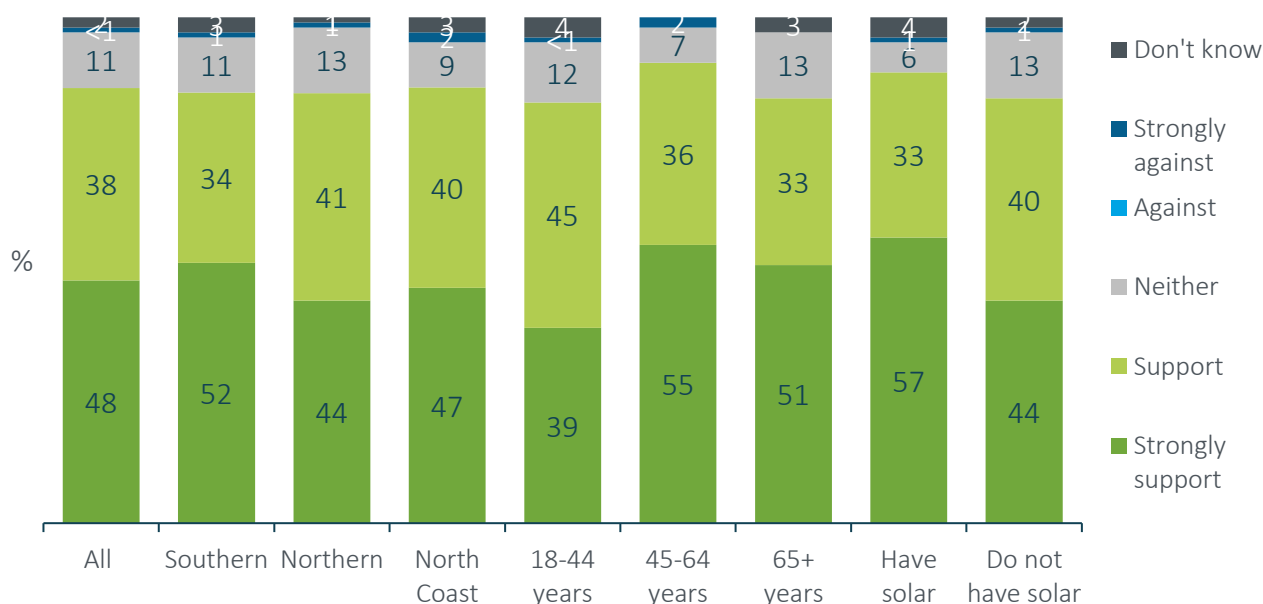
To what extent do you support Essential Energy considering the use of Microgrids in the future?
Base: All forum participants who answered this question (n=398); Southern (n=124), Northern (n=178), North Coast (n=96), 18-44 years (n=157), 45-64 years (n=169), 65+ years (n=72), Have solar panels (n=170), Do not have solar panels (n=225)

With the increase in electric vehicles, there was obviously a perceived need for charging stations to alleviate the range anxiety, particularly in rural areas where there is a large geographical spread. Most imagined that they would be available in petrol stations or even take the place of petrol stations in the future.

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Support in the polling was high (76%) for Essential Energy managing the installation of Electric Vehicle charging stations. There were no significant differences in responses based on age, however respondents in the Northern region were more likely to oppose (9%) or indicate that they were neither supportive or against this proposition (26%).

Figure 22: Support for Essential Energy managing the installation of Electric Vehicle charging stations

To what extent do you support Essential Energy managing the installation of Electric Vehicle charging stations to the network?
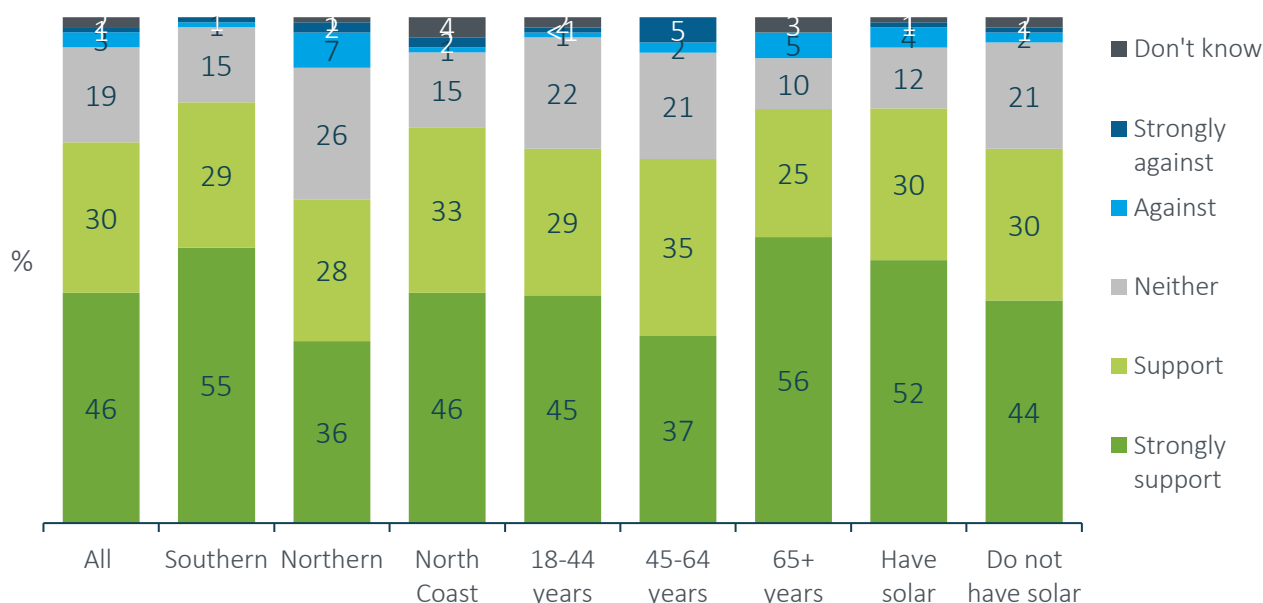*Base: All forum participants who answered this question (n=398); Southern (n=124), Northern (n=178), North Coast (n=96), 18-44 years (n=157), 45-64 years (n=169), 65+ years (n=72), Have solar panels (n=170), Do not have solar panels (n=225)*

At the network level

There were positive discussions around grid scale batteries to store energy from large solar plants and windfarms, particularly if they were placed in a rural setting.

> *"In the ideal world, we'll leave off fossil fuels and have a grid scale battery." – Wagga Wagga participant*

> *"I think we should have grid scale batteries and they need to be in the rural area adjacent to the town to service the town." – Taree participant*

> *"Grid scale batteries would be extremely helpful for us." – Ballina participant*

However, it was emphasised that these may pose as an ecological risk and also that education and more information is required to help shift the mindset towards these types of renewables.

> *"For the future, are they reusable grid scale batteries? Do they have to be discarded and go to landfill? I may need some more information on that." – Wagga Wagga participant*

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There was concern expressed about the quantity of lithium required as a component of batteries.

"The amount of lithium required is a bit of a potential problem, with the increase of batteries." – Wagga Wagga participant

"We should have petrol because we might run out of lithium." – Wagga Wagga participant

There was conjecture from participants concerning the continued use of fossil fuels in the future. There was some regional specificity noted. Some participants believed fossil fuels would be phased out ideally, while others bemoaned that switching to renewable-powered technology would compromise the existing cost they had invested in their current diesel-powered equipment.

"We're always going to have fossil fuels because in Wagga we have an industrial area, and we have some suburbs that might be using fossil fuels as a cost reduction strategy." – Wagga Wagga participant

"I think we should have nuclear. It would be lovely if there was no coal power or fossil fuel." – Wagga Wagga participant

"I agree with all of the stuff, more solar and windfarms, microgrids and community batteries which make sense, you can literally put everything on the vision except for the fossil fuel." – Wagga Wagga participant

"Let's get rid of them (fossil fuels) – let's make them more expensive so that no one can use them anymore." – Wagga Wagga participant

Participants suggested that solar and windfarms are becoming more prominent in the landscape although there was concern about the impact of these on the environment. They suggested that in the future there would be more localised use of these to generate power for the town.

"Solar and windfarms seem to be starting to make ground. What's the long-term sustainability and eco-friendliness of a wind farm? Yes, it does generate power for now." – Inverell participant

At the large-scale level, participants suggested that poles and wires would still be a vital component of the network and that Essential Energy's role would be to service the lines. The hope amongst many was that there would be more undergrounding of the network and a reduction in the number of poles and wires particularly in bushfire prone areas.

"You've got to move electricity from the generators so there will need to be poles and wires." – Inverell participant

"We're still going to need poles and wires because I don't think the technology would've advanced enough, definitely in a rural setting as well." – Inverell participant

"We're always going to have poles and wires, the only thing I would say no to would be the fossil fuels." – Wagga wagga participant

Participants spoke of the future running cost for poles and wires, if customers become stand alone or off grid. There was concern that there will be a charge passed on to customers, irrespective of whether they were operating in a stand-alone context or not.

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"You'd probably find the retailers will sling you for a charge for the poles and wires even if you're not using them, for going past their place! I've got a mate that's off-grid and he gets charged for poles and wires." – Inverell participant

Sentiment was also expressed for the quality of the poles and wires technology, and that an improvement in two-way flow was essential, if they are to be part of the future energy landscape.

"If you do have your poles and wires, they need to change to deal with the feed in. Right now you are getting massive voltage drops which stops your feed in, in the first place. It's basic physics – the wires need to be bigger." – Taree participant

"Poles and wires will have to be updated. There will be so many new technologies and they were built for one way transmission of energy and suddenly everyone is sending energy back." – Dubbo participant

This was a regionally specific conversation as the Bega area is already substantially powered by the Snowy Hydro scheme and seemed to be proud of this. Other participants saw Hydro as an environmentally damaging initiative.

"I think Hydro is still quite damaging to the environment so personally I'm hoping this isn't developed further." – Taree participant

7.1.2 The role of Essential Energy in the future

The role of Essential Energy was discussed at the end of the visioning exercise, as well as a revisit to the customer priorities to see if participants thought they would shift in 10-15 years' time.

Whilst most participants still saw a need for poles and wires in the future, there was some hope that they would be starting to be phased out. With the replacement of the grid with more localized renewable energy sources, microgrids, SAPS and peer to peer trading, it was felt that Essential Energy's role in the future would change to one in which they advised on and facilitated the uptake of distributed energy resources and then helped to maintain them.

There was a feeling there would need to be a role for some authority to manage and regulate the energy market to some extent, to ensure people were not profiteering from generating and selling energy to others and to continue to keep energy affordable and costs equitable for all. As a trusted entity it was thought that Essential Energy could fill this role.

"I see Essential Energy as having a role to encourage people to take up renewables." Bega Participant

"With all these technologies there is less responsibility for Essential Energy, as the responsibility starts to shift to the individual." – Bega participant

"Essential Energy has a responsibility to ensure standardization by taking control of this new development and instead of following what might happen, take a role of leadership." – Taree participant

"I think it's important to have access to multiple streams of renewable power." – Ballina participant

Participants also saw a role for Essential Energy in educating the community and ensuring that customers are set up as best as possible to take advantage of new technologies and renewable energy sources.

When the customer priorities from the beginning of the forum were revisited at the end of the session, it was thought that the core themes were still going to be the same, but that the order of importance may shift in 10-15 years' time. It was still felt that reliability would be key, particularly since there would be more reliance on electricity in the future, with the prevalence of automated systems that rely on electricity and electric vehicles.

> *"Reliability will be more important as we are going to rely on all this smart stuff in the future." – Dubbo participant*

Affordability was still thought to be vital too, particularly as costs were assumed to have become more complex in the future so fairness would be crucial. Linked to this, being able to understand bills will also be important. They will be complex so it will need to be clear who you are paying and who is paying you.

> *"Renewable energy will be more important in the future and it will reduce the costs in the future. Prices will start to drop."- Taree participant*

> *"Renewables is great for affordability but that is a very long term thing. I would still rate affordability high on the list, and reliability. It has to be reliable and safe. I would keep the top 4 the same and move innovative technologies up." – Taree participant*

The use of innovative technologies will increase in importance as well as encouraging renewables (or an environmental focus). It was believed that long term planning should be the biggest focus in 10-15 years' time (or even now) as with all the developments likely to happen it will be crucial that the foundations are laid now to incorporate these changes and ensure they benefit all of society in the best way possible. As an example, there was much discussion about the manufacturing and end life of these technologies and what was going to happen to them then. With little long term planning there was a concern that the developments may not bring the benefits to communities that they should.

> *"Consideration needs to be given for the end of life for these technologies. Many components weren't recyclable or reusable or were toxic. You look at the implementation of a lot these technologies and they use a lot of rare metals and often require a lot of processing. We need to plan more for the longer term and think of the wider consequences of these things. It is not just when we put it in place, but the longer term impacts. We need to not think in silos but think holistically." – Dubbo participant*

ATSI and CALD findings

Generally CALD and ATSI participants were supportive of the adoption of renewables and new technologies in the future but considered affordability to be the overarching constraint for them personally. There was some apprehension about the loss of jobs as well as any impact to reliability.

> *"Electric vehicles are really going to impact the small businesses – like the mechanics, there'll be less parts that keep breaking down. Environmentally it's a great thing but I don't want people starving either or going back onto social welfare." – CALD participant*

Smart meters and smart appliances were seen as beneficial as they may help people to control their usage and electricity costs better, but only if they are not more expensive to purchase in the first place.

> *"I love this one, because it can record the electricity use, when we use it, what day we use too much. The other meter just builds up with no extra information. With the smart meter we know why we get that much bill." – CALD participant.*

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"Very good but definitely out of my league. Sounds good for the future." – ATSI participant

The idea of community and grid scale solar and batteries were particularly welcomed by the ATSI participants.

"I like that idea, a big battery would be great. A share in that. Then we could be a part of the renewables movement." – ATSI participant

Microgrids were thought to be a positive development for remote Indigenous communities and also due to the lower impact on any cultural sites, flora and fauna and bushfire risk.

"It's great for Indigenous communities. I didn't even know about these things, I was kind of aware but I didn't know it was actually in place." – ATSI participant.

"Poles and wires could be interfering with animals' habitats and culturally significant areas. And also in high bushfire areas. If you don't have those powerlines through those areas then you're solving all those problems." – ATSI participant

One participant suggested that electric vehicle charging stations could be useful for recharging the battery of mobility scooters too, to give greater freedom and independence to those with disabilities and mobility issues.

"My dad is frightened to go anywhere further than up the street in case the battery on his mobility scooter runs out. They could be used for that now too (EV charging stations)." – ATSI participant

Youth findings

Youth group participants were very interested in and enthusiastic about the use of renewables and household and community level new technologies. They believed that the barriers to change would come from the older generations' lack of awareness and hesitancy towards such developments.

"With older generations not wanting to change, I guess encouraging them and telling them about the pros of it."

Similar to the customer forums, youth group participants were enthusiastic about electric vehicles, especially with them having the dual purpose of being a household battery. In contrast with the customer forums, they did not appear to be concerned about the power of these vehicles as they assumed that this would evolve over time.

"I thought it was pretty cool that electric vehicles can act as a battery, and the energy could be pumped back into the house when prices are high."

Youth group attendees also saw the utility of smart appliances, and liked the idea of operating their household appliances remotely. Some already had devices in their households, such as air conditioners, that could be switched on remotely, and appreciated that these were saving electricity while keeping their houses comfortable.

As with the customer forums, participants liked the idea of peer-to-peer trading and were curious about how the exchange between customers would take place. However, they felt that this scenario was probably quite a long way off and customers would need to be educated about their usage and the cost of electricity to take advantage of peer-to-peer trading.

"It sounds like it would be good in the future."

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Attendees provided mixed responses to the use of fossil fuels, with some living in mining towns but acknowledging that mining coal was unsustainable in the long run.

> *"I understand fossil fuels contribute a lot to climate change and stuff like that, but it contributes a lot to the Australian economy, and employment wise… if you could slowly adapt but still use fossil fuels."*

Solar and wind farms were also discussed by youth group participants, and as with the customer forums they recognised that these farms would cause some amount of impact on the environment, but would be less damaging to local ecosystems and the climate in the long run.

> *"Clearing land for solar, compared to mining, but the mining has more of an impact, especially emitting carbon… You never return an ecosystem back into the same state before mining."*

As with the customer forum, youth group participants felt that innovative technology would increase in importance as we become more future focused.

> *"I think Essential Energy should keep up with innovative technology, because I would have never thought of the peer-to-peer trading. In the future everything will be a lot more centered around technology."*

C&I customers

Many C&I customers have been actively investing in energy efficiency measures and reducing consumption (and therefore emissions).

Some C&I customers are increasingly adopting solar generation and batteries to back up their electricity supply and reduce reliance on the network.

> *"We are looking to go to more storage than exporting and looking for how we can reduce our reliance on grid power. E.g. lights. Separating our circuits. We will put the lower demand onto the battery storage. Grid supply for major appliances. Reduce our reliance on the grid and reduce electricity costs."*

> *"All the things in the video we have done or are doing or have proof of concepts underway. We have installed solar and are thinking of doing peer to peer with our partner stores."*

Others were not really looking at renewables or batteries yet as they didn't think they were economically viable with the return on investment not good enough.

There was some concern about the network becoming more unreliable in the future, with the increase in renewables. This made becoming less reliant on the grid more attractive.

Some businesses were very knowledgeable about Essential Energy's challenges and how they see they can add value in the future.

> *"Essential Energy need to be able to balance the network with two way energy flow. This is how they will add value in the future. Then the tariffs will need to be structured to drive the behaviours to get people to do what they need on the network. How do you make solar a benefit rather than causing issues for the network?"*

7.2 Business Partners and Stakeholders

7.2.2 Local Councils

Interestingly Councils' initial comments with regard to the vision was that Essential Energy was not looking far enough into the future.

> *"I don't think 10-15 years seems far away – we are working towards 2030".*

In some Council areas there was already a high penetration of solar panels and the Council were already considering community batteries and peer to peer trading.

Many saw Essential Energy's role in the future as moving away from servicing the residential market and more towards larger businesses who cannot rely on being self-sufficient, like hospitals.

> *"People will be self-sufficient and Essential Energy will be just servicing the hard core customers like hospitals."*

With the increase in solar and batteries came a concern over their disposal and whether or not batteries and solar panels could be recycled. Many could see a business opportunity in perhaps the refurbishment of used solar panels that could then be given to vulnerable community members to help reduce their electricity bills.

> *"Batteries and disposal of them is going to be an environmental challenge."*

In fact, in the future with the uptake of renewables, there was a question over how to maintain equity. There was a sense that those who will have the ability to store energy will be better off and that those who cannot afford the new technology/renewables will be worse off.

> *"As we progress and there will be more people storing – what happens to the person who can't afford it? Where does the cost go of maintaining the grid?"*

> *"Essential Energy will have a high community service responsibility."*

Councils also saw a future challenge for themselves and for Essential Energy in the increase in the uptake of electric vehicles. Some discussed the fact that they would need to consider increasing the availability of charging stations in their area and having to consider the impact these will have on the network.

> *"We really need to look at our charging facilities in our Shire."*

Overall, there was agreement that the future energy market will look very different and that Councils and Essential Energy will need to work together to help communities move across to renewables.

> *"My dream would be that councils look at pricing structures with Essential Energy so that it can be done at cost. Council will try to create a large scale power system to feed into those community batteries to help with the equity issues."*

7.2.2 Renewable Developers

For Renewable Developers, the first prediction for the future was an increase in electric vehicles, although some suggested that the rural and regional communities would be more hesitant and probably lag behind the metro areas in their take up.

"Electric vehicles will be a big thing. This will be the biggest change."

In fact, there was a feeling that electric vehicles will be more of an asset to the consumer than household batteries.

As far as Renewable Developers were concerned, peer to peer trading would not be commonplace and the potential benefit for Essential Energy would come from being able to better manage solar and battery usage.

The uptake of standalone power systems was considered to make a lot of sense for more rural customers who needed increased reliability and protection against being totally cut off in the case of bushfires. It was also seen to make sense from Essential Energy's point of view from a maintenance perspective.

Similarly, the ability to develop microgrids for small communities was felt to be something for Essential Energy to leverage in the future.

The majority view was that the market was moving to a solar powered grid, with wind being part of that mix. Many saw wind being more large scale, whereas solar was seen to have the ability to cross multiple streams. It was imagined that there will be more local generation through household solar and more storage of energy at the local level.

With the changes mentioned above in mind, Renewable Developers saw Essential Energy's role as managing energy usage behavior through the setting of tariffs. It was felt that cost reflective pricing will be important in order to shift the demand.

"In the future, a compelling argument, if positioned correctly, could be that electricity can be cheap for Australians if they use it at the right time."

In fact, one participant sited a distributor in the United States, stating that they now call themselves 'Balancing Authorities'. For them, the role was to balance the supply and demand – managing the flow of electricity and customer's usage in the best way.

"Their role is to balance between the residential downstream and upstream flow."

Renewable Developers were sympathetic to the challenges facing Essential Energy and saw the difficulty being in the ability of the organisation to predict the future and have influence over Government decisions.

"It is hard to know what is on the horizon as it relies on Government policy and other things outside Essential Energy's control."

7.2.3 New Technology Providers/Solar Installers

This group believed that the transition to the 'new future' is happening quicker than Essential Energy is expecting and that the business needs to be more proactive in planning for the future.

"10-15 years is wrong. The consumer is changing to the prosumer. Everyday people are putting in batteries, people are asking about vehicle to grid, people want bigger systems. I am alarmed you are saying 10-15 years, I think we are talking 3-5 years. I think the future is now." – Solar installer

Peer to peer trading and local use of service (LUOS) charges was seen very positively as it was viewed as a way of recovering costs for upgrading the network in a way that benefits all customers. Partnering with local storage was thought to make the most sense.

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"Buy, store and resell local energy – that's the future." – Solar installer

Future priorities for Essential Energy were thought to be:

- Informing the customer about the roles and responsibilities of the different energy organisations in the supply chain so they understand responsibilities and can make educated choices in the future

- Ensuring that the diversity of customers is catered for – some will want to be prosumers and have control, some won't - they will just want to 'turn the switch on and have reliable and cheap power'

- Working with customers and the solar industry in a cooperative manner to enable DER – in particular partnering with local storage and making EV charging stations part of the network (after explanation of the ringfencing guidelines Essential Energy was encouraged to lobby to change these!)

- To ensure that local providers can supply and install SAPS (there was a misperception that Essential Energy will do this which caused much concern)

7.2.4 Retailers

Retailers believed that accommodating electrification will be key in the future, and finding the right balance with keeping costs low and affordable for customers.

> *"Consumer trading with the grid will have to come, it is about when and not if. It will then be about retailers being able to have more complex billing systems. For consumers to get into buying and selling from the grid, we will need more innovative tariffs." – Retailer*

Collaboration with retailers and others on the development of tariffs and smart systems that work to encourage customers to use electricity at the 'right' times was suggested.

> *"Need smart tech to make it all work. It will take a lot of effort for all of us to collaborate to make it work. Retailers will need to be collaborated with and we will need to work together to help consumers to have more control over the prices of their electricity." - Retailer*

Tariffs was thought to be a key area of focus, to ensure they are fit for purpose for the future. Keeping pricing simple and ensuring minimum chance of bill shock for customers was stressed. The fact that Essential Energy is not pushing demand charging as much as other networks was viewed positively as it was thought to be a tariff that is more likely to cause bill shock. Retailers stressed the need for Essential Energy, and other distributors, to work with retailers to develop tariffs that are easy to implement and that are simple for the end customer.

> *"When making the new structures then they need to think about the whole cost of the energy, not just the network component, so it will work for the end customer. For example current time of use structures don't take into account the risk of spiking market prices earlier than the peak – in the shoulder time." – Retailer*

> *"Networks are talking about developing LUOS to enable batteries and peer to peer trading and so on but they are trying to make it super complicated, restricted, definitions on who can get it and who can't. It needs to be simple for customers." - Retailer*

Some retailers suggested that Essential Energy should have more two way communication with customers in the future through channels like SMS.

"Everyone has a mobile phone and it is an immediate communication channel. Keeps the network relevant." - Retailer

7.2.5 Consumer and Industry Advocates and the Stakeholder Collaboration Collective

Consumer and industry advocates thought the progression to electric vehicles in particular was going to be slower in Essential Energy's network area than the other NSW distributors. It was considered unlikely that there would be more than 10% take up by 2030. However, having said this, they did believe that it will be important to ensure that the structures and mechanisms are put in place now to set the norms for electric vehicle charging periods, e.g. the adoption of tailored time of use tariffs.

"Starting to get consumer expectations and behaviours trained in the right direction in the early stages will be important. EV charging during the middle of the day or overnight – important to start normalising that behaviour during this reg period. If we get this wrong and the EV load turns up at 5pm then the network costs go up for everyone."- Advocate

It was predicted that over the next 30-40 years all vehicles will become electrified, the question will just be whether they will be battery electric or fuel cell. The heavier farm machinery, and equipment that is required to be used for long periods, is likely to be hydrogen fuel cell.

In terms of what the priorities will be from Essential Energy in the future, it was thought that:

- It will be important that Essential Energy stays relevant and supports the changes so that there is no 'death spiral' and the network is available for people to use when they need to.

- Essential Energy should collaborate with retailers to offer products to market to shift customer behaviour the right way, and that people are benefiting from having smart meters.

- The electricity industry changes could impact people in inequitable ways so Essential Energy will have to prioritise ensuring there is fairness and equity.

- Reliability and resilience of the network will become more important as the network will come under pressure from more extreme weather events in the future.

8. Outtakes from Phase 1

8.1 Customer Priorities

The collated customer and stakeholder priorities for the next regulatory proposal as suggested by the findings from Phase 1 are:

- **Safety** - *protect workers and the public, maintains assets*

- **Affordability** – *keep costs as low as possible for **all** customers and support those in financial hardship*

- **Reliability** – *maintain a consistent supply, plan for and respond to unplanned outages quickly*

- **Future focussed** – *be proactive, plan for the long term future, accommodate the use of renewables and new technologies in a sustainable way*

- **Good customer service and communication** – *make things easy and keep customers informed*

- **Transparency/simplicity –** *make information and pricing clear and simple to understand so customers feel empowered to make informed choices.*

- **Equity/collective good** - *cater to the diversity of customer needs in a fair and inclusive way*

These can be tested with customers, business partners and stakeholders in Phase 2.

8.2 Customer Service Measures

It is recommended that both internal data collection and customer survey feedback measures are taken forward with a good mix across the different service elements. The following are priorities:

- Communicating accurate planned outage timeframes (internal data)

- Communicating an estimated time to restore power for unplanned outages and its accuracy (internal data)

- Customer satisfaction immediately after an interaction (customer feedback)

Following these priorities, other measures such as the time taken to facilitate connections to the network, average time taken to resolve customer complaints and customer satisfaction from quarterly surveys should be considered.

Multiple methods or channels of communication should be adopted for communicating with customers about planned and unplanned outages to ensure maximum inclusion and engagement with the diverse customer base. An SMS alert system is recommended for its 'immediacy' and likelihood to be read when it was received, along with information on the website, contact centre, social media channel, a phone app, online chat facility or call back facility.

Customer satisfaction surveys should include multiple types of customer and business partner, e.g. residential, small and medium businesses, large businesses/C&I customers, renewable developers, ASPs, solar installers, councils and retailers.

8.3 Investment decision making

It is recommended that Essential Energy consider the inclusion of environmental risk at the macro level i.e. climate change and carbon emissions, as well as risk to the network's utilisation, longevity and resilience in the long term.

Of those presented safety and bushfire risk could be considered together and attributed with the largest weighting, with reliability next in importance.

8.4 Network of the future

Everyone now agrees that the electricity landscape is changing – stakeholders knew this for the last Regulatory Proposal, but now small customers are becoming aware too.

Although unaware initially, when communicated, the challenges for the network are understood by customers. Solar customers see their feed in tariffs decreasing all the time and are concerned that there may be negative feed in tariffs in the future. Customers believe that things need to change.

New technologies are going to help manage bills and make electricity affordable for people but it will become a lot more complex for customers. Most will be looking to a trusted authority to make it simple for them, so they can be involved in the movement at an affordable price.

As the pace of renewable adoption and electrification increases, being able to accommodate these technologies on the network at the pace that customers and society desire will become even more important.

The diversity in the ways that customers will interact with the grid will mean that catering for individual needs whilst also focusing on the collective good will be key.

Essential Energy will need to address the following challenges/considerations in order to manage the changes and meet customers priorities for the future:

- o More extreme weather events

- o The network not having been set up for two way flows

- o Constraints on electricity exports versus investment

- o Managing peak demand and improving utilisation of the network

- o Making the most of customers' DER

- o Ensuring fairness and equity in pricing and keeping it simple

Key aspects for Essential Energy's role are:

- Increasing awareness of and helping customers to navigate the changes so they can take advantage of new technologies and renewable energy sources.

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- Long term planning to ensure the future energy network is developed in a way that benefits all customers (and keeping it affordable).

- Streamlining the network to make it cost efficient, but keeping reliability and safety levels the same or better, e.g. putting in SAPS and microgrids where applicable.

- Structuring tariffs to encourage better utilisation of existing network assets and the facilitation of new technologies whilst, also managing affordability for the end customer.

- Ensuring the full continuum of consumers to prosumers are catered for in a fair way.

- A balancing authority - to balance the supply and demand (managing the flow of electricity versus customers' usage).

- Being a trusted authority – managing the energy market to some extent (helping to ensure fairness and that customers can make informed decisions).

The above will require collaboration will all the other key entities involved in the energy industry – e.g. government, the regulator, retailers, renewable developers and new technology providers, to design and plan for the electricity system of the future.

8.5 Implications for the next phases of engagement

The next phase of engagement should focus on starting to develop collaborative solutions and should clearly show we are building on what customers have told us so far. The content of the forums should flow on from customers' vision and priorities from Phase 1.

Therefore content could include:

- Outlining the **vision**, what Essential Energy can do to meet this vision (its **role** in 85realising the vision), the **challenges/considerations** faced and possible ways to overcome them.

- Testing the **revised customer priorities** and asking participants to rank them

- Focusing on the topics of importance to customers, business partners and stakeholders:

    o **Affordability** - tariff structures that encourage more electricity usage in the middle of the day and encourage the uptake of batteries amongst solar customers, whilst still ensuring prices are affordable to all customers

    o Ensuring network **reliability and resilience**

    o How the network can be **future focused** and accommodate DER in a planned and sustainable way

    o **Customer service** – finalising the measures for the Customer Service Incentive Scheme

    o Helping customers to navigate the complexity of the new energy landscape (**transparency/simplicity**)

    o How to cater for individual needs whilst also focusing on the collective good (**equity/collective good**)

Time should be dedicated to exploring customers' preferences for solutions in these areas and starting to develop options that can be costed by Essential Energy and then tested in Phase 3.

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9. End of Session Feedback

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

Almost all of the customer forum participants agreed that they had enjoyed the session (93%) with over two fifths strongly agreeing (43%).

> *"I enjoyed the breakout room sessions and interactivity." – Inverell participant*

> *"I really enjoyed learning about all the new power supply options. Looking forward to getting some in the future." – Broken Hill participant*

Figure 23: Enjoyment in taking part in the session
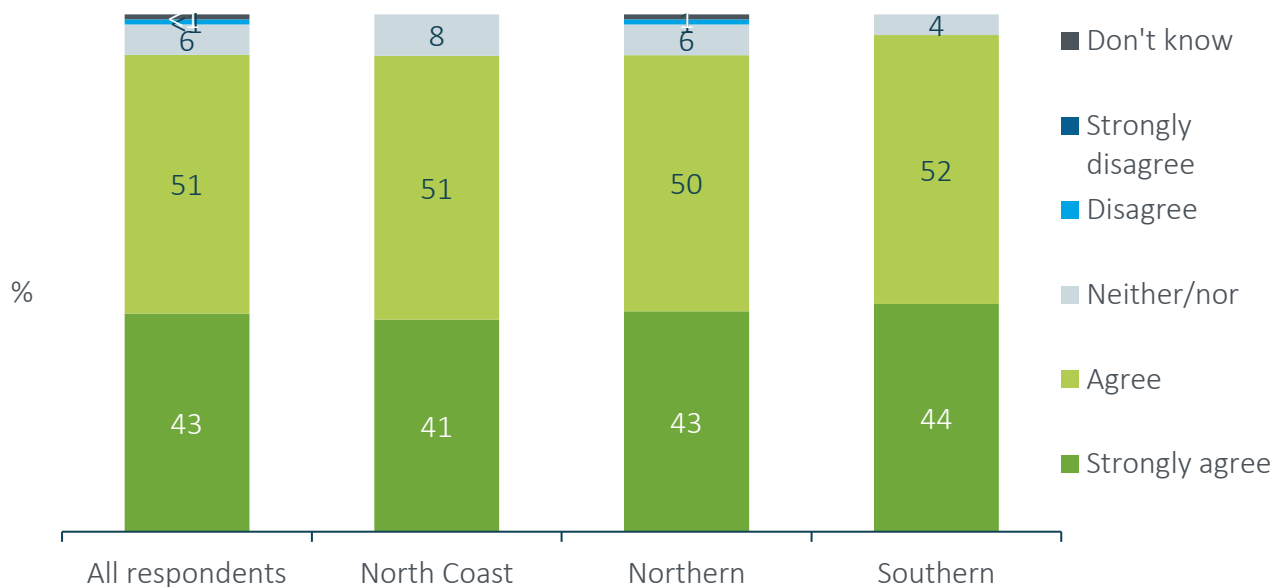
Based on your experience at the Zoom session, please indicate how strongly you agree or disagree with each of the following statements:
Statement: 'I enjoyed taking part'
Base: All customer forum participants who answered this question (n=314); North Coast (n=80); Northern (n=143); Southern (n=91)

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Similarly, most customer forum attendees strongly or slightly agreed that the session was informative, and they learned a lot (35% strongly agree, 54% agree).

> *"It was very informative to learn about future options for electricity generation and usage." – Bega participant*

> *"Learned a few things I didn't know. Presenters were professional and patient." – Ballina participant*

> *"The informative way information was shared and the ability to put forward my opinions and how it was conducted in a timely manner." – Wagga participant*

Figure 24: Informative session
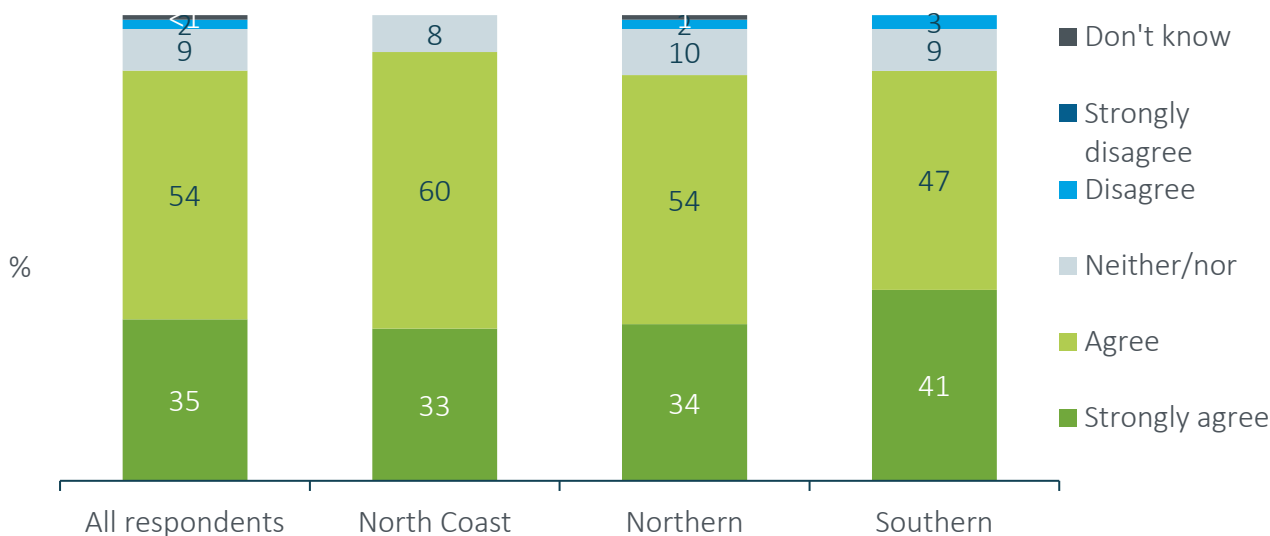
Based on your experience at the Zoom session, please indicate how strongly you agree or disagree with each of the following statements: 'It was informative and I feel I have learned a lot'
Base: All customer forum participants who answered this question (n=314); North Coast (n=80); Northern (n=143); Southern (n=91)

Again, over half of the customer forum participants strongly agreed that the session was well structured and organised (54%), and most others agreed (42%).

> *"Well organised, plenary sessions to explain followed by break outs to discuss and share ideas and clarify information." – Wagga participant*

> *"Structured format was excellent. Information session followed by discussion with participants was engaging." – Inverell participant*

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Figure 25: Organised and well-structured session
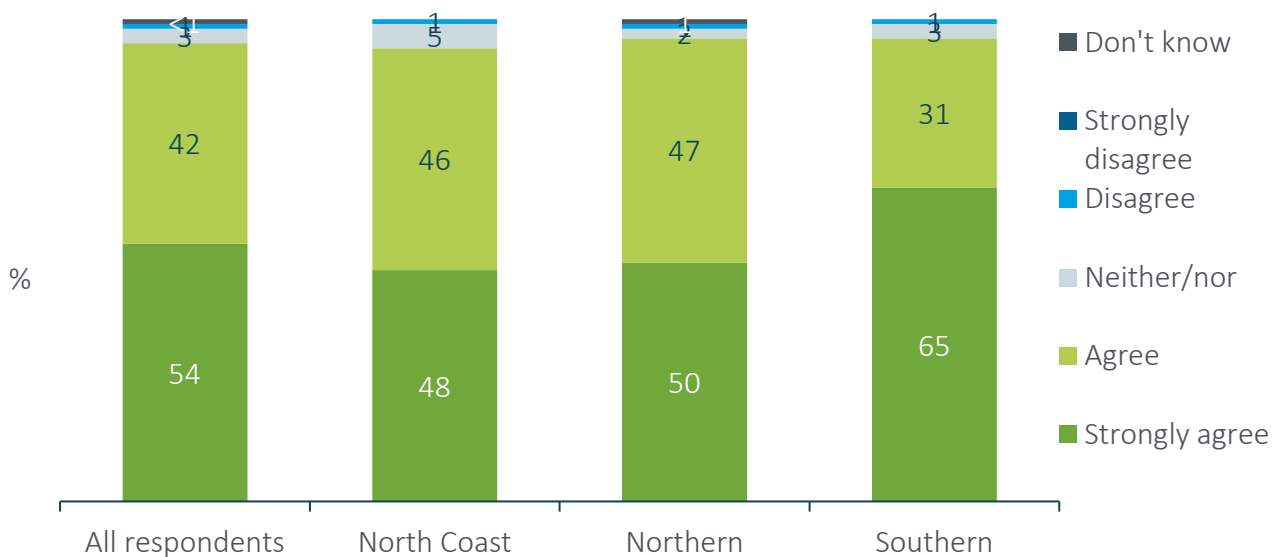
Based on your experience at the Zoom session, please indicate how strongly you agree or disagree with each of the following statements: ***'The session was well organised and structured'***
Base: All customer forum participants who answered this question (n=314); North Coast (n=80); Northern (n=143); Southern (n=91)

The majority also agreed that the session allowed them to share their views and contribute to discussions (41% strongly agree, 50% agree).

> *"Breakout rooms allowed directed discussion and the possibility for many individuals to express their views." – Wagga participant*

> *"Being able to learn, hear directly from Essential Energy, contribute, it was great!!" – Broken Hill participant*

> *"The session was engaging and the breakout sessions get equal opportunity to everyone to contribute." – Wagga participant*

Figure 26: Able to provide views and contribute
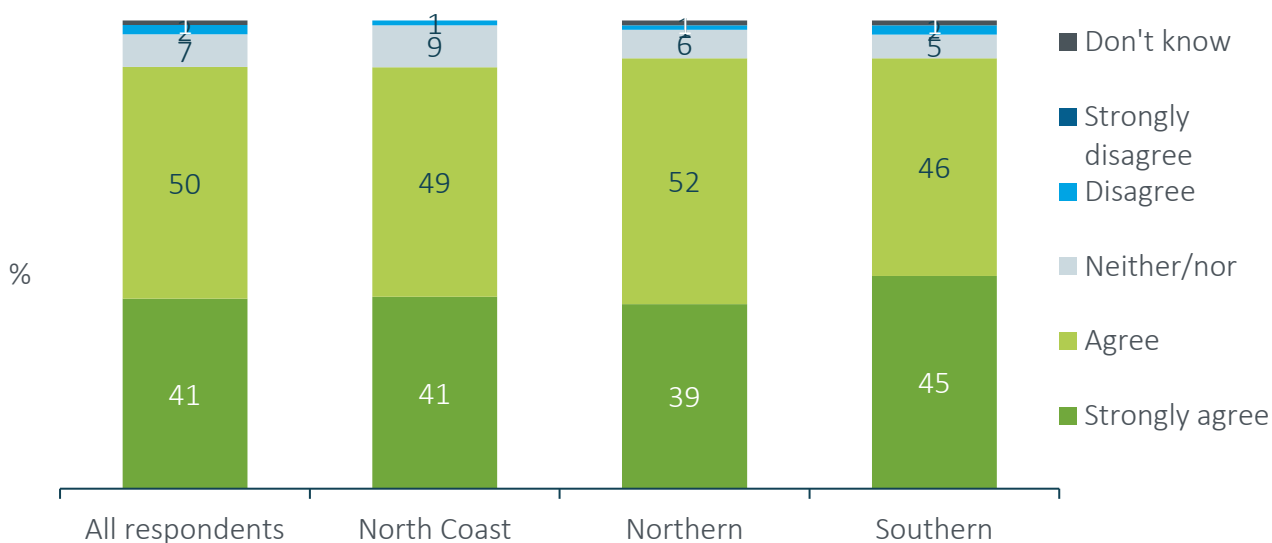
Based on your experience at the Zoom session, please indicate how strongly you agree or disagree with each of the following statements: **'I was able to provide my views and contribute during the session'**
Base: All customer forum participants who answered this question (n=314); North Coast (n=80); Northern (n=143); Southern (n=91)

Three quarters agreed that Essential Energy would act on the feedback provided in the session (20% strongly agree, 55% agree).

> *"Views from the attending participants were valued and recorded in data for all to see."* – Broken Hill participant

> *"I certainly felt that my participation was valued."* – Dubbo participant

Figure 27: Essential Energy will act on feedback
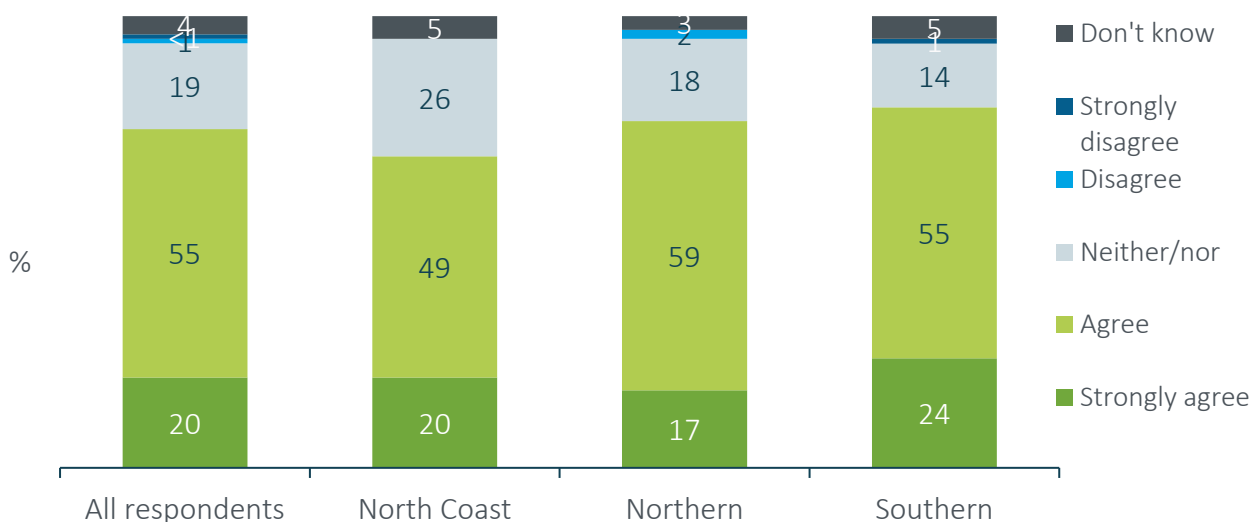
Based on your experience at the Zoom session, please indicate how strongly you agree or disagree with each of the following statements: **Statement: 'I think Essential Energy will act on the feedback given'**

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Lastly, the vast majority agreed that events like the customer forums were 'a good way of consulting the public about issues' (50% strongly agree, 45% agree).

> *"The break out rooms felt like the main way I could contribute and I was being consulted." – Bega participant*

> *"Strength of the session was allowing us (the public) voice our opinions." – Inverell participant*

Figure 28: Customer workshops are a good way to consult the public

Based on your experience at the Zoom session, please indicate how strongly you 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=314); North Coast (n=80); Northern (n=143); Southern (n=91)
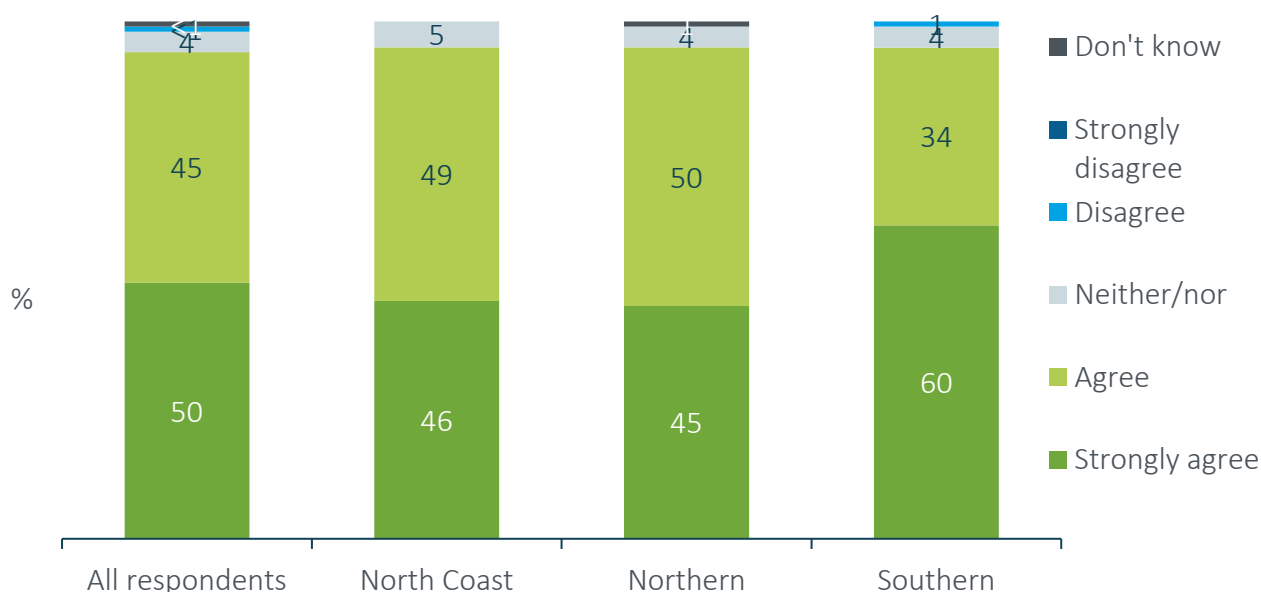
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Appendices

Appendix A: Visioning Forum Agenda

Project:	Essential Energy – Regulatory Proposal 24-29				
Event:	Phase 1 Visioning Forum (Zoom)				
Details:					
Dates and location:	Ballina - Tuesday 19 October Broken Hill - Thursday 21 October Dubbo - Monday 25 October Inverell - Wednesday 27 October Taree - Thursday 28 October Wagga Wagga - Monday 1 November Bega - Wednesday 3 November	**Time:**	6.00pm-8.00pm	**Duration:**	2 hours
Forum objectives:	• To identify and understand the issues that are important to customers currently. • To determine customers' priorities and relative importance. • To identify customer service measures to be considered for the CSIS. • To explore customer views of factors that feed into EE's decisions regarding risk. • To identify customers' priorities for the network of the future.				

Time	Session details	Responsibility	Materials
SECTION 1: INTRODUCTION			
6.00-6.05pm (5 mins)	**Welcome and guidelines for the session** • Acknowledgement of Country • Structure of the session • Guidelines	WR Lead Facilitator	PPT slides
6.05pm-6.09pm (4 mins)	**Presentation 1A: Purpose for the forum** • Development of Regulatory Proposal for the AER - every 5 years • Brief overview of engagement program • How important the customer's voice is to this process	EE CEO/Exec	PPT slides
6.09 - 6.16pm (7 mins)	**Presentation 1B: Introduction to Essential Energy** • Where Essential Energy fits into the supply chain • Services provided (main ones and others such as metering, vegetation, streetlighting) • Challenges for the network (network map, rural, low customer density etc)	EE	PPT slides
SECTION 2: CUSTOMER PRIORITIES			

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6.16 – 6.18pm (2 mins)	**Presentation 2: Customer priorities** • Outline what these were from the last round (safety, reliability, affordability, etc.)	EE	PPT slide
6.18-6.33pm (15 mins)	**Breakout group discussion: Customer priorities** **REMEMBER TO RECORD** *Introductions in breakout group – first name, solar/non solar, size of household* • What is important to you in relation to your electricity supply currently *(facilitators' note: remind participants that EE's role is the poles and wires not generation or retail components)*? • What do you think Essential Energy should focus on when it is delivering its services? What do you value Essential Energy doing the most? **USING MIRO** • Based on your discussion, do you think customer priorities have changed since the last round or are they the same? (*change the wording of, remove or add priorities in the Miro board*) • Which in your list are the most important? How would you rank these?*(move the order around to produce a ranked list in Miro for your group)*	WR Facilitators	Miro
SECTION 3: CUSTOMER SERVICE MEASURES			
6.33-6.37pm (4 mins)	**Presentation 3: Customer Service Incentive Scheme** • Describe the fact that Essential Energy received rewards and penalties for its service delivery • Explain what customer service is • Possible measures for customer service incentive scheme	EE	
6.37-6.52pm (15 mins)	**Breakout discussion: Customer Service** **IN MIRO SHOW THE SLIDE OF SERVICES** • This is a reminder of the services that EE provides. What is good customer service in relation to these key services? **Remind them that customer service relates to the interaction /communication with Essential Energy** o *Ensure that you prompt for factors that are not just related to the contact centre*	WR Facilitators	Miro slide with list of services

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	IN MIRO SHOW THE SLIDE OF POSSIBLE ALTERNATIVE CUSTOMER SERVICE MEASURES • What do you think of these ideas for measures? Pros and cons • Which of these measure the most important aspects of customer service? • Do you have any other ideas based on what you discussed just now? • There are two ways of measuring customer service factors – one is for Essential Energy to collect internal data (like the first four measures) and the other is to ask customers for their feedback (the last measure). How important is it to collect internal data v customer survey feedback? o Which is more important or are they both equally important to measure?		Miro slide of possible customer service factors

6.52-6.55pm
 	
(3 mins)
	Polling: Customer Service
	
	• Which do you think is more important as a measure of customer service:
	    o internal data
	    o customer survey feedback
	    o both are the same level of importance
	• How important is it that Essential Energy is measured on each of the following to ensure good customer service: (very imp, quite imp, somewhat imp, not imp at all, dk)
	    o Percentage of telephone calls to the fault line that are answered within 30 seconds
	    o Time taken to facilitate connections to the network
	    o Communicating accurate **planned** outage timeframes
	    o Communicating an estimated time to restore power for **unplanned** outages and its accuracy
	    o Average time to resolve customer complaints
	    o Customer satisfaction results from quarterly surveys
		WR Lead Facilitator	

6.55-7.00pm (5 mins)	**Quick break** • Bring dinner back to eat on the call if they want to (but must be back by 7pm to hear the presentation) • Remind to grab pen and paper		
	SECTION 4: DECISION MAKING FOR FUTURE INVESTMENT		

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7.00-7.05pm (5 mins)	**Presentation 4: How EE makes investment decisions** • Present the risk factors	EE	PPT slides

7.05 – 7.18pm
 	
(13 mins)
	Breakout discussion: Risk factors
	
	USING MIRO
	• Do you think these are the main risks that EE should consider when making investment decisions or are there any missing?
	• How do you think these risks should be weighted when Essential Energy are making the decisions? We're going to do an exercise as a group first, then I'm going to ask you to write down your own answers that you will put into the polling in the next session individually.
	• So first, as a group we have 100 points, or 100%, and we need to allocate those across these 5 risks according to how important you think each of them should be in the decision making. There are a few criteria:
	    ○ The weightings have to be in multiples of 10, i.e. 0,10,20,30,40,50,60,70,80,90.
	    ○ The sum of the 5 has to add to 100%
	Do the exercise and talk about it as you go. E.g. what weighting would you give reliability, what do you all think, why is that? Etc.
	
	Make sure you have a couple of minutes left for the individual exercise!
	• Now you might not all agree on those exact weightings so grab a bit of paper and a pen to write your weightings down as we are going to ask you to put them into the polling in the next session. If you agree with what the group has done then just write those weightings down. Remember that:
	    ○ The weightings have to be in multiples of 10, i.e. 0,10,20,30,40,50,60,70,80,90.
	    ○ The sum of the 5 has to add to 100%
	    ○ IF needed: There is no 100% option in the polling so you can't give any 100% and the rest 0% - other than that you can allocate how you want.
	Check everyone understands that they need to write them down.
	• *Discuss if you have time*: Did anyone have different answers to the group? Which of the
		WR Facilitators	Miro

	risks did you put the highest weighting on and why?		

7.18-7.22pm
 	
(4 mins)
	Polling: Risk factors
	
	• Individual weighting of each factor (0,10,20,30,40,50,60,70,80,90)
	   o What weighting did you give 'Safety'?
	   o What weighting did you give 'Bushfire starts'?
	   o What weighting did you give 'Ecology and heritage?
	   o What weighting did you give 'Customer experience'?
	   o What weighting did you give 'Reliability'?
		WR Lead Facilitator	

SECTION 5: NETWORK OF THE FUTURE			
7.22-7.32pm (10 mins)	**Presentation 5: Network of the Future** • Video • Describe the possible changes in the future: solar, batteries, EVs, what SAPs are/microgrids, smart meters etc.	EE	PPT slides
7.32 – 7.52pm (20 mins)	**Breakout discussion: Vision of the Future Network** ***USING MIRO -*** *Groups are to create a vision for the future network using the prepared landscape and dragging icons/creating sticky notes.* *Facilitator to show landscape in MIRO.* • Now we are going to think about the future. Based on what you just heard, what would you like the future to look like in 10-15 years time? What will be important? *When creating the vision for each element added discuss:* • If this happens (e.g more solar or more X, Y, Z), what do you think customers' expectations will be for the electricity network? What will be important to customers then? *Make sure you ask about all of the icons – do they want them on the future vision?* After finishing the vision: • In summary what do you think customers' needs and priorities will be from EE in the future? • Will the increase in solar, batteries and EVs change what customers expect from the	WR Facilitators	Miro – landscape and icons

	network? What will be important to customers then? **SCROLL BACK UP TO THE PRIORITIES** • Will the priorities you discussed before change? E.g. will a reliable consistent supply be even more important for all the extra needs? Will other things be less important? *Only if you have time:* *Personal views on some of the innovations:* • (For those who haven't already got them) what is your interest in getting solar, batteries, EVs? • How do you feel about Essential Energy considering introducing SAPS for remote customers? Any benefits/concerns? • How do you feel about them possibly introducing microgrids in the future for some remote towns? Any benefits/concerns?		

7.52-7.57pm
 	
(5 mins)
	Polling: Network of the Future
	
	There are two sets of questions here.
	
	First set: likelihood to get solar, batteries and EVs
	
	• How likely is it your household will install solar panels in the next 5 years?
	  Very likely
	  Quite likely
	  Neither likely nor unlikely
	  Quite unlikely
	  Very unlikely
	  Not possible to install
	  Already have them
	  Don't know
	• How likely is it your household will purchase a household battery in the next 5 years?
	  Very likely
	  Quite likely
	  Neither likely nor unlikely
	  Quite unlikely
	  Very unlikely
	  Not possible to install
	  Already have one
	  Don't know
	• How likely is it your household will purchase an electric vehicle in the next 5 years?
	  Very likely
		WR Lead Facilitator	

99	Quite likely
	Neither likely nor unlikely
	Quite unlikely
	Very unlikely
	Not possible to install
	Already have one
	Don't know
	
	Second set: Support for SAPS, Microgrid, EV charging
	
	• To what extent do you support Essential Energy considering the use of SAPS for remote customers?
	    ○ Strongly support
	    ○ Support
	    ○ Neither support or against
	    ○ Against
	    ○ Strongly against
	    ○ Don't know
	• To what extent do you support Essential Energy considering the use of Microgrids in the future?
	    ○ Strongly support
	    ○ Support
	    ○ Neither support or against
	    ○ Against
	    ○ Strongly against
	    ○ Don't know
	• To what extent do you support Essential Energy facilitating the connection of Electric Vehicle charging stations to the network?
	    ○ Strongly support
	    ○ Support
	    ○ Neither support or against
	    ○ Against
	    ○ Strongly against
	    ○ Don't know		

7.57-8.00pm (3 mins)	**Summing up, next steps and close**	EE	
	CLOSE		

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Appendix B: Recruitment screener

HAVE YOUR SAY ABOUT
FUTURE ELECTRICITY PROVISION

Thank you for your interest in this important research project.

Woolcott Research & Engagement is an independent market research company. Essential Energy has asked us to speak with local residents and businesses to find out preferences for the electricity network in the future. What we find out will be used to decide on programs and prices for services in the future.

The project will run over the next 18 months and involve 3 phases. Each phase will involve seven community forums across NSW in the locations below. The first phase will be online (due to the current COVID-19 restrictions on face-to-face events) on the following dates:

Location	Date 2021	Time
Ballina	Tuesday 19 October	6pm-8.00pm
Broken Hill	Thursday 21 October	6pm-8.00pm
Dubbo	Monday 25 October	6pm-8.00pm
Inverell	Wednesday 27 October	6pm-8.00pm
Taree	Thursday 28 October	6pm-8.00pm
Wagga Wagga	Monday 1 November	6pm-8.00pm
Bega	Wednesday 3 November	6pm-8.00pm

Between 50-80 community members will take part in each forum but will discuss issues in small groups of 8-10. **You do not need to know anything about electricity services at all as information to aid discussions will be provided before and during the sessions.** We generally find that people really enjoy taking part in our forums.

We are hoping that the forums in phases 2-3 will be face-to-face in a community centre in the locations above, so **please make sure you can travel to your chosen location for an evening forum** if you agree to take part.

In line with the research industry's common practice, participants will be paid $400 to take part in all three phases as a token of appreciation for their time (Phase 1=$120, Phase 2=$130, Phase 3=$150). This ensures we attract a diverse range of people representing the cross section of our community.

Participation requirements:
- You must reside in NSW in the Essential Energy network area

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- You must be 18 years or over
- You must be available to participate on the allocated date for your location (see above)

If you are interested in taking part in the forums please register your information by clicking on the button below.

After registering we will be in contact with you to let you know if you are successful and provide further details. We are seeking a broad and representative group of residents and therefore cannot guarantee participation.

Please be advised that only one person from each household may participate.

<REGISTER HERE>

The Forum Experience

Our community forums are the perfect setting for you to learn about and consider issues regarding future water management.
They are informative, interactive and fun experiences that enable you to have your say.
You will collaborate with other participants to help shape Essential Energy's plans for the future.

Please click on the video to view an example of a forum we conducted previously for Sydney Water.

<INSERT VIDEO: CLICK HERE>

ONCE CLICKED ON THE REGISTER BUTTON:

Thank you for your interest in being involved in a community forum. The purpose of the forums is for Essential Energy to understand your views about what the priorities should be for the electricity network in the future.

Below is a short questionnaire with a few demographic questions to ensure we have a representative group of residents and businesses.

We will contact you let you know if you are successful and if so, we will confirm details with you.

1. Are you an employee of Essential Energy?

Yes	1	THANK AND TERMINATE
No	2	CONTINUE

2. Do you, or any immediate members of your family, work for an electricity distributer, retailer, generator or Australian Energy Regulator (AER)?

Yes	1	THANK AND TERMINATE
No	2	CONTINUE

TERMINATE MESSAGE FOR Q1 and Q2. Unfortunately, we are unable to include anyone with a close connection to Essential Energy and/or electricity regulation. Thanks again for your interest.

3.   What is your postcode: _____ (Terminate if not in EE network area)

TERMINATE MESSAGE FOR Q3. Unfortunately, you do not live within the area we are looking for. Thanks again for your interest.

4.   Which forum would you like to attend? SR

Location	Date 2021	Check box
Ballina	Tuesday 19 October	
Broken Hill	Thursday 21 October	
Dubbo	Monday 25 October	
Inverell	Wednesday 27 October	
Taree	Thursday 28 October	
Wagga Wagga	Monday 1 November	
Bega	Wednesday 3 November	

5.   Do you identify as being…? CHECK QUOTAS

Male	1
Female	2
Gender neutral	3
Prefer not to say	4

6.   What is your date of birth? _____   CHECK QUOTAS
TERMINATE IF UNDER 18
If you don't want to give this information:
Which of the following age groups you fall into? CHECK QUOTAS

Under 18	1	TERMINATE
18-24	2	
25-34	3	
35-44	4	
45-54	5	
55-64	6	
65+	7	

7.   Do you speak a language other than English at home or with family?   CHECK QUOTAS

No, English only	1	SKIP NEXT Q
Yes	2	

8.   What is the main language other than English spoken at home or with family? DNRO

Arabic	1	Lebanese	14
Australian Indigenous Languages	2	Macedonian	15
Cantonese	3	Mandarin	16
Croatian	4	Polish	17
Dutch	5	Punjabi	18
French	6	Serbian	19
German	7	Spanish	20
Greek	8	Tagalog (Filipino)	21
Hindi	9	Turkish	22
Indonesian	10	Vietnamese	23
Italian	11	Other (please specify)	24
Japanese	12	Prefer not to say	25
Korean	13		

9. Are you of Aboriginal or Torres Strait Islander origin? CHECK QUOTAS

No	1
Yes	2
Prefer not to say	3 DO NOT OFFER

10. Are you the owner or a decision maker for a small or medium business (less than 200 employees)?

Yes	1 (recruit as small business)
No	2 SKIP NEXT QUESTION
Don't know	3 SKIP NEXT QUESTION

11. What industry does the business operate within?

_____

12. What is your approximate annual household income?   CHECK QUOTAS

Less than $41,600 per year (less than $800 per week)	1
$41,600 - $78,000 per year ($800 - $1,500 per week)	2
$78,000 - $104,000 per year ($1,500 - $2,000 per week)	3
$104,000 - $156,000 per year ($2,000 - $3,000 per week)	4
More than $156,000 per year (more than $3,000 per week)	5
Do not wish to answer	6

13. Does the property you are living in have any of the following? SR per row

	Yes	No
Solar panels for electricity	1	2
Battery storage	1	2
Electric vehicle(s)	1	2

14. Which of the following best describes your household makeup? SR

Single household	1
Couple living together with no children	2
Shared household	3
Family household with children still at home	4
Other (please specify)	5
Do not wish to answer	

15. Do you live in a: SR

Stand-alone house or dwelling	with acreage or farm	1 RURAL
Stand-alone house or dwelling	without acreage or farm	2
A townhouse or semi		3
An apartment or unit complex		4
Other (please specify)		5

16. In the last 12 months, have you had any difficulty paying your electricity bills such as:

	Yes
Had to borrow money to pay a bill	1
Had to ask for an extension or paid late	2
Been on a special payment plan	3
Been disconnected due to inability to pay	4
Had to cut back on buying food or other groceries to avoid disconnection	5
Delayed other payments to avoid disconnection	6
None of the above	7
Do not wish to answer	8

IF YES TO ANY CODE AS A VULNERABLE CUSTOMER

17. Do you, or a member of your household, rely on life support equipment such as a positive airway pressure machine (PAP/CPAP), powered wheel chair, home dialysis? SR

Yes	1
No	2
Don't know	3

IF YES CODE AS LIFE SUPPORT CUSTOMER

18. Are you a member of any special interest groups or associations related to energy, farming or irrigation?

Yes (please specify)	1
No	2

Thank you for providing that information. Lastly, could you please provide your contact details:

TITLE:	
FIRST NAME:	
SURNAME:	
Preferred ph. number to be contacted on:	
ADDRESS:	
SUBURB/POSTCODE:	
EMAIL ADDRESS:	

Thank you for your time and willingness to participate. We will be in touch to confirm whether you have been selected to participate and with further instructions.

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Should you require further information in the meantime please contact Melissa Homann or Liz Sparham of Woolcott Research on 02 9261 5221.

Thank you

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Appendix C: ATSI and CALD Topic Guide

INTRODUCTION

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

- We work for an independent research company WR
- The purpose of the project is to gather customer feedback on what's important to you for the future electricity supply, customer service measures and how you think EE should make investment decisions.
- 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 (5 MINS)

SHOW SLIDE 3: EE services are 37% of your retail bill

READ OUT:

Essential Energy is the electricity distributor for all of regional NSW (not Greater Sydney) – that's 95% of NSW. They own, operate and maintain the poles and wires that bring electricity into homes and businesses. They are just one part of the electricity supply chain. Your energy bill is sent to you by your retailer (e.g. Origin, Energy Australia) and includes all these different parts. You can see from the image that Essential Energy's services are about 37% of an average NSW customer's bill.

SHOW SLIDE 4: Services EE provides

The services that Essential Energy providers are...READ OUT SLIDE AND LEAVE ON SCREEN

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Questions:

- So firstly we want to find out what customers' priorities are. Thinking about your electricity supply, what is important to you?
- What do you think Essential Energy should focus on when it is delivering its services?
- From a CALD or ATSI* perspective, is there anything specific that is a priority?

CUSTOMER PRIORITES (5 MINS)

SHOW SLIDE 6: What was important to customers 5 years ago – has it changed?

READ OUT:

This shows what was important to customers 5 years ago and we want to find out if these things are still important or whether they need changing/any new priorities should be added.

- *Safety was a given. Customers expected that Essential Energy are keeping them and their employees safe.*
- *Affordable electricity bills were very important.*
- *As was a reliable network with few electricity outages or blackouts. And when there are outages that they're fixed quickly.*
- *Encouraging renewables was about facilitating a clean energy future by ensuring things like solar farms or customer's solar panels can connect to the network.*
- *Innovative technologies was about customers benefiting from new technologies in the home, or on the network.*
- *Bill transparency was about customers being able to see what makes up their bill.*

Questions:

- Do you think customer priorities have changed since 5 years ago or are they still these 6 things? What's changed? Should any be removed or added?
- Which of them is most important? How would you rank them?
- From a CALD or ATSI* perspective, is there anything specific that is more of a priority?

CUSTOMER SERVICE MEASURES (10 MINS)

SHOW SLIDE 8: Customer service measures

READ OUT:

Essential Energy are incentivised to improve their customer service.

Customer service includes any interaction or communication that they have with customers. It doesn't include reliability e.g. how quickly they respond to outages. That is so important that it is covered through another incentive measures.

Currently there is only one measure of customer service used by the regulator to incentivise customer service improvements by Essential Energy: the % of telephone calls made to the fault line that are answered within 30 seconds.

It was recognised by both customers and stakeholders during the last regulatory proposal that this is a very narrow measure of customer service for the modern day. Since that time, the regulator has changed the incentive scheme to allow networks to propose alternative or additional customer service measures where these reflect the preferences of customers.

SHOW SLIDE 9: Alternative customer service measures

READ OUT:

These are some alternative measures that could be used.

The left hand side is about measuring performance using internal data:

- *Time taken to connect new customers to the network (if building a new house NOT moving house)*
- *The second one relates to planned outages – when you receive a letter notifying you there will be an outage due to maintenance. This measure would compare how long they said the planned outage would take, compared to the actual time it did take.*
- *Unplanned outages are those unexpected blackouts, usually caused by high winds and storms. For many of these events, they are able to notify customers of a time when they expect power to come back on. They could aim to increase this and measure how accurate the timeframe is.*
- *The average time it takes to resolve a customer complaint is another measure they could use*

The right hand side is about measuring customers' experience in their interactions with Essential Energy. Data from their quarterly satisfaction surveys could be used.

- *level of customer service*
- *were they easy to deal with?*
- *did they do what they promised?*
- *did they listen and respond*

Questions:

- What do you think the most important aspects of customer service are?
- What do you think of these ideas for measures? Pros and cons
- Do you have any other ideas?
- From a CALD or ATSI* perspective, is there anything specific that is important for customer service/customer service measures?
- There are two ways of measuring customer service factors – one is for Essential Energy to collect internal data (left hand side) and the other is to ask customers for their feedback (right hand side). How important is it to collect internal data v customer survey feedback?

INVESTMENT DECISIONS (10 MINS)

SHOW SLIDE 11: Three key factors shape EE's decisions

READ OUT:

Essential Energy have to complete thousands of jobs on the network each year, such as replacing poles or upgrading substations – these are known as projects. They need a way to prioritise these projects, so they know they are doing the most important ones first.

There are three main factors that influence their decisions:

1. *VALUE: How much value does the project bring to customers – do the benefits outweigh the costs?*
2. *SERVICE: Does the project improve service outcomes for customers?*
3. *RISK: What level of risk does the project alleviate?*

We want to delve into the risk factor with you.

SHOW SLIDE 12: The risks that are currently considered

READ OUT:

The risks that that are currently considered when Essential Energy weigh up which projects to take forward are shown here. They assess the current risk i.e. before the project takes place, and the risk that they expect after the project is completed. The larger the risk reduction, the higher the project rating and more likely it is to be taken forward.

1. *Reliability is about how well the project will maintain (or even improve in some cases) reliability.*
2. *Customer experience is about how the project will contribute to making things better for customers.*
3. *Safety is about whether the project will improve the safety of staff, contractors or the public – examples would include reducing the risk of an asset failing or attaching markers to powerlines to make them more visible.*
4. *Bushfire starts is about limiting the potential for the poles and wires to start a fire*

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5. *Ecology and heritage is minimising the impact of any works on the particular ecosystem or any items of cultural or heritage significance – such as whether they are working in a koala habitat, or an area that contains endangered flora or an area of cultural significance.*

Questions:

- Do you think these are the main risks that Essential Energy should consider when making investment decisions or are there any missing?
- How do you think these risks should be weighted when Essential Energy are making the decisions? You can give each one a proportion of 100% but must be in multiples of 10 i.e. 0,10,20,30,40,50,60,70,80,90. Must add to 100%.
- Record their weighting:

Reliability:

Safety:

Bushfire starts:

Ecology and heritage:

Customer experience:

- What is your reasoning for each?

NETWORK OF THE FUTURE PART 1 (15 MINS)

SHOW VIDEO IF POSSIBLE

SHOW SLIDE 15: EE's role in the traditional supply chain

Traditionally, there were a few large, mainly fossil fuel powered generators that fed into the transmission network. Essential Energy then transported electricity from the transmission network and on to customers. Energy only flowed in one direction.

SHOW SLIDE 16: EE'S role in the modern supply chain

Now the network has to deal with two way power flows. This is because solar customers can use their own electricity generated on their roof, and if there's any leftover they can sell that back to the grid for others to use. That's called 'exporting electricity'. Over time it is expected that there will be more solar, along with more batteries and electric vehicles (which may require 'fast charging').

*Essential Energy need to adapt to these changes and customers' changing expectations. They also want to manage and adapt the network in a way that **all** customers can benefit, not just those who*

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have solar, batteries and electric vehicles. These changes could help to keep prices down for all customers if they are used in a way that means there is less need for future network investment.

SHOW SLIDE 17: Changes for customers

This slide shows a summary of all the possible changes for customers in the future. I will go through them one by one:

READ OUT:

Smart meters *– you may have heard of these or already have one. They are becoming more common. They show detailed usage information and mean that customers can:*

- *have their meter read remotely*
- *be on different pricing plans e.g. different prices for different times of the day*
- *participate in new energy markets, for example, if you have solar panels and a battery, your smart meter will keep track of your excess energy and allow you to sell it to your neighbour in what is known as 'peer to peer trading'*

Questions:

- What do you think of the idea of smart meters? Pros and cons?
  - Do you already have one?

READ OUT:

Smart appliances and thermostats: *will help customers manage their electricity consumption*

- *For example, they can help you avoid paying very high prices for electricity, by cycling your air-conditioner in an economy mode or adjusting your thermostat up or down a degree or two.*
- *They can also be set to run when electricity prices are cheap*
- *Retailers can operate smart appliances on your behalf, on the few days and hours of the year when prices are really high, in return for lower prices*

*Alternatively, if you choose to, **home energy management systems** will be able to automate this work for you. No one wants to be running around adjusting all their appliances. Instead you will be able to access or set your home energy management system remotely*

Questions:

- What do you think of the idea of smart appliances? Pros and cons?
- What do you think of the idea of smart thermostats? Pros and cons?
- What do you think of the idea of an energy management system? Pros and cons?

READ OUT:

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Solar panels – *solar panels generate electricity that the customer can use themselves or sell excess energy to the network. This is already common but customers are starting to experience significant reductions in the price they are getting for their excess electricity. Being able to sell excess energy to other nearby customers or to operate as part of a virtual power plant may help customers' make the most from their rooftop solar investments.*

Questions:

- What do you think of the idea of solar panels? Pros and cons?
- Do you have them?
- How likely is it that your household will install solar panels in the next 5 years?

READ OUT:

Batteries - *allow customers to store excess solar electricity for use later in the day when prices are normally higher and allow customers to sell electricity with other nearby customers and the grid at times when they need it (for a higher price).*

There are different types of batteries:

- *home batteries that serve just one household*
- *community batteries that would sit in a suburb and serve nearby customers for a cheaper cost than a home battery*
- *grid scale batteries that would serve many customers and would be likely be placed in fenced substations or sit within a wind or solar farm.*

Questions:

- What do you think of the idea of household batteries? Pros and cons?
- Do you have one?
- How likely is it that your household will purchase a household battery in the next 5 years?
- What do you think of the idea of community or grid scale batteries? Pros and cons?

READ OUT:

Electric Vehicles: *are expected to increase substantially over the next 10-15 years. They can be used not only as a means of transport but also as a home battery. They can draw energy from the grid when it is cheap and discharge it into the home when prices are high. Essential Energy want to ensure that the network prices encourage home charging of EVs outside of the peak network times.*

Questions:

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- What do you think of the idea of electric vehicles? Pros and cons? Where would they be most suitable?
- Do you have one?
- How likely is it that your household will purchase an electric vehicle in the next 5 years?

General:

- As all of these developments happen what do you think customers' will expect from the network? What will be important to customers then? What about anything specific for ATSI or CALD* customers?
- In summary what do you think customers' needs and priorities will be from EE in the future?
- Will the priorities you discussed before change? Link back to priorities at the beginning – will these change or the order change? E.g. will a reliable consistent supply be even more important for all the extra needs? Will other things be less important?

NETWORK OF THE FUTURE PART 2 (10 MINS)

SHOW SLIDE 18: How customers will interact with the network

READ OUT:

This slide summarises all those changes and all the different ways the network might be used by customers:

1. *You could be connected to the grid*
2. *You could have solar panels*
3. *You may have solar panels and a battery*
4. *You may just have a battery, which could be in the form of an electric vehicle.*
5. *Or a customer can be completely disconnected from the network through what are known as stand-alone power systems or SAPS*

   These include solar panels, sufficient battery storage and a source of back-up generation for when the sun doesn't shine like a diesel generator

   SAPS generally improve reliability for customers and lower costs for the network, which are passed on to all customers – so they're a great option to consider in appropriate circumstances

6. *Microgrids are similar to stand-alone power systems, but they service a group of customers rather than just a single site. They could be useful for improving reliability in more remote towns and villages or in areas very prone to bushfires.*
7. *Electric vehicle charging will be a new type of customer on the network*

   Whilst EE will not necessarily own or be responsible for EV charging stations, they will need to facilitate their connection. Installing these in locations where there is spare capacity on the network will help minimise costs for customers.

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Questions:

- How do you feel about Essential Energy considering introducing SAPS for remote customers? What are the benefits? Any concerns with some customers being off grid?
- To what extent do you support them considering the use of SAPS for remote customers?
- How do you feel about Essential Energy possibly introducing Microgrids in the future for some remote towns? What do you see as the benefits? Any concerns?
- To what extent do you support them considering the use of Microgrids in the future?
- To what extent do you support Essential Energy facilitating the connection of Electric Vehicle charging stations to the network? What do you see as the benefits? Any concerns?

CLOSE

Any final comments?

Thank and close

* Delete as appropriate

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Appendix D: Agenda for Group Sessions

Project:	Essential Energy – Regulatory Proposal 24-29 - RENEWABLE DEVELOPERS				
Event:	Phase 1 Visioning Forum (Zoom)				
Details:					
Dates and location:	17th November 2021	Time:	4.00-5.30	Duration:	1.5 hours
Forum objectives:	• To identify and understand the issues that are important to customers currently. • To determine customers' priorities and relative importance. • To identify customer service measures to be considered for the CSIS. • To explore customer views of factors that feed into EE's decisions regarding risk. • To identify customers' future vision and priorities for the network of the future.				

Time	Session details	Responsibility	Materials
SECTION 1: INTRODUCTION			
4.00-4.02pm (2mins)	**Welcome and guidelines for the session** • Acknowledgement of Country • Structure of the session • Guidelines	WR Facilitator	PPT slides
4.02pm-4.05pm (3 mins)	**Presentation 1A: Purpose for the forum** • Development of Regulatory Proposal for the AER - every 5 years • Brief overview of engagement program • How important the customer's voice is to this process	EE CEO/Exec	PPT slides
4.05 - 4.10pm (5mins)	**Presentation 1B: Challenges for Essential Energy** • Challenges for the network (network map, rural, low customer density etc)	EE	PPT slides
SECTION 2: CUSTOMER PRIORITIES			
4.10 – 4.15pm (5 mins)	**Presentation 2: Customer priorities** • Outline what these were from the last round (safety, reliability, affordability, etc.)	EE	PPT slide

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4.15-4.25pm (10 mins)	**Breakout group discussion: Customer priorities** **REMEMBER TO RECORD** *Introductions: organisation name and role* • What do you think is important to customers in relation to their electricity supply currently? • What is important to you in relation to your dealings with Essential Energy and the supply of electricity *(facilitators' note: remind participants that EE's role is the poles and wires not generation or retail components)?* • What do you think Essential Energy should focus on when it is delivering its services? What do you value Essential Energy doing the most? **USING MIRO** • Based on your discussion, do you think customer priorities would have changed since the last round or are they the same? (*change the wording of, remove or add priorities in the Miro board*) • Is there anything missing from your perspective? • Which in your list are the most important? How would you rank these?*(move the order around to produce a ranked list in Miro for your group)*	WR Facilitator	
SECTION 3: CUSTOMER SERVICE MEASURES			
4.25-4.30pm (5 mins)	**Presentation 3: Customer Service Incentive Scheme** • Describe the fact that Essential Energy received rewards and penalties for its service delivery • Explain what customer service is • Possible measures for customer service incentive scheme	EE	
4.30-4.40pm (10 mins)	**Breakout discussion: Customer Service** **IN MIRO SHOW THE SLIDE OF POSSIBLE ALTERNATIVE CUSTOMER SERVICE MEASURES** • What do you think of these ideas for measures? Pros and cons • Which of these measure the most important aspects of customer service? • Do you have any other ideas based on what you discussed just now? • There are two ways of measuring customer service factors – one is for Essential Energy to collect internal data (like the first four measures) and the other is to ask customers for their	WR Facilitator	Miro slide with list of services Miro slide of possible customer

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	feedback (the last measure). How important is it to collect internal data v customer survey feedback? o Which is more important or are they both equally important to measure?		service factors
SECTION 4: DECISION MAKING FOR FUTURE INVESTMENT			
4.40-4.45pm (5 mins)	**Presentation 4: How EE makes investment decisions** • Present the risk factors	EE	PPT slides

4.45 – 4.55pm
 	
 (10 mins)
	Breakout discussion: Risk factors
	
	 USING MIRO
	 • Do you think these are the main risks that EE should consider when making investment decisions or are there any missing?
	 • How do you think these risks should be weighted when Essential Energy are making the decisions?
	 • So first, as a group we have 100 points, or 100%, and we need to allocate those across these 5 risks according to how important you think each of them should be in the decision making. There are a few criteria:
	     o The weightings have to be in multiples of 10, i.e. 0,10,20,30,40,50,60,70,80,90.
	     o The sum of the 5 has to add to 100%
	 Do the exercise and talk about it as you go. E.g. what weighting would you give reliability, what do you all think, why is that? Etc.
		WR Facilitator	Miro

SECTION 5: NETWORK OF THE FUTURE			
4.55-5.05pm (10 mins)	**Presentation 5: Network of the Future** • Describe the possible changes in the future: solar, batteries, EVs, what SAPs are/microgrids, smart meters etc.	EE	PPT slides
5.05 – 5.25pm (20 mins)	**Breakout discussion: Vision of the Future Network** • Now we are going to think about the future. Based on what you just heard, what would you like the future to look like in 10-15 years time? What will be important? • What do you think customers' needs and priorities will be from EE in the future? • What will your needs be as a Renewable Developer?	WR Facilitator	

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118	• Will the increase in solar, batteries and EVs change what customers expect from the network? What will be important to customers then? **SCROLL BACK UP TO THE PRIORITIES IF NEEDED** • Will the priorities you discussed before change? E.g. will a reliable consistent supply be even more important for all the extra needs? Will other things be less important? • How do you feel about Essential Energy considering introducing SAPS for remote customers? Any benefits/concerns? • How do you feel about them possibly introducing microgrids in the future for some remote towns? Any benefits/concerns?		
5.25-5.30pm (5 mins)	**Summing up, next steps and close**	EE	
	CLOSE		

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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 1

Contacts

Karyn Wong
kwong@woolcott.com.au

Liz Sparham
lsparham@woolcott.com.au