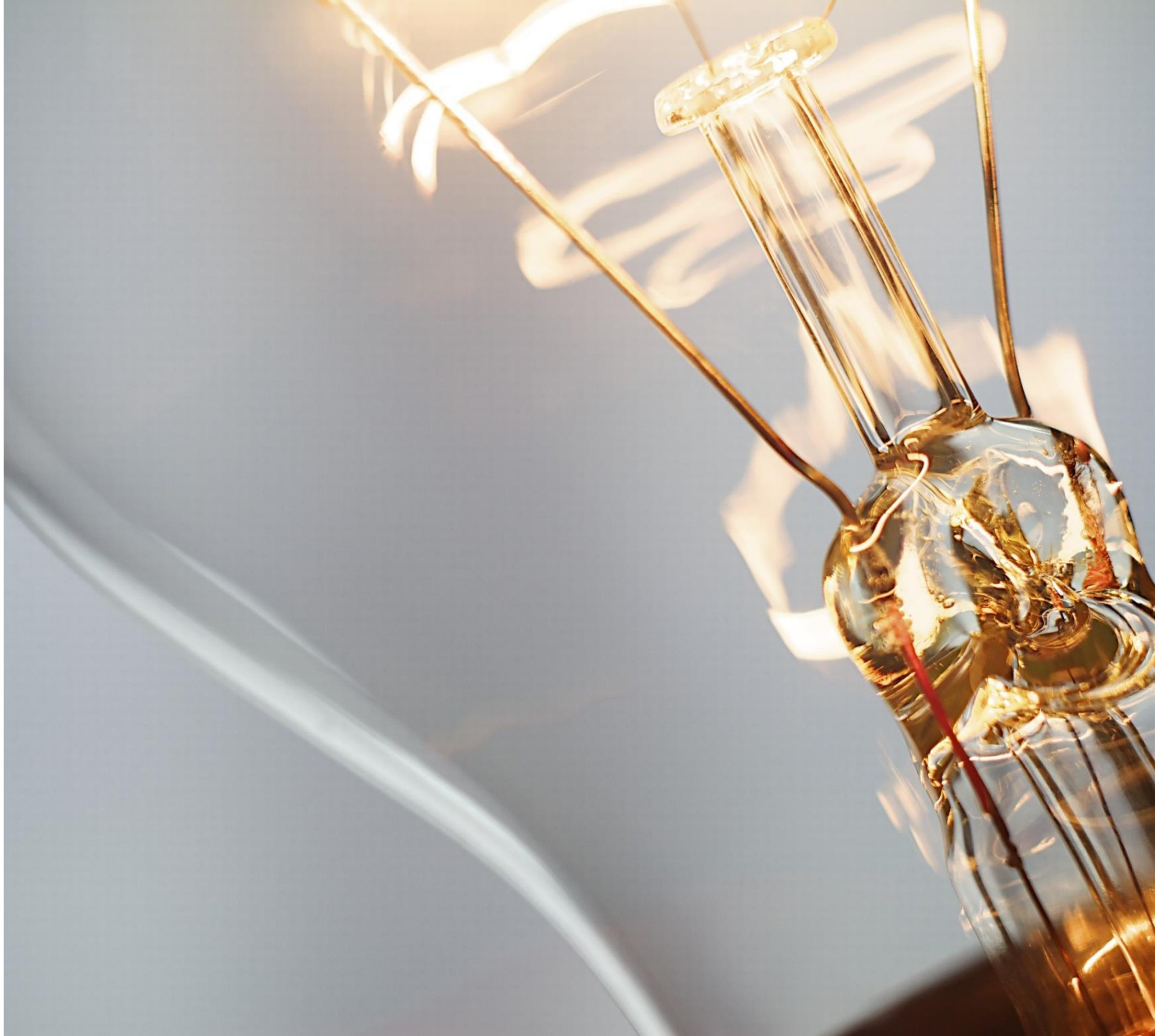
essential energy

24-29 Regulatory Proposal Engagement

Phase 2 Survey Report

April 2022



WOOLCOTT
RESEARCH & ENGAGEMENT

PHASE 2 SURVEY OVERVIEW

Panel surveys

- N=606 residential customers and N=201 small to medium business (SMB) customers filled in the survey through an online research panel provider.
- For residents quotas were set on location, age, gender and solar penetration to ensure the sample reflected the Essential Energy network area.
- The surveys were live from 11-24 March 2022.

Virtual room survey

- N=240 respondents completed the survey through the online virtual room.
- These were mainly deliberative forum participants who visited the virtual room.
- The survey was live from 10 February to 23 March 2022.

Analysis

- The results were combined to indicate customers' overall perceptions.
- The residential panel survey and virtual room survey data was weighted to reflect the breakdown of location, age, gender and solar penetration across the Essential Energy network area.

Content

1. Customer portal
2. Environmental sustainability
3. Public lighting
4. New connections
5. Private assets
6. Priorities and vision (panel surveys only)

Respondents were presented with detailed information throughout the survey so that they could provide informed answers.

Note that the customer portal question was also asked in a workshop with consumer advocates.

SUMMARY OF FINDINGS

Portal

- The vast majority of respondents supported Essential Energy creating an online portal for customers to log into to report issues and gain updates on vegetation, streetlighting, new connections, power outages and meter reading, with over half strongly supporting.
- However consumer advocates thought that other methods of communication should not be removed for those who are not as digitally literate (such as older people).
- Outages, streetlighting, maintenance and vegetation services were thought to be most useful to include on a portal.
- There were mixed views on whether the online services should be through a portal or an app. Since interactions with Essential Energy are infrequent it was thought that a portal could work best initially (as apps are more suitable for frequent interactions).

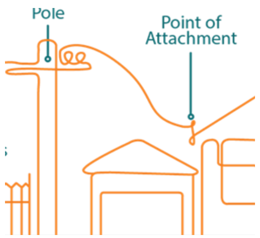
Sustainability

- Approximately two thirds of respondents felt that Essential Energy should enhance sustainability and go above and beyond requirements.
- The majority felt that Essential Energy should buy some electric vehicles as replacements for its car and ute fleet but to do it gradually over the next 10-20 years rather than changing over as quickly as possible.
- However a substantial proportion of residents wanted to know how much their bill would increase by under this idea (this will be explored in more detail in the Phase 3 forums)

Public Lighting and New Connections

- More than four fifths of respondents were supportive of Essential Energy offering councils the optional investment of a spare socket to use to ‘plug in’ other emerging technologies.
- Most respondents agreed that Essential Energy should fund a suitable portion of network upgrades for new connections where the benefits outweigh the costs, businesses in particular.

SUMMARY OF FINDINGS

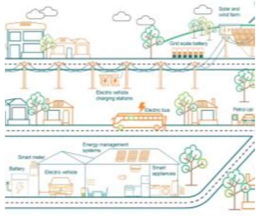


Private assets

- The majority of respondents believed that Essential Energy should continue to inspect private assets and manage the vegetation surrounding them, with the largest proportion stating that all customers should continue to pay for these services rather than the private asset owner.

Customer priorities

- Similar to the deliberative forums, affordability and reliability/resilience were considered the most important customer priorities of those listed, particularly for residents.


Vision

- In the forums, customers' vision for the future included more use of renewables such as solar, wind and hydro, more uptake of batteries and electric vehicles and the shared generation, storage and trading of electricity at the community level. There was strong support in the survey for Essential Energy facilitating customers moving to solar panels, batteries and electric vehicles as part of this vision.

- There was particular support for ensuring solar and wind farms can connect to the network easily, solar customers exporting electricity in a way that benefits all customers, pricing to encourage efficient use of the network and helping customers to understand and navigate the changes so they can benefit from them.

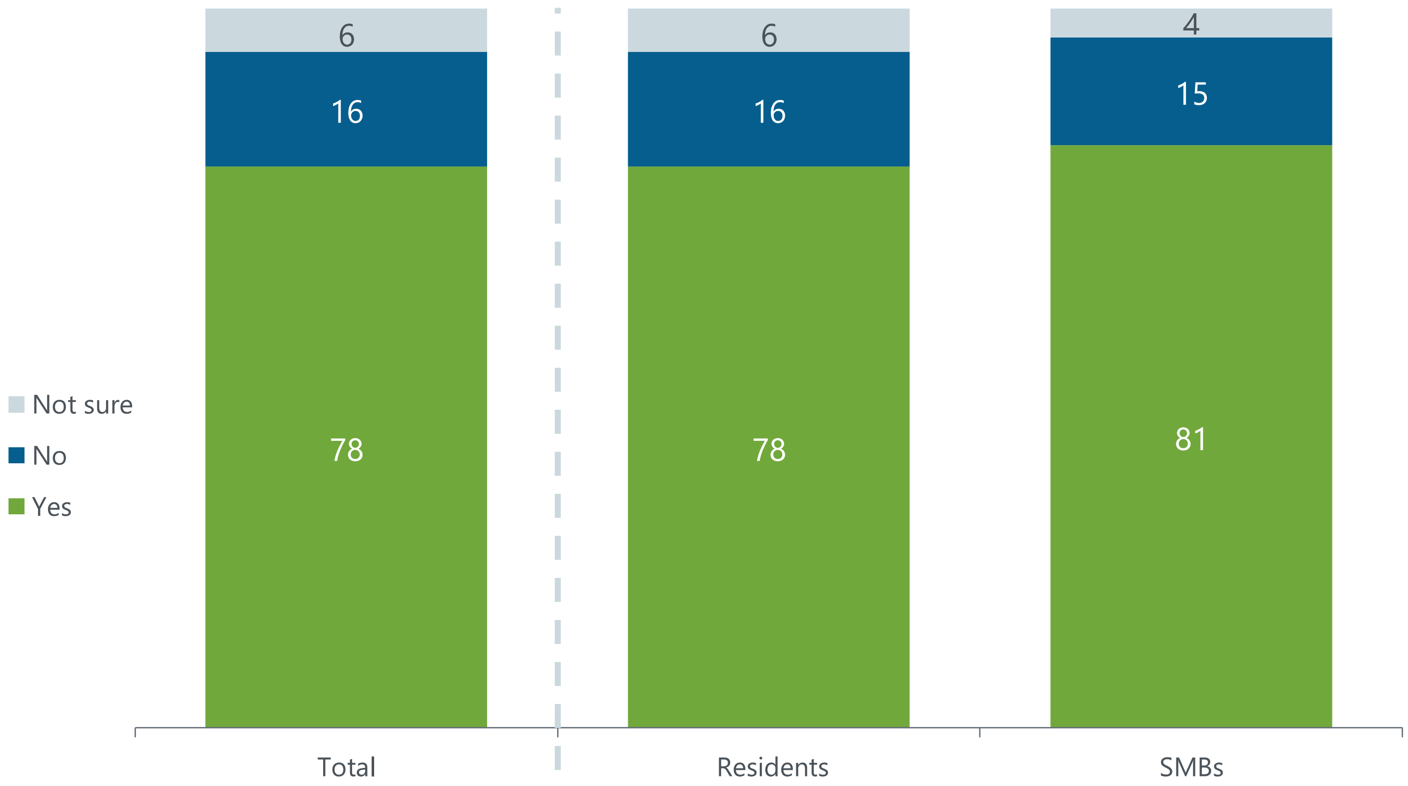
DETAILED SURVEY FINDINGS

AWARENESS

Just over three quarters (78%) of respondents were aware that Essential Energy was their electricity distributor (81% of businesses).

AWARENESS OF ESSENTIAL ENERGY – PHASE 2

Residents & SMBs

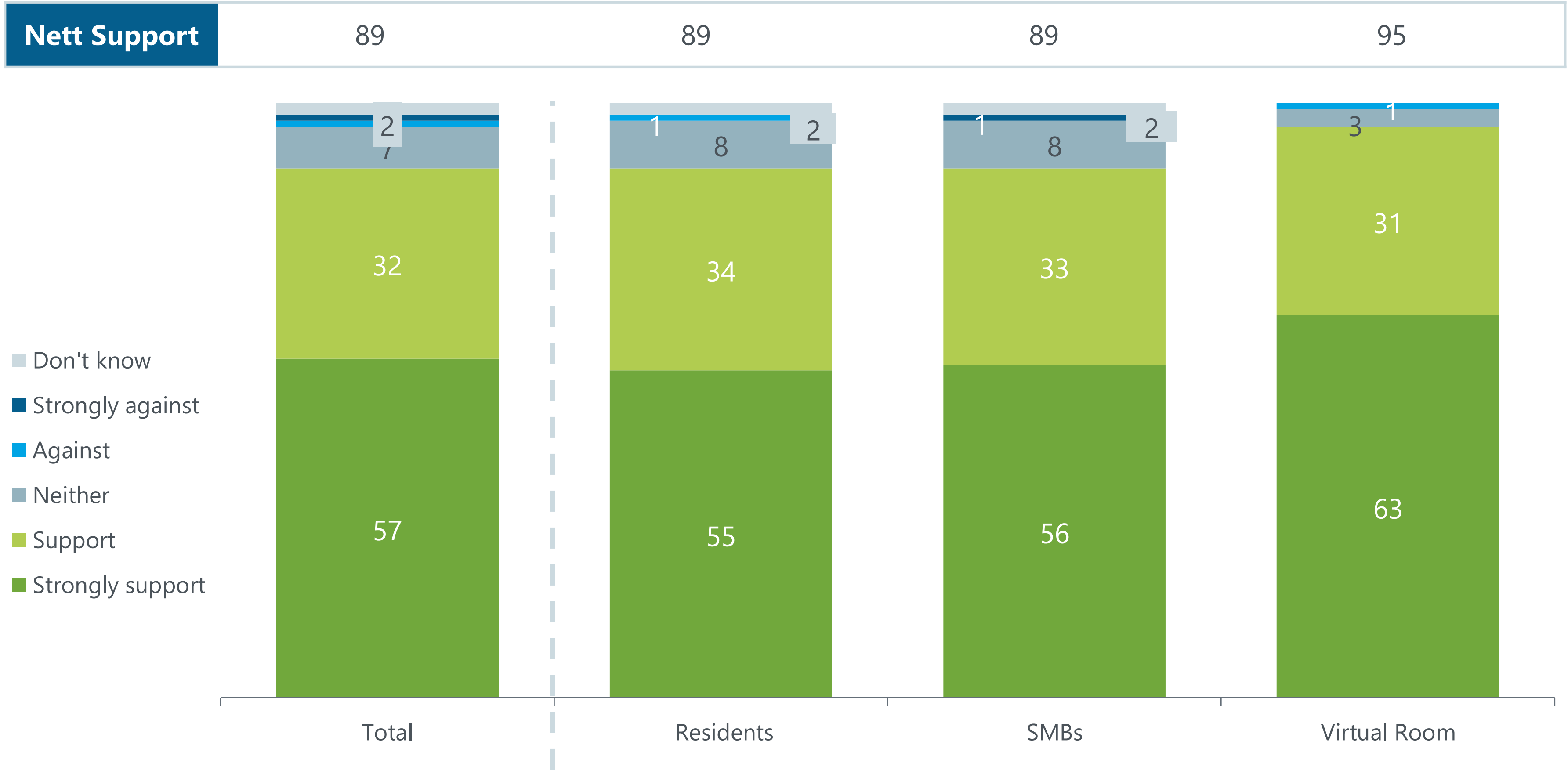


Q7. / Q6. Essential Energy is your electricity distributor. They are responsible for the electricity network (i.e. poles and wires) in your region that transports electricity to your home and business. Essential Energy is just one part of the electricity supply chain and is not the business that sends you your bill, that is your electricity retailer. The network costs make up about 37% of an average electricity bill. Before today, were you aware that Essential Energy is your electricity distributor?
Base: All panel respondents (n=807; residential respondents n=606, SMB respondents n=201)

CUSTOMER PORTAL

The majority of respondents supported Essential Energy creating an online portal for customers, with over half strongly supporting.

SUPPORT FOR AN ONLINE PORTAL – PHASE 2



Q8. / Q7. / Q5. As well as maintaining the poles and wires that bring electricity to homes and businesses, Essential Energy also fixes power outages, sets up new connections to the network, maintains street lighting, trims vegetation around powerlines and reads electricity meters. Essential Energy is moving towards offering more online information and updates to customers regarding the services they offer. To what extent do you support Essential Energy creating an online portal that customers could log into, to report issues and gain updates on service areas such as vegetation, street lighting, new connections, power outages and meter reading?

Base: All respondents (n=1047; residential panel respondents n=606, SMB panel respondents n=201, virtual room respondents n=240

PREFERRED SERVICES – PHASE 2

The majority indicated that reporting an outage and seeing updates on when power will be restored on the portal would be most useful.

Reporting a maintenance issue with the network, reporting faulty streetlights/ seeing updates, as well as reporting vegetation that needs trimming/seeing updates, were also frequently selected as useful services.

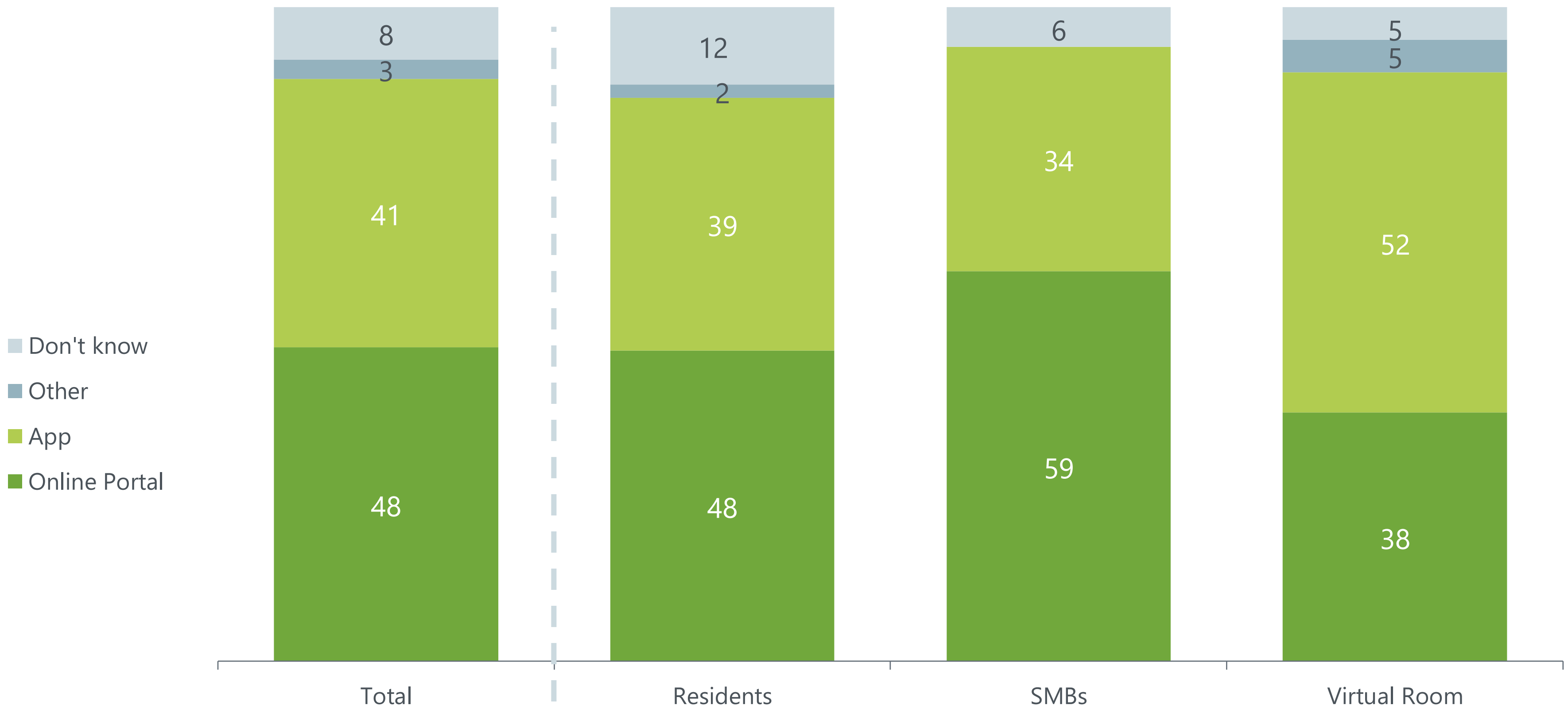
Services that would be most useful	Total (n=1047) %	Residents (n=606) %	SMBs (n=201) %	Virtual Room (n=240) %
Report a power outage and see updates on when power will be restored	87	88	75	95
Report a faulty streetlight and see updates on when it will be fixed	71	71	59	79
Report a maintenance issue with the network	69	70	52	85
Report vegetation that needs trimming and see updates on when it will be trimmed	68	67	56	80
Obtain your meter reading history	58	59	39	74
Apply to set up a new connection to the network	50	47	47	63
None of the above	4	3	5	2

Q9. / Q8. / Q6. Please select the services you think would be most useful on the portal. Please select all that apply:
Base: All respondents (n=1047; residential panel respondents n=606, SMB panel respondents n=201, virtual room respondents n=240

PREFERRED CHANNEL – PHASE 2

There were mixed views on whether the online services should be through a portal or an app.

'Online Portal' appears to be more popular than an app for businesses

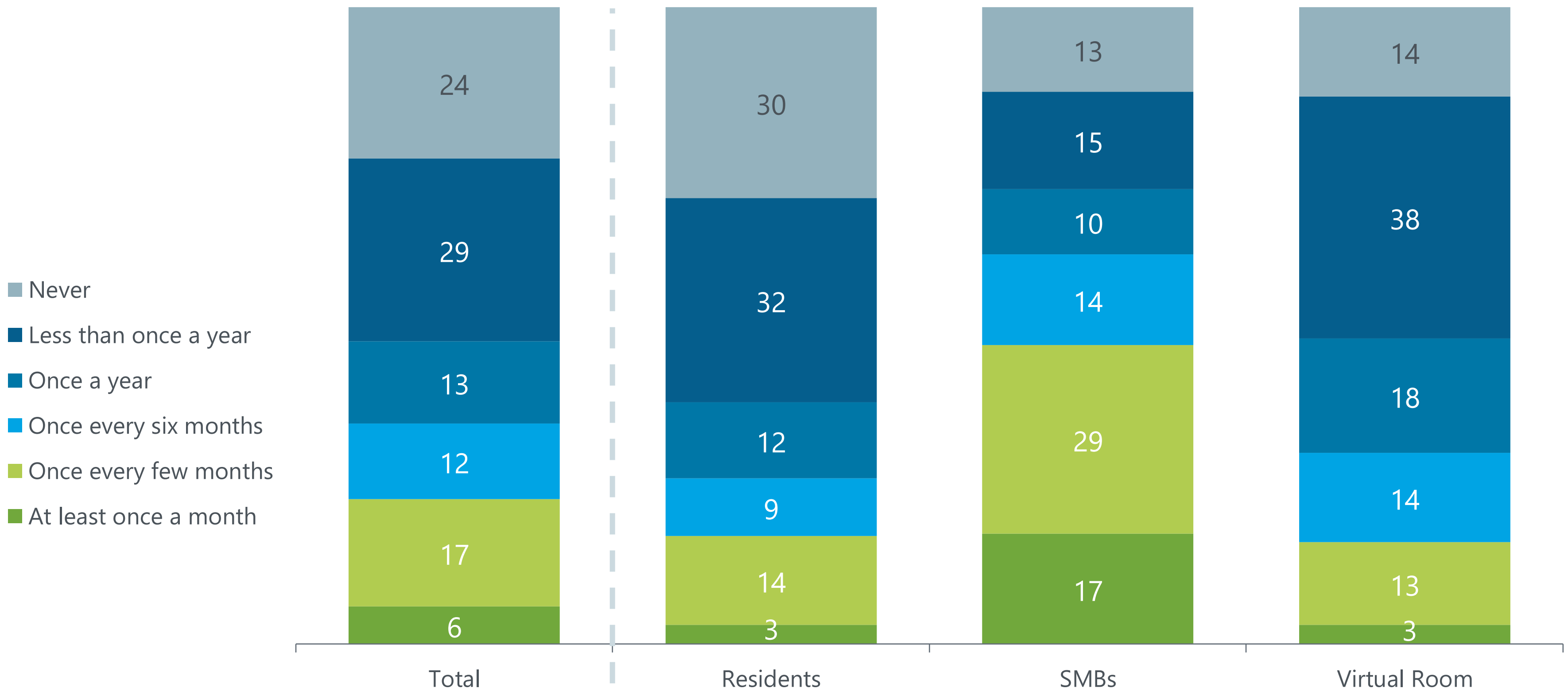


Q10. / Q9. / Q7. Would you prefer that this was provided through an online portal connected to the Essential Energy website or an app?
Base: All respondents (n=1047; residential panel respondents n=606, SMB panel respondents n=201, virtual room respondents n=240

LIKELY INCIDENCE OF USE – PHASE 2

Most residential customers interact with Essential Energy about these kinds of issues less than once a year (53% - never or less than once a year).

Conversely, SMBs seemed to interact more frequently - 29% of SMBs stated that they interact with Essential Energy about these kinds of issues every few months and 17% at least once a month.

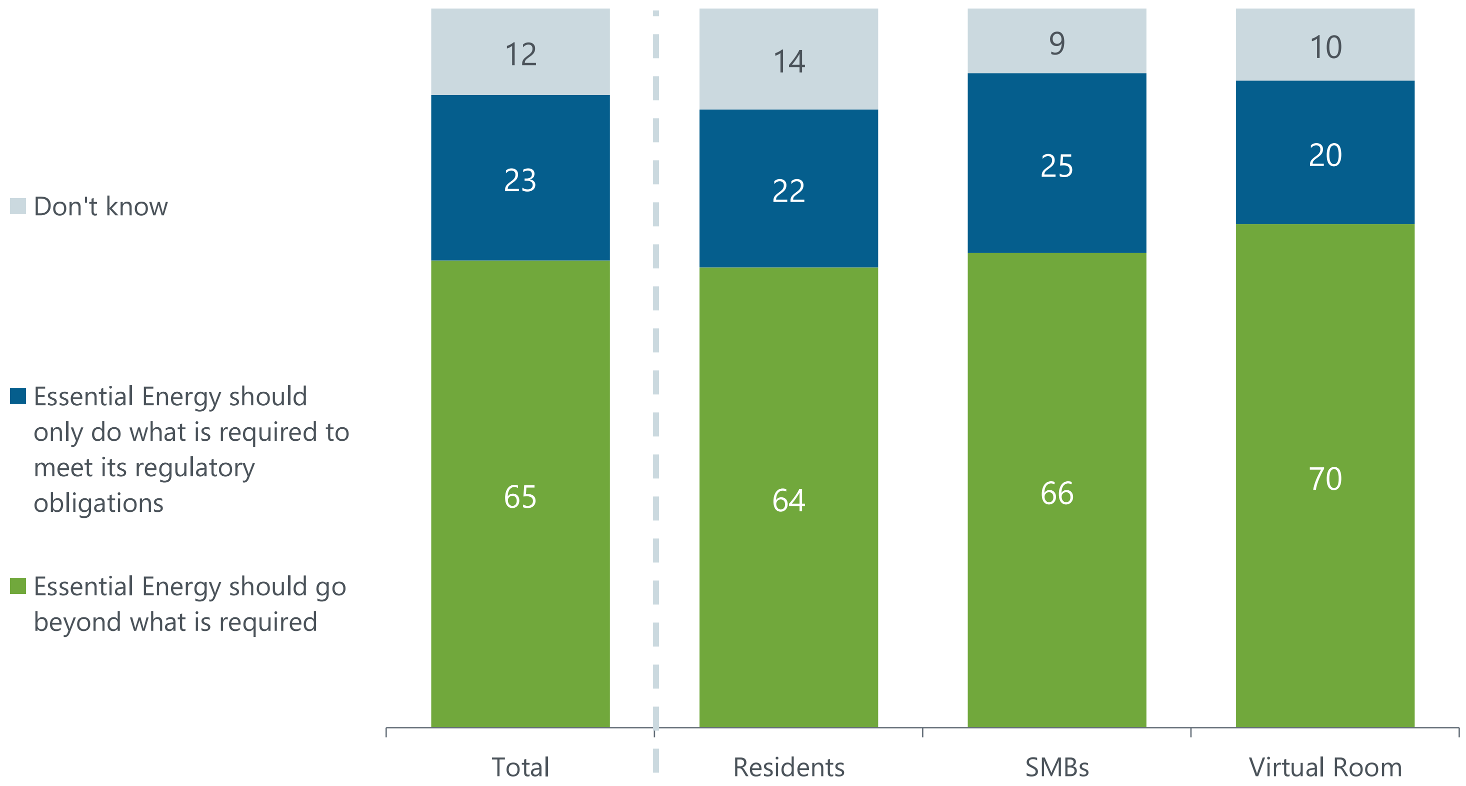


Q11. / Q10. / Q8. On average how frequently do you interact with Essential Energy about these kinds of issues, e.g. outages, vegetation, streetlighting, new connections, maintenance or meter reading?
Base: All respondents (n=1047; residential panel respondents n=606, SMB panel respondents n=201, virtual room respondents n=240

ENVIRONMENTAL SUSTAINABILITY

Approximately two thirds of respondents felt that Essential Energy should enhance sustainability and go above and beyond the requirements.

ENHANCING SUSTAINABILITY – PHASE 2



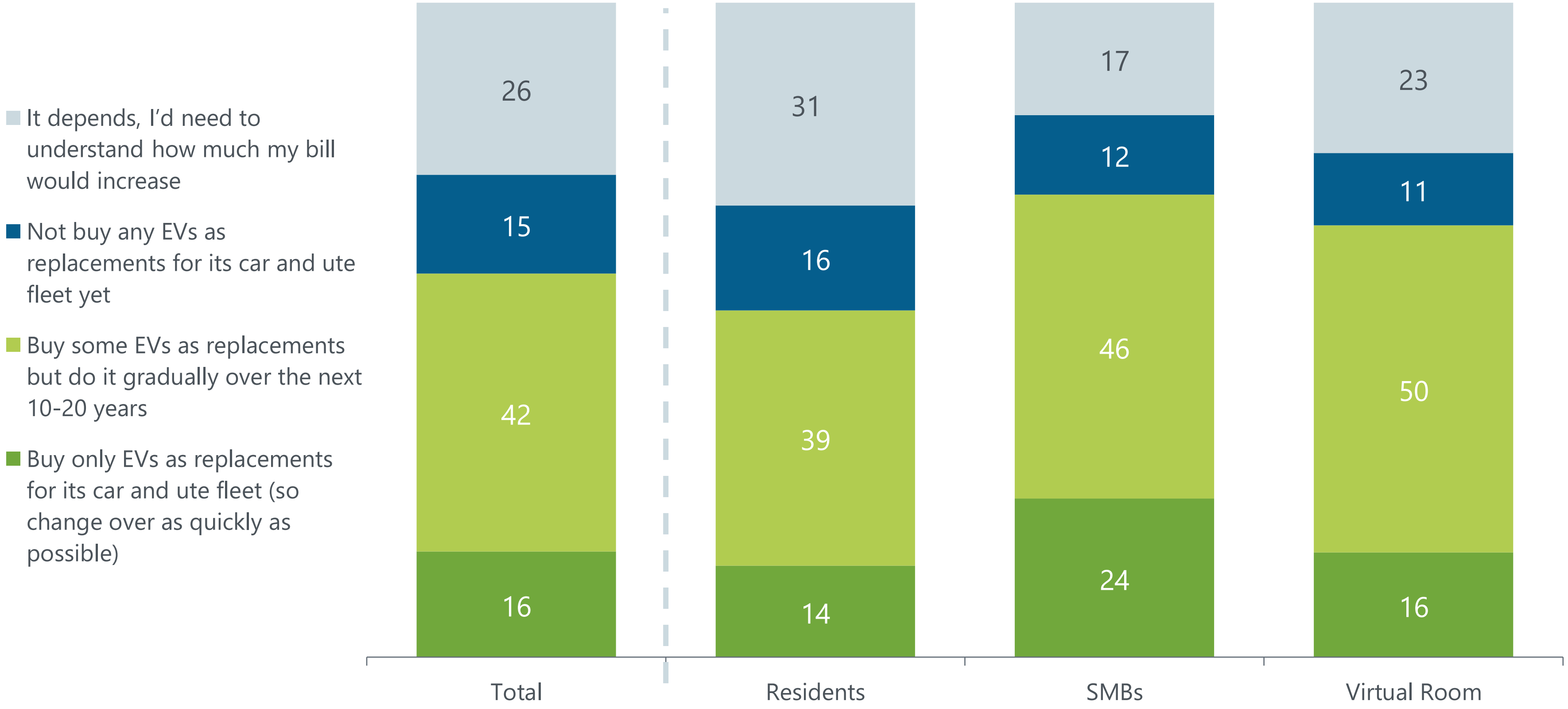
Q12. / Q11. / Q9. Essential Energy is required to meet certain sustainability obligations and environmental standards. It is currently considering whether it should enhance the sustainability of its operations beyond what is required from a compliance perspective. Do you think:
Base: All respondents (n=1047; residential panel respondents n=606, SMB panel respondents n=201, virtual room respondents n=240

ELECTRIC VEHICLES FOR FLEET – PHASE 2

The largest portion of respondents felt that Essential Energy should buy some EVs as replacements gradually over the next 10-20 years.

A further one in six believed that only EVs should be purchased (so change over as quickly as possible).

A quarter were unsure as they would need to understand how much their bill would increase.

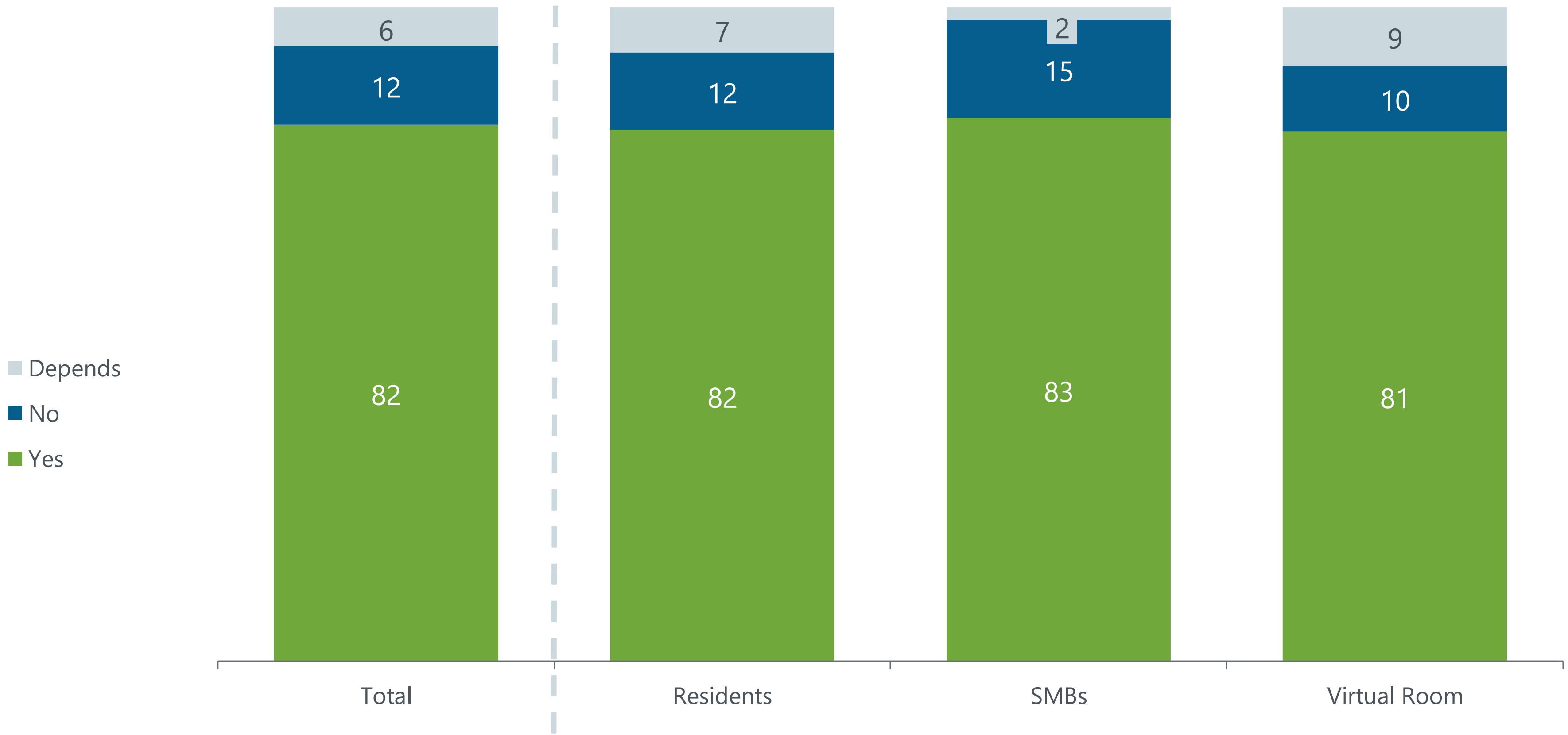


Q13. / Q12. / Q10. Essential Energy could reduce its greenhouse gas emissions more quickly by only buying Electric Vehicles (EVs) from now on as replacements for its car and ute fleet. However, EVs are currently more expensive than petrol and diesel vehicles so network charges would need to increase slightly to pay for this. Do you think Essential Energy should:
Base: All respondents (n=1047; residential panel respondents n=606, SMB panel respondents n=201, virtual room respondents n=240

PUBLIC LIGHTING

More than four fifths of all respondents were supportive of Essential Energy offering councils the optional investment of a spare socket.

ADDITIONAL SOCKET INVESTMENT – PHASE 2

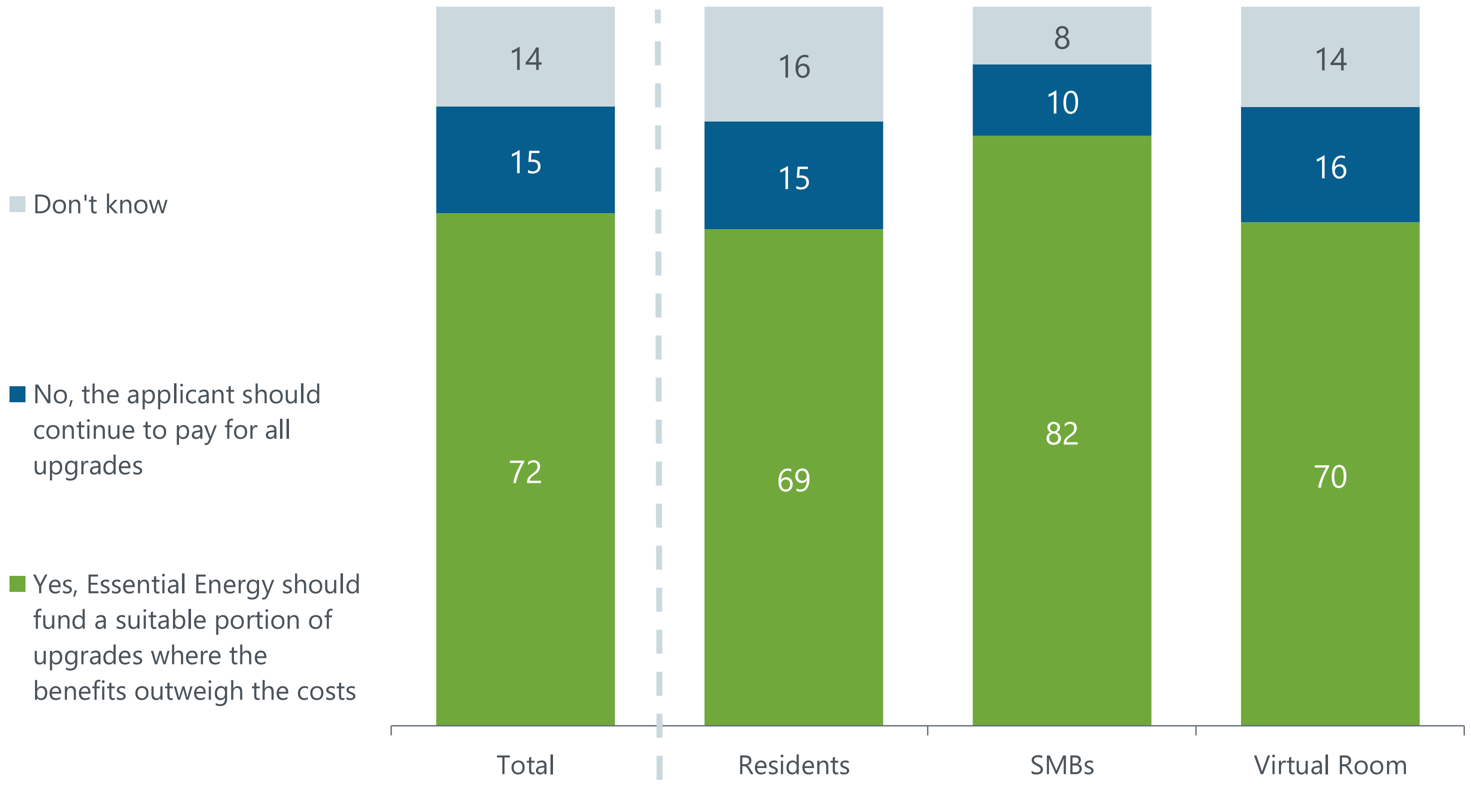


Q14. / Q13. / Q11. Essential Energy owns and operates over 160,000 streetlights on behalf of councils. Essential Energy can easily add a 'spare' socket to these poles for councils to use to 'plug in' other emerging technologies they may like to use – things like car or pedestrian counters or even sensors that can dim the light based on the amount of sunlight. Do you support Essential Energy offering councils this optional investment?
Base: All respondents (n=1047; residential panel respondents n=606, SMB panel respondents n=201, virtual room respondents n=240

NEW CONNECTIONS

Most respondents agreed that Essential Energy should fund a suitable portion of network upgrades where the benefits outweigh the costs, SMBs in particular (82%).

FUNDING NETWORK UPGRADES – PHASE 2



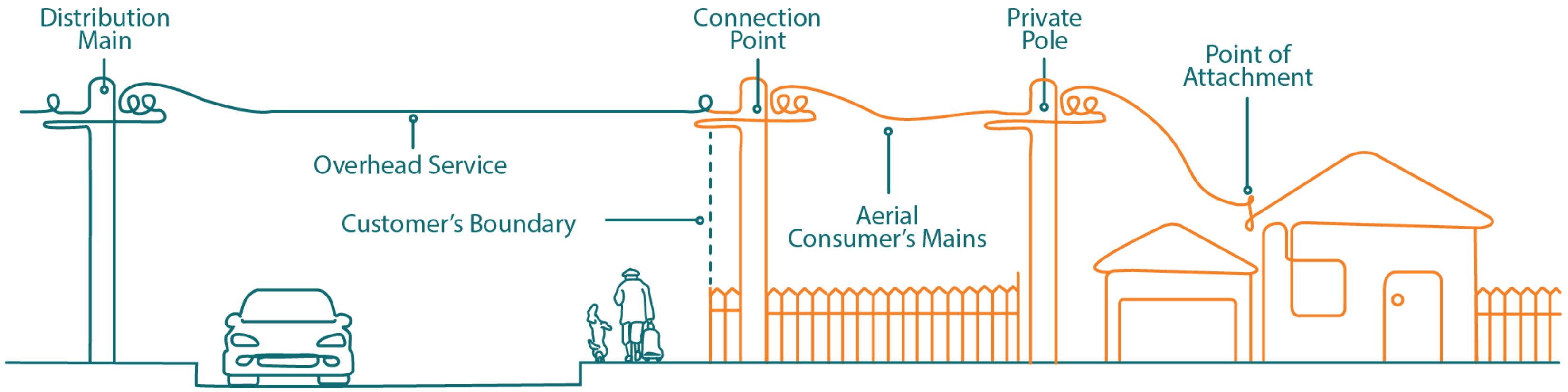
Q15. / Q14. / Q12. Essential Energy is currently reviewing its connections policy. When a customer or developer wants to connect a new building, sub-division or development to the network, any upgrades that are required are normally paid for by the applicant. So, if for example, a new suburban development of 10,000 houses requires Essential Energy to install a new zone sub-station, the developer would pay the full cost of building that zone substation, regardless of the fact that the network is gaining 10,000 new customers that will share all of the other existing network costs that current customers pay. Given the cost of building new electricity infrastructure, this approach could potentially discourage new connections to the network. Do you think that, in the future, Essential Energy should fund a proportion of network upgrades where the benefits (i.e. electricity consumption and associated revenue from the new customers gained) outweigh the costs of the upgrade?
Base: All respondents (n=1047; residential panel respondents n=606, SMB panel respondents n=201, virtual room respondents n=240

PRIVATE ASSETS

Respondents were given information on private assets to help them consider the options presented.

INSPECTIONS OF PRIVATE ASSETS – PHASE 2

Information provided



Essential Energy installs and maintain the network up to the edge of a customer's property. Beyond this point, around 100,000 rural customers then have their own private poles and powerlines that run from the connection point at the edge of the property to the house. Any of these power poles, powerlines and other electricity assets that are on a customer's property, are the responsibility of the property owner to maintain, in the same way people have to look after the electrical wiring in their homes. If any of these private poles and powerlines have defects, then the property owner is legally responsible to organise and pay for these defects to be addressed.

Currently Essential Energy inspects these private poles and powerlines and undertakes vegetation management, and then shares the costs of this work between all customers – this is the same way it shares the inspection and vegetation management costs for its own network assets so it is administratively more simple. If they were to change this approach and bill customers with private poles separately:

- Essential Energy's asset inspectors and vegetation contractors would need to identify which assets belong to Essential Energy and which assets are private, and then bill their time accordingly.
- Essential Energy would need to send out and manage thousands of extra bills a year

Primarily, both residents and SMBs believed that Essential Energy should maintain the current approach to inspections of private assets (46%).

Around one third of residents and SMBs chose option 2 as they would prefer Essential Energy to conduct the inspections and the private asset owner to pay.

INSPECTIONS OF PRIVATE ASSETS – PHASE 2

Residents & SMBs

	Total (n=807) %	Residents (n=606) %	SMBs (n=201) %
Option 1 - Maintain current approach	46	46	47
Option 2 - Essential Energy does the work and the private asset owner pays. This would result in a small reduction in bills for all customers.	30	29	34
Option 3 – The private asset owner organises and pays a private contractor. It is important to note that under this option, Essential Energy would still need to undertake its own inspection of private assets to fulfil its safety obligations. This means everyone continues to pay a small amount for the inspections, but the private asset owner would also be paying for their own inspections on top of this.	8	7	11
Don't know	15	17	7

Q17. / Q16. They are now reviewing this approach. What do you think they should do going forward? Please select one option for each:
Base: All panel respondents (n=807; residential respondents n=606, SMB respondents n=201)

Results were similar for the management of vegetation.

The majority of residents and SMBs felt that Essential Energy should continue to do the work with the largest proportion stating that all customers should continue to pay (44%).

VEGETATION MANAGEMENT AROUND PRIVATE ASSETS – PHASE 2

Residents & SMBs

	Total (n=807)	Residents (n=606) %	SMBs (n=201) %
Option 1 - Maintain current approach	44	44	45
Option 2 - Essential Energy does the work and the private asset owner pays. This would result in a small reduction in bills for all customers.	33	30	41
Option 3 - The private asset owner organises and pays a private contractor. This would result in a small reduction in bills for all customers.	11	12	8
Don't know	12	14	6

Q17. / Q16. They are now reviewing this approach. What do you think they should do going forward? Please select one option for each:
Base: All panel respondents (n=807; residential respondents n=606, SMB respondents n=201)

PRIORITIES & VISION

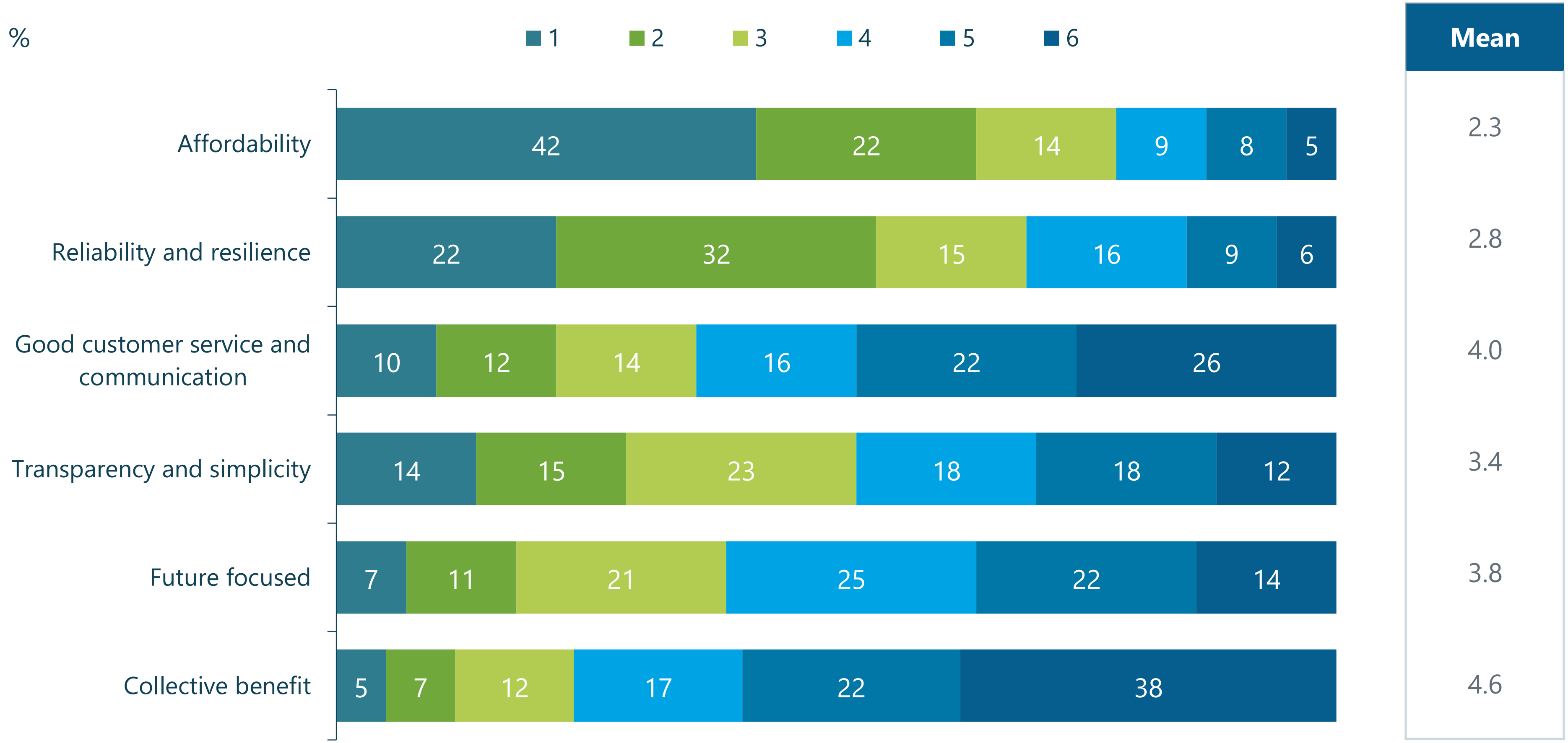
Respondents were presented with the priorities that customers developed in the forums and asked to rank them.

PRIORITIES FOR THE FUTURE – PHASE 2

PRIORITIES FOR THE FUTURE – PHASE 2

Affordability and reliability/ resilience were considered the most important priorities by survey respondents.

Almost half (42%) ranked 'Affordability' as the highest priority for Essential Energy to focus on in the future.



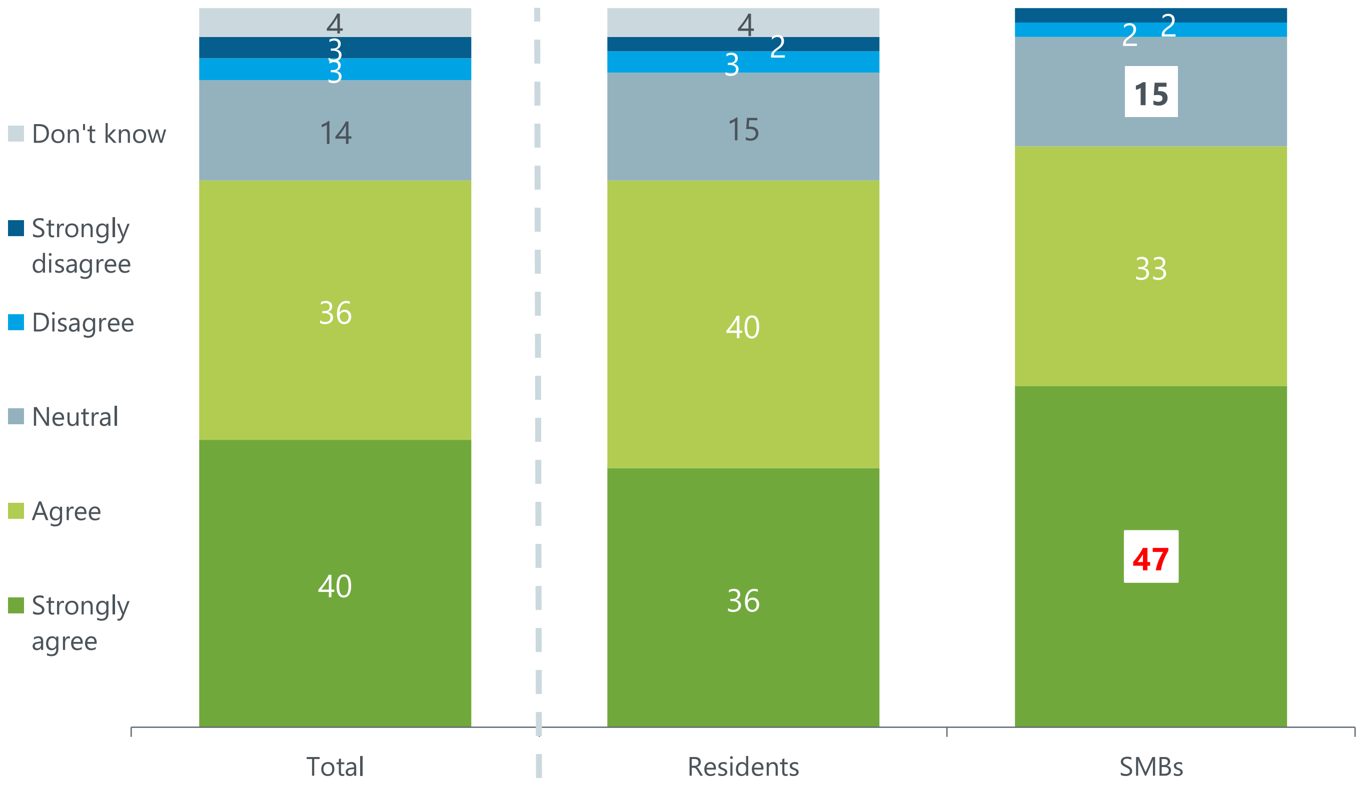
Q18. We would like to find out which of these is most important for Essential Energy to focus on. Please rank them in order of importance.
Base: All panel respondents (n=807; residential respondents n=606, SMB respondents n=201)

Over three quarters of residents (76%) and four fifths of SMBs (81%) agreed that Essential Energy should facilitate customers' vision of moving to solar panels, batteries and electric vehicles.

ESSENTIAL ENERGY'S ROLE IN THE VISION – PHASE 2

Residents & SMBs

Nett Agree	76	76	81

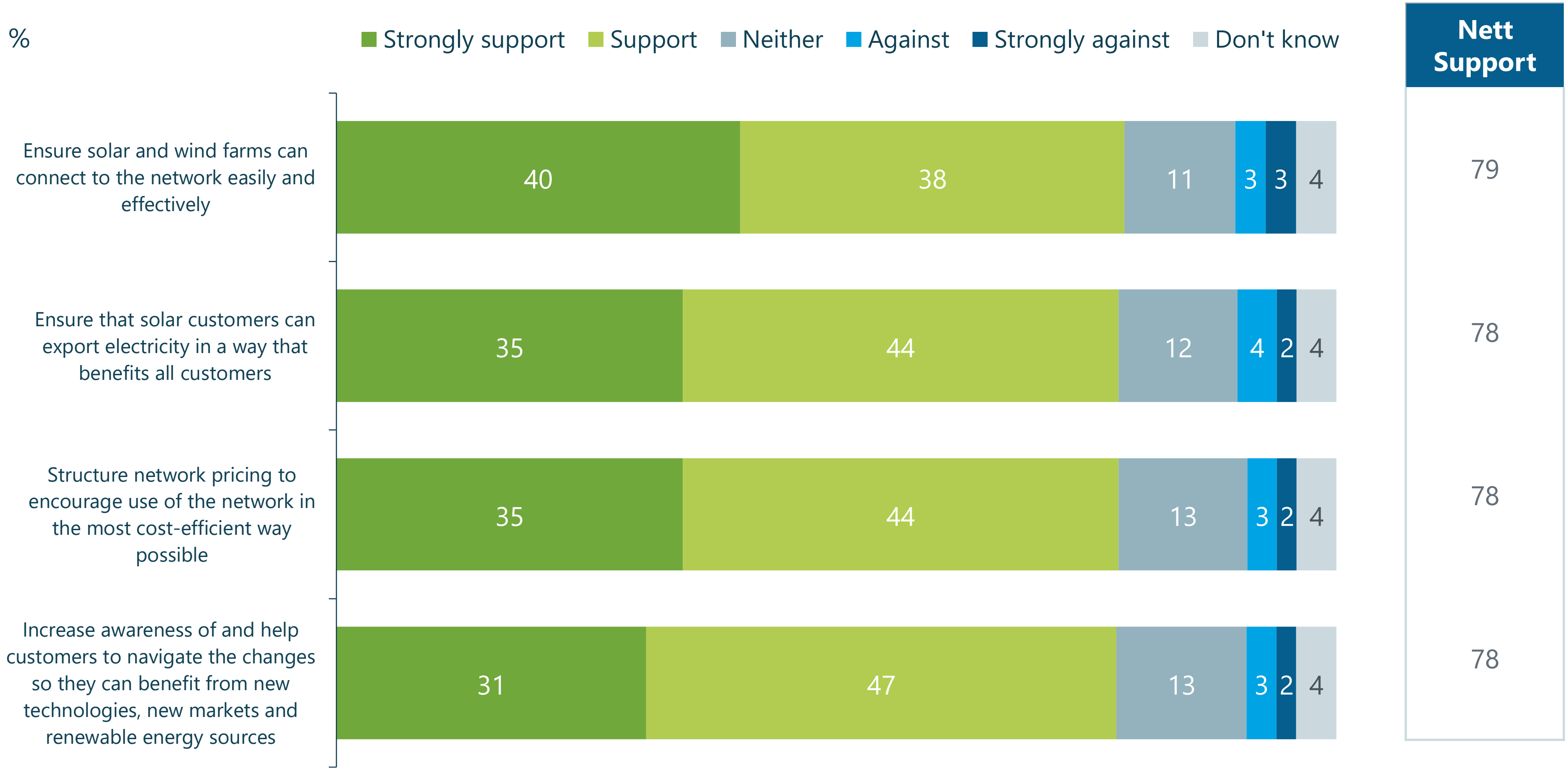


Q19. / Q18. Customers' vision for the future included more use of renewables such as solar, wind and hydro, more uptake of batteries and electric vehicles and the shared generation, storage and trading of electricity at the community level. Customers thought that Essential Energy's role in the future should not just be about looking after the poles and wires but should be about facilitating customers moving to solar panels, batteries and electric vehicles. To what extent do you agree that Essential Energy should help to facilitate this vision for the future?
Base: All panel respondents (n=807; residential respondents n=606, SMB respondents n=201)

ASPECTS OF THE VISION – PHASE 2

Two fifths of respondents strongly supported Essential Energy investing to 'ensure solar and wind farms can connect to the network easily and effectively'.

The four top statements all received strong support, with almost 4 in 5 supporting them.



Q20. As part of this vision, to what extent do you support Essential Energy investing to:
Base: All panel respondents (n=807; residential respondents n=606, SMB respondents n=201)

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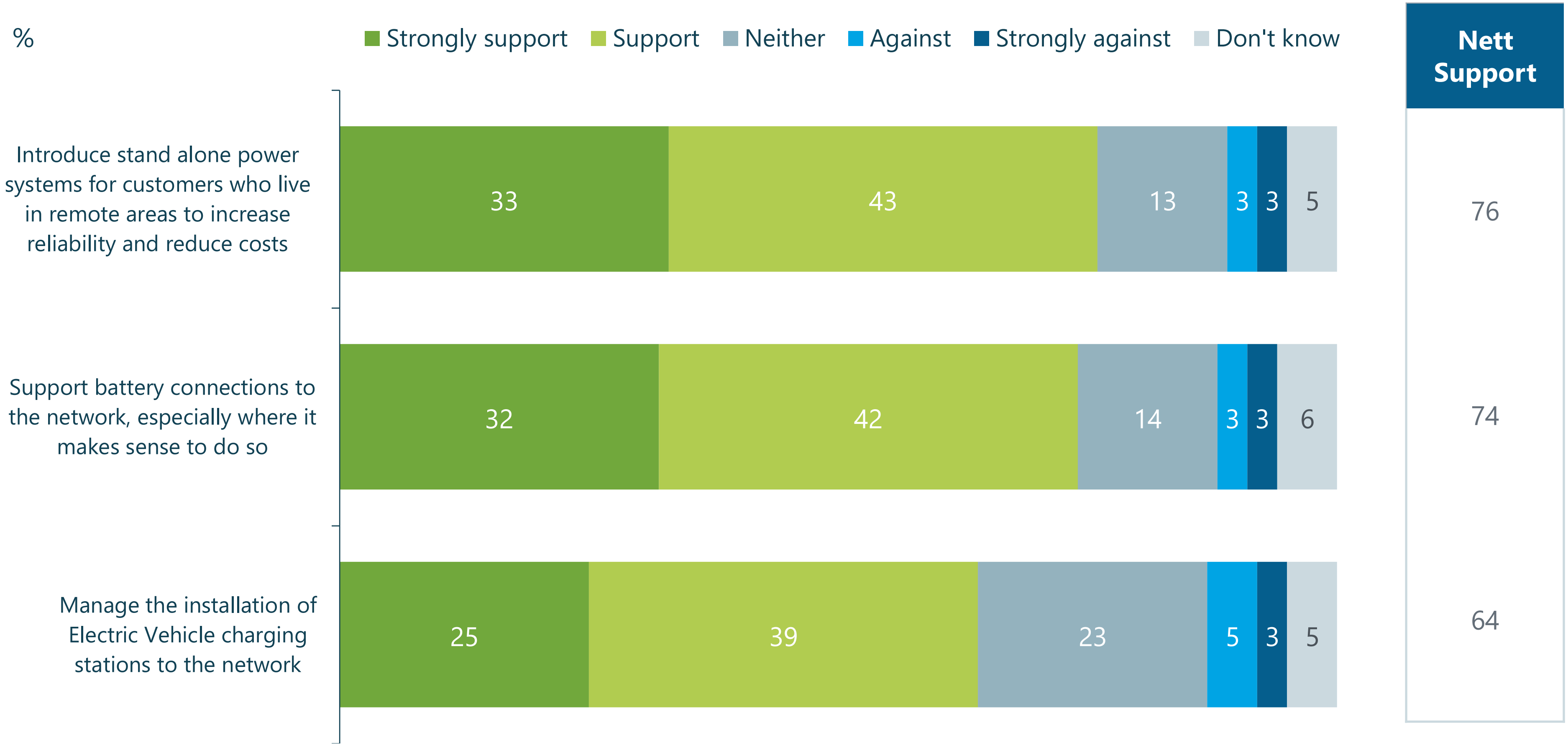
ASPECTS OF THE VISION – PHASE 2

Approximately one third strongly supported the introduction of stand alone power systems for customers in remote areas, as well as battery connections to the network.

Less than two thirds of participants showed support of Essential Energy managing the installation of Electric Vehicle charging stations to the network.



Q20. As part of this vision, to what extent do you support Essential Energy investing to:
Base: All panel respondents (n=807; residential respondents n=606, SMB respondents n=201)

APPENDIX


INSPIRATION
Innovation
Inspiration
Experience
Inspiration
Experience
Inspiration
Innovation
EXPERIENCE

DEMOGRAPHICS – PHASE 2

Residential Panel Survey

LOCATION

Southern	Northern	North Coast
35%	30%	35%

AGE

18-24 yrs	25-44 yrs	45-64 yrs	65+ yrs
12%	30%	31%	27%

Q1. What is the postcode of your home address (the house you live in)? | Q3. Which of the following age groups best describes you?
Base: All residential respondents (n=606)

DEMOGRAPHICS – PHASE 2

Residential Panel Survey

CALD
5%

ATSI
5%

Home Owners
67%

Life Support
10%

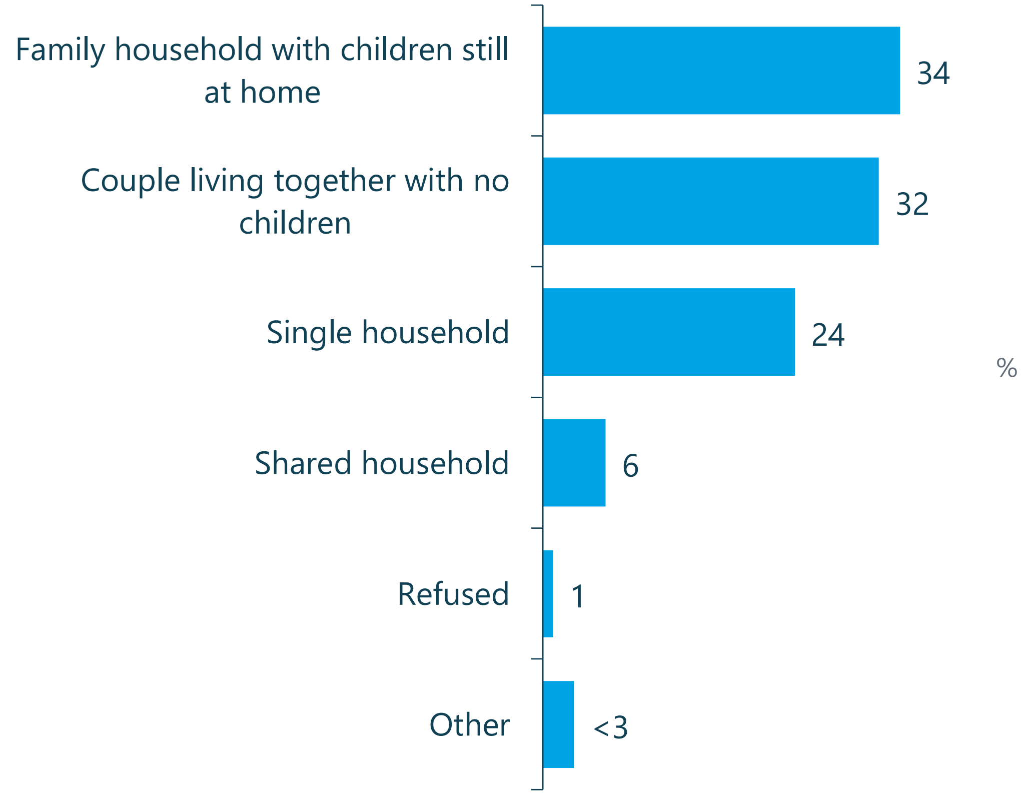
Vulnerable
29%

Q27. Do you speak a language other than English at home? | Q28. Are you of Aboriginal or Torres Strait Islander origin? | Q29. Are you the owner or a senior decision maker for a small or medium business (less than 200 employees)? | Q33. Do you, or a member of your household, rely on life support equipment such as Positive Airway pressure machine, powered wheelchair, home dialysis? | Q34. In the last 12 months, have you had any difficulty paying your electricity bills such as:
Base: All residential respondents (n=606)

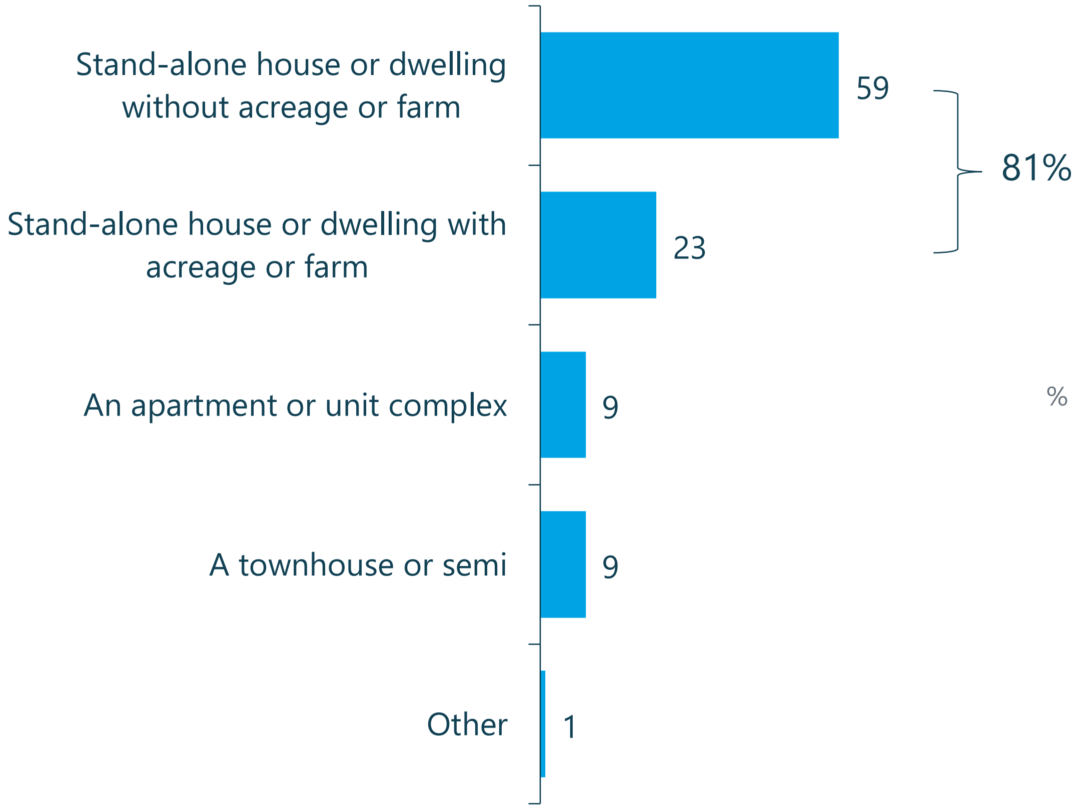
HOUSEHOLD CHARACTERISTICS – PHASE 2

Residential Panel Survey

HOUSEHOLD COMPOSITION



TYPE OF DWELLING

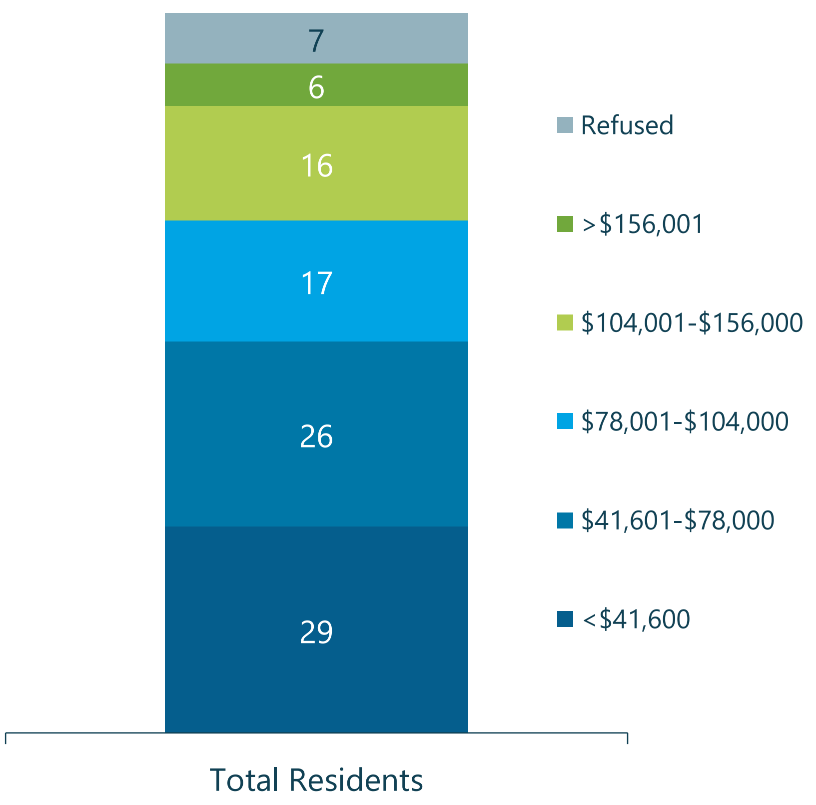


Q24. Which of the following best describes your household makeup?
Q31. Do you live in a...
Base: All residential respondents (n=606)

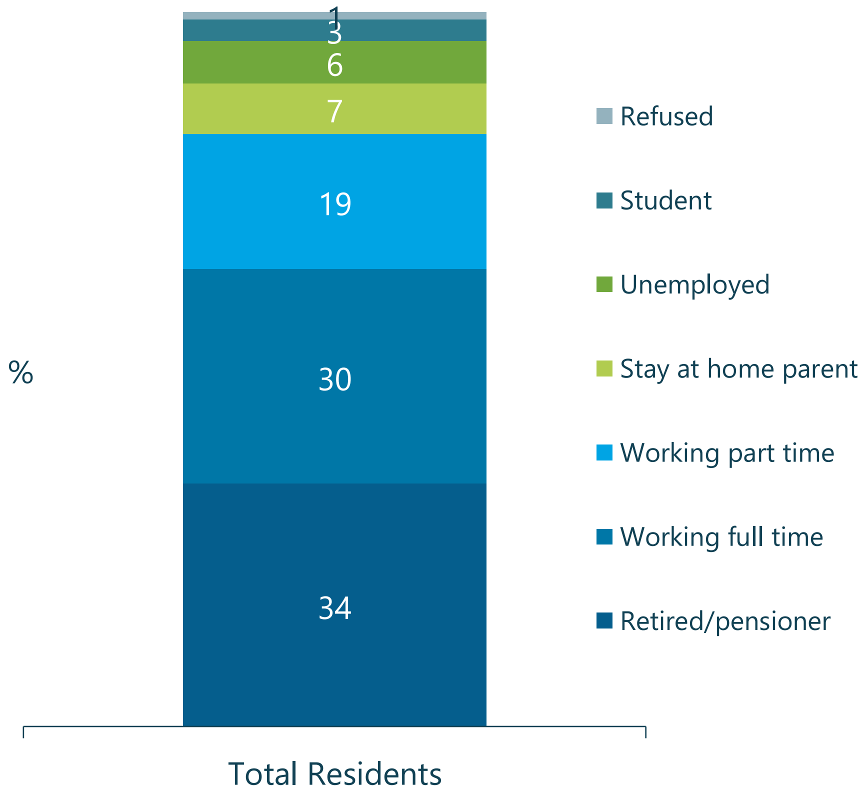
INCOME AND EMPLOYMENT – PHASE 2

Residential Panel Survey

HOUSEHOLD INCOME



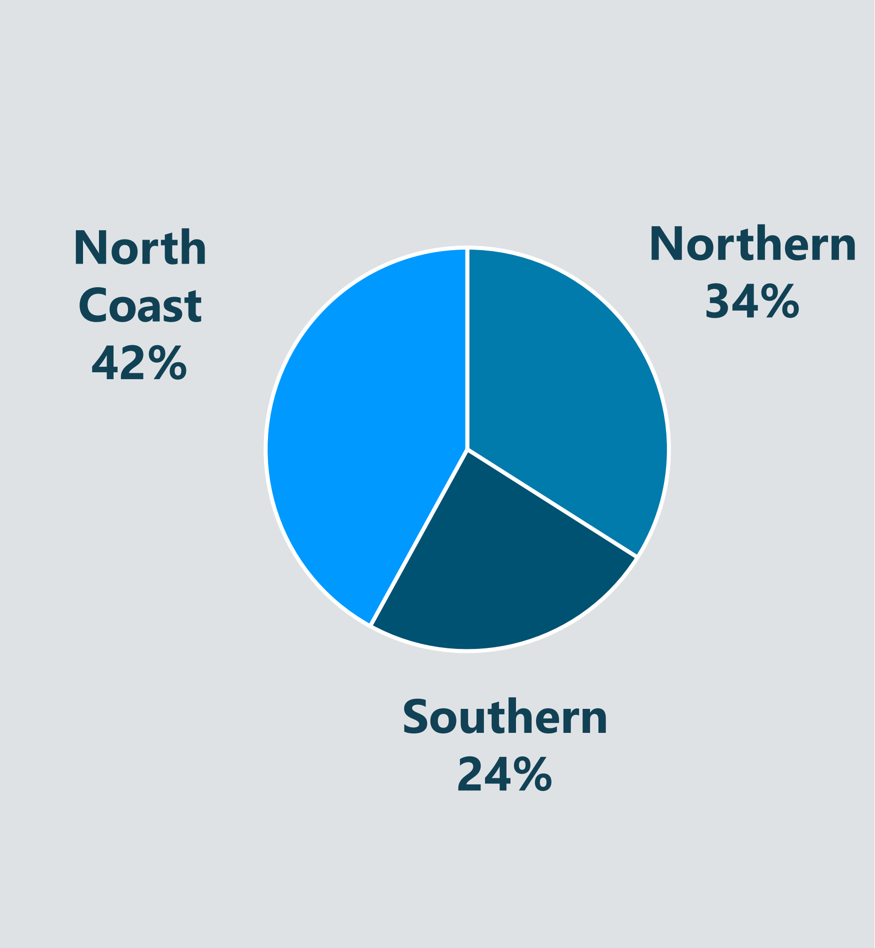
EMPLOYMENT STATUS



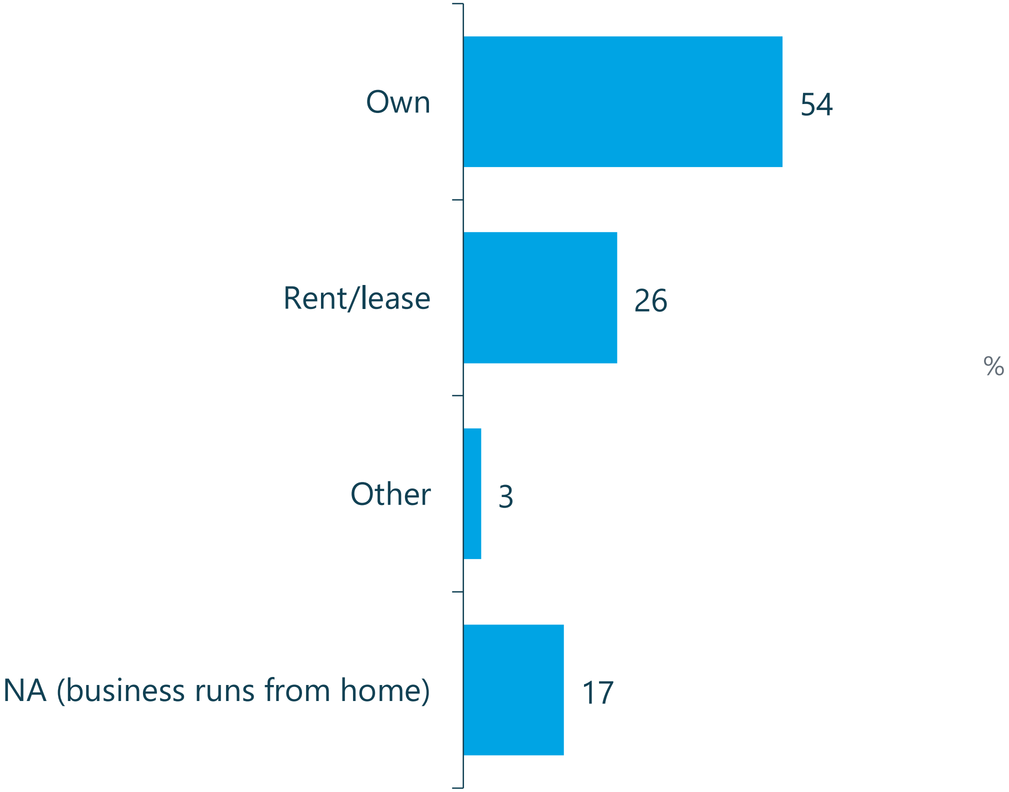
Q25. Which of the following categories best describes the annual income before tax of your household?
Q26. And which of the following best describes your current employment status?
Base: All residential respondents (n=606)

DEMOGRAPHICS – PHASE 2

SMB Panel Survey



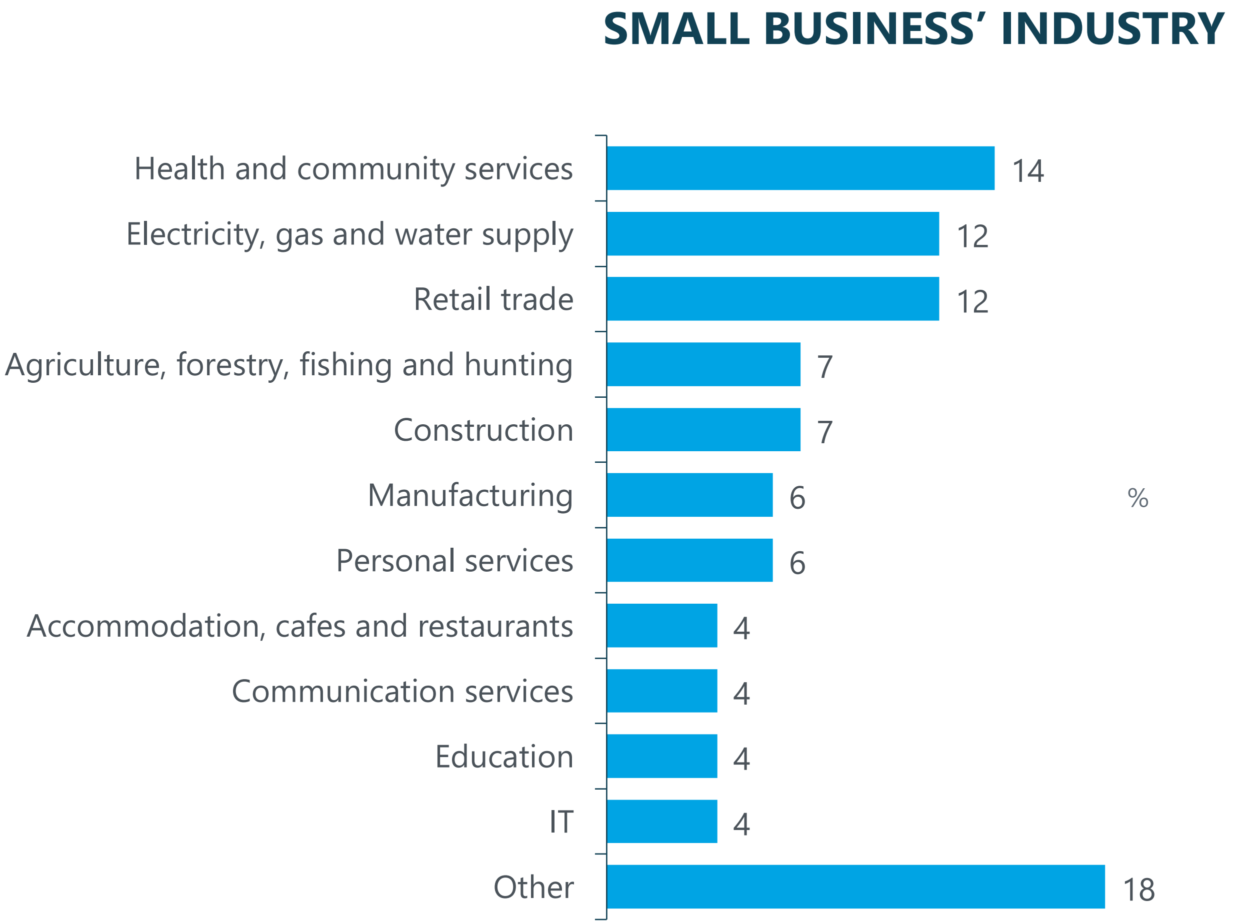
RENT OR OWN BUSINESS PREMISES



Q2. What is the postcode of your business address? | Q4. Does your business own or rent/lease its business premises?
Base: All SMB respondents (n=201)

DEMOGRAPHICS – PHASE 2

SMB Panel Survey



Q3. And what industry does your business operate within?
Base: All SMB respondents (n=201)

DEMOGRAPHICS – PHASE 2

Virtual Room

LOCATION

Southern	Northern	North Coast
38%	40%	23%

AGE

18-24 yrs	25-44 yrs	45-64 yrs	65+ yrs
1%	26%	48%	25%

Q1. Firstly, just to ensure you are in the Essential Energy area, what is the postcode of your home address (the house you live in)? | Q3. Which of the following age groups best describes you?
Base: All virtual room respondents (n=240)

DEMOGRAPHICS – PHASE 2

Virtual Room

CALD

7%

ATSI

3%

Small Business

18%

Life Support

10%

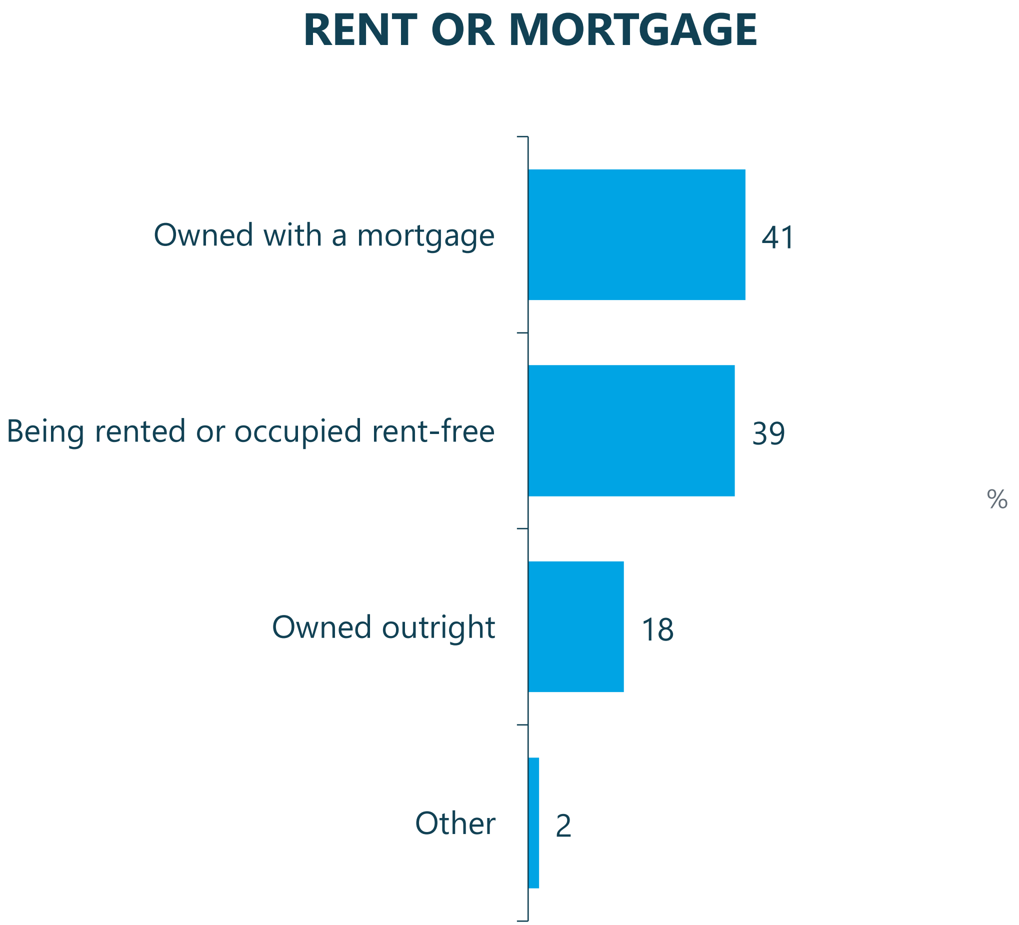
Vulnerable

21%

Q22. Do you speak a language other than English at home? | Q23. Are you of Aboriginal or Torres Strait Islander origin? | Q24. Are you the owner or a senior decision maker for a small or medium business (less than 200 employees)? | Q28. Do you, or a member of your household, rely on life support equipment such as Positive Airway pressure machine, powered wheelchair, home dialysis? | Q29. In the last 12 months, have you had any difficulty paying your electricity bills such as:
Base: All virtual room respondents (n=240)

DEMOGRAPHICS – PHASE 2

Virtual Room

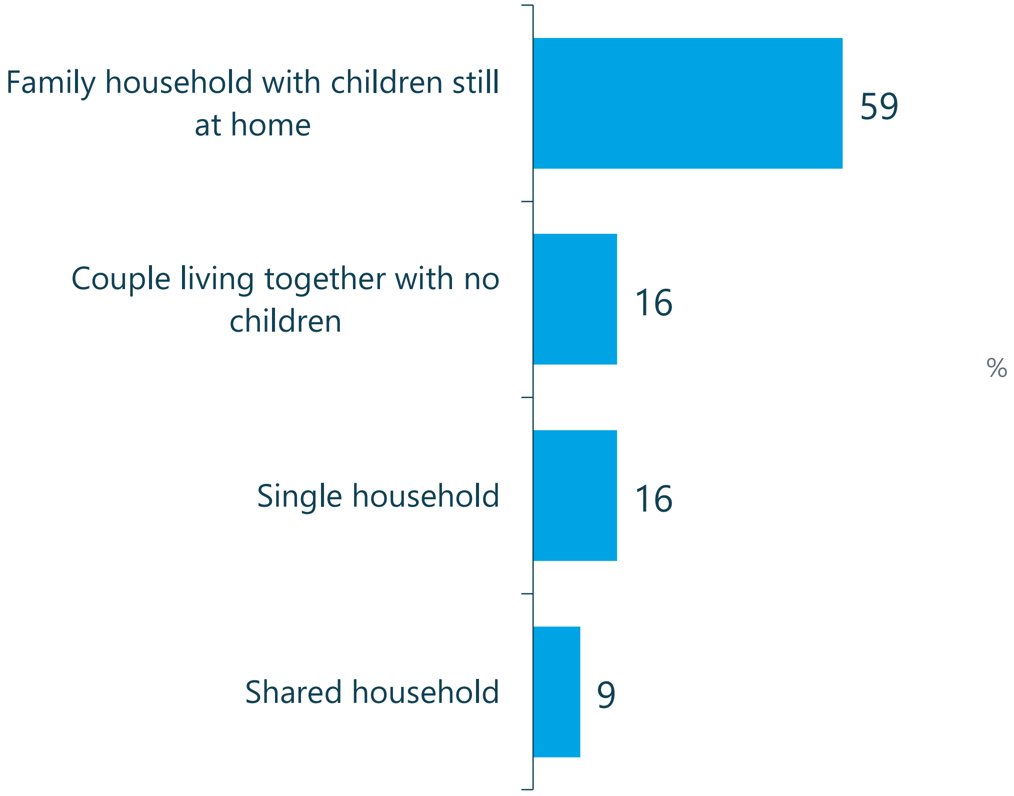


Q27. Is the place you live in:
Base: All virtual room respondents (n=240)

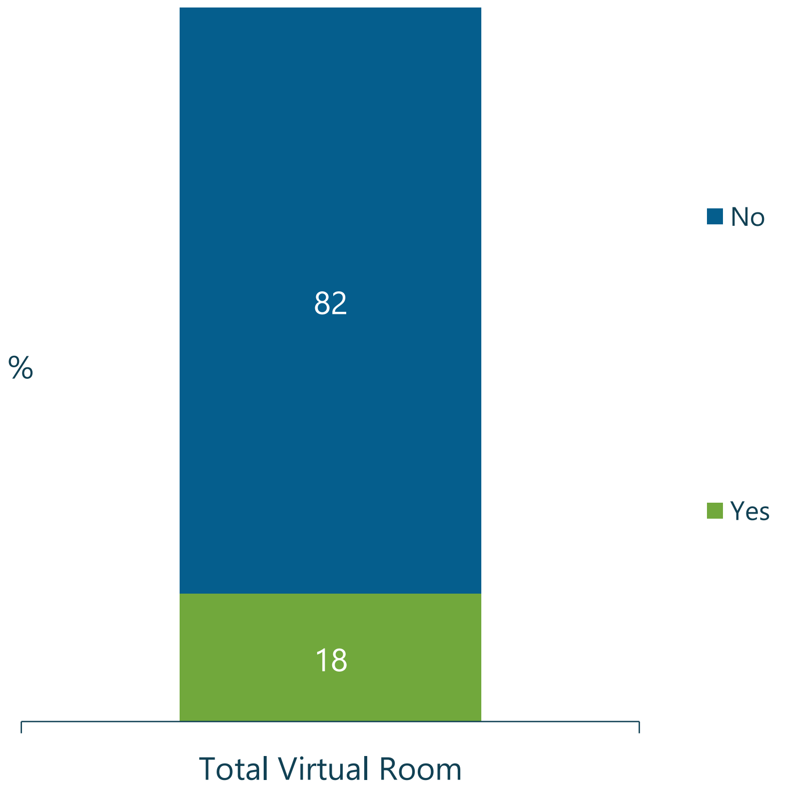
HOUSEHOLD CHARACTERISTICS – PHASE 2

Virtual Room

HOUSEHOLD COMPOSITION



RURAL

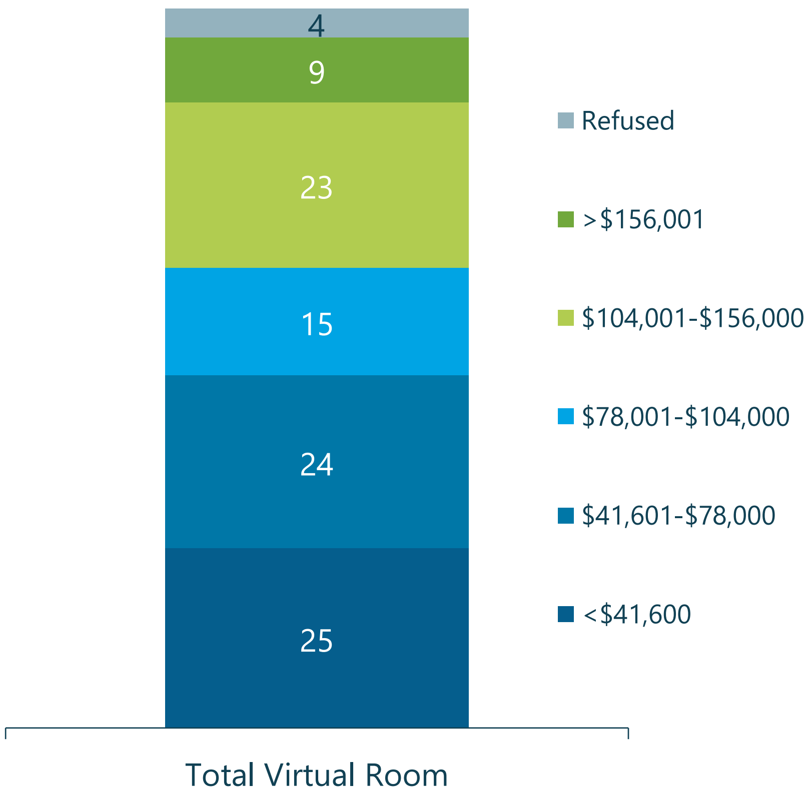


Q19. Which of the following best describes your household makeup?
Q26. Do you live in a...
Base: All virtual room respondents (n=240)

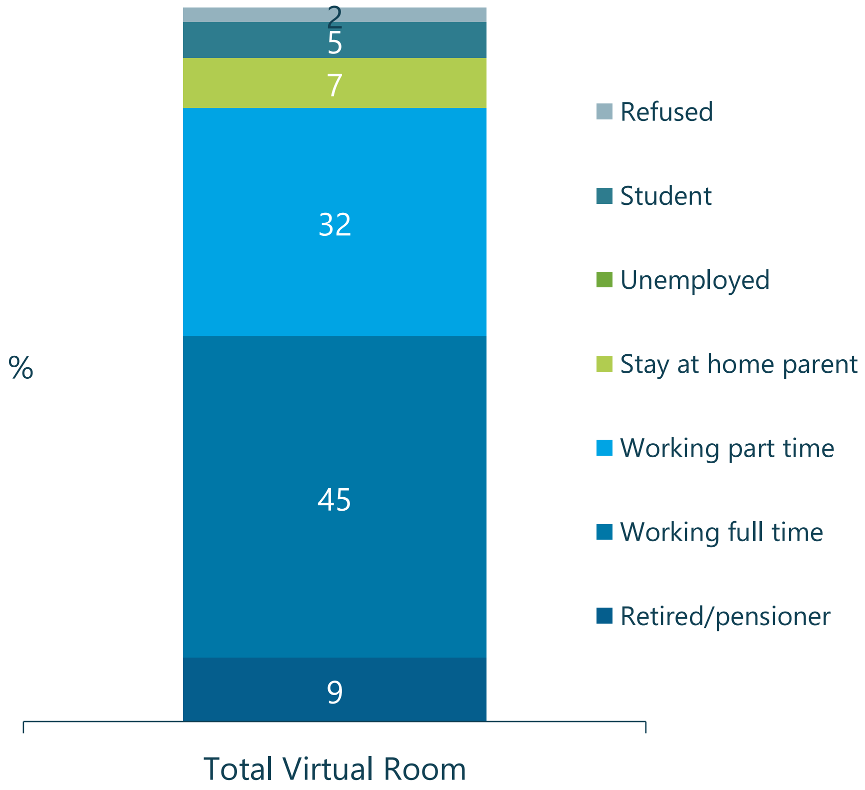
INCOME AND EMPLOYMENT – PHASE 2

Virtual Room

HOUSEHOLD INCOME



EMPLOYMENT STATUS



Q20. Which of the following categories best describes the annual income before tax of your household?
Q21. And which of the following best describes your current employment status?
Base: All virtual room respondents (n=240)

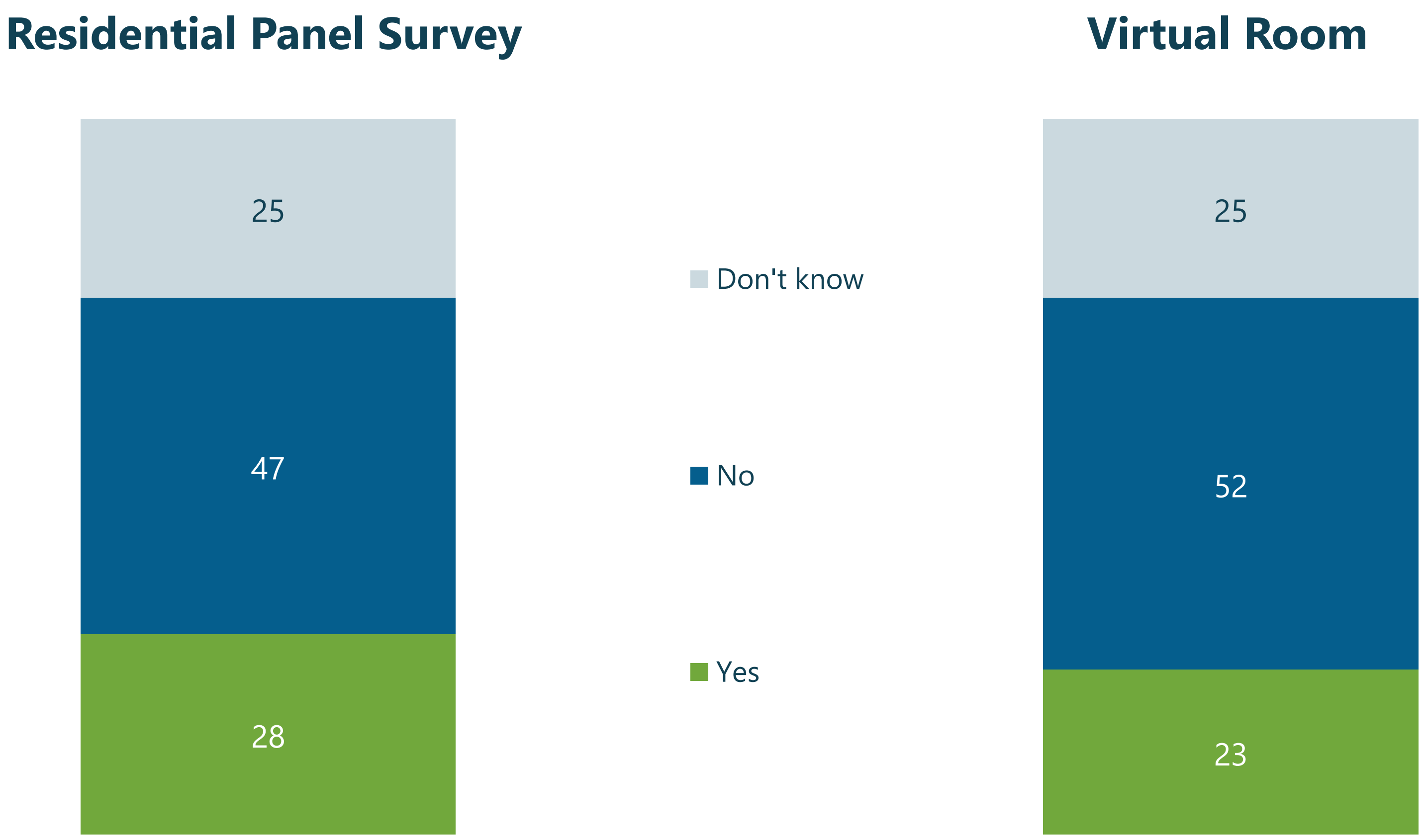
ADOPTION OF NEW TECHNOLOGY – PHASE 2

Residential Panel Survey and Virtual Room

	Solar panels	Battery Storage	Electric vehicle(s)
Residents	33%	6%	5%
Virtual Room	35%	4%	2%

Q6. / Q15. Do you, or does the property you are living in, have any of the following?
Base: All residential respondents (n=606), all virtual room respondents (n=240)

PREVALENCE OF SMART METERS – PHASE 2



Q23. Does your household have a smart meter for electricity?
Base: All residential respondents (n=606), all virtual room respondents (n=240)

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Regulatory Proposal Phase 2
Survey Report
Essential Energy

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