



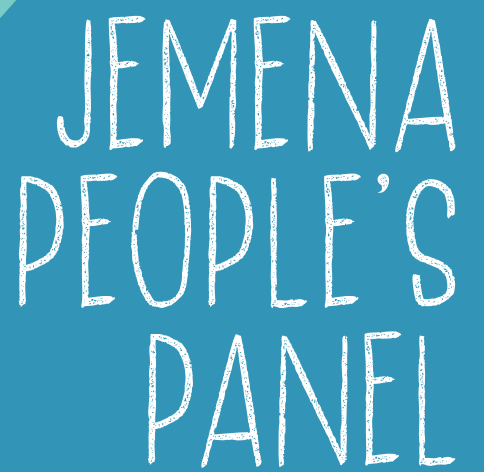
Jemena Electricity Networks (Vic) Ltd

2021-26 Electricity Distribution Price Review Regulatory Proposal

Attachment 02-02

Community consultation report





ENGAGEMENT REPORT

PRIVACY

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For the purpose of program delivery, and on behalf of our clients, we collect personal information from individuals, such as e-mail addresses, contact details, demographic data and program feedback to enable us to facilitate participation in consultation activities. We follow a strict procedure for the collection, use, disclosure, storage and destruction of personal information. Any information we collect is stored securely on our server for the duration of the program and only disclosed to our client or the program team. Written notes from consultation activities are manually transferred to our server and disposed of securely.

Comments recorded during any consultation activities are faithfully transcribed however not attributed to individuals. Diligence is taken to ensure that any comments or sensitive information does not become personally identifiable in our reporting, or at any stage of the program.

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CONSULTATION

Unless otherwise stated, all feedback documented by Capire Consulting Group and any person(s) acting on our behalf is written and/or recorded during our consultation activities.

Capire staff and associates take great care while transcribing participant feedback but unfortunately cannot guarantee the accuracy of all notes. We are however confident that we capture the full range of ideas, concerns and views expressed during our consultation activities.

Unless otherwise noted, the views expressed in our work represent those of the participants and not necessarily those of our consultants or our clients. In some cases, comments are paraphrased and quotes used to illustrate People's Panel members sentiment.



REPORT PURPOSE

This report has been prepared by Capire Consulting Group (Capire) on behalf of Jemena to describe the engagement process and findings. Capire supported Jemena in the design, delivery and reporting of the People's Panel.

capire

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EXECUTIVE SUMMARY

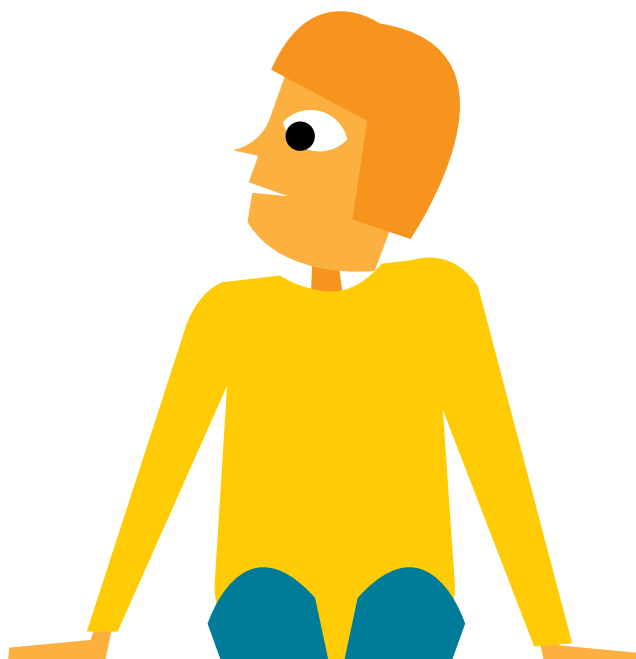
In August 2018, a People's Panel of 43 every day citizens came together to represent the customers of Jemena's Electricity Networks.

Together they created a set of recommendations, that described customer's preferences for future electricity distribution, reliability and cost. These recommendations will guide Jemena's Electricity Pricing and Services Plan (2021-2025) submission, their vision for the future of energy, and vision for working with customers.

Jemena is the company who transports electricity to homes, businesses and public places in Melbourne's north-west. Every five-years all electricity distributors must create a Pricing and Services Plan to submit to the Australian Energy Regulator (AER) for approval. Responding to increasing expectations from the government and community to put customers first in their planning, Jemena sought to undertake a genuine and leading practice engagement process with the community they serve.

Jemena's relatively small and geographically connected distribution area provided the opportunity to host an engagement process known as a deliberative People's Panel process. This deliberative approach involved assembling 43 people who represented a sample of Jemena's community. The participants were selected to reflect the diversity of backgrounds, experiences and views in the distribution area.

The Jemena People's Panel included six sessions and two site visits. The process enabled Jemena to build the capacity of a sample of its community, so they could confidently participate in in-depth discussions about the future of electricity distribution and pricing.



The design of the deliberative process was largely informed by best practice research and specialist consultant experience and knowledge. Leading practice elements of the Jemena People's Panel included:

- Access to information and explanations about issues, including a commitment to answering all questions asked.
- Adequate time and resources for People's Panel members to consider and discuss the issues before making decisions.
- Engagement activities in the sessions were designed to provide participants with a range of experiences, and learning and deliberative opportunities.
- Participants were provided with the opportunity to visit sites within the Jemena network to give them greater context about the electricity distribution process.
- The development of a costing model for the recommendations so that participants could see the cost implications of their decisions almost immediately.
- Sessions were designed to be flexible to accommodate the engagement needs of participants including the length, size, and style of activities.
- There were opportunities to hear from independent experts and opinions, even when they differed from Jemena's view.
- Participants were given many opportunities to hear the experiences and views from other People's Panel members on energy.

The People's Panel sessions were designed to be iterative and to build on the information and decisions made at the previous sessions. On the final day, panel members were presented with a set of draft recommendations that they had co-created during the previous sessions. Before a final endorsement of the recommendations, participants were presented with the total long-term and short-term bill impact of all recommendations (including different combinations of recommendations) and encouraged to deliberate and share their perspectives.

There were two type of recommendations:

- recommendations on topics presented by Jemena that they must include in their regulatory proposal
- recommendations that were suggested by the People's Panel to improve customer experience and address issues such as carbon emissions.

THE PEOPLE'S PANEL FINAL 25 RECOMMENDATIONS WERE:

RECOMMENDATIONS ON TOPICS PRESENTED BY JEMENA

1. Jemena should improve the information available to customers and the ease of access to smart meter data. This should be through:
 - a. improving Jemena's portal
 - b. adding additional services such as apps for smart phones.
2. Jemena should increase investment into energy literacy and awareness in the community by \$330,000 per annum.
3. Jemena should investigate how customers could be provided with personal usage and bill information for different pricing structures.
4. Jemena should enable increased feed in of solar (and other renewables) into the grid, by improving the performance of the grid through new technologies.
5. Jemena should improve their channels of customer service by increasing their services to include mobile apps and using simpler processes.
6. Jemena should invest in smart technology across the grid to ensure network equipment is not upgraded too early.
7. Jemena should maintain the number of outages as they are today – on average each customer experiences four outages every four years.
8. Jemena should maintain the length of outages as they are today – on average 51 minutes per outage.
9. Jemena should send SMS messages to all customers for unplanned outages. The message should include an estimation of how long it will take to fix the outage.
10. Jemena should provide email or letter notifications about all planned outages. This should include accurate details of how long the outage will be and suggestions for how to manage the time without electricity.
11. Jemena should work with retailers to create an opt-out process for notifications, so all customers can receive notifications via their mobile unless they choose not to.
12. The Panel believes that the Monthly Maximum demand pricing structure is the best for customers, so long as customers can opt out.
13. The Panel recommend that Jemena continue to explore using rebates to encourage customers to respond during times of need (for example hot days).

RECOMMENDATIONS SUGGESTED BY THE PEOPLE'S PANEL

Jemena should advocate through its networks for:

14. Increased docking stations for Electric Vehicles across Jemena's network.
15. An impartial and technically accurate source of information for people who are considering installing solar. The information would include:
 - a. what capacity can people legally have installed
 - b. what are the tariffs available for solar customers, and how they impact bills
 - c. what are the returns with the current feed-in tariffs
 - d. how you best manage appliance use during the day to maximise energy generated from the panels.
16. New technologies that make the grid less carbon intensive such as renewable energy storage, efficient technologies and new housing development that enable efficient technologies.
17. Clearer information and engagement with customers about energy options so people know what is the best option for them, and whether it is worth investing in different technologies.
18. Support for vulnerable customers who may get left behind because they cannot take part in new technologies.

Jemena should advocate to the government and regulator for:

19. Government-supported energy literacy programs and educating customers about retailer deals.
20. A bipartisan plan that responds to the energy crisis.
21. Provide bills in other languages.
22. Provide education resources about different supply and usage charges, and how charges are broken down.
23. Investigate pre-paid or bundled plans to eliminate bill shock or difficulty planning.

Jemena should work with retailers to:

24. Simplify pricing rates to ease competition and consumer choice.
25. Encourage retailers to keep providing paper bills for customers who want it.

These 25 recommendations were presented to the Chairman of the Jemena Board, Mr Ruan Qiantu, and Managing Director, Paul Adams. The Jemena Board, having received the set of recommendations, will now consider how best to respond to each, including whether they form a part of Jemena's regulatory proposal to the AER.

In addition to the recommendations, the People's Panel also created a vision for how Jemena will work with customers in the future. The vision was:

In 2030, Jemena and their customers will have a positive relationship. This has been achieved by:

- a. Listening and acting on customer feedback to build strong relationships and mutual trust.
- b. Meaningful and ongoing engagement with customers, stakeholders and the community to inform strategic decisions.
- c. Providing relevant and accessible information to build energy literacy and customer knowledge.
- d. Investing in new technologies as necessary to support increased energy efficiency of the grid.
- e. Considering in all decisions the least able customers and support them into the future.

Altogether, 98 per cent of participants found their participation in the Jemena's People's Panel worthwhile, and 95 per cent would want to take part in the process again. The evaluation survey also revealed that participants knowledge of electricity distribution and trust in Jemena increased through the process.

Throughout the People's Panel, Jemena was committed to exceeding industry best practice, in particular the International Association of Public Participation (IAP2) and the AER Consumer Engagement Guidelines for Network Service Providers.

This deliberative engagement process sits in the 'Collaborate' level of engagement on the IAP2 Public Participation Spectrum, as the People's Panel members and Jemena worked together to determine the final recommendations and vision. The highest level of the spectrum 'Empower' would involve giving participants final decision making power. This is not possible for a regulated environment.

'I learned so much and I can share this information with family and friends, so they understand energy on a different level.'

People's Panel member

'When is the next People's Panel?'

People's Panel member



THE CHALLENGE

Energy is an important and divisive issue for the community with heightened concerns around price, reliability and how to reduce emissions. Discussions in the public sphere increasingly focus on energy as a complex issue with an uncertain future. In this context how does an energy distributor engage with 300,000+ customers on these topics in a meaningful and informed way?

This was Jemena's challenge in 2018, as they prepared for their Electricity Pricing and Services Plan (2021-2025) submission to the Australian Energy Regulator.

MORE THAN A TYPICAL ENGAGEMENT PROCESS

A common challenge for community engagement is the lack of time and resources to communicate and share the complexity of the topic being discussed. Standard engagement processes struggle to reach a broad section of the community and provide time for people to learn from each other as well as from experts.

In addition, Jemena identified several other specific challenges to overcome:

- Most of their customers are unaware of Jemena and their role in transporting energy to their homes, businesses or places they visit.
- The issues that Jemena wanted to explore with customers were complex and needed to be understood in terms of impacts on personal bills as well as on the community as a whole.
- The Jemena distribution area is more culturally diverse and has more pockets of low socio-economic disadvantage than the Melbourne average¹.
- The impacts of Jemena's decisions have long term and wide-ranging impacts on the whole community.
- There is increasing expectations from the Government and community for the energy sector to put customers first in their planning² due to low levels of trust in the whole energy industry.

'It was a good way for a normal person to participate in important policy and community issues, and good opportunity to hear different views.'

People's Panel member

¹ Source: Jemena 2016-2020 Electricity Distribution Price Review Regulatory Proposal Attachment 4-1, based on ABS Census data.

² The Australian Energy Regulator - Consumer Engagement Guideline for Network Service Providers, Nov 2013





Due to these challenges, Jemena recognised the importance of undertaking a collaborative engagement process. A process that took Jemena and their customers on a journey to identify the best outcomes for them, and the broader community.

Jemena partnered with Capire Consulting Group (Capire) to find a different approach to engaging their customers that responded to these challenges. Capire recommended a deliberative process called a People's Panel. This approach involved creating a sample of the community, and undertaking a journey of learning and discussion over a series of sessions. This deliberative process enabled Jemena to build the capacity of a sample of its community, to enable them to participate in in-depth discussions about the future of electricity distribution and pricing.

A core component of a People's Panel is creating a sample that represents the diversity of experiences, values and voices within that community. This sample should also be randomly chosen according to demographic and other factors. The success of this model is largely based on the success of court juries. Over decades of experience we know that the public trust decisions made by a randomly selected group of community members who have access to all the evidence, over the decisions of one judge or decision maker³.

WHO IS JEMENA?

Jemena is the company who transports electricity to homes, businesses and public places in Melbourne's north-west. They build and manage infrastructure including the power poles and wires that transport electricity. As a distribution company, Jemena's services make up approximately 34% of a typical household electricity bill.

Jemena's customers include all electricity consumers who currently are, or could be connected to their electricity network in the future. They also provide services to other groups such as property developers, landlords and local business (both large and small), who make energy supply choices on a customer's behalf.

The Jemena Electricity Network is one of five electricity distribution networks in Victoria. They are the sole distributor of electricity in north-west greater Melbourne, servicing more than 330,000 households and businesses.

Jemena also provide gas and water to other parts of Australia.

³ newDemocracy, 'What is a Citizens Jury', accessed <https://www.newdemocracy.com.au/library/what-is-a-citizens-jury>

‘I really appreciated the diversity of people who were involved, and to hear different points of view.’

People’s Panel member

REPRESENTING ALL CUSTOMERS

Achieving a statistically valid sample of the community is always a challenge. Several factors were considered when choosing the target number of participants including statistical confidence, participant experience, resources and time constraints.

Using 2016 ABS Census Data, Capire were able to estimate the 330,000 households and businesses in Jemena’s distribution area, to be a population of approximately 1.1 million. For this population, a statistically valid sample number is 43 people. This number has a 95 per cent probability that the participants represent the population with a 15 per cent margin of error⁴. To decrease this margin of error the participant number would need to be 96 (for a 10 per cent margin) and 384 (for a 5 per cent margin). For this type of engagement process 43 was determined as the most appropriate number given the high amount of information and deliberation required.

It should be noted that statistical representative sampling calculations are designed for choosing from pre-determined options (quantitative) processes, not (qualitative) processes where issues are explored in depth and participants views are challenged by experts and other people’s opinions. Therefore, the sampling number is a guide only for determining the size of the People’s Panel⁵.

All effort was made to create a panel of participants that represented the diversity of the community. Again 2016 ABS Census Data was used to map demographic characteristics of Jemena’s distribution area including age, suburb, place of birth and home ownership. For each of these characteristics, a target number of people was determined by using ratios for example, if 20 per cent of the population live in a suburb, then 20 per cent of the 43 participants should live in that suburb.

Table 1 illustrates the demographic characteristics considered and the target number for each out of 48 people. The recruitment target of 48 people was chosen to allow for any drop off in participants leading up to, and during sessions. It must also be noted that because of the complexity of the information and high time commitment required, it was decided that participants should be 15 years and over to participate. The proportion of the population that are under 15 was then distributed to the other age groups.

More can be read in the section ‘The People’s Panel’ on page 16, about the final demographic make-up of the 43 participants who completed the People’s Panel process.

HOW DID JEMENA SUPPORT ACTIVE PARTICIPATION?

To reach as many customers as possible, the People’s Panel was recruited for using social media promotion, newspaper advertisement, email and a random letterbox distribution to 4,500 homes across the network.

Interested people nominated themselves for the Panel by completing an Expression of Interest online or over the phone.

People were supported to attend the Panel through offering help with transport, childcare, translation services and additional needs. Remuneration for attending the panel was also provided.

⁴ <http://www.research-advisors.com/tools/SampleSize.htm> - ‘Margin of Error’ refers to the chance that the accurate results will not be represented in this sample.

⁵ New Democracy and City of Melbourne Research Unit

Table 1: Participant demographic targets for a People's Panel of 48 people
(the final number of participants who completed the process was 43).

Category	Measure	Population profile	Participant target
Gender	Male	50%	24
	Female	50%	24
Age	0-14 years	N/A	N/A
	15-19 years	6.70%	3
	20-29 years	18.30%	9
	30-39 years	19%	9
	40-49 years	17.80%	9
	50-59 years	14.50%	7
	60-69 years	10.80%	5
	70-79 years	6.40%	3
	80 years and over	2.50%	1
Location	North west	6%	3
	Inner west	32%	15
	Inner east	11%	5
	North	13%	6
	Sunbury and surrounds	6%	2
	Broadmeadows and surrounds	5%	3
	Airport and surrounds	3%	2
	Inner north	24%	12
Culturally diverse	Born in Australia	79%	38
	Born Overseas	21%	10
	Speak English at home	77%	37
	Speak a language other than English at home	23%	11
Housing type	House own outright	27%	13
	Owned with mortgage	28%	13
	Rented	24%	12
	Other (census data: not stated, not applicable)	21%	10
Aboriginal or Torres Strait Islander		0.00%	0
People with a disability		12%	6
People with solar panels		13%	5
Small to Medium Enterprises (SMEs)		5%	2



Evaluation Pre-Test

	Strongly disagree	Disagree	Neutral/ unsure	Agree	Strongly agree
I am satisfied with the structure of my electricity bill	1	2	3	4	5
People's Panel members have the authority to contribute to decision making	1	2	3	4	5
I am confident about their customers	1	2	3	4	5
I believe electricity distribution is priced fairly	1	2	3	4	5
I do not understand the role of an electricity distributor	1	2	3	4	5
I don't have the skills and knowledge to contribute to Iemena's decision-making processes	1	2	3	4	5

Activity 1: Cost of living

Morning tea break

10:20am

10:45am

11:00am

Presentation: Explaining electricity supply and demand

LIMITATIONS OF THIS PROCESS

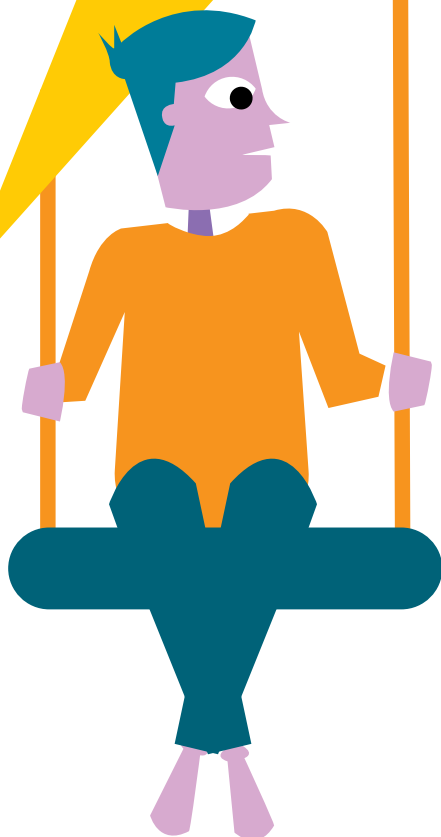
There are several limitations regarding the engagement methodology and analysis of findings that should be acknowledged when reading this report. These are outlined below:

- It was taken with good faith that the information participants provided in their Expression of Interest forms about their demographics was true.
- Participants came from a range of different backgrounds and had varying degrees of knowledge regarding energy, energy distribution, regulated business models, and governance. Therefore, their ability to understand and interpret information varied.
- Significant effort was made to ensure that all participants understood the information presented by Jemena and guest speakers, as participants had opportunities to ask questions and request further information. However, factors including English not being a first language⁶ and professional experience may have meant that some information was better understood by some participants than others.
- The project team communicated with participants predominantly online through email and an hub designed for the process, unless otherwise requested. While the project team regularly checked in with participants about what information had been uploaded and if they needed printed materials, it was presumed that participants accessed this information outside of the sessions, and that they undertook additional homework activities assigned.
- Discussion and outputs in the People's Panel sessions were largely participant led and as such some participants may have chosen to contribute in some activities and topic areas, and not others. This practice may have resulted in a varied number of recorded activity responses. To counter this variation, some results have been reported as a percentage of the total responses received.
- The 48 People's Panel members were selected to represent the demographic profile of Jemena's distribution area in Melbourne's north-west. However, the final membership is not necessarily a statistically accurate sample of the whole population due to people dropping out or lack of registrations for some demographic categories. For example, no people who were 15 -19 years of age expressed interest in the Panel. Therefore, while the People's Panel did deliver a strong cross-section of views across the Jemena area, it cannot be guaranteed that the complete set of views in the community were represented in the Panel.

⁶ People's Panel members could request interpreters for the sessions, this option was used by one participant.

THE JOURNEY

The desired outcome of the process was a clear set of recommendations, that indicated customer preferences for future energy distribution, reliability and cost. These recommendations would guide Jemena's Electricity Pricing and Services Plan (2021-2025) submission, Vision for the Future of Electricity, and their vision for working with customers.



There are four key elements in deliberative processes that enable a group of everyday citizens to develop and agree on a set of robust recommendations. They are:

- Access to information and explanations about issues, including a commitment to answering all questions asked.
- Opportunities to hear from independent experts and opinions, even if they differ from the organisation's view.
- Hearing different experiences and views from other People's Panel members on the issues.
- Adequate time and resources for People's Panel members to consider and discuss the issues before making decisions.

These were key elements underpinning the design of the Jemena People's Panel process and the participant journey.

THE PARTICIPATORY EXPERIENCE

Participants were involved in a variety of individual, small group and large group activities. They received information through Jemena presentations, guest speeches, through written and visual materials and online.

Feedback was collected in a range of ways, including personal written responses, visual mapping, voting with stickers or feet, and table host notes.

The Jemena's People's Panel journey was conducted over five sessions, two full days and three evenings:

Saturday 21 July 2018
(9:30am-3:30pm)

Thursday 26 July 2018
(6-9pm)

Thursday 2 August 2018
(6-9pm)

Thursday 9 August 2018
(6-9pm)

Saturday 18 August 2018
(9:30am-3:30pm).

These sessions were preceded with a voluntary introductory session on Thursday 19 July, which explained the People's Panel process and why Jemena was undertaking this engagement. This session was attended by 70 per cent of the People's Panel, demonstrating a high level of engagement and enthusiasm for the process from the beginning.

The process was iterative, so each session built on the content and outcomes of the previous session. The sessions were focussed on separate topics which closely related to the main dilemmas and choices Jemena were debating for their submission to the Australian Energy Regulator (AER).

At the end of most sessions participants were asked to vote on options or provide suggestions for recommendations. These draft decisions were collectively presented back to the group on the final day for review, discussion and final voting. The topics, questions, information provided, and outputs of each session are detailed in Table 2.

To increase People's Panel members understanding of the issues, Jemena provided a range of resources including:

- presentations from technical experts at Jemena
- presentations and discussions with external parties, including energy retailers, the AER, customer advocacy groups and other energy distributors
- tours of electric vehicles, an electricity control room and distribution sub-station
- written material and homework to compliment presentations
- modelling of price implications over time for all options presented, and cumulative price changes for all recommendations
- personal bill impacts for each People's Panel member under different electricity pricing structures using Smart Meter data.

Throughout the process participants could ask questions in person or via the online portal, which the Jemena team responded to. Altogether, 93 participant questions were asked and responded to. These are included in Appendix D.

Table 2: Objectives, information provided, key questions and key outputs for each session.

Session 1 (Sat 21 July)

Objectives:

1. To understand member behaviours, concerns, ideas and attitudes
2. To understand levels of energy literacy and opportunities to improve literacy
3. To understand customer service expectations, experiences and sentiment

Information provided

1. Presentations about Jemena and the electricity supply chain
2. Presentation on the structure and content of electricity bills
3. Presentation by Uniting Care on energy literacy
4. Handouts about Jemena, energy terms glossary and how Jemena engage their customers

Key questions asked

1. How do you use energy both gas and electricity?
2. What motivates your choices about electricity supply and usage?
3. Where do you currently go for information about your electricity?
4. What information would you like made available from the electricity industry and/or Government about electricity?
5. What are your recommendations for Jemena's role in energy literacy?
6. What is important to customers?

Key outputs

1. Benchmark evaluation results
2. An understanding of Panel members energy behaviours and priorities for energy
3. Recommendations about improving energy literacy

Session 2 (Thurs 26 July)

Objectives:

1. To build a shared understanding of the changing energy environment and future energy distribution options
2. To identify customer interest and concerns about future energy options

Information provided

1. Test drive and inspection of Electric vehicles
2. Presentation on the mega trends influencing electricity distribution, and external speakers for each future option
3. Handouts of Jemena's Draft Vision for the Future of Electricity

Key questions asked

1. What aspects of this future scenario would you like to have?
2. What steps should be taken to achieve this future?
3. How can Jemena help the community overcome any barriers?
4. Which scenarios are you interested in having in 10 years' time?
5. What are the top three things you think Jemena should do to prepare for the future of energy?

Key outputs

1. Clear indication of the future scenarios customers are interested in
2. Suggestions for how Jemena prepares for the future of energy

Session 3 (Thurs 2 Aug)

Objectives:

1. To explore notions of energy fairness and identify opportunities to increase fairness amongst customers
2. To review and poll on future energy investment initiatives

Information provided

1. Results from Session 2 about what future energy scenarios customers are interested in
2. Presentation on some of the fairness dilemmas in energy distribution and pricing
3. Presentations on and handouts with modelling for each future energy investment initiative
4. Summarised energy literacy recommendations and options to choose from (for homework)

Key questions asked

1. What does fairness mean to you?
2. What is fair in these examples?
3. Which is your preferred future investment option and why?

Key outputs

1. Indications of what customers consider fair
2. Voting results for which future investment option customers prefer

Session 4 (Thurs 9 Aug)

Objectives:

3. To explore reliability and choose from a series of options for Jemena to consider in the submission.
4. To introduce pricing structures and potential options

Information provided

1. Results from Session 3 about which future energy investment initiatives people preferred
2. Presentation on the current reliability of the network and what impacts reliability
3. Option with associated costs for how reliability can be improved or decreased
4. Presentation and handout about electricity pricing structures and how they impact example customers

Key questions asked

1. What are your preferences for the number and length of unplanned outages?
2. Does Jemena need to change anything about how we inform customers about outages (planned and unplanned), and if so how?

Key outputs

1. Results of the number and length of outages customers prefer
2. Results from the energy literacy recommendation options

Table 2: Objectives, information provided, key questions and key outputs for each session.

Session 5 (Sat 18 August)

Objectives:

1. To determine customer's preferred pricing structures and how to implement them
2. To report back on deliberations so far and finalise recommendations
3. To create a vision to guide how Jemena will work with the community

Information provided

1. Results from Session 4 about the energy literacy recommendations
2. Personalised bill impacts for each participant on how different pricing structures would affect their bill
3. Presentation and video about the options for implementing pricing structures
4. Presentation of the draft recommendations and vision developed so far
5. Presentation of the aggregated bill impact of recommendations, including impacts if different recommendation were chosen

Key questions asked

1. In 2030, Jemena and their customers will have a positive and constructive relationship.
This has been achieved by:
2. What is your preferred pricing structure?
3. Are you interested in Jemena pursuing this option further in the future?
4. What is your initial response to whether people should be able to choose their network pricing structure?
5. Should this recommendation be put forward by the People's Panel for Jemena's consideration?

Key outputs

1. Feedback on pricing structure and implementation options
2. Final recommendations on all topics from the People's Panel
3. A vision for how Jemena and their customers can have a positive and constructive relationship
4. Final process evaluation and completion benchmarking

JEMENA gives you access
**'Thanks Jemena for being
open minded, willing to listen
and learn from us, as well as
being responsive to questions,
comments and suggestions. Staff
and senior leaders were well
prepared and willing to come
down to our level to pick up the
messages and process them as
efficiently and effectively as
possible. You had a great sense
of humour too!'**
People's Panel member

@Sign up costs
info on need for
book up plans as
supplies are
limited

THE PEOPLE'S PANEL

People's Panel members were selected to closely match the demographic characteristics of the Jemena distribution area.

To take part in the People's Panel, customers had to nominate and then be selected to participate. Nominations were open to anyone who was a Jemena customer (residential or business).

Altogether, 190 people nominated and from this 48 people were selected according to their demographics including:

- gender
- age
- suburb
- language spoken at home
- housing tenure
- if they had solar panels
- if they owned a business.

The demographic criteria were chosen for a variety of reasons including the standard criteria used in sampling and key factors that would impact people's views on energy such as having solar. Capire also balanced whether information was necessary for this type of process against whether it would be considered too personal and deter people from registering (such as income and debt).

More information about how the opportunity to be part of the People's Panel was promoted is included in Appendix B.

Of the 48 selected, 43 people attended all the sessions or only missed one due to illness. Most of the people who did not complete the process, dropped out before the first session. The following figures illustrate how the final 43 participants reflected the demographics of Jemena's customers.

SUPPORT AND REIMBURSEMENT

People experience many different barriers to engagement. To overcome as many barriers as possible Jemena offered childcare, transport and language support for each of the Panel sessions.

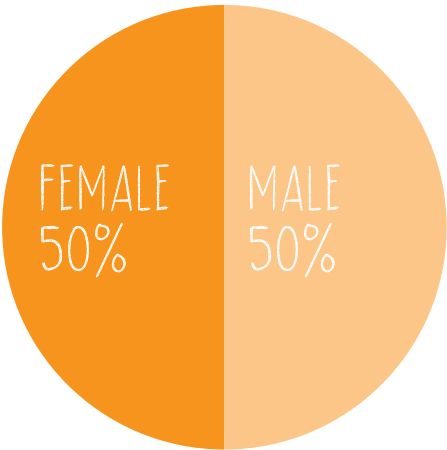
One participant had an interpreter, five were given cab charge vouchers, and three had childcare support. Refreshments were also provided, including lunch on Saturday sessions and dinner on Thursday sessions.

Taking part in the Panel was a voluntary activity. However, to acknowledge the time commitment made by participants, each participant was given \$80 per session they attended. This amount is standard in engagement with high time commitments to cover any out of pocket expenses of participating or any lost income due to being unavailable during session times. This was given as pre-paid Visa cards at the conclusion of the final session, the total amount was \$400.

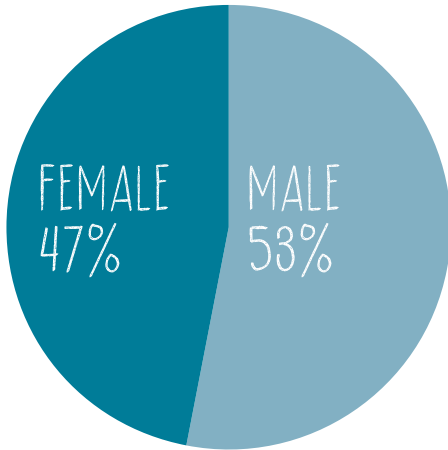


Figure 1: Gender breakdown of the Jemena distribution network area and People's Panel
source: ABS Census Data, 2016

JEMENA DISTRIBUTION AREA
GENDER SPLIT



PEOPLE'S PANEL
GENDER SPLIT

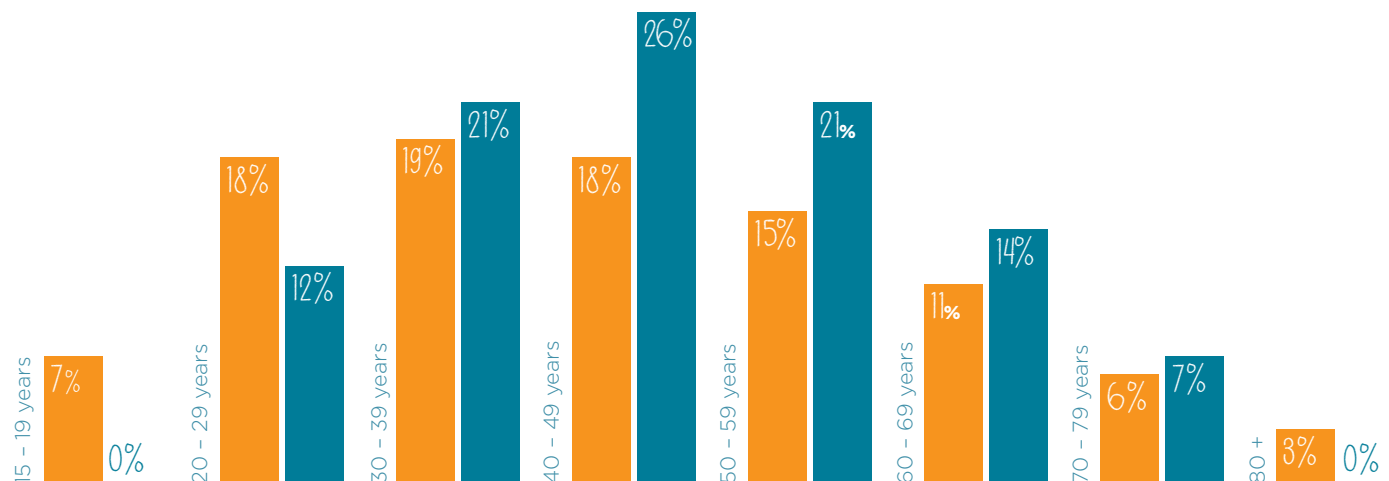


The People's Panel closely represented the gender breakdown of the Jemena distribution network population (Figure 1), with 47% females on the panel compared with 53% males, each comprise 50% of the Jemena distribution network population.



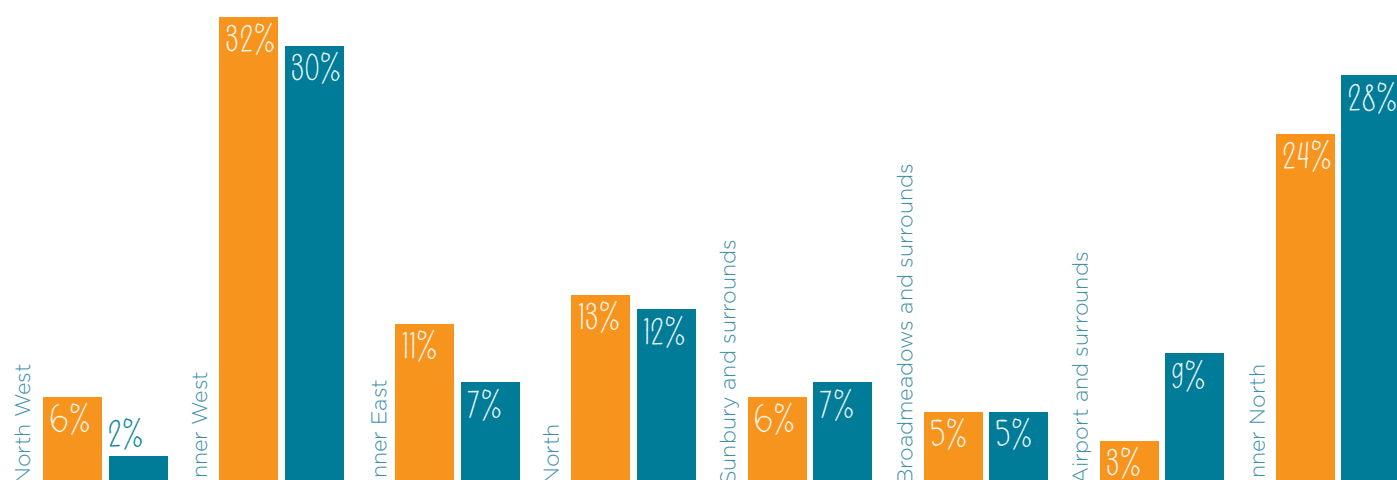
Figure 2: Age breakdown of the Jemena distribution network are and People's Panel

source: ABS Census Data, 2016



As illustrated in Figure 2, the People's Panel members age closely reflected the Jemena customers age range, but did not match it exactly. The Jemena distribution network has more people under 19 and over 80. This is partly because no people 15-19 nominated for the People's Panel, and people aged 14 and under were not invited to apply. Nine people nominated who were 20-29 and were all selected, however not all of these people accepted their position in the People's Panel.

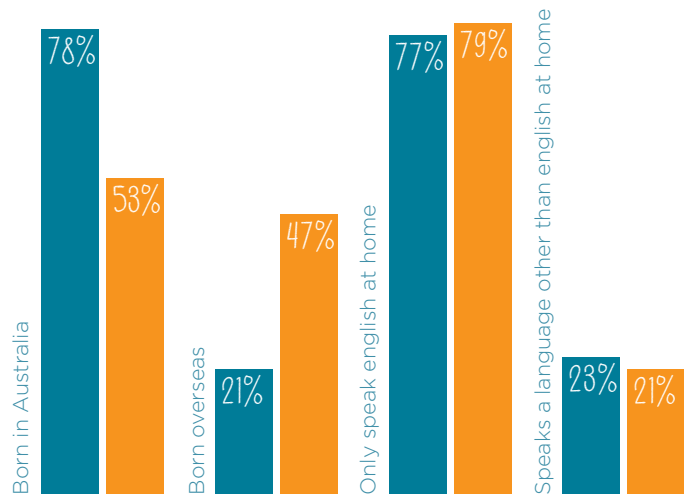
Figure 3: Location breakdown of the People's Panel members compared with all Jemena customers



Jemena's distribution area was broken down into regions of suburbs and the ABS 2016 Census Data was used to identify what proportion of customers live in each region. People's Panel members residences closely represented Jemena's customer distribution across the area (Figure 3), For example, 32 per cent of Jemena's customers live in the Inner West, and 30 per cent of Panel members lived in the Inner West. However, the People's Panel did have a slightly lower proportion of people from the North West, and Inner East.

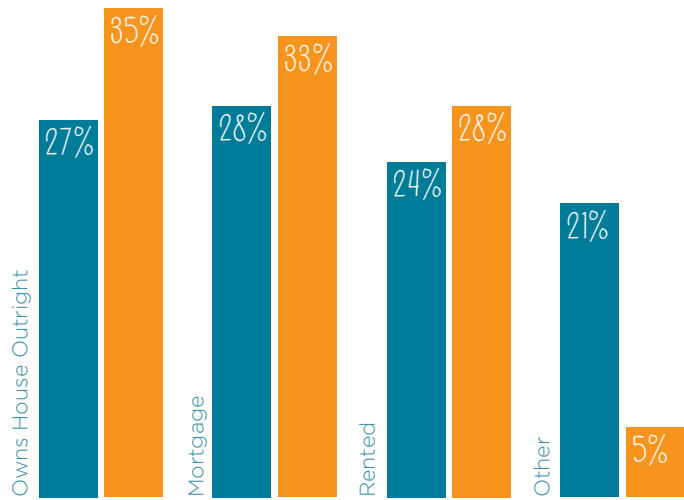


Figure 4: Culturally diverse characteristics of the People's Panel against all Jemena's customers



The cultural diversity of Jemena customers was well reflected in the People's Panel (Figure 4). The Panel had slightly more people born overseas, and comparable numbers of people speaking English and languages other than English.

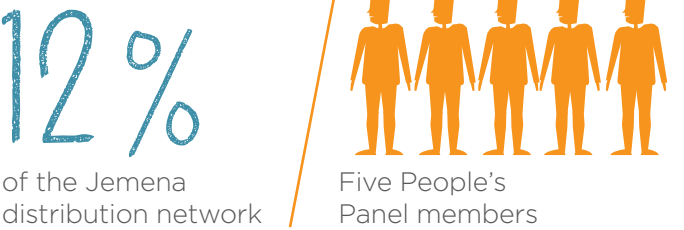
Figure 5: Housing tenure of People's Panel against all Jemena customers



The housing tenure of the People's Panel closely matched that of the Jemena distribution network (Figure 5). However, 'other' types of tenure (occupied rent free, under a life tenure scheme or being purchased under a rent/buy scheme) were less commonly represented in the Panel than in the broader Jemena distribution network. In Census data 'other' also includes people who did not respond, but all People's Panel members responded to this question decreasing the likelihood of 'other'.

Table 3: Panel representation of people with disability, Aboriginal and Torres Strait Islanders, people with solar panels and people with small to medium enterprises.

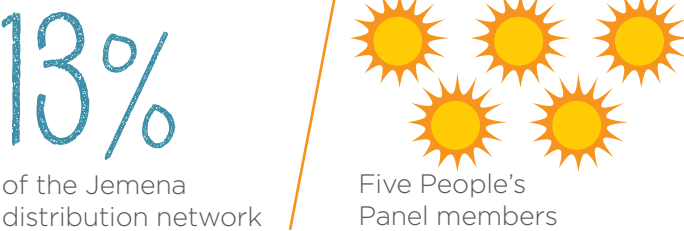
People with disability



Aboriginal and Torres Strait Islanders



People with solar panels



People with small to medium enterprises



THE VISION

In the final session participants and Jemena staff were asked to answer the question:

'In 2030, Jemena and their customers will have a positive and constructive relationship. This has been achieved by...'

People's Panel members and Jemena staff were invited to document their own ideas, as well as review and provide feedback on other's ideas. The results were analysed⁷ during the session and presented back as a vision for how Jemena will create a positive relationship with customers.

At the end of the session People's Panel members were able to review and state their level of support for this draft vision on a scale of strongly agree to strongly disagree. The following vision received 100 per cent support, with 61 per cent strongly agreeing and 39 agreeing that it should be put forward by the People's Panel for Jemena's consideration.

In 2030, Jemena and their customers will have a positive relationship. This has been achieved by:

- A) Listening and acting on customer feedback to build strong relationships and mutual trust.
- B) Meaningful and ongoing engagement with customers, stakeholders and the community to inform strategic decisions.
- C) Providing relevant and accessible information to build energy literacy and customer knowledge.
- D) Investing in new technologies as necessary to support increased energy efficiency of the grid.
- E) Considering in all decisions the least able customers and support them into the future.

RECOMMENDATIONS

At the final People's Panel session, participants agreed on 25 recommendations to put forward to Jemena for their consideration.

Of these, 22 received over 75 per cent support from the People's Panel, a super majority. The other three received a majority; 51 per cent or more.

In the final session, participants were presented with 27 draft recommendations to consider. These recommendations came from activities previously undertaken such as voting on options, or suggestions for how services can be improved.

There were two type of recommendations:

- recommendations on topics presented by Jemena that they must include in their regulatory proposal
- recommendations that were suggested by the People's Panel to improve customer experience and address issues such as carbon emissions.

The aim was to achieve a super majority (75 per cent support) for each recommendation, so that Jemena could be confident that adopting the recommendation would represent the interests of all customers it provides services to.

In the final session People's Panel members were given two opportunities to vote on whether they wanted a recommendation to be put forward by the People's Panel for Jemena's consideration. In the first vote, they could vote on all recommendations. Any recommendations that did not achieve 75 per cent or more support were then deliberated and put to a second vote.

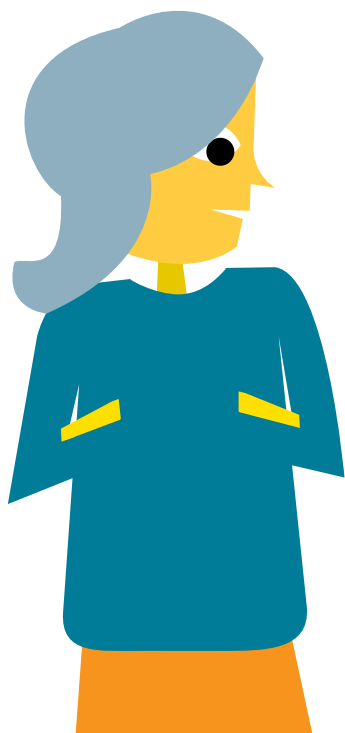
At the end of two rounds of voting, 25 recommendations were agreed, 22 of them with a super majority. These 25 recommendations were presented to the Chairman of the Board, Mr Ruan Qiantu, and Jemena's Managing Director, Paul Adams.

PROVIDING OPTIONS

For some recommendations where support was split between the options presented in previous sessions, several options were provided for final vote.

The length of outages split participants so they were provided with three options – stay the same as today, decrease by 11 minutes, or six minutes.

The recommendations are detailed below, the full voting results can be seen in Appendix A on page 85.



RECOMMENDATIONS ON TOPICS PRESENTED BY JEMENA

1. Jemena should improve the information available to customers and the ease of access to smart meter data. This should be through:
 - a. improving Jemena's portal
 - b. adding additional services such as apps for smart phones.
2. Jemena should increase investment into energy literacy and awareness in the community by \$330,000 per annum.
3. Jemena should investigate how customers could be provided with personal usage and bill information for different pricing structures.
4. Jemena should enable increased feed in of solar (and other renewables) into the grid, by improving the performance of the grid through new technologies.
5. Jemena should improve their channels of customer service by increasing their services to include mobile apps and using simpler processes.
6. Jemena should invest in smart technology across the grid to ensure network equipment is not upgraded too early.
7. Jemena should maintain the number of outages as they are today – on average each customer experiences four outages every four years.
8. Jemena should maintain the length of outages as they are today – on average 51 minutes per outage.⁸
9. Jemena should send SMS messages to all customers for unplanned outages. The message should include an estimation of how long it will take to fix the outage.
10. Jemena should provide email or letter notifications about all planned outages. This should include accurate details of how long the outage will be and suggestions for how to manage the time without electricity.
11. Jemena should work with retailers to create an opt-out process for notifications, so all customers can receive notifications via their mobile unless they choose not to.
12. The Panel believes that the Monthly Maximum demand pricing structure is the best for customers, so long as customers can opt out.
13. The Panel recommend that Jemena continue to explore using rebates to encourage customers to respond during times of need (for example hot days).

SUPER MAJORITY

A super majority is a vote that requires more than half, and in this case 75%, of votes to determine a result.

Super majorities are preferred in deliberative processes because they give decision makers more confidence in the outcomes. In a normal majority (51%) almost half the group could oppose the result.

⁸ This recommendation only received 62 per cent support making it only a majority not a super majority.

RECOMMENDATIONS SUGGESTED BY THE PEOPLE'S PANEL

Jemena should advocate through its networks for:

14. Increased docking stations for Electric Vehicles across Jemena's network.
15. An impartial and technically accurate source of information for people who are considering installing solar. The information would include:
 - a. what capacity can people legally have installed
 - b. what are the tariffs available for solar customers, and how they impact bills
 - c. what are the returns with the current feed-in tariffs
 - d. how you best manage appliance use during the day to maximise energy generated from the panels.
16. New technologies that make the grid less carbon intensive such as renewable energy storage, efficient technologies and new housing development that enable efficient technologies.
17. Clearer information and engagement with customers about energy options so people know what is the best option for them, and whether it is worth investing in different technologies.
18. Support for vulnerable customers who may get left behind because they cannot take part in new technologies.

Jemena should advocate to the government and regulator for:

19. Government-supported energy literacy programs and educating customers about retailer deals.
20. A bipartisan plan that responds to the energy crisis.
21. Provide bills in other languages.⁹
22. Provide education resources about different supply and usage charges, and how charges are broken down.
23. Investigate pre-paid or bundled plans to eliminate bill shock or difficulty planning.¹⁰

Jemena should work with retailers to:

24. Simplify pricing rates to ease competition and consumer choice.
25. Encourage retailers to keep providing paper bills for customers who want it.

⁹ This recommendation only received 58 per cent support making it only a majority not a super majority.

¹⁰ This recommendation only received 55 per cent support making it only a majority not a super majority.



NEXT STEPS

The Jemena Board, having received the set of recommendations, will now consider how best to respond to each, including whether they form a part of Jemena's regulatory proposal to the AER.

EVALUATION AND OBSERVATIONS

Altogether, 98 per cent of participants found their participation in the Jemena's People's Panel worthwhile, and 95 per cent would want to take part in the process again.

The People's Panel process was evaluated in two ways: an evaluation on the last day of the process, and a pre and exit poll to see how participants views and knowledge changed throughout the journey.

EVALUATION OF PROCESS

The four areas that scored the highest were:

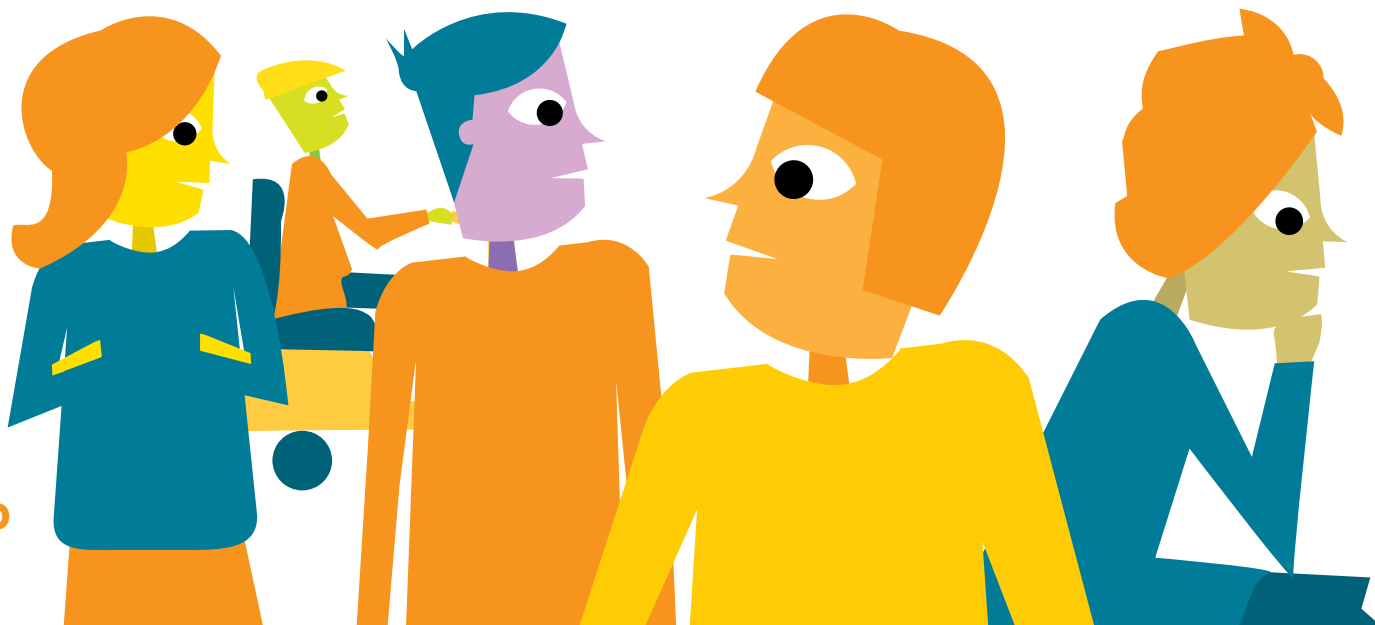
1. 'I had multiple opportunities to express my opinions and views' (67 per cent strongly agree).
2. 'I found the activities engaging and appropriate' (71 per cent strongly agree).
3. 'I feel Jemena staff listened to my views' (76 per cent strongly agreed).
4. 'I heard from a diversity of views' (69 per cent strongly agreed).

The three areas that scored the lowest were:

1. 'I understood what was expected of me before joining the People's Panel' (10 per cent disagreed)
2. 'I felt the \$400 reimbursement was an appropriate amount' (9 per cent disagreed)

The full process evaluation results are included in Appendix A, page 93.

'I have learned a lot, found it really valuable and enjoyable, and it is great to feel you're influencing the future for people in a positive way.'
People's Panel member



PRE AND EXIT POLLING

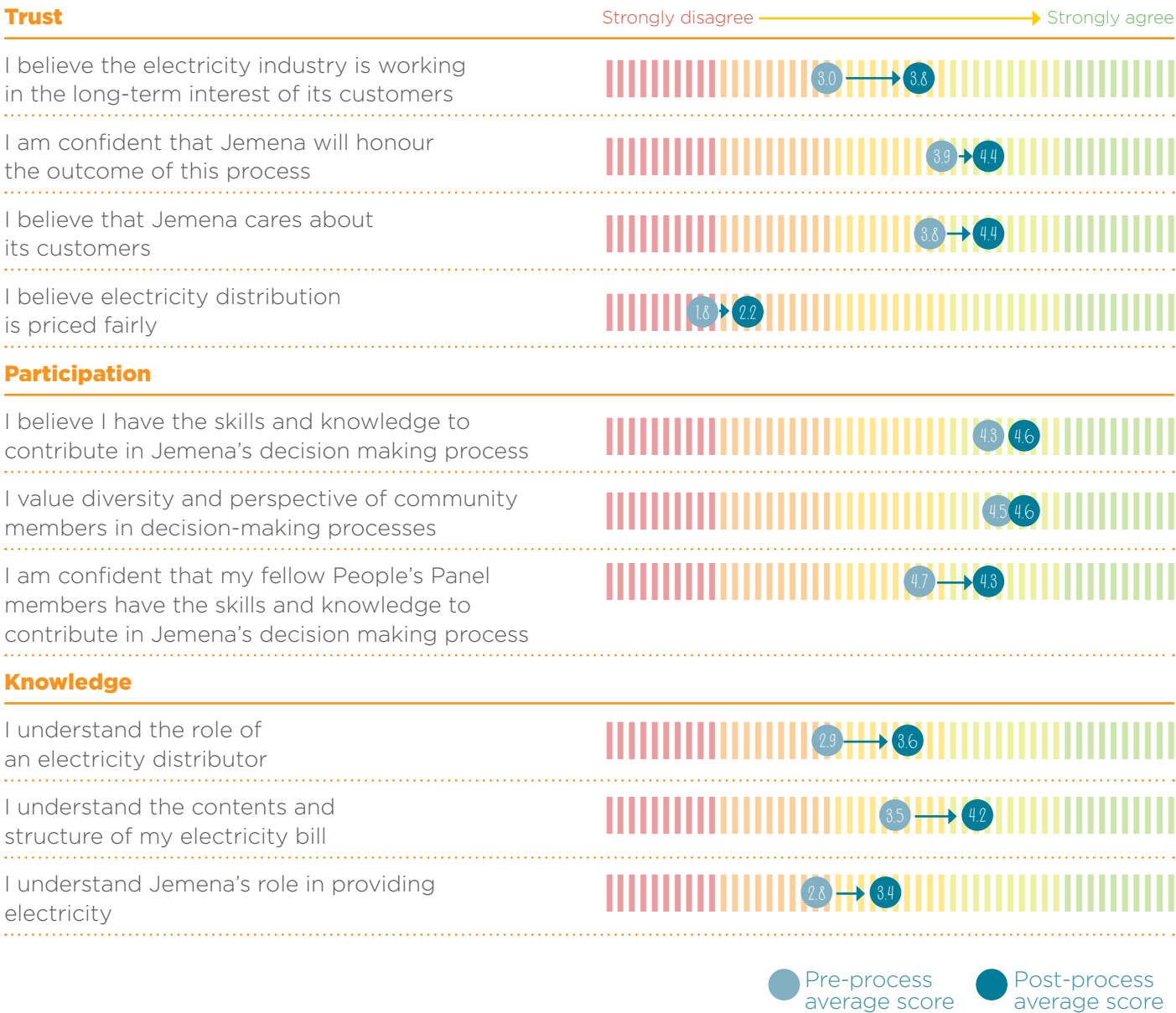
There were ten questions asked at the beginning and end of the process to assess how People’s Panel members knowledge and views changed through the process. These questions were under three themes of knowledge, trust and participation.

Figure 6 illustrates that for all three areas the results improved, and participants were more confident in the process and Jemena. The strongest changes were in knowledge and trust in Jemena and the electricity industry.

Participants began confident in the ability and diversity of other People’s Panel members, and remained confident at the end.

Some participants remained concerned about elements if electricity distribution pricing including the privatisation of the industry, the split responsibilities between retailers and distributors and who should pay for upgrades and maintenance.

Figure 6: Radar graph showing the change in average response from Session 1 to Session 5 .



BENEFITS OF THE PROCESS

Capire observed several benefits of undertaking a People's Panel for the topic of energy and distribution. They were:

- The People's Panel were a real-life case study of the diversity of challenges and issues people are facing regarding energy and pricing.
- People's Panel members often shifted from focussing on their individual bill impact to the best choice for the broader community. This occurred through debate and sharing experiences with other participants.
- Iteratively building the recommendations across multiple sessions and presenting them back at the end for the final vote helped address issues with knowledge. This is because many of the knowledge gaps that persisted into the second and third session were addressed by the final session.
- Time between sessions enabled People's Panel members and Jemena staff to address issues that individuals raised with their personal circumstances and answers the more complex questions.
- Positive relationships were built between the People's Panel members, and with Jemena staff. As a result, participants became more confident through the process to ask each other questions and challenge the views being presented.

'It's been great to see how enthusiastic Jemena has been and how responsive they have been to people's opinions'

People's Panel member

'Thank you so much for a great opportunity to learn and ask questions. I have felt rewarded and empowered by this process!'

People's Panel member

PROCESS CHALLENGES

There were several consistent challenges for participants, Jemena and the facilitators throughout the process, including:

- Limited time to explore complex issues. Some participants said that for some topics they felt rushed and would have liked more time to debate issues before making a decision.
- The energy supply chain contains many players. Participants often commented that they wanted to impact other elements of the chain through this process even if it was out of Jemena's control. This issue was exacerbated by participants and the community's generally low level of knowledge about Jemena and their role in the supply chain.
- Initially there was a low understanding, and some opposition to, the privatised model of energy distribution. This was a challenging factor when exploring how to improve the grid and the flow on cost to customers.
- For some topics the options were limited, due to it being out of Jemena's control, set by regulator standards, not yet technically feasible. For some participants this was frustrating and made them feel that they had less opportunity to impact.

These challenges were actively identified and managed by Jemena and Capire. The electricity supply chain and privatised energy model was presented in different and dynamic ways. Questions were answered quickly, and links to further information provided where appropriate. External observers such as the AER also helped to provide clarity on issues, and what was in Jemena's control. However, all feedback has been taken on board to assist in improving future processes.

'Some more pre-education should be provided to give less knowledgeable panel members on Jemena's role, as there were a few sticking points caused by lack of general understanding.'

People's Panel member

MEETING INDUSTRY BEST PRACTICE

Throughout the People’s Panel process, Jemena was committed to meeting industry best practice, in particular the International Association of Public Participation (IAP2) and the AER Consumer Engagement Guidelines for Network Service Providers.

This deliberative engagement process sits in the ‘collaborate’ level of engagement on the IAP2 Public Participation Spectrum (Figure 7). This is because Jemena worked with the People’s Panel to develop a set of recommendations. However, Jemena still maintained the role of the final decision maker on whether those recommendations will be adopted. To move into the ‘empower’ level of engagement,

Jemena would have needed to commit to adopting all the People’s Panel recommendations from the commencement of the process.

In their Consumer Engagement Guidelines, the AER have identified four best practice principles they want to see service providers applying to their customer engagement. They are:

- clear, accurate and timely information
- accessible and inclusive
- transparent
- measurable.

Figure 7: IAP2 Public Participation Spectrum


Increasing impact on decision 					
	Inform	Consult	Involve	Collaborate	Empower
Public Participation Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
Promise to the public	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

Table 4: How AER best practice principles were applied through the People's Panel process

Best practice principle	How it was applied through the People's Panel process
Clear, accurate and timely communication	<p>There was a clear timeframe for the engagement – five sessions over five weeks.</p> <p>Participants were provided with a printed glossary of energy industry terms on the first session. Jemena presentations and speaking notes were also reviewed by Capire to ensure they were jargon free and avoided unintentional bias.</p> <p>A variety of engagement techniques were used throughout the sessions including table-based discussions, individual reflections, group deliberation, and round robin information gathering.</p> <p>Materials were provided in electronic and hard copy format.</p> <p>Case studies and analogies were used where possible to illustrate and explain complex technical information.</p> <p>Questions from each session were answered and returned to participants at start of the next session.</p>
Accessible and inclusive	<p>The recruitment process for the People's Panel prioritised creating a group of diverse customers. People were chosen according to their demographic criteria, and not discriminated against if they required extra support to participate.</p> <p>A range of support was provided to overcome participation barriers including:</p> <ul style="list-style-type: none"> • interpreters at sessions • providing free transport to and from the venue • providing or reimbursing participants for childcare during sessions • asking permission for photos and videography • catering to dietary needs. <p>Where possible participants were shown the impacts of their decisions on electricity bills, including their personal bill.</p> <p>If further information was requested by a participant, it was provided.</p>

Best practice principle	How it was applied through the People's Panel process
Transparent	<p>The role and influence of the People's Panel was clearly explained in the People's Panel Terms of Reference and at the first session.</p> <p>Details of Jemena's performance compared to other distribution companies was provided.</p> <p>The results of the process evaluation have been included in this report and will also be shared with participants.</p> <p>Price impacts were shared with customers using their own individual smart meter data.</p> <p>Results of polls and votes were shared with participants and participants were given opportunities discuss how they were feeling throughout the process.</p> <p>Independent observers were present at each session to observe the entire process.</p>
Measurable	<p>Pre and exit poll surveys were completed to measure the change in participants' views and knowledge across the process.</p> <p>The intent of the People's Panel process was to have a set of recommendations, which was articulated as a goal throughout and met in the final session.</p> <p>Alternative financial outcomes were presented to participants to show the relative impact of their choices.</p>



APPENDIX A

Session Summaries

SESSION 1

A Summary Report (Draft)

Session 1: Saturday 21 July 2018

1 PRELIMINARIES

1.1 BACKGROUND

A preliminary information session was held on Thursday 19 July 2018 from 6pm at the Hume Global Learning Centre in Broadmeadows. Thirty People's Panel members attended, and had the opportunity to ask questions, and meet the Jemena team ahead of Session 1 on 21 July.

JEMENA PEOPLE'S PANEL – SESSION 1

PURPOSE

Explain electricity distribution and who Jemena are

Explore energy behaviours, attitudes and concerns

Discuss energy literacy

Explore customer service expectations

LOCATION

Hume Global Learning Centre, Broadmeadows, Vic

DATE

Saturday, 21 July 2018

TIME

9.30am – 3.30pm

ATTENDANCE

43 People's Panel participants

Capire team; Amy Hubbard, Koel Wrigley, Caz Treby

Jemena team; Shaun Reardon, Matthew Serpell, Kate Hawke, Eugene Whittaker, Nirav Rajguru, Andrew Davis, Sandra Centofanti, Hayley Strauss, Ashley Lloyd

External presenters; Peter Appelman (Uniting Care), Aakash Sembey (Simply Energy)

Observers; Mark Henley – Consumer Challenge Panel (AER)

Welcome to Country; Uncle Ron Jones (Wurundjeri)

1.2 AGENDA

9.30am

Welcome and introductions

10.20am

Activity 1: Cost of living

10.45am

Morning tea break

11.00am

Presentation: Explaining electricity supply

11.10am

Activity 2: Understanding energy behaviours

12.05pm

Presentation: Understanding your bill

12.35pm

Lunch

1.15pm

Presentation: Energy literacy sources and impacts

1.35pm

Activity 3: Opportunities to improve energy literacy

2.20pm

Afternoon break

2.40pm

Activity 4: Understand customer priorities for electricity distribution

3.20pm

Next steps and close

1.3 STAGE OF THE JOURNEY

Session 1: 21 July

Introduction

Managing electricity

Energy literacy

Customer priorities

Session 2: 26 July

The future of energy

Session 3: 2 August

Fairness

Planning for the future of energy

Session 4: 9 August

Energy reliability

Pricing structures

Session 5: 18 August

Pricing structures

Finalising recommendations

Vision for the future

SUMMARY OF DISCUSSIONS

1.4 PRE-POLL

To evaluate how people's knowledge and views changed over the People's Panel process, participants were asked to complete a pre-poll survey. The poll asked questions about the participants knowledge, about their trust of Jemena and the electricity industry and about the People's Panel process. The results of the average score are displayed in Table 1 below.

Table 1: Participants responses to the pre-poll survey

where Strongly Disagree =1, Disagree = 2, Neutral/Unsure = 3, Agree = 4, Strongly Agree = 5. (n=42)

Question	Average score (out of 5)	Average response
I do not understand Jemena's role in providing electricity	2.2	Disagree
I understand the contents and structure of my electricity bill	3.5	Neutral/Unsure
I am confident my fellow People's Panel members have the skills and knowledge to contribute to decision making processes	3.7	Agree
I believe Jemena cares about their customers	3.8	Agree
I am confident that Jemena will honour the outcome of this process	3.9	Agree
I do not believe electricity distribution is priced fairly	3.2	Neutral/Unsure
I value diversity and perspective of community members in decision making processes	4.5	Strongly Agree
I do not understand the role of an electricity distributor	2.1	Disagree
I believe that the electricity industry is working in the long-term interest of customers	3.0	Neutral/Unsure
I feel I have the skills and knowledge to contribute to Jemena's decision-making processes	4.3	Agree

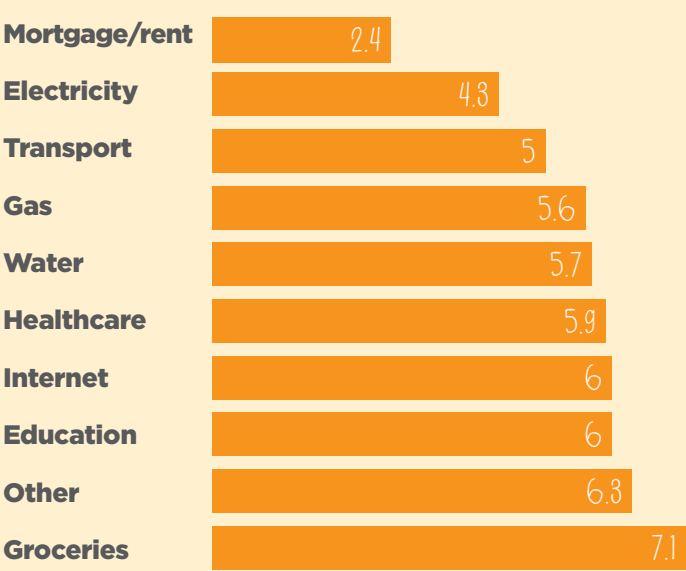
1.5 ACTIVITY 1: THE COST OF LIVING

Participants were asked to rank their living costs to understand where electricity sits in their overall costs. As Figure 1 illustrates, electricity was the second most expensive cost for participants, after mortgage/rent. It is important to note that mortgage/rent was a significantly higher cost as compared with electricity. Electricity ranked close in price on average to transport, gas, water and healthcare.

The other living costs that were mentioned included council rates, body corporate fees, home maintenance, sports activities and internet.

Figure 1: Average results for how participants ranked their living costs.

Please note the highest rank was 1, so the lowest number is the highest cost for people (n=40).



1.6 ACTIVITY 2: UNDERSTANDING ENERGY BEHAVIOURS

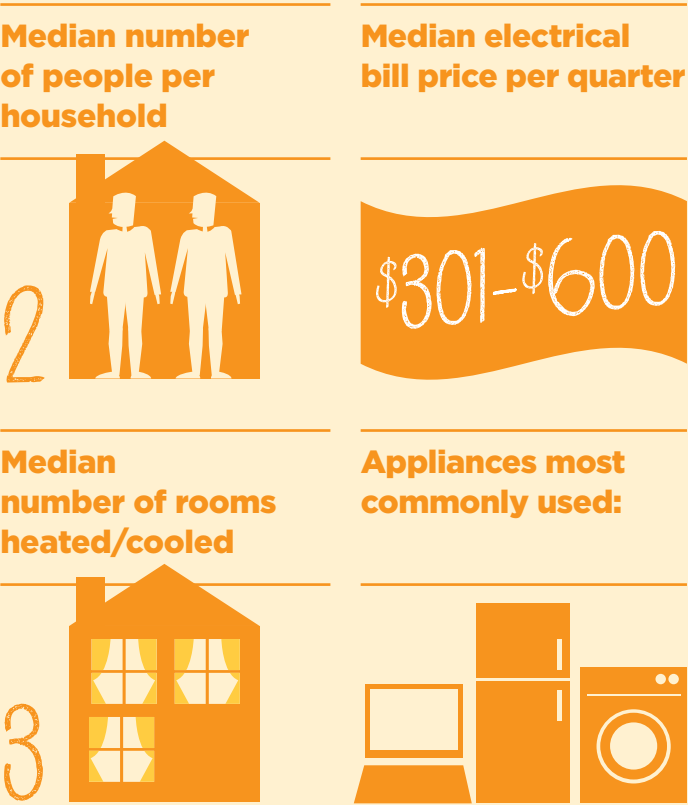
Panel members were asked to visually map their energy behaviours including the number of people in their house, electrical appliances they use, the rooms they heat and cool, their quarterly bill cost and concerns about electricity. Their energy use, and household information is shown below.

This activity was primarily intended to get People's Panel members to understand what drives their energy usage, how that impacts their bills and how that varies between participants and the wider community.

Households

The average household consisted of two-people, followed by single-person households, there were some three and four-person households, and nobody lived in a home with more than five people.

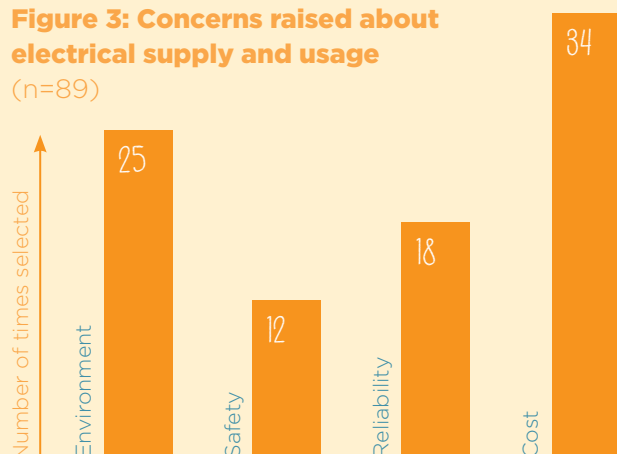
Figure 2: Understanding energy behaviours



1.6.1 ENERGY CONCERNS

Participants mapped their concerns about electricity supply and usage (participants could select more than one concern). Cost was the most commonly selected concern followed by the environment (Figure 3).

Figure 3: Concerns raised about electrical supply and usage
(n=89)



In small table discussions, participants described their concerns in relation to electricity supply and usage. The most frequent responses related to cost, environmental impact and safety. Other concerns related to electricity literacy and support for people experiencing hardship.

Managing electricity and gas supply usage

Participants were asked how they manage their electricity and gas supply usage. Many discussed using more energy efficient appliances, (such as those with higher star ratings), or substituting energy intense options for alternatives such as line-drying clothes rather than a clothes dryer, or ceiling fan rather than air conditioning. Participants also said that they limit the use of appliances or switch them off. Some participants said they manage their usage according to their bills, or constantly monitored use.

Relationship with electricity and electricity providers

Participants described their relationships with electricity and their electricity provider. The key themes that arose related to electricity retailers, finding the right people to speak with and retailer customer service. Other things raised related to trusting the retailer and industry, as well as confusion about peak and off-peak, and general comments relating to sentiment such as community angst about electricity bills.

1.7 ACTIVITY 3: OPPORTUNITIES TO IMPROVE ENERGY LITERACY

Information about electricity

Participants described where they go to find out information about electricity.

Common responses included:

- online resources such as retailer websites, government tools and ombudsman sites
- information that is included in bills
- retailers (online and on the phone), and
- newsletters, community groups or other sources.

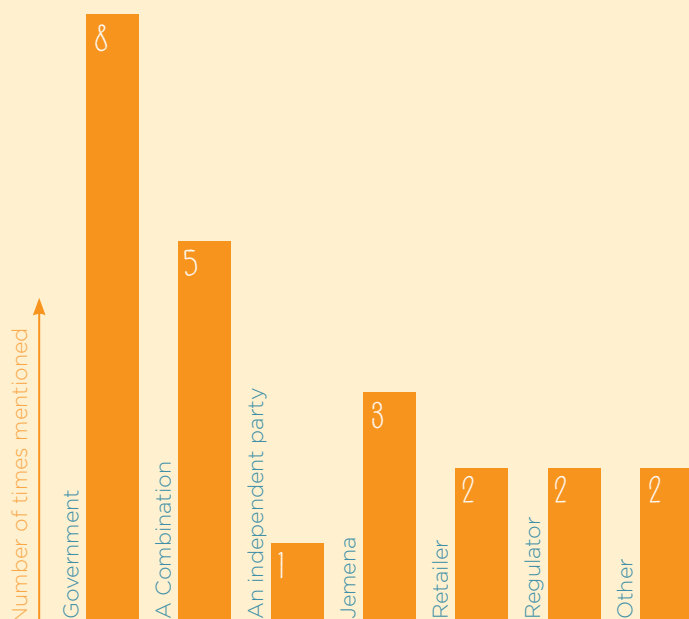
Participants were asked what information they would like made available to them from the electricity industry and/or government about electricity.

There were diverse responses to this, and the most common responses included a desire for information about:

- retailer costs (and easy comparison of rates)
- ownership information about companies, including overseas rates of ownership
- supply chain information (for example, who does what)
- more transparent bills with cost breakdown according to kilowatt use, retailer fee, and fixed fees
- government regulation, and justification of privatisation
- environmental sustainability and impacts of new technologies, and
- information about assets maintenance and outages.

Participants were asked who should provide information about electricity. As shown in Figure 4, most participants thought this information should be provided by government, a combination of government, and retailers or distributors. Some suggested that Jemena alone had a role, and others suggested that regulators and retailers also have a role.

Figure 4: Participant suggestions for who should provide information about electricity (n=23)



Jemena's role

Participants were asked whether Jemena has a role in building energy literacy, and what that role is. Most participants who responded agreed that Jemena has a role (Figure 4).

Of those that thought Jemena has a role, they thought this role related to:

- corporate social responsibility and funding community programs
- awareness raising about costs, and providing more transparent billing
- increasing understanding of who Jemena are.

Of those participants who thought Jemena did not have a role, all thought this was because government, ombudsmen, or retailers should build electricity literacy.

'Transparency of who the Energy Compare site lists, and who they're owned by. This should be legislated.'

People's Panel member

1.8 CUSTOMER PRIORITIES

Participants were asked about what customer priorities are for electricity distribution, and why they are important. Each participant voted (with ten votes each) and was given the opportunity to articulate why they voted for each topic. The results and key rationale are shown in Figure 5. Price was considered the most fundamental priority, followed by reliability and safety. Customer service and aesthetics were relatively low priorities.

Figure 5: Participant votes for customer priorities (n=403)

Price

'Fundamental'

'Affordability is most important'



Reliability

'Affects everybody and we need it in today's technological environment'



Safety

'Maintaining and exceeding best practice'



Environment

'Leaving a legacy to future generations'

'Excited about renewable power generation'



Literacy

'Make it an equitable playing field'



Aesthetics

'Where practicable, it's not as important as other aspects'



Customer service

'If all other areas are OK this shouldn't be needed'



1.9 RECOMMENDATIONS

Recommendations made during the session activities were recorded and given to Panel members to consider and vote on as homework. This provided transparency about the suggestions that had been made, and gave participants the opportunity to disagree and inform the recommendations that were put forward to vote on during Session 5.

The recommendations drafted during Session 1 were:

- Jemena should improve the information available to customers and the ease of access to smart meter data. This should be through:
 - improving Jemena's portal
 - adding additional services such as apps for smart phones
- Jemena should increase investment into energy literacy and awareness in the community by \$330,000 per annum.

Jemena should advocate to the government and regulator for:

- Government-supported energy literacy programs and educating customers about retailer deals.
- A bipartisan plan that responds to the energy crisis.
- Bills in other languages.
- Education resources about different supply and usage charges, and how charges are broken down.
- Pre-paid or bundled plans to eliminate bill shock or difficulty planning.

Jemena should work with retailers to:

- Simplify pricing rates to ease competition and consumer choice.
- Encourage retailers to keep providing paper bills for customers who want it.



SESSION 2

A Summary Report (Draft)

Session 2: Thursday 26 July 2018

2 PRELIMINARIES

2.1 BACKGROUND

JEMENA PEOPLE'S PANEL - SESSION 2

PURPOSE

Understand the changing energy

Explore the Future Network options

LOCATION

Hume Global Learning Centre, Broadmeadows, Vic

DATE

Thursday, 26 July 2018

TIME

6:00pm-9:00pm

ATTENDANCE

42 People's Panel participants

Capire team; Amy Hubbard, Koel Wrigley, Caz Treby

Jemena team; Matthew Serpell, Kate Hawke, Alex McPherson, James Harding, John Van Weel; Sandra Centofanti; Nirav Rajguru; Conrad Guimaraes

External presenters and guests; Ryan Wavish (Marchmont Hill); – Sam McLean (EV Council/ Tesla); George de Bono (PowerLedger); Maryanne Coffey (Clean Energy Council); Luc Van Duinen (Simply Energy); Dr Stuart Johnston (Energy Networks Australia)

Observers; Jodie Blake, Alf Rapisarda (Jemena)

2.2 AGENDA

6.00pm

Welcome and recap

6.20pm

Presentation: The future of electricity distribution

6.50pm

Activity 1: Exploring future energy scenarios and identify potential issues and opportunities

7.25pm

Break

7.35pm

Activity 1 continued

8.35pm

Activity 2: Reflecting on what customers are interested in and what Jemena should do to prepare for the future of energy

9.00pm

Next steps and close

2.3 STAGE OF THE JOURNEY



Session 1: 21 July

Introduction

Managing electricity

Energy literacy

Customer priorities

Session 2: 26 July

The future of energy

Session 3: 2 August

Fairness

Planning for the future of energy

Session 4: 9 August

Energy reliability

Pricing structures

Session 5: 18 August

Pricing structures

Finalising recommendations

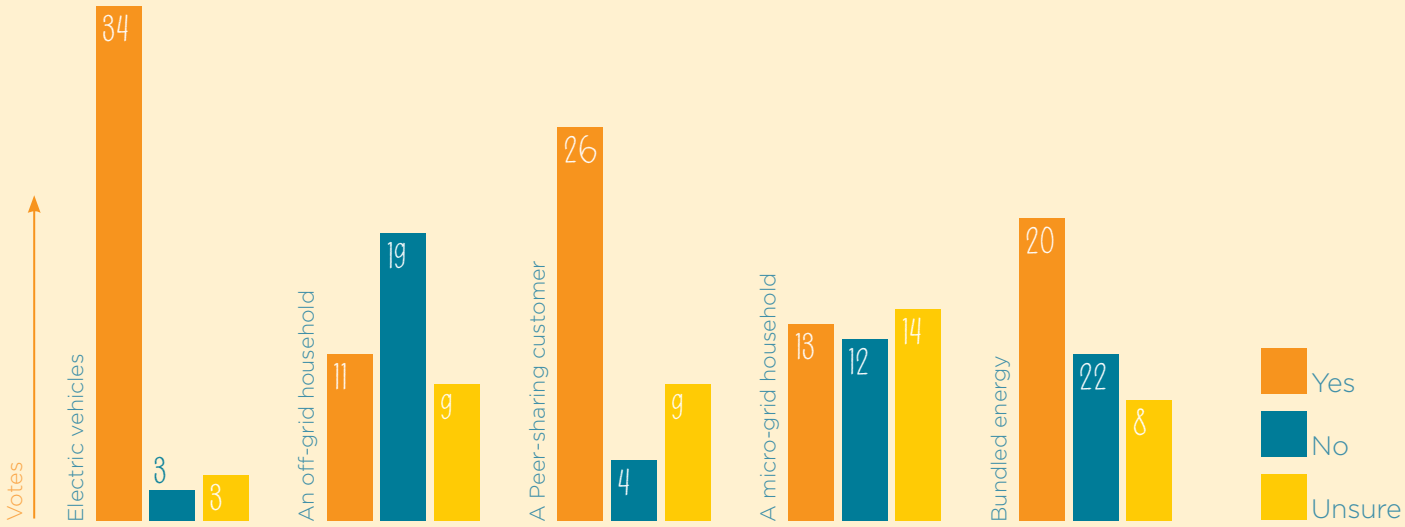
Vision for the future

SUMMARY OF DISCUSSIONS

2.4 ACTIVITY 1: EXPLORING FUTURE ENERGY SCENARIOS

Participants were introduced to future energy scenarios and asked about the aspects of the scenario they liked; what steps would be needed to achieve it; and if/how Jemena could help the community to overcome barriers. The future scenarios and votes are shown in Figure 6.

Figure 6: Participant opinions about whether they would like to be part of a future scenario in 10 years' time



Electric vehicle customer

There was strong support for a future with electric vehicles. Of the participants who supported this, the reasons cited included environmental benefits and efficiency. Those who were uncertain or did not want to be part of a future with electric vehicles, said this was because of they couldn't afford it, or didn't see themselves using electric vehicles.

‘Feels like its close, we just need infrastructure and stations to charge, and for cost to come down a bit.’

People’s Panel member

Participants said that the aspects of an energy future with electric vehicles that they liked were that it is realistic, innovative, and exciting. They noted that the key steps to achieving this related to infrastructure investment and support services. Some participants said they would like to see Jemena install charging stations and necessary infrastructure to help the community overcome any barriers.

Off-grid home

Most participants did not want to have an off-grid home in the next 10 years, the main reasons participants voted no for this was about the cost of getting off the grid and the potential unreliability of being off grid. Of those who wanted this scenario many cited environmental impact as the reason, and said it depends on technological advance and future affordability.

‘It’s too expensive to get off the grid’

People’s Panel member

‘This sounds like a fabulous idea! However, I would need to ensure it is economically viable. The up-front costs need to come to a tipping point. And if I make more electricity than I use it needs to be stored efficiently.’

People’s Panel member

Participants shared the positive aspects of the off-grid homes as environmental benefits, controlling energy yourself and potential financial savings. They thought that key barriers to achieving this would be the risk of failure, and customer effort.

Participants suggested that Jemena could help the community to overcome such barriers through education about disconnecting and reconnecting and providing maintenance services for off-grid customers.

Peer-sharing household

Most participants supported the future scenario of having peer-sharing in the next 10 years. Those who supported peer-sharing said that they supported the idea of sharing energy with community or family and thought it would be efficient. Some participants also thought this may help low income people living in dense housing, or people living in retirement villages. Interestingly, of those who did not support this future scenario, some worried that it may hurt low income families, or that technological advance would be too slow.

‘The concept is a game changer once strong regulation is in place, I can foresee this working as a way of selling/buying energy.’

People’s Panel member

Participants said that what they like about an energy future with peer sharing is the communal aspect, the potential to donate energy and share. They said that managing supply and demand, technical issues and cost might be key barriers to achieving this energy future.

Participants thought that regulatory advocacy, cost-based pricing and technical support could be ways that Jemena supports the community to enjoy an energy future with peer-sharing households.

Microgrid

There were mixed opinions about microgrid, with similar numbers of participants supporting, opposing or feeling unsure about whether they would like this future scenario in 10 years time. Of those who supported the future scenario, many described benefits to community or affordability as the reasons why. Those who did not want to be a part of this scenario said they felt it was unfair or could disadvantage some people. People who said why they were unsure highlighted that this future scenario is highly dependent on their future living arrangements.

‘Can unfairly advantage/disadvantage some communities’

People’s Panel member

‘Community spirit kept alive’

People’s Panel member

Participants stated that what they like about an energy future with microgrid is the cost of energy, the environmental impact and the community control over energy. Participants thought that steps to achieve this would require government intervention and said there may be issues with fairness and equity.

In table discussions, participants discussed their hesitation with microgrid in more depth. The key reasons for hesitation were because of mistrust for microgrid managers. Some felt that those more wasteful with energy (such as large families) could disadvantage the co-operative by not optimising energy production and usage. Others expressed concern with disconnecting from the Jemena network, and questioned whether remaining connected would see an overall reduction in cost compared with the status quo.

To overcome barriers, it was suggested that Jemena make the network available as a back-up, that they provide information and manage the microgrid.

Bundled energy household

Many participants supported a future with bundled energy. Of those who wanted to see this, many said that a lower or consistent price on energy was appealing. Those who did not want this scenario discussed reasons relating to control of appliances and autonomy.

'I was interested at a lower cost and constant cost'

People's Panel member

'Yeah some merit but I do not like the idea of someone else turning my appliances on or off'

People's Panel member

Participants said that the aspects of an energy future with bundled energy that they liked related to two-way communication, simplicity, and potential environmental benefits. To achieve this future, participants suggested internet access and cyber security would be important, that transparency and flexibility would be important too.

In table discussions participants expressed their concerns about bundled energy households further. Participants said they were not convinced that bundled energy would really be cheaper and feared being locked in to a contract, or a third party would benefit from the savings.

Some participants suggested that Jemena would need pricing plans to reflect varying costs of energy, and to create simple and transparent mechanisms to overcome any barriers the community might have in a future scenario with bundled energy.

2.5 ACTIVITY 2: PREPARING FOR THE FUTURE OF ENERGY

Participants were asked to provide their top three recommendations to Jemena to prepare for the future of energy.

While many suggestions and ideas were raised, there were key themes that emerged from responses that can be summarised as follows:

1. Invest in readying the network for micro-grids and peer trading. This includes investigating and adopting innovative technology that enables these activities and trialling the technologies in neighbourhoods.

2. Invest in new technology to accommodate electric vehicles such as increasing the docking stations for Electric Vehicles across the Jemena network.
3. Be open to and invest in opportunities to make the grid less carbon intensive. This includes enabling renewable energy storage, incentivising efficient technologies, and making sure new developments are built to enable new technologies.
4. Investigate and invest in technologies to avoid and manage peak demand such as batteries for storing energy.
5. Provide clear information and engagement for customers about future energy options so people know what is the best option for them, and if it is worthwhile investing in different technologies.
6. Prioritise the existing grid by improving its efficiency and making sure it can cope with new technologies, so people do not leave the grid. There is some support for incentivising people to stay on the grid.
7. Support vulnerable customers who may get left behind, ensure that they do not get penalised if they cannot take part in new technologies and options.

2.6 RECOMMENDATIONS

The recommendations drafted during Session 2 were:

Jemena should advocate through its networks for:

- Increased docking stations for Electric Vehicles across Jemena's network.
- New technologies that make the grid less carbon intensive such as renewable energy storage, efficient technologies and new housing development that enable efficient technologies.
- Clearer information and engagement with customers about energy options so people know what is the best option for them, and whether it is worth investing in different technologies.
- Support for vulnerable customers who may get left behind because they cannot take part in new technologies.



SESSION 3

A SUMMARY REPORT (DRAFT)

Session 3: **Thursday** **2 August 2018**

1 PRELIMINARIES

1.1 BACKGROUND

JEMENA PEOPLE'S PANEL – SESSION 3

PURPOSE

To explore notions of energy fairness and identify opportunities to increase fairness amongst customers.

LOCATION

Hume Global Learning Centre, Broadmeadows, Vic

DATE

Thursday, 2 August 2018

TIME

6:00pm-9:00pm

ATTENDANCE

43 People's Panel participants

Capire team; Amy Hubbard, Koel Wrigley, Caz Treby

Jemena team; Sandra Centofanti, Matthew Serpell, Ashley Lloyd, Usman Saadat, Kate Hawke, Siva Moorthy, James Harding, Deb Capicchiano, Conrad Guimaraes

Observers: Mike Swanston CCP, Olivia Boyd (AER)

1.2 AGENDA

6.00pm

Welcome and recap

6.15pm

Activity 1: Reflections on session two

6.30pm

Activity 2: Reflections on fairness

6.45pm

Presentation: Equity vs equality

6.55pm

Activity 3: Exploring fairness examples

7.30pm

Break

7.40pm

Presentation: Future grid investment

7.55pm

Activity 4: Learning about the initiatives

8.55pm

Next steps

9.00pm

Next steps and close

1.3 STAGE OF THE JOURNEY

Session 1: 21 July

Introduction

Managing electricity

Energy literacy

Customer priorities

Session 2: 26 July

The future of energy

Session 3: 2 August

Fairness

Planning for the future of energy

Session 4: 9 August

Energy reliability

Pricing structures

Session 5: 18 August

Pricing structures

Finalising recommendations

Vision for the future

SUMMARY OF DISCUSSIONS

3.4 ACTIVITY 1: REFLECTIONS ON SESSION TWO

Participants were asked to share their key reflections from session two including what their big ‘take home’ message was from the session, and whether the session had changed their perspective on how Jemena will plan for the future.

Many participants said that their perspectives had changed following session two. In particular, participants said their perspectives had changed about electric vehicles, understanding how much adaptation needs to occur to accommodate future scenarios, learning how rapidly the space (and technology) is changing, and learning about Jemena and their role in planning for the future.

‘Jemena was just the power company but now I see that they are planning to adapt the grid into future, [with] options that would benefit customer and not necessarily themselves.’

People’s Panel member

3.5 ACTIVITY 2: REFLECTIONS ON FAIRNESS

Participants articulated what fair and unfair means to them, and what key examples of fair and unfair are. Key themes emerged in descriptions of fairness, generally, participants thought that fairness was about equity, inclusiveness, equal opportunity, human rights, having ‘a fair go’ and ensuring no discrimination based on age, gender, race, background or ability.

‘Fairness is to ensure that everyone is able to access, use, think and apply to a situation or opportunity without prejudice or limitation.’

People’s Panel member

‘Fairness means that I’m treated the same as other people -equally with respect.’

People’s Panel member

3.6 ACTIVITY 3: EXPLORING FAIRNESS EXAMPLES

Key examples of fair situations included people receiving equitable opportunities. Unfair examples that participants highlighted often included financial inequity, discrimination, unequal access to welfare or services. With specific regard to electricity, participants said that it was unfair to penalise late payments or to apply discounts to those who do not need it most

‘Unfair is people being discriminated against due to their demographics. Unfair is people in the same job position being paid different wages.’

People’s Panel member

Energy fairness dilemmas

While there were themes that arose in ideas about what is fair and unfair, when asked about three key examples of energy fairness dilemmas, there were varied responses from Panel members.

Most thought that having the cost of improving areas of the network distributed evenly across the network was fair (even if upgrades only change service in some areas). Panel members were less agreed (21 voted fair, and 18 unfair)¹¹ on whether high energy appliances being used at peak times should incur costs to all customers on the network. There was also disagreement and a lack of consensus as to whether Jemena should invest more money now to prepare the electricity network for changing energy needs in the future is fair (16 voted fair, 13 unfair and 10 were undecided).

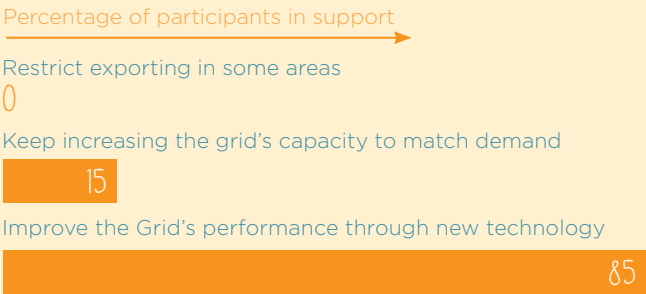
¹¹ Please note: not all Panel members completed a vote card during this session; they may have arrived late or left early, forgotten to hand it in, or not checked a box. Therefore, the numbers given in this section relate only to the data received, and do not add to 43

3.7 ACTIVITY 4: LEARNING ABOUT INITIATIVES

Following on from the discussion in session two about future energy scenarios, participants were presented with three possible future grid investment initiatives. They were asked to give their preference for each initiative and a description why.

Initiative 1: Enabling more feed-in to the grid for energy trading

Figure 7: Participant views on enabling more feed-in to the grid for energy trading (n=41)



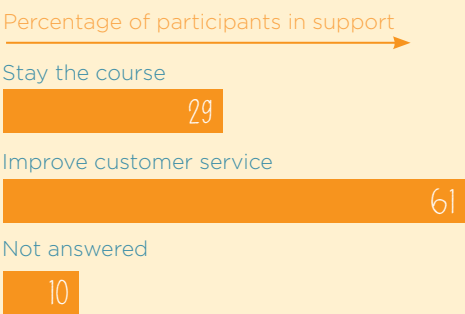
Participants voted on their preferred option for managing increasing energy feed-in to the grid from solar and other renewables for energy trading (Figure 7). There was support for improving grid performance through new technology. The reasons for supporting grid performance improvement were financial efficiency, modernising, increased energy efficiency, environmentally friendly options and that new technology could be supported. Those who supported increasing the grid to match demand felt that this option allows for flexibility in changing technologies.

‘This seems like future proofing and readying of the system.’

People’s Panel member

Initiative 2: Improving the customer journey

Figure 8: Participant views on improving the customer journey (n=41)



There was support for improved customer service (Figure 8). The reasons for supporting improved customer service were to enable technological advance (for example new technology such as solar peer-to-peer trading could be enabled through good customer service) and because it is relatively cheap in the long term. Of those who wanted customer service to stay on course, the reasons for this were that very few people contact Jemena and do so infrequently, the existing system is sufficient and Panel members who selected this felt it was not a cost worth bearing.

Initiative 3: Smartening the grid

Figure 9: Participant views on smartening the grid (n=39)



There was overwhelming support for smartening the grid (Figure 9). The reasons participants supported smartening the grid was that they felt it was a small cost; it would provide better data to support more effective decision making around network maintenance and investment. Few did not wish to smarten the grid. The reasons for this were that one member did not want costs passed on to customers, and the other through that it was not a good investment over time.

3.8 RECOMMENDATIONS

The key recommendations informed during Session 3 were complementary to those that Session 2 informed these included:

- Jemena should enable increased peer trading of energy by using new technologies to improve the performance of the grid.
- Jemena should improve their customer service by increasing their services to include mobile apps and using simpler processes.
- Jemena should invest in smart technology across the grid to allow network equipment to be used for longer without upgrading.

SESSION 4

A SUMMARY REPORT (DRAFT)

Session 4: **Thursday** **9 August 2018**

1 PRELIMINARIES

1.1 BACKGROUND

JEMENA PEOPLE'S PANEL - SESSION 4

PURPOSE

- Understand the changing energy
- Explore the Future Network options

LOCATION

Hume Global Learning Centre, Broadmeadows, Vic

DATE

Thursday, 9 August 2018

TIME

6:00pm-9:00pm

ATTENDANCE

41 People's Panel participants

Capire team; Amy Hubbard, Koel Wrigley, Caz Treby

Jemena team; Peter McGrady, Cameron Dorse, Ian Israelsohn, Matthew Serpell, James Harding, Kate Hawke, Catherine Marshall, Tina Ooi, Sun Peng; Conrad Guimaraes

Observers: Mark Henley (Consumer Challenge Panel)

1.2 AGENDA

6.00pm

Welcome and recap

6.15pm

Myth busting

6.30pm

Activity 1: Testing the experiences of outages in the room

6.45pm

Presentation: Reliability of Jemena's network

7:10pm

Activity 2: Reliability of supply and costs

7.30pm

Break

7.40pm

Activity 2 continued: Further deliberation on reliability of supply

8:10pm

Activity 3: Recommendations for communication about outages

8:20pm

Presentation: Pricing structures

8:55pm

Next steps

9.00pm

close

1.3 STAGE OF THE JOURNEY



Session 1: 21 July

Introduction

Managing electricity

Energy literacy

Customer priorities



Session 2: 26 July

The future of energy



Session 3: 2 August

Fairness

Planning for the future of energy



Session 4: 9 August

Energy reliability

Pricing structures



Session 5: 18 August

Pricing structures

Finalising recommendations

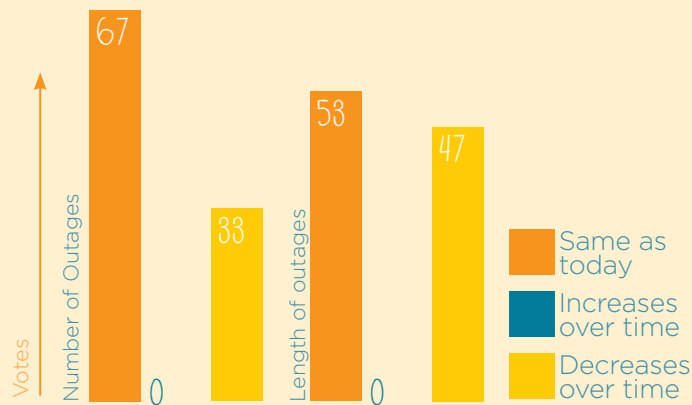
Vision for the future



SUMMARY OF DISCUSSIONS

4.4 ACTIVITY 1: TESTING THE EXPERIENCES OF OUTAGES IN THE ROOM

Figure 10: Participant views about responding to the number and frequency of outages (n=39)



Participants voted on whether they wanted the number and length of outages to stay the same, increase, or decrease over time (Figure 10). Most participants supported a 'business as usual' scenario for both the number and length of outages. No participants supported an increase in the frequency or length of outages, however the option to decrease the length of outages over time was quite well supported.

The reasons that participants said they wanted the number of outages to remain the same frequency and length as present was that the present frequency of outages are acceptable, and that it would not be worth the money required to reduce them.

Participants who supported decreases of the number and frequency of outages described that they wanted a more reliable service and felt that the impact was worth reducing for the amount required. In particular for length, participants highlighted that they felt \$10 was a small price to pay for a reduction in the length of the outage.

'Ten dollars is a minimal amount and for some people, time out does impact on them in terms of spoilage etc. so it's worth improving.'

People's Panel member

4.6 ACTIVITY 3: COMMUNICATION WITH JEMENA

Participants were asked whether Jemena should change the way customers receive information about outages (planned and unplanned). Many participants supported a change in the way that they are informed about outages. Of those who supported a change, suggestions for communication included: SMS notifications, online services or Facebook groups, a live map, email alerts, use of the Vic Emergency or other associated applications. For planned outages, it was also suggested that retailers include this information on bills in advance. The type of information that participants said they would like to receive related to the anticipated duration of the outage, the progression of issues resolution and the cause of the outage.

Some participants were happy with the existing notification process. The reasons for this were that they had signed up to receive notifications and found the service useful.

'If Jemena can inform us more over mobile or email would be better, even Facebook. For both planned and unplanned. Or an app over mobile.'

People's Panel member

4.7 SESSION 3 HOMEWORK: ENERGY LITERACY

Participants were asked to review two recommendations for Jemena to improve energy literacy. The recommendations related to meter data and increasing investment.

Meter data

Participants were asked to comment on whether Jemena should improve access to meter data, ensuring it is accessible and easy to use. There was support to improve the Jemena portal, add additional services, and to improve Jemena services and access via third party services (see Figure 11). There were low levels of support for Jemena not to improve access to meter data, or to only improve access through third parties.

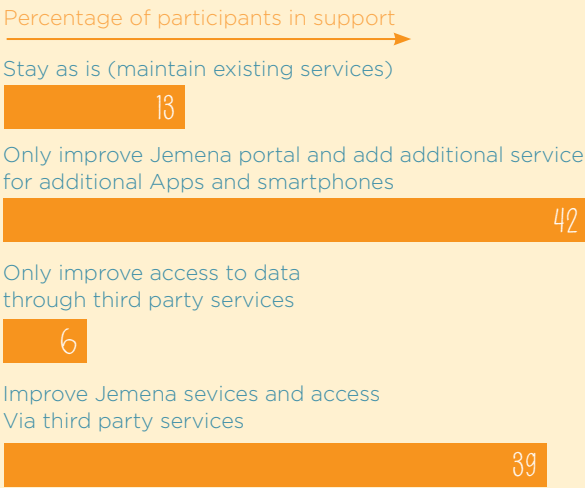
The reasons that participants stated they supported an improved Jemena portal and additional services was that participants did not like the idea of third parties having their personal data and information. Participants also felt that expanding existing Jemena services would be efficient and streamlined. There was support for the use of new services, in particular applications (apps).

Of those who supported improvement and access via third parties, the reasons given were that they felt this would be accessible to a range of customers, and that the Jemena portal need not be improved in isolation. Some participants who selected this option said they thought it would be more transparent than Jemena services alone, and that ultimately more information provided to the community would be good.

‘I chose [improving Jemena services and access via third party services] because I feel it’s a much needed update and great way to educate the customer.’

People’s Panel member

Figure 11: Improving meter data (n=31)



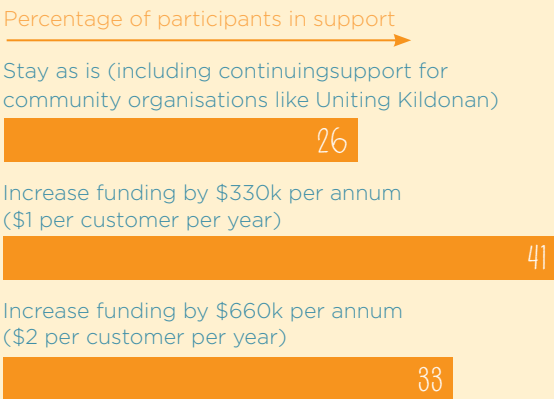
Energy literacy investment

Participants were asked whether Jemena should increase the investment into energy literacy and awareness in the community. Many participants supported an increase in funding, more supported this by \$330,000 per annum, and some supported an increase by \$660,000 per annum (see Figure 12). The reasons participants said they supported an increase were that they felt that \$1 or \$2 was very little to pay, and said they felt that energy literacy is important, and that Jemena has a role in it.

‘I believe \$2 is not a large investment for every household to receive improved energy literacy. I think raising awareness about the future of energy use, possible charges, is imperative to be able to sustain/maintain and allow for future improvements.’

People’s Panel member

Figure 11: Improving meter data (n=31)



4.8 RECOMMENDATIONS

The recommendations informed during Session 4 (and a homework task that was submitted by panel members with solar panels), were:

- Jemena should maintain the number of outages as they are today – on average each customer experiences four outages every four years.
 - Jemena should maintain the length of outages as they are today – on average 51 minutes per outage.
 - Jemena should send SMS messages to all customers for unplanned outages. The message should include an estimation of how long it will take to fix the outage.
 - Jemena should provide email or letter notifications about all planned outages. This should include accurate details of how long the outage will be and suggestions for how to manage the time without electricity.
 - Jemena should work with retailers to create an opt-out process for notifications, so all customers can receive notifications via their mobile unless they choose not to.
- Jemena should advocate through its networks for:
- An impartial and technically accurate source of information for people who are considering installing solar. The information would include:
 - what capacity people can legally have installed
 - what the tariffs are available for solar customers, and how they impact bills
 - what the returns are with the current feed-in tariffs
 - how you best manage appliance use during the day to maximise energy generated from the panels.



SESSION 5

A SUMMARY REPORT (DRAFT)

Session 3:
Saturday
18 August 2018

1 PRELIMINARIES

1.1 BACKGROUND

JEMENA PEOPLE'S PANEL - SESSION 5

PURPOSE

To create a vision for how Jemena will work with their customers in the future

Explore network pricing structures and implementation

To determine final People's Panel recommendations and present to Jemena

LOCATION

Hume Global Learning Centre, Broadmeadows, Vic

DATE

Saturday, 18 August 2018

TIME

9.30am – 3.30pm

ATTENDANCE

42 People's Panel participants

Capire team; Amy Hubbard, Koel Wrigley, Nicolle Versteeg

Jemena team; Shaun Reardon, Sandeep Kumar, Alan Hume, Alex McPherson, Kate Hawke, Chris Stewart, Benjy Lee, Matthew Serpell, Sandra Centofanti, Ruan Qiantu, Paul Adams, Gracie Li, Usman Saadat, Conrad Guimaraes, Ashley Lloyd

External observers; Greg Snelders (MEFL), Kate Nicolazzo (MEFL), Anthony O'Connell (Simply Energy), Robyn Robinson (Consumer Challenge Panel), Charlotte Eddy (Ausnet Services), Mark De Villiers (Powercor)

1.2 AGENDA

9.50am

Activity 1: Visioning

10.20am

Activity 2: Network pricing recap

10.55am

Morning tea break

11.05am

Discussing pricing structure results

11.20am

Activity 3: Additional network pricing options

11.50am

Activity 4: Implementing network pricing structures

12.20pm

Lunch

12.50pm

Activity 5: Reviewing and voting on the recommendations

1.50pm

Activity 6: Deliberating and finalising recommendations

2.50pm

Present recommendations to the Jemena Board

3.15pm

Formal thankyou and evaluation

3.30pm

Close

1.3 STAGE OF THE JOURNEY



Session 1: 21 July

Introduction

Managing electricity

Energy literacy

Customer priorities



Session 2: 26 July

The future of energy



Session 3: 2 August

Fairness

Planning for the future of energy



Session 4: 9 August

Energy reliability

Pricing structures



Session 5: 18 August

Pricing structures

Finalising recommendations

Vision for the future



SUMMARY OF DISCUSSIONS

5.4 ACTIVITY 1: VISIONING

For the visioning activity, each participant was given a vision card with a question on it and had five minutes to complete the card. The question on the card was:

'In 2030, Jemena and their customers will have a positive relationship. This has been achieved by...'

Participants filled in three vision statements and then swapped cards. Participants then gave a score to each vision statement on the other participant's card. In total, participants swapped their cards five times, scoring the vision statements each time. The top scoring vision statements are shown below:

- Listen and act on customer feedback to build strong relationships and mutual trust.
- Meaningful and ongoing engagement with customers, stakeholders and the community to inform strategic decisions.
- Provide relevant and accessible information to build energy literacy and customer knowledge.
- Invest in new technologies as necessary to support increased energy efficiency of the grid.
- Consider in all decisions the least able customers and support them into the future.

5.5 ACTIVITY 2: NETWORK PRICING STRUCTURE

This activity aimed to present and review the three network pricing structure options.

The pricing structure options are as follows:

• Simple

- fixed and flat usage charges
- customers can only reduce costs by reducing their total energy used
- does not target reducing use during peak times (3-9pm workdays).

• Time of use

- three rate prices structure; highest price time 'peak' (3-9pm workdays), lowest off peak (10pm – 7pm all days), and middle price 'shoulder time' (all other times)
- encourages customers to move electricity use away from 3-9pm workdays to other times.

• Monthly maximum demand

- higher price for using electricity during peak time (3-9pm workdays), lower prices for other times
- encourages customers to move electricity use away from 3-9pm workdays to other times or not use all appliances at once during 3-9pm.

To do this, participants visited three 'stations' for each proposed structure, and asked Jemena staff about the structure and its impact. To assist them in their deliberations, participants were given examples of what their personal bill would be under each pricing structure. This was done by asking permission to access Panel members personal smart meter data.

Participants had two chances to vote on their preferred pricing structure. Initially participants preferred the simple structure but after discussing the implementation options and being able to 'opt out' at tables, some people shifted their preferences. Figure 13 below shows that in the second vote participants preferred the 'monthly maximum demand' pricing structure¹².

Figure 13: Number of participant votes for each network pricing structure (n=38)



¹² The simple pricing structure was preferred on first vote but after further discussion and a second vote monthly maximum demand became preferred.

Simple network pricing structure

Of the participants that chose the 'simple' network pricing structure, half thought it is best as it was the clearest and easiest to understand while the half thought it would be the cheapest.

Participants that said it is the easiest to understand and believe energy pricing would be more transparent to the community, particularly for those with low energy literacy. Participants who thought it would be the cheapest also suggested it would encourage them to reduce their overall energy use.

'even though personally my cost would go up, overall it is better for the community and the environment as a whole.'

People's Panel member

Time of use

Participants gave several reasons for choosing the 'time of use' option. These reasons are:

- It will encourage people to use solar and battery power during peak times to reduce their bill.
- It will reduce the demand on the network during peak periods.
- It will be cheaper for people who use most of their power during off-peak times.

'We would be encouraged to change a few habits, of course, but this is the best option so people can be more responsible about energy use'

People's Panel member

Monthly maximum demand

Most participants that chose the 'monthly maximum demand' option believe it would empower users to reduce their bill by changing their usage patterns. Participants recognised that this option could produce the best environmental outcomes due to reduced energy usage. In some cases participants chose this pricing structure because they perceived it was the best for society, even if it wasn't the cheapest option for their personal usage.

5.6 ACTIVITY 3: ADDITIONAL NETWORK PRICING OPTIONS

Jemena presented two additional network pricing options to participants.

These were:

- The 'subscription tariff structure' where customers pre-agree on a Maximum Monthly Demand for a pre-agreed monthly fee but incur a penalty charge if they go over their pre-agreed amount.
- The 'Peak rebate' where customers are paid \$20 if they do not increase their electricity usage during times when the grid is under pressure.

Participants comments, on these additional options are summarised below.

5.6.1 SUBSCRIPTION TARIFF STRUCTURE

What aspects of this network pricing structure option do you like?

- Customers can monitor their usage at all times, and then cut back if necessary.
- It is easy to budget around this structure.
- It will increase choice in the market, allowing those it suits to use this pricing structure.

Do you see any challenges with this option?

- Penalties could be high if customers go over their monthly maximum. Customers may also get locked into a contract that is not right for them.
- Customers do not get a credit if they use less than their allotted monthly maximum.
- This method might be difficult to understand for those with low energy literacy.

Unsure or more information required

- It might incentivise more energy use.
- It may cause worry about events which result in increased energy usage, such as heatwaves.

5.6.2 PEAK TIME REBATE

What aspects of this network pricing structure option do you like?

- It will encourage less energy usage as it rewards good energy use behaviour.
- It is a significant rebate for low income populations.
- The community may build resilience with this method.

Do you see and challenges with this option?

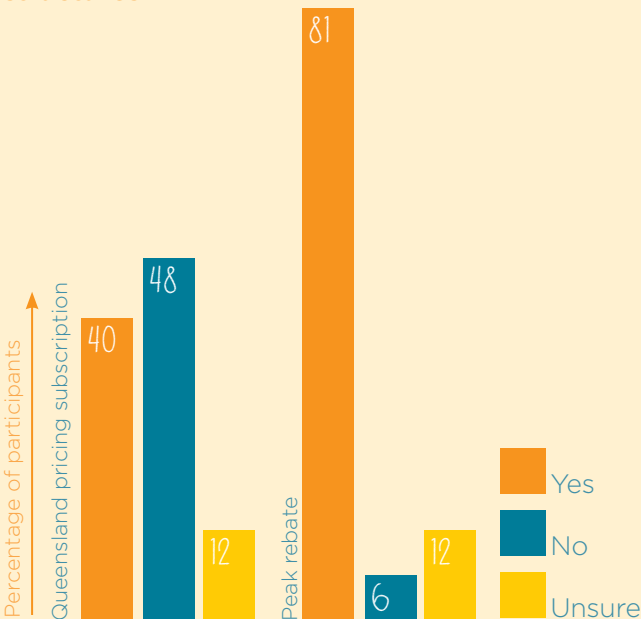
- Some people might not change their use for \$20.
- Certain individuals and businesses cannot readily reduce their energy usage.
- It may need investment in technology to alert people of the option to reduce their usage for a rebate.

Unsure or more information required

- High energy users, like households with pools, may be able to reduce their usage far more readily.
- Need technology to show how we can reduce peak usage.

Participants were asked to indicate whether they wanted to Jemena to pursue either of these pricing structure options further. As illustrated in Figure 14, there was strong support for pursuing the peak rebate further.

Figure 14: Participant levels of support for pricing structures



5.7 ACTIVITY 4: IMPLEMENTING NETWORK PRICING STRUCTURES

In groups, participants discussed the effect of different approaches to implementing the network pricing structure.

The following summarises the key points.

- Participants largely supported having new developments mandatorily signed up to pricing structures, if there was an opt-out option. Some people felt it was the only way to get broader community change, otherwise opt-in takes too long. A few tables expressed concern about vulnerable households being pushed into pricing structures and encouraged providing education for customers about their options.
- For existing housing developments participants preferred an opt-in model, where everyone is provided with clear information about the broader societal benefits of different options.
- As participants only supported mandatory 'opt-out' option for new housing developments, they did not think there would be a huge impact on energy behaviour until someone moved to a new place. Some tables commented that making pricing structures mandatory for all could make people angry and distrust the industry more.
- There was some concern that lower income populations might not have the capacity to alter their energy usage and could be unfairly impacted unless they could opt-out.

5.8 ACTIVITIES 5 AND 6: REVIEW AND VOTE ON RECOMMENDATIONS, FINALISE RECOMMENDATIONS

In the final session, participants were presented with 27 draft recommendations to consider. These recommendations all came from activities previously undertaken such as voting on options, or suggestions for how services can be improved.

There were two types of recommendations:

- recommendations on topics presented by Jemena that they must submit pricing for
- recommendations that were suggested by the People's Panel to improve customer experience and address issues such as emissions.

The aim was to achieve a super majority (75 per cent support), so that Jemena could be confident that adopting the recommendation would be best for customers.

There were several steps taken to enable People's Panel members to finalise their recommendations. The steps were:

1. Presenting and sharing with participants the draft recommendations, and which session or activity they were each drafted from.
2. Sharing the cumulative long and short-term bill impact of the current draft recommendations, including what alternate choices would cost.
3. A first vote using individual sticky dots where each People's Panel member indicated whether they supported the recommendation or not.
4. Recommendations that received 75 per cent or more support were accepted, recommendations that did not were deliberated (four recommendations in total were deliberated).
5. People's Panel members shared with other participants why they supported or did not support the four recommendations. This was done as a whole group activity standing either side of a line marked on the floor. Participants volunteered to share their perspectives.
6. A second vote was conducted with different coloured sticky dots on the remaining four recommendations. After this vote it was revealed that some participants had changed their mind and two more of the recommendations has achieved a super majority.

The voting results are shown in the sections below. Where a recommendation had a re-vote, the final vote tally is shown.

5.8.1 ENERGY LITERACY

Table 3: Energy literacy recommendations

Recommendation	Disagree	Agree
That Jemena should improve the information available to customers and the ease of access to smart meter data. This should be through: improving Jemena's portal adding additional services such as apps for smart phones.	0%	100%
Jemena should increase investment into energy literacy and awareness in the community by \$330,000 per annum (\$1 per customer per year).	22%	78%
Jemena should investigate how customers could be provided with personal usage and bill information for different pricing structures.	8%	92%

5.8.2 FUTURE NETWORK INITIATIVES

Table 4: Future network initiatives recommendations

Recommendation	Disagree	Agree
Jemena should enable increased feed in of solar (and other renewables) into the grid, by improving the performance of the grid through new technologies. This will facilitate peer to peer trading of energy.	3%	97%
Jemena should improve their channels of customer service by increasing their services to include mobile apps and using simpler processes.	21%	79%
Jemena should invest in smart technology across the grid to ensure network equipment is not upgraded too early.	0%	100%

5.8.3 NETWORK RELIABILITY – OUTAGES

Table 5: Network reliability – outages recommendations

Recommendation	Disagree	Agree
Jemena should maintain the number of outages as they are today – on average each customer experiences four outages every four years.	13%	87%
This recommendation had two options: a. Jemena should invest in technology to decrease the average length of outages, so that by 2030 the average outage would last for around 40 minutes.	62%	38%
b. Jemena should invest in technology to decrease the length of outages, so that by 2030 they would be around 45 minutes.	52%	48%

5.8.4 NETWORK RELIABILITY – NOTIFICATIONS

Table 6: Network reliability – notifications recommendations

Recommendation	Disagree	Agree
Jemena should send SMS messages to all customers for unplanned outages. The message should include an estimation of how long it will take to fix the outage.	0%	100%
Jemena should provide email and letter notifications about all planned outages. This should include accurate details of how long the outage will be and suggestions for how to manage the time without electricity.	5%	95%
Jemena should work with retailers to create an opt-out process for notifications, so all customers can receive notifications via their mobile unless they choose not to.	0%	100%

5.8.5 NETWORK PRICING STRUCTURES

Table 7: Network pricing structures recommendations

Recommendation	Disagree	Agree
The Panel believes that the Monthly Maximum demand pricing structure is the best for customers, so long as customers can opt out.	26%	74%
The Panel recommend that Jemena continue to explore using rebates to encourage customers to respond during times of need (for example hot days)	5%	95%

5.8.6 ADVOCACY #1

Table 8: Advocacy #1 recommendations

Recommendation	Disagree	Agree
Jemena should advocate through its networks for:		
Increased docking stations for Electric Vehicles across Jemena's network	8%	92%
Jemena will advocate for an impartial and technically accurate source of information for people who are considering installing solar. The information would include: What capacity can people legally have installed What are the tariffs available for solar customers, and how they impact bills What are the returns with the current feed-in tariffs How do you best manage appliance use during the day to maximise energy generated from the panels	5%	95%

5.8.7 ADVOCACY #2

Table 9: Advocacy #2 recommendations

Recommendation	Disagree	Agree
Jemena should advocate through its networks for:		
New technologies that make the grid less carbon intensive such as renewable energy storage, efficient technologies and new housing development that enable efficient technologies.	8%	92%
Clearer information and engagement with customers about energy options so people know what is the best option for them, and whether it is worth investing in different technologies.	0%	100%
Support for vulnerable customers who may get left behind because they cannot take part in new technologies.	0%	100%

5.8.8 ADVOCACY #3

Table 10: Advocacy #3 recommendations

Recommendation	Disagree	Agree
Jemena should advocate to the government and the regulator for:		
Government-supported energy literacy programs and educating customers about retailer deals.	20%	80%
A bipartisan plan that responds to the energy crisis.	18%	82%

5.8.9 WORKING WITH RETAILERS #1

Table 11: Working with retailers #1 recommendations

Recommendation	Disagree	Agree
Jemena should work with retailers to:		
Provide bills in other languages.	42%	58%
Provide education resources about different supply and usage charges, and how charges are broken down.	13%	87%
Investigate pre-paid or bundled plans to eliminate bill shock or difficulty planning.	45%	55%

5.8.10 WORKING WITH RETAILERS #2

Table 12: Working with retailers #2 recommendations

Recommendation	Disagree	Agree
Jemena should work with retailers to:		
Simplify pricing rates to ease competition and consumer choice.	0%	100%
Encourage retailers to keep providing paper bills for customers who want it.	24%	76%

5.9 POST-POLL SURVEY

To evaluate Panel members' understanding, perceptions and trust changes over the People's Panel process, participants were asked to complete a pre-poll survey and a post-poll survey. The poll asked questions about the participants knowledge, about their trust of Jemena and the electricity industry and about the Panel process. The results of the post-poll survey are displayed in Table 13.

Table 13: Participants responses to the post-poll survey

where Strongly Disagree =1, Disagree = 2, Neutral/Unsure = 3, Agree = 4, Strongly Agree = 5. (n=42)

Question	Average score (out of 5)	Average response
I do not understand Jemena's role in providing electricity	1.6	Disagree
I understand the contents and structure of my electricity bill	4.2	Agree
I am confident my fellow People's Panel members have the skills and knowledge to contribute to decision making processes	4.3	Agree
I believe Jemena cares about their customers	4.4	Agree
I am confident that Jemena will honour the outcome of this process	4.4	Agree
I do not believe electricity distribution is priced fairly	2.8	Neutral/Unsure
I value diversity and perspective of community members in decision making processes	4.6	Strongly Agree
I do not understand the role of an electricity distributor	1.4	Disagree
I believe that the electricity industry is working in the long-term interest of customers	3.8	Agree
I feel I have the skills and knowledge to contribute to Jemena's decision-making processes	4.6	Strongly agree

5.10 EVALUATION

In the final session, participants evaluated all five sessions of the People's Panel process. The evaluation covered at six different aspects. These were:

- the recruitment process
- your experience of the People's Panel
- information provided
- meeting locations
- future events
- overall views.

Table 14: Participant's evaluation of the People's Panel process

	Strongly Disagree	Disagree	Neutral/ Unsure	Agree	Strongly Agree
The recruitment process					
I felt the People's Panel recruitment process was clear	0	0	2	46	51
I understood what was expected of me before joining the People's Panel	5	5	29	40	21
I felt effort was made to support my participation in the Panel	0	0	10	36	55
I felt the \$400 reimbursement was an appropriate amount	2	7	24	36	31
I would happily have joined the People's Panel without being paid	12	14	24	33	17
Your experience of the People's Panel					
I had many opportunities to express my opinions and views	0	0	5	29	67
I found the activities engaging and appropriate	0	0	7	21	71
I feel Jemena staff listened to my views	0	0	5	19	76
I understood what I could influence in this process	0	0	10	48	43
I heard from a diversity of people and views	0	2	2	26	69
Information provided					
I felt the quality of information provided allowed me to form an opinion	0	2	5	48	45
I felt that presentations from Jemena staff were valuable to me	0	0	8	28	65
I felt that presentations from invited guests were valuable to me	0	2	7	26	64
I felt that additional information and answers to questions were provided in a timely manner	0	2	5	38	55

Table 14: Participant's evaluation of the People's Panel process (Cont.)

	Strongly Disagree	Disagree	Neutral/ Unsure	Agree	Strongly Agree
Meeting locations					
I felt that the Hume Global Learning Centre was a suitable venue for the events	0	0	5	40	55
I felt the catering of events was suitable	2	2	12	55	29
Future events					
I would recommend my friends or family to join any future Jemena community engagement	0	0	5	36	60
Overall Views					
I clearly understand the purpose and outcomes of the People's Panel	0	0	2	36	62
My participation in the Jemena People's Panel was worthwhile	0	0	2	31	67
I enjoyed my time on the People's Panel	0	0	2	29	69

5.11 RECOMMENDATIONS

The recommendations informed during Session 5 were:

- Jemena should investigate how customers could be provided with personal usage and bill information for different pricing structures.
- The Panel believes that the Monthly Maximum demand pricing structure is the best for customers, so long as customers can opt out.
- The Panel recommend that Jemena continue to explore using rebates to encourage customers to respond during times of need (for example hot days).

‘I have learned a lot and found it really valuable, enjoyable and it is great to feel you’re influencing the future for people in a positive way’

People's Panel member

A group of people in a meeting, overlaid with a yellow filter. The image shows several individuals in business attire, with a woman in the foreground smiling and looking towards the camera. The background is slightly blurred, showing other people and office equipment like a tripod.

APPENDIX B

Recruitment Process

1 ONLINE PAGE SET UP AND EXPRESSION OF INTEREST FORM

Recruitment will take place through an expression of interest form. This form will be hosted online on the YourGrid website and ask a series of questions that will allow Capire to identify demographic characteristics and customer segments of people. The form will direct people to read the People's Panel Terms of Reference which will outline what Panel members can expect and what is expected of them.

The People's Panel will have a dedicated page on the YourGrid website, which will be the central location for information and communication about the Panel. All recruitment materials will direct people to the online page, however a number will be provided for people who do not want to or cannot access the internet. This phone line will be monitored by Capire and people will be supported to express their interest over the phone.

A draft of the expression of interest form is included in Appendix B. Below details the information that will be included in the online page, and the types of questions in the expression of interest form.

The online page should contain:

- project timeline
- background information and videos on Jemena, including distribution map
- background information on the project (including the rationale)
- people's Panel Terms of Reference
- frequently Asked Questions
- the expression of interest form
- selection criteria and selection process diagrams
- phone and email contact details for more information
- sign up for updates tool.

The expression of interest form will include questions that identify:

- whether people can attend all five sessions (this is compulsory)
- demographics (age, gender, suburb, culturally diverse, housing type etc)
- customer segmentation
- why they want to take part in the Panel
- any support or assistance required for example transport assistance, interpretation, childcare.

2 PROMOTIONAL METHODS AND TIMELINES

The recruitment of People's Panel participants will be achieved through promoting the Panel using different methods to reach a diverse audience. Figure 2, provide a potential timeline for promotion.

KEY METHODS

Expression of interest (online)

An online expression of interest form will be open to all customers within the Jemena Distribution Area. Capire are seeking 300+ responses so that the Panel selected can be representative of the participant targets outlined in Section 2 (Table 1).

Send letters

Letters will be randomly distributed to 4,500 households within the Jemena Distribution Area. The letters would be spread geographically across the area according to proportion of customers in that area. The letter will provide context and information for the Panel, and direct the reader to complete an online expression of interest form if they are interested in participating. All types of residents (home owners, renters and people living in social housing) would be reached in the mailout.

Newspaper advertisements

Advertisements will be published in print and digitally through the local newspapers. Promotional channels may include: the Leader All News North-West (online), Sunbury Leader, Hume Leader, Moonee Valley Leader, Maribyrnong Leader, and the Brimbank and Northwest Star Weekly.

Social media updates

Social media updates will be provided through Jemena's Facebook, LinkedIn and Twitter networks weekly. Capire and Jemena will liaise with key stakeholders to request that updates are re-posted and shared to networks of people who may be underrepresented.

Weekly review of EOI against participation targets

Capire will monitor EOI forms as they come in, and will cross-check them against participant targets. Groups or demographics who are not yet represented in EOIs will be identified. We will collaborate with Customer Council members and other support and advocacy organisations to ensure hard-to-reach groups are specifically targeted through promotional material. Additional promotional measures (dependent on EOIs received) may include: notice board displays, targeted social media advertising, and emailing contact lists.

Figure 15: Intended promotional activities and suggested timelines.

		MAY		
		Week 3	Week 4	Week 5
Promotion	task	14-May	21-May	28-May
EOI open	EOI open			30-May
Letter drop	List of random letter addressees developed (Jemena)			
	Letters prepared and booked for delivery with AusPost			
	Letters distributed			
Emails	Jemena email to existing customer network material prepared			
	Jemena email to existign cust.network sent			
Newspaper	Leader Newspaper (All News North West) online ad: material finalised			
	All News North West advertisment goes live			
Sunbury Leader Ad	Booking with the Leader			
	Display approval deadline			
	Advert run			
Hume Leader	Booking with the Leader			
	Display approval deadline			
	advert run			
Moonee Valley Leader	Booking with the Leader			
	Display approval deadline			
	advert run			
Facebook post (Jemena)	Every Thursday for duration of EOI			
LinkedIn	LinkedIn article prepared			
	LinkedIn article shared			
Facebook Ads	Targeted facebook adverts (and audiences) determined			
	Targeted Facebook ads			
Email	email to existing Jemena contacts promoting the event			

EOI close 27 July

3 COMMUNICATIONS

To ensure consistency across all communications a set of key messages have been developed for the People's Panel.

These can be used in promotional text, Terms of Reference and the website as appropriate.

- Jemena is the company who transports electricity to homes and businesses in Melbourne's north-west.
- Jemena wants to consult with their customers to understand their expectations and ideas about the future of energy.
- The future of energy is an important and complex issue and Jemena is creating a People's Panel of 48 customers who represent the diversity of the community in Melbourne's north-west.
- The People's Panel will meet for five sessions in July and August 2018, to explore how electricity transportation works, how it impacts bills, potential changes in the future, and how it can be improved to meet customer needs.
- Jemena will use the feedback and recommendations collected through the People's Panel to inform their Electricity Pricing and Services Plan (2021-2025), and Vision of the future of electricity.
- Customers interested in participating in the People's Panel can complete an Expression of Interest at [web address]
- All customers in Jemena's electricity network area can apply, however people will be randomly chosen using their demographic information. If you are not selected for the People's Panel there will be other chances to take part in the consultation. Please register for updates at [web address]

A set of Frequently Asked Questions (FAQ's) will be developed to assist the communication of this project. These FAQs will be available on the online page and as background information for any physical promotion (e.g. with letters). The questions to answer are provided below.

Who are Jemena?

Jemena is the company who transports electricity to homes and businesses in Melbourne's north-west. They build and manage infrastructure including the power poles and wires that bring electricity to your home. As a distribution company, Jemena's services makes up approximately 34% of a typical household electricity bill.

Jemena also provide gas and water to other parts of Australia.

Who are Jemena's Electricity customers?

Jemena's customers include all electricity consumers who are or could be connected to their electricity network in the future. They also provide services to other groups such as property developers, landlords and local business (both large and small), who make energy supply choices on a customer's behalf.

Where is the Jemena Electricity Network?

If you live in Melbourne's northern suburbs – such as Yarraville, Williamstown, and Avondale Heights – the electricity you use will have travelled to your home or business across the Jemena Electricity Network.

The Jemena Electricity Network is one of five electricity distribution networks in Victoria. We are the sole distributor of electricity in north-west greater Melbourne, servicing more than 330,000 households and businesses.

[Link a map here]

Why does Jemena want to consult its customers?

As a provider of essential services (gas, electricity and water) Jemena have an important relationship with their customers and the community. They are at the heart of Jemena's commitment to deliver electricity safely, reliably and affordably.

Jemena want to consult their customers to understand their expectations and ideas about the future of energy.

What is a People's Panel?

A People's Panel is a group of community representatives coming together to learn about and discuss issues in detail over five sessions. The panel will comprise approximately 48 participants who represent the diversity of the community in Melbourne's north-west.

This approach that provides a way for 'everyday citizens' to work through complex matters, including difficult trade-offs that are involved in policymaking.

Why is Jemena forming a People's Panel?

This year is a big year of future planning for Jemena. This includes submitting their Electricity Pricing and Services Plan (2021-2025) to the Regulator and preparing their Energy Futures Strategy. Jemena has decided to consult it's customers to inform these two important planning pieces.

The future of energy is an important and complex issue therefore it is important to give people a lot of time and information during consultation. A People Panel takes the same group of people on a journey over five sessions which is why it is the best method for discussing the future of energy and Jemena's planning.

What influence will my participation have on the Jemena's future decisions?

Jemena will use the feedback and recommendations collected through the People's Panel to inform their Electricity Pricing and Services Plan (2021-2025), and the Vision of the future of electricity.

Will I get paid?

This is a voluntary role, however Jemena acknowledges and appreciates the commitment made by participants. Therefore, compensation will be provided at the end of the process (\$400 in total). This compensation will be provided in EFTPOS gift cards, which can be used everywhere EFTPOS is accepted.

How do I sign up to be part of the People's Panel?

Customers interested in participating in the People's Panel can complete an Expression of Interest at [yourgrid.jemena.com.au]

Any Jemena customers can apply, however people will be randomly chosen using their demographic information. If you are not selected for the People's Panel, there will be other chances to take part in the consultation. Please register for updates at [yourgrid.jemena.com.au].

4 TERMS OF REFERENCE

Before the People's Panel begins all participants will be asked to agree to a Term of Reference. This sets out what they can expect of the Panel process and what we expect of them. The Terms of Reference content has been drafted and is below.

What is a People's Panel?

A People's Panel is a group of community representatives coming together to learn about and discuss issues in detail over five sessions. The panel will comprise approximately 48 participants that a who represent the diversity of the community in Melbourne's north-west.

This approach that provides a way for 'everyday citizens' to work through complex matters, including difficult trade-offs that are involved in policymaking.

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This year, is a big year of future planning for Jemena. This includes submitting their customer Electricity Pricing and Services Plan (2021-2025) to the Regulator and preparing their Energy Futures Strategy. Jemena has decided to consult customers to inform these two important planning pieces.

The future of energy is an important and complex issue therefore it is important to give people a lot of time and information during consultation. A People Panel takes the same group of people on a journey over five sessions which is why it is the best method for discussing the future of energy and Jemena's planning.

How will the People's Panel be selected?

Recruitment and selection of participants will be facilitated by an independent consultant, based on a set of criteria determined by Jemena. Selection will aim to closely resemble the Jemena community profile (ABS Census 2016). Where there are several people who meet specific demographic characteristics, the required number of people will be randomly selected.

What will the People's Panel involve?

Jemena wants to provide an opportunity for customers to explore how electricity transportation works, how it impacts bills, potential changes in the future, and how it can be improved to meet customer needs. To do this a series of sessions has been planned.

Each member of the panel will be required to attend all the five sessions.

The panel will meet over five weeks on the following dates:

- Saturday 21 July, 9.30am – 3.30pm
- Thursday 26 July, 6.00pm – 9.00pm
- Thursday 2 Aug, 6.00pm – 9.00pm
- Thursday 9 Aug, 6.00pm – 9.00pm
- Saturday 18 Aug, 9.30am – 3.30pm

All sessions will be held in the same location in Broadmeadows, the exact location will be provided to successful participants.

Catering will be provided at each session, support will also be provided for participants that request assistance to meet their childcare, interpreting, and/or carer support responsibilities.

Jemena will use the feedback and recommendations collected through the People's Panel to inform their Customer Electricity Pricing and Services Plan (2021-2025), and Vision of the future of electricity.

Do I need to have any expert knowledge to participate?

No. The 'expertise' we are looking for is that you are a customer of Jemena and are interested in the future of energy. These sessions are an opportunity to learn more about how the electricity distribution works, as well as providing your informed feedback.

What will I be expected to do?

Throughout these sessions you will work together with Jemena staff and experts to explore how electricity transportation works, how it impacts bills, potential changes in the future, and how it can be improved to meet customer needs.

You will be asked to:

- listen to information from expert presenters
- discuss and listen to the perspectives and views of other participants
- contribute to a set of recommendations established by the group

These sessions will be guided by an independent facilitator to ensure an effective and meaningful process.

How will I be expected to conduct myself?

In agreeing to be a part of this process you will be required to attend, and participate in all five sessions.

You will also be expected to arrive on time, and remain for the duration of each session, or if you are unavoidably delayed to communicate with the People's Panel contact person.

Throughout the process you will be expected to take advantage of the information provided to learn as much as you can, to treat all people in a respectful and courteous manner, and allow others to express their views.

You will be expected to help create a comfortable environment for these conversations – by having an open mind and being prepared to consider alternative views.

Will I get paid?

This is a voluntary role, however Jemena acknowledges and appreciates the commitment made by participants. To this end, remuneration will be provided at the end of the process (\$400 in total). This remuneration will be provided in EFTPOS gift cards, which can be used everywhere EFTPOS is accepted.

What influence will my participation have on the Jemena's future decisions?

Jemena will use the feedback and recommendations collected through the People's Panel to inform their Electricity Pricing and Services Plan (2021-2025), and Vision of the future of electricity.

Can I talk about what happens in these sessions?

Generally, yes. Talking to your family and friends about this project is encouraged, and you will be able to share and consider new information with them, to help them to understand dilemmas being faced in relation to planning and operating an electricity network.

Over the course of the forums there may be issues which are raised that should remain confidential. If this is the case we will inform you at the time.

Please remember, these groups operate as advisory only to Jemena, and no member of the group is authorised to speak to external third parties on behalf of Jemena.

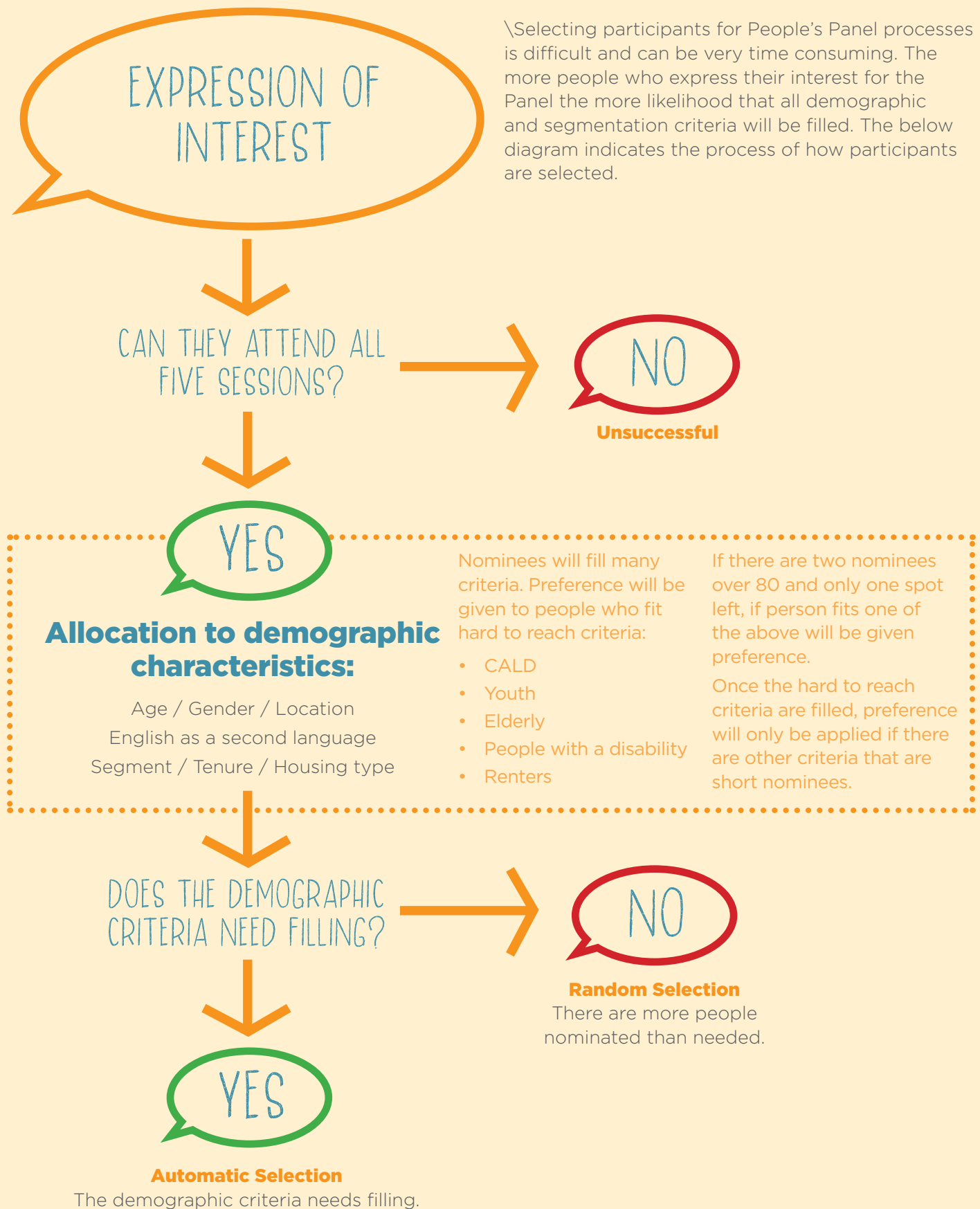
If you are contacted by an external third party, such as the news or media, it is expected you will refer these contacts on to the group facilitator, or to a contact person at Jemena.

Privacy Policy

Your privacy is absolutely protected and Jemena and the providers of the Your Grid, Your Way engagement portal (<https://yourgrid.jemena.com.au/>) will only use your email to contact you with updates and to invite you to participate in consultations. Your email address and any other information provided by you will not be distributed to any third party or used for any other purpose. You can review our privacy online at <http://jemena.com.au/about/privacy>

5 PANEL SELECTION PROCESS

\Selecting participants for People's Panel processes is difficult and can be very time consuming. The more people who express their interest for the Panel the more likelihood that all demographic and segmentation criteria will be filled. The below diagram indicates the process of how participants are selected.



APPENDIX B (A)

Location by suburb

Airport And Surrounds	Airport West	Inner West	Aberfeldie	Inner East	Alphington
	Attwood		Ascot Vale		Eaglemont
	Bulla		Avondale Heights		Fairfield
	Melbourne Airport		Braybrook		Heidelberg
	Oak Park		Brooklyn		Heidelberg Heights
	Strathmore		Essendon		Heidelberg West
	Strathmore Heights		Essendon North		Ivanhoe
	Tullamarine		Essendon West		Ivanhoe East
Broad-meadows and Surrounds	Broadmeadows		Fawkner		Macleod
	Coolaroo		Flemington		Rosanna
	Dallas		Footscray		View Bank
	Jacana		Keilor East		Yallambie
	Meadow Heights		Kensington	North West	Hillside
	Westmeadows		Kingsville		Keilor Lodge
Inner North	Bellfield		Maidstone		Keilor North
	Coburg		Maribyrnong		Plumpton
	Coburg North		Moonee Ponds		Sydenham
	Glenroy		Newport		Taylors Hill
	Gowanbrae		Niddrie		Taylors Lakes
	Hadfield		Seddon	Sunbury And Surrounds	Clarkefield
	Kingsbury		South Kingsville		Diggers Rest
	Pascoe Vale		Spotswood		Gisborne South
	Pascoe Vale South		Tottenham		Oaklands Junction
	Preston		Travancore		Sunbury
	Reservoir		West Footscray		Wildwood
North	Campbellfield		Williamstown		Yuroke
	Craigieburn		Williamstown North		
	Greenvale		Yarraville		
	Mickleham				
	Roxburgh Park				
	Somerton				

APPENDIX B (B)

Expression of Interest form

This nomination form is for you to express interest in taking part in the Energy Futures People Panel. The following form includes questions to help us find out a little more about you and your interest in this project.

Please ensure you have read the Terms of Reference before submitting your nomination. If you have any trouble answering these questions, or prefer to provide your answers over the phone, please call [contact and number].

Before commencing this form, please confirm that you can attend all five People's Panel sessions - Sat 21 July (9.30am – 3.30pm), Thurs 26 July (6.00pm – 9.00pm), Thurs 2 Aug (6.00pm – 9.00pm), Thurs 9 Aug (6.00pm – 9.00pm), Sat 18 Aug (9.30am – 3.30pm),

☐ **Yes, I can attend all five sessions.**

☐ **No, I cannot attend all five sessions.**

Full Name:

.....

Email:

.....

Phone:

.....

Preferred method of contact:

☐ Email ☐ Phone

Gender:

☐ Female ☐ Male ☐ Other

Age Group:

☐ 15-19 years ☐ 20-29 years ☐ 30-39 years

☐ 40-49 years ☐ 50-59 years ☐ 60-69 years

☐ 70-79 years ☐ 80 years and over

Do you live in a home (rent, own or otherwise) in the Jemena electricity distribution area?

☐ Yes

What is your residential address?

.....

Do you:

☐ Own the house you live in

☐ Rent the house you live in
(social and private rental)

☐ No

Do you own a business in the Jemena distribution area?

☐ Yes

What is the address of your business?

.....

How many employees do you have?

.....

☐ No

Were you born in Australia?

☐ Yes ☐ No

Is English your first language?

☐ Yes ☐ No

What other languages/s do you speak?

.....

Do you identify as one of the following:

☐ A person with a disability

☐ Aboriginal or Torres Strait Islander

Do you have solar panels on your home?

☐ Yes ☐ No

Please tell us why you want to be part of the Peoples Panel?

Jemena has developed a segmentation process for its customers to understand their energy behaviour. We want to make sure we have a range of energy behaviours represented in the Panel, and therefore we ask that you respond to the following questions.

(If they say yes to living in the distribution area)

At what point would your electricity bill start to become too expensive for your household to manage? (respond to scale provided)

Please rank the following in terms of what you believe to be most important for Jemena to prioritise '1' through to least important '6'.
(respond to scale provided)

To what extent do you agree or disagree with each of the following statements about your household's electricity? (respond to scale provided)

(If they say yes to having a business in the distribution area)

When deciding what energy solutions to implement in your business, how important are each of the following considerations in your decision making? (respond to scale provided)

To what extent do you agree or disagree with each of the following statements about your business's electricity? (respond to scale provided)

What might make it easier for you to attend these sessions?

- ☐ Child care
- ☐ Assistance with transport
- ☐ Visual or hearing aid, interpreters or carers
- ☐ Translated written information
- ☐ Live interpreters

How did you hear about this project?

- ☐ Email
- ☐ Letter
- ☐ Social media
- ☐ Jemena website
- ☐ Word of mouth
- ☐ Other (please describe)

APPENDIX B (C)

'all tenure types'

Housing Type	Percentage	number
Owned outright	27%	13
Owned with a mortgage	28%	13
Being purchased under a shared equity scheme	0%	0
Rented	24%	12
Not applicable	8%	4
Not stated	6%	3
Other tenure type	0%	0
Being occupied under a life tenure scheme	0%	0
Being occupied rent-free	0%	0



APPENDIX C

Promotional Material

Promotional material used during Panel recruitment

1 LETTER

Dear XX,

Re: invitation to have your say on the future of electricity and electricity pricing.

Jemena is undertaking an exciting project to consult with you about the future of energy. Jemena is the company who transports electricity to homes and businesses in Melbourne's north-west. Your electricity retailer (the company you buy your electricity from) deals with Jemena on your behalf, but Jemena is responsible for the poles and wires and other electricity infrastructure in your area.

Jemena are forming a People's Panel to help plan for the future. This is your chance to influence the future of energy and pricing of electricity, how it impacts your bills and how to meet your needs now and into the future.

A People's Panel takes the same group of 48 community representatives along a journey over five sessions. The panel is designed to represent the diversity of the community.

The five panel sessions will be held in Broadmeadows on:

- Saturday 21 July (9:30-3:30)
- Thursday 26 July (6-9pm)
- Thursday 2 August (6-9pm)
- Thursday 9 August (6-9pm)
- Saturday 18 August (9:30-3:30).

To be a panel member, you will need to commit to all five sessions so you get to know the issues and provide informed feedback. Jemena appreciates the commitment from you, and is offering remuneration (\$400 total) to be awarded at the close of the panel.

To register your interest, please visit <https://yourgrid.jemena.com.au/jemena-peoples-panel>. The final panel will be randomly chosen according to the community demographic. The closing date for nominations is **Friday 27 June 2018**.

If you are interested in participating, but may have difficulty attending the sessions because of care giving commitments, language barriers or challenges getting to the venue, please note this in your online nomination, or contact Jemena as may be able to support you with child care, interpreters, taxi vouchers etc. For all enquiries, including difficulty accessing the website, please contact **Caz Treby** at Capire Consulting Group on **9021 0632**.

Jemena are truly excited about this and hope you are too. Please take part to create an exciting new future.]

Yours sincerely,



Shaun Reardon
Executive General Manager, Customer and Markets



2 SOCIAL MEDIA TAGLINES

FACEBOOK

Electricity supply is changing. Prices are rising, more people are using solar and there are lots of new technologies such as electric cars and batteries.

Your electricity distributor, Jemena, want to know :

- How are these changes impacting your electricity use and bills?
- How can new technologies be supported?
- How can we make electricity distribution fair?

Express your interest to be part of Jemena's People's Panel and influence the future of your electricity distribution - <https://yourgrid.jemena.com.au/jemena-peoples-panel>

Have your say on the future of electricity in your neighbourhood!

Jemena is creating a People's Panel of 48 community members and business owners. This group will provide feedback and recommendations about electricity price, quality, fairness and how to prepare for future technologies.

If you want to get involved express your interest here. - <https://yourgrid.jemena.com.au/jemena-peoples-panel>

Have your say on the future of your electricity grid.

- Candidates in North West Melbourne needed for market research.
- Attend all 5 sessions in July and August & receive \$400 for your feedback

Have your say on electricity prices & service - <https://yourgrid.jemena.com.au/jemena-peoples-panel>

TWITTER

Express your interest to be part of Jemena's People's Panel and influence the future of your electricity distribution - <https://yourgrid.jemena.com.au/jemena-peoples-panel>

3 BLURB FOR NEWSLETTERS

HAVE YOUR SAY ON THE FUTURE OF ELECTRICITY IN YOUR NEIGHBOURHOOD!

Jemena is the company who transports electricity to homes and businesses in Melbourne's north-west. They are forming a People's Panel to help plan for the future. This is your chance to influence the future of energy and pricing of electricity, how it impacts your bills and how to meet your needs now and into the future.

A People's Panel takes the same group of 48 community representatives along a journey over five sessions. The sessions will take place in August and September in Broadmeadows.

To be a panel member, you will need to commit to all five sessions so you get to know the issues and provide informed feedback. Jemena appreciates the commitment from you, and is offering remuneration (\$400 total) to be awarded at the close of the panel.

To find out more and register your interest, please visit <https://yourgrid.jemena.com.au/jemena-peoples-panel> or contact Caz Treby at Capire Consulting Group on 9021 0632.

The background of the entire page is a photograph of two men sitting at a table. The man on the left is looking down at a document, while the man on the right is looking towards the camera. They are both wearing name tags. The entire image is covered with a semi-transparent yellow overlay. The text is positioned in the lower half of the image.

APPENDIX D

Participant questions and answers

Sessions 1-5 2018

PRELIMINARIES

People's Panel members were invited to ask questions during Panel sessions. Where possible, verbal question and answer sessions occurred, and where time did not permit red cards were used for participants to write questions down. Jemena received and responded to over 90 'red card' questions throughout the Panel process. These are recorded below.

INTRODUCTION NIGHT QUESTIONS AND ANSWERS

No.	Question	Response
1	Is there anything that will be confidential, or cannot be disclosed outside of People's Panel? Thank you	Everything we present to the panel can be shared publicly and we encourage panel members to do this. We welcome any insights panel members gather when sharing this information in the community they represent.
2	If fixed costs are 25% of billing, Jemena's 34% of charges cannot include some variable costs. So, what in the distribution network is a variable cost, not fixed. If it's all fixed should not be more than 25%	Jemena's 34% of the cost of the average bill is made up of a mix of fixed and variable costs. The split of Jemena's charges for an average bill is approximately 27% fixed and 63% variable. For a typical household the fixed costs from Jemena are approximately \$120 p.a.
3	Did the AER request Jemena to engage customers?	The national electricity rules require energy businesses to engage with their customers. Some energy businesses do a little and some do a lot. Jemena has decided to get really involved with our community members by running in depth People's Panel sessions. We believe the more we engage with our customers the better the outcomes for all.
4	Will there be audio/video/photo taken during the People's Panel?	Yes, we will have photographers and videographers at some of the sessions. If you do not want to be included in any videos or photos you will be able to let us know on the first day.
5	How did Jemena choose the people to be on this Panel?	Capire looked at people's demographic information and chose according to set targets. For example, 24 per cent of people in Jemena's area rent a home, this equals 12 places on the panel. Capire looked at all the people who registered that said they were renters and randomly chose 12 people from that group.

No.	Question	Response
6	Outlook portal- is this going to be updated anytime in the future?	<p>We have a number of portals:</p> <p>yourgrid.jemena.com.au; this where we host all of the content for our customer engagement activities for the price reset process. We also keep the key messages and content from the People's Panel session on this website.</p> <p>electricityoutlook.jemena.com.au; we give customers access to their metering data on this website.</p>
7	Does higher density living have an impact on electricity distribution? Is cost and reliability impacted by high-rise developments? And, if so, what is Jemena doing in terms of planning to prepare for this change in living? The Moonee Ponds/Essendon area is just an example of this kind of change. Can residents expect any changes? More apartments = more air-conditioning, will this lead to blackouts?	<p>Higher density living adds more load to the distribution network, which needs to be addressed when new developments connect. The developer pays for increasing the capacity of the network to enable the connection, ensuring existing customers are not worse off. It's Jemena's role to ensure reliability is not impacted by any new connection.</p>
8	Poles/wires- towards underground infrastructure = some neighbourhoods have "ageing" poles leaning in many directions other than vertical; should be replaced- underground service	<p>When replacing or realigning poles we must use the most cost-effective solution. This may involve undergrounding a section of what was overhead power lines with poles, but the most likely solution would be replacing a faulty pole with a new pole.</p>
9	Can we be provided with a copy of the last annual report?	<p>Jemena is not listed on the Australian Stock Exchange and therefore does not produce public annual reports. There are, however, other sources of information reported about Jemena in the public domain.</p> <p>The Regulator publishes a benchmarking report annually which allows readers to compare the performance of Jemena against other network businesses (the most recent report can be found here: https://www.aer.gov.au/networks-pipelines/guidelines-schemes-models-reviews/annual-benchmarking-report-2017)</p> <p>It is possible to do a search at www.asic.gov.au to get some reporting information on 'Jemena Electricity Networks' (https://connectonline.asic.gov.au/RegistrySearch/faces/landing/SearchRegisters.jspx?_adf.ctrl-state=q3jhx9jne_4)</p>

No.	Question	Response
10	May I have a copy of the 2016–2020 AER approved submission?	<p>Here is a copy of our proposals and the Regulator’s decisions (Jemena have provided the summarised and detailed version of the documents):</p> <p>Summarised Jemena proposal: https://www.aer.gov.au/system/files/Jemena%20-%20Consumer%20overview%20-%20April%202015.pdf</p> <p>Detailed Jemena proposal: https://www.aer.gov.au/system/files/Jemena%20-%20Consumer%20overview%20-%20April%202015.pdf</p> <p>Fact sheet of Regulator’s decision: https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20Jemena%20distribution%20determination%20-%20Fact%20sheet%20-%20May%202016.pdf</p> <p>Overview of Regulator’s decision: https://www.aer.gov.au/system/files/AER%20-%20Final%20decision%20Jemena%20distribution%20determination%20-%20Overview%20-%20May%202016.pdf</p>
11	Of the 6,200 km of power lines, what percentage is above ground and below ground? Of the percentage above ground, what percentage of poles are of the wooden variety? What is the infrastructure plan for replacement of wooden poles?	Approximately 30% of Jemena power lines are underground, with the remaining 70% overhead. Over 70% of Jemena’s poles are wooden, and these are typically replaced with new wooden poles as it continues to be the most cost-effective material used.
12	Just to clarify... there is a company that makes the power, but it was unclear if there is one that transports it? I thought the power maker went direct to you, can you explain that step better?	<p>Jemena is the company that transports the electricity. We are like the delivery truck for the electrons that a generator makes.</p> <p>This will be further explained in Session 2.</p>
13	How are you (Jemena) going to record our opinions etc. to be incorporated in the 2021–2025 plan? Will we have a questionnaire etc. to fill out at the end or as we go on? Or will you [Jemena and Capire staff] rely on memory?	We will record feedback as we go along through individual and group activities. This will be analysed and summarised in reports, that will be shared with participants during and after the process.

SESSION 1 QUESTIONS AND ANSWERS

No.	Question	Response
1	Did Alinta charge us for updates to poles and wires and was it controversial?	<p>The cost to maintain or invest in poles and wires are funded by the community.</p> <p>Jemena endeavoured to respond to all queries and sought clarification on questions that were unclear. The question may have been clarified in person, however, where insufficient information was provided, unfortunately Jemena were unable to respond to the question.</p>
2	Can we get notifications by email, snail mail, text, phone etc. to suit our needs? Who gets the information and how do we change it? Can we add more than one person [per household]?	<p>We currently have a number of methods and systems to communicate to customers, but it really depends on what information and channels we are talking about, as to whether the capability exists today or needs to be introduced (e.g.: social media). We have a detailed Digital Customer Strategy that looks to improve the customer experience and transparency.</p>
3	Apart from growth via new developments, and infill etc. Does Jemena have any 'interests' in the supply of electricity increasing?	<p>Jemena has a strong interest in infrastructure assets and would like to explore other investment opportunities.</p> <p>In terms of 'supply of electricity' to Jemena customers- within Jemena's existing area, we have little interest in the energy that flows through the network as our revenues are effectively fixed. (The more relevant matter of interest to Jemena is the maximum amount of energy that flows through the network at any one point in time, this is known as peak demand. The reason we are interested in this is because we have to invest in network assets to cater for this peak demand).</p>
4	Does Jemena stand apart from electricity usage?	<p>Jemena's revenue over a five-year period is not impacted by usage levels. Therefore, we do not have an incentive to sell more; in fact, lower usage reduces costs in the long-term so it's better for the network to spread out the usage.</p>

No.	Question	Response
5	Does Jemena have a choice over where they get their supply- from renewables or conventional generators? What is the current breakdown of their supply sources?	<p>Generally, we don't have a say on this, as long as it is within the technical requirements.</p> <p>The share of generation by source is determined on a live basis for each state (rather than for specific distribution networks) by the Australian Energy Market Operator. The source varies each day according to factors such as electricity demand and weather. The generation mix in winter can look quite different to summer.</p> <p>For July 29-30th 2018, the approximate shares of generation in Victoria are as follows:</p> <p>Brown coal - 76%</p> <p>Wind - 15%</p> <p>Hydro - 4%</p> <p>Rooftop solar - 2%</p> <p>Other (gas, imports from other states) - 3%</p>
6	Transmission contributes 2% to electricity bills, while distribution is 34% why such an enormous difference? What are the costs contributing to this?	<p>Think about a transmission network as a few strands of spaghetti, whereas distribution networks are like a bowl of spaghetti. There is more infrastructure involved in distribution networks. Distribution networks are also located in streets, which have more cost to manage than transmission lines, which are often located in rural areas, because they bring electricity from remote generators to cities and towns, where distribution networks pick it up. Distribution networks also meter electricity, whereas transmission networks do not.</p>
7	I want to understand the impact of rooftop solar on Jemena/network distribution batteries etc. If we reduce energy consumption (e.g. through better energy efficiency and rooftop solar/batteries- how will this impact Jemena and the cost of supply?	<p>This is a complicated question. When we plan and build the network we need to think about the amount of electricity that customers will put back into the grid from their solar panels. The cost of supply depends on the amount and location, and how predictable this is as well. If the amount of electricity used at peak times is reduced, then that will lower the cost of supply over time, as it will reduce the amount Jemena needs to invest in the network. However, at the moment, solar and energy efficiency measures don't have a significant impact on usage at peak times.</p>

No.	Question	Response
8	What is the role of the wholesaler in setting price? How do gentailers fit in and impact on the industry-benefit or detriment to consumers?	<p>There are over 300 different electricity generators on the east coast of Australia using coal, gas, solar, and wind to generate electricity. Each generator offers an amount of electricity for a certain price, and the Australian Energy Market Operator looks at all those, compared to how much electricity is needed by customers, and then figures out which price will ensure there will be enough electricity generated. This price is what retailers pay and is included in your bill.</p> <p>AGL, Origin and Energy Australia are gentailers - they are retailers that own generators. By owning a generator, these companies are “insuring” themselves against increases in the price of generation. It is a bit like if Woolworths owned apple farms, it would be insuring itself against a big increase in the cost of growing apples. There are arguments for and against gentailers - it is not really our place to comment on these. Suffice to say that the ACCC released a report this week indicating that gentailer models are ok as long as there is no domination of the market.</p>
9	Jemena reduced prices by 8% for 2018. How did this come about? Was it “built in” to the 2016-2020 plan? Was it by direction from the AER. Or. Why would Jemena reduce its revenue (and potentially profitability) voluntarily?	Profits are, to a large extent, set by the AER. Price changes reflect the decision by the AER and what we include in our plans. Our investors are a “taker” of profitability decisions by the AER.
10	Is there any legal or legislative requirement that households have to be connected to the grid?	No, customers can and do disconnect. Mostly these people never connect in the first place.
11	How to make energy consumption more responsibly sustainable, reducing wastage, changing behaviours, understanding consequence. Their choices- “you reap what you sow” not playing the blame game? Everyone plays a part and can make a difference	Jemena endeavoured to respond to all queries and sought clarification on questions that were unclear. The question may have been clarified in person, however, where insufficient information was provided, unfortunately Jemena were unable to respond to the question.

No.	Question	Response
12	Was Jemena's and the Victorian Government's "Power Changers" initiative about demand management? Is demand management something Jemena sees itself as having a role in?	<p>Power changers was a trial to engage the community on demand management activities, we tried some new things that haven't been done before. It was well received and had good participation.</p> <p>Jemena has an obligation to assess demand management opportunities (particularly in large capacity investments) and is very interested in demand management. If an opportunity arises we will look into it seriously, the only trouble is that there are not a lot of opportunities out there that make sense at a network level.</p>
13	How does Jemena benchmark with other DNSP in Victoria in terms of percentage of supply charge component of the bill?	The supply charges vary between different distributors in Victoria- for a typical residential customer, Jemena charges the retailer \$44 per year. United Energy's annual charge is lower, while Citipower, Powercor and Ausnet's annual charges are higher. This reflects different costs of serving different network areas (urban vs rural) but note that different distributors will also have different rates for energy usage.
14	Are you able to pass on a recommendation to retail companies: low income and Centrelink customers should have a fixed discount, not a pay on time one... If they have to choose between power or food/medical etc. they should not be put into a deeper hold by the system.	We are meeting with our community to help develop our plan. We are also talking to retailers. We will take this point to the retailers and get their views too. We will relay these concerns on to retailers.
15	The retailers have damaged electrical distributors and retailers' reputation with their door-knocking tactics (still happening this year- we underwent training with Prisim group/neighbours connect and Victoria energy). Why are they not working on literacy and repairing this reputation?	We do recognize that the industry has some reputational issues. We need to work to regain your trust. We are working to develop a national industry-wide customer charter. Through this, we should see some gradual improvement across the industry.

No.	Question	Response
16	<p>Jemena gives you access to an online portal- MyOutlook. My question is: the data appearing on the portal diagram/graph of energy usage (peak vs. off-peak vs. hot water) can show all contributions of use. I only have peak and off-peak yet can see 3 usages on the graph. It can show peak usage during off-peak times and vice-versa. So, if this portal data is faulty, how can I remain in trust that I am not being accidentally billed? From what I can see- I could be paying peak rates during off-peak times as my electricity retailer is receiving information through Jemena.</p>	<p>I think the graph is possibly being misinterpreted. Depending on your meter and DER you may see-</p> <ul style="list-style-type: none"> • Off-Peak Usage • Peak Usage • Hot Water Usage • Generation <p>The combination of Peak, Off-Peak and Hot Water = total consumption.</p> <p>The retailer receives the all raw meter consumption data and determines the off peak/peak costs on a bill.</p> <p>Jemena endeavoured to respond to all queries and sought clarification on questions that were unclear. The question may have been clarified in person, however, where insufficient information was provided, unfortunately Jemena were unable to respond to the question.</p>
17	<p>Who owns the transmission lines in this area? What companies manage the networks on Jemena's boundaries?</p>	<p>Ausnet does transmission for all of Victoria. The other distribution networks in Victoria are owned and managed by Ausnet, Citipower, Powercor and United Energy.</p>
18	<p>Can our bills have a lower fixed supply charge component and greater variable cost component to allow consumers to exercise greater control and responsibilities over usages? Greater range of billing plans?</p>	<p>Your bill plan is set by the retailer, not the network. There has been a trend in greater fixed portion. We can do more to help this, we will discuss in Session 5 and will want to hear more from you then.</p>
19	<p>What are regulator benchmarks?</p>	<p>The AER has a range of bench-marking techniques it can use to assess the efficiency of a network business to provide electricity distribution services. The most significant benchmarking technique attempts to assess operation expenditure efficiency. It effectively assesses a network business's ability to convert inputs (labour, operations, maintenance) into saleable services (energy delivered)</p>

No.	Question	Response
20	Is there a good mix of incomes represented here? Low income/ disability (pension) as well as middle/upper class?	<p>There is a representative distribution of the Jemena distribution network's population in this room. We considered the following demographic factors when selecting the Panel to represent the community:</p> <ul style="list-style-type: none"> • age • gender • area of residence • housing type • languages spoken • country of birth • disability • Aboriginal and Torres Strait Islander • people with solar panels • business owners • and Jemena segmentation type (customer behaviours). <p>We did not overtly ask customers their income, pension or class.</p>
21	Jemena owns a third of United Energy and half of EvoEnergy. How can we be sure you are not influencing benchmarks? I feel this is a huge conflict of interest as you have influence and motive (profit) as well as being a monopoly.	<p>As ownership is less than or equal to 50% Jemena does not have a controlling interest to manipulate the business. Each business has separate management teams and reports separately within the corporate structure (that is, EvoEnergy and United Energy do not report to Jemena Electricity Networks). Jemena Electricity Networks has the same amount of interaction with EvoEnergy and United Energy as it has with any other electricity network in Australia, none of which are at an operational level.</p> <p>More relevantly, the AER looks at businesses in the top quartile as being efficient in its benchmarking techniques. With 13 distribution businesses in the National Electricity Market and only three within this ownership cluster, we do not have enough control (even if there was control) of businesses to influence the top quartile performance.</p>
22	Peak tariff and off-peak tariff-switching process?	Your first port of call would be your retailer. You can check energy comparison websites and specifically choose peak/off-peak tariffs.

No.	Question	Response
23	How to manage high risk issues affecting Jemena operational management environments, especially when it comes to terror, nuclear war and deliberate action of destruction and harm to community?	We conduct regular emergency response exercises that replicate a range of real and envisaged threats, to ensure our procedures are working and staff are practiced and ready
24	How do Jemena identify, monitor and mitigate any form of colluded corruptive behaviours among staff, management, and third parties collaboration, which may impact on Jemena's reputation as well as operational and management outcomes: short-term, mid-range and long-term.	<p>Jemena has a number of controls in place to manage workplace behaviours, these include regular training, disciplining policies (which include dismissal), extensive audits by external auditors and compliance systems which accountable staff must adhere to. We must report on the performance against these controls to a number of regulatory bodies, including the AER. In a recent report by the AER, they noted Jemena's controls system as being very helpful to assess compliance against some of our obligations.</p> <p>On top of these internal controls are legal controls which include responsibilities that can result in civil penalties.</p>
25	You say you don't have competition but wouldn't other networks in Victoria be your competitors?	The other distributors have separate patches, so we don't compete, but we are compared to each other by the AER.
26	What is the percentage of underground lines in the grid?	Less than 10%. Please let us know if you want a more accurate number.
27	How do we know if Jemena has an adequate amount of poles and wires for the geographic area, or if it is over-servicing the area? How does Jemena compare to other distribution businesses? Are Jemena customers paying more than other customers in Victoria?	The AER's role is to set the prices of each distribution business to ensure customers don't pay any more than is necessary to deliver services. When they set our prices (which reflect the amount of investment and maintenance we undertake in our network), the AER makes lots of comparisons between Jemena and other distributors, using techniques such as benchmarking. However, it's important to know that each of the distribution businesses' network areas have different characteristics which can result in very different costs of providing services – e.g. rural areas vs urban areas etc.
28	If Jemena does the connection to new home, why does the company charge us for connection?	We charge the retailer, then they charge the customer. This is the same as the regular billing of network services to the retailer, which are then on-billed to the customer.

No.	Question	Response
29	Life support- exactly what do you do? I am registered with Jemena as I have a CPAP machine, but Jemena does nothing different as I can see.	We flag your site as having a life support requirement for several reasons. One is to ensure that no disconnection requests, for example for non-payment, are actioned if sent through by a retailer (although they should also flag the site in their system to avoid this). The second is to be able to identify the site in a planned or unplanned outage scenario. Whilst we can't avoid all interruptions, if there is an unplanned outage, life support information allows us to prioritise connection to these customers. All customers with life support machines are required to have a back-up plan in place in case of emergency- i.e. back up oxygen, battery packs for CPAP or dialysis machines etc.
30	AER: has the AER ever ACTUALLY changed the costings you spend?	Yes, the AER has reduced the allowance of every proposal put forward by Jemena (they make us work hard) to find ways of being more efficient.
31	How will Jemena stay profitable in the future with the increase in solar power in homes and businesses- will prices rise to make up for the loss of business through solar power?	That's one of our challenges! We will cover this in Session 2 and 4 we are considering ways to make it (the grid) sustainable and fair.
32	Power of choice in Victoria; will retailers be taking over metering as in other states?	The Victorian Government decided not to introduce competition for metering services- this is different to every other state. We have not heard that the Victorian government is changing its policy at this stage, but we are keenly watching this space because we are buying meters. We need to know if we should stop this and not waste money.
33	How do Jemena feel about carbon pricing? Government energy guarantee?	Jemena is not directly impacted by carbon policy but will play a part in putting infrastructure in place to support the renewable generation that is coming on board as a result of customer demand. We are mindful that new sources of generation (mostly in new locations) require networks to transport this energy, and this may not always be at the forefront of people's minds when developing new schemes.

No.	Question	Response
34	What return % are Jemena expecting on their investment	<p>The return on investment is a topic being reviewed now by the AER. The AER sets “a reasonable rate of return”. Returns are around 5% and vary from year to year.</p> <p>Jemena receives a return on its investment determined by the AER based on prevailing market conditions. In the current period 2016–20 Jemena Electricity Network is allowed a return of 6.3%. The AER is currently engaging with stakeholders to determine the rate of return for the period of 2021–25.</p>
35	If you're at the mercy of developers, how do you handle when they force you to go over or above budget expectations or ability? If the streets are being replaced with higher density housing, does that cause a cost to you to upgrade transformers and hardware?	<p>We do charge developers for a large portion of connection costs. If connections are greater than our forecast, we have to absorb the difference.</p>
36	How do Jemena work with or consult with generator, transmission operators, retailers to streamline the process and to bill us [in] service areas cost effectively?	<p>We have relationships with other industry participants to discuss efficient outcomes. Often other participants are also subject to regulations that also ensures protection and efficient costs. Sometimes there are industry working groups to collaborate on ideas.</p>
37	What advice or training is given to customers, especially those who are new to Australia, about minimising electricity costs and avoid wastage?	<p>Energy and Water Ombudsman Victoria (EVOV) has material and information sheets on topics in different languages. You could check with AMES- our agency has worked a lot with them before but are not aware of current programs. There is a BIG need in this community.</p> <p>EWOV has a lot of information available and most retailers will have information available with regards to power saving measures, possibly via their hardship program. We, however, appear to have minimal information directly available from Jemena. Customers like Uniting Kildonan and other community groups specifically supporting migrants and refugees would also have information available.</p>

No.	Question	Response
38	Who sets the rules and regulation for transmission, distribution, operations? How effective does it works for all parties and interests?	<p>The rules and regulations are set at a policy level by government through acts of law, the body that does this is called COAG-Energy Council. A regulator called the Australian Energy Market Commission (AEMC) sets the rules. The AER administers the rules and penalties apply for breaches of those rules.</p> <p>We consider the rules that are set to be mostly effective in providing certainty for customers and businesses in providing reliable electricity. Some popular media outlets report that the system is broken, but others (such as Tony Wood from the Grattan Institute) have reported that the market is working just fine, it's just that the prices are a bit high at the moment.</p>
39	Do you have any statistics on the difference in energy consumption of the general population versus those with medical/disability/special needs? How is that offset with discounts, concessions and rebates and who absorbs that cost?	<p>Concession is managed by retailers and funded by government who cover the increased electricity use by these vulnerable communities.</p> <p>Jemena can get this data, but need to know more about the customer, please let us know if you have specific questions.</p>
40	Can you please re-answer my question "what are transmission companies"? what are they doing if Jemena owns the poles? I don't understand why they are needed?	<p>The 'poles and wires' of the electricity grid are divided into two separate parts - transmission (similar to freeways) and distribution (similar to local roads). Both transport electricity, but transmission transports long distances (e.g. between cities), and distribution transports electricity around local areas (e.g. within cities, including connecting to your house). In Victoria, one company is responsible for transmission across the whole state (Ausnet), while the distribution network is divided into 5 areas (Jemena, Citipower, Powercor, United Energy and a different group within Ausnet).</p>

SESSION 2 QUESTIONS AND ANSWERS

No.	Question	Answer																																	
1	Peer to peer- who regulates safety?	Currently, Energy Safe Victoria is the safety regulator and we would expect Energy Safe Victoria to have a role in regulating safety.																																	
2	Microgrid's Table 4: If, say 100 households in an existing suburb are serviced by Jemena and decide to join together and stage their own microgrid. Do they buy poles and wires and motors from Jemena? Or lease? i.e. Jemena's network shrinks!	<p>We are unaware of a situation where this has occurred in Australia. We imagine that the 100 households would need to, either:</p> <ul style="list-style-type: none"> • Purchase the assets from Jemena and appoint a micro-grid manager • Ask Jemena to remove the assets (at a cost), and install their own private network with a micro grid manager 																																	
3	Does Jemena buy electricity via the energy market?	Jemena does not buy electricity, as the fruit van analogy outlines, Jemena only transports electricity to a customer's premises, it is the retailer that buys the electricity from producer (generator) and on-sells it to the customers.																																	
4	Can you please compare the cost of electric cars with the cost of a petrol run car (financially), thank you?	<p>This response was provided by an external party.</p> <p>The below link – looks at the comparable costs of a petrol car:</p> <table border="1"> <thead> <tr> <th>Make and Model</th><th>Upfront Cost</th><th>Annual Fuel Cost</th></tr> </thead> <tbody> <tr> <td>Tesla Model S</td><td>\$100,000</td><td>\$650</td></tr> <tr> <td>BEV Electron</td><td>Model: S \$45,000 / R \$28,000</td><td></td></tr> <tr> <td>Nissan Leaf</td><td>\$40,000</td><td>\$600</td></tr> <tr> <td>Mitsubishi i-MiEV</td><td>\$48,800</td><td>\$550</td></tr> <tr> <td>Ford Focus Electric</td><td>\$37,665</td><td>\$600</td></tr> <tr> <td>Honda Fit</td><td>\$40,000</td><td>\$500</td></tr> <tr> <td>Chevrolet Spark</td><td>\$27,000</td><td>\$500</td></tr> <tr> <td>Kia Soul</td><td>\$40,000</td><td>\$600</td></tr> <tr> <td>BMW i3</td><td>\$63,990</td><td>\$500</td></tr> <tr> <td>Holden Volt</td><td>\$59,990</td><td></td></tr> </tbody> </table> <p>https://www.commbank.com.au/guidance/consumer-finance/the-costs-of-owning-a-car-201606.html</p>	Make and Model	Upfront Cost	Annual Fuel Cost	Tesla Model S	\$100,000	\$650	BEV Electron	Model: S \$45,000 / R \$28,000		Nissan Leaf	\$40,000	\$600	Mitsubishi i-MiEV	\$48,800	\$550	Ford Focus Electric	\$37,665	\$600	Honda Fit	\$40,000	\$500	Chevrolet Spark	\$27,000	\$500	Kia Soul	\$40,000	\$600	BMW i3	\$63,990	\$500	Holden Volt	\$59,990	
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No.	Question	Answer
5	Energy storage: smart technology e.g. phones, PCs, cars, needs recharging. How to recharge without “coal fired energy” to recharge in the future?	<p>Energy in Victoria is generated using a number of fuels or technologies, including coal, natural gas and renewable energy sources (such as hydro, solar and wind). Brown coal is the main primary energy source for the generation of electricity in our state. Alternatively, energy storage and recharging can be managed at a commercial or private (residential) level by installing renewable energy sources such as solar PV panels and home batteries to store renewable energy sources. This is available today, however the cost/benefit of these technologies must be factored into the decision making process.</p>
6	What is the rate that the retailers are charged? Daily rate? Per kilowatt?	<p>Jemena charges network tariffs to retailers based on who the active retailer is at a given premises. There are three charging types that are billed to retailers, these include:</p> <ul style="list-style-type: none"> • daily charge; • energy charge (c/kWh); and • demand charge (this mostly applies to large business customers) <p>The rate that is charged for each component varies; it depends on a whole range of factors. One point to note is that under the national electricity rules there is a requirement that the prices we set must reflect the costs that Jemena incurs for providing electricity distribution services (that is, the tariffs must be cost reflective).</p> <p>The prices we charge retailers can be found here (refer to page 29 onward):</p> <p>https://www.aer.gov.au/system/files/AER%20approved%20-%20Jemena%20-%202018%20Pricing%20Proposal%20-%202013%20October%202017.pdf</p> <p>(Note: most domestic customers are on tariff A100).</p>
7	How many houses does Jemena have off-grid today?	<p>Because off-grid customers are not connected to our network, it is very difficult to say. We’re not aware of any existing customers who have chosen to disconnect from our network and go off-grid, but there may be some new customers in rural areas towards the edge of our network who have chosen to use an off-grid supply rather than ever connecting to our network.</p>

No.	Question	Answer
8	How many kWh to fully charge a Tesla battery, a car?	<p>This response was provided by an external party.</p> <p>Considering onboard charger losses of approx. 10%, you will need around 93.5 kWh of electricity to charge from 0 to 100%. However, this is not only unrealistic, but also impossible due to protections Tesla build in that prevent discharging at 0%.</p> <p>More realistic for driving from full to “empty: would be 70 kWh of electricity, requiring 77 kWh of electricity.</p>
9	Are peak times hard/costly? Why? Why does the power go off sometimes? Is it capacity of the hardware, or quantity of electricity or something else?	<p>The maximum peak time on the network is usually on hot summers days in the late afternoon when businesses are closing down and domestic users are turning on their air-conditioning. Because all of our customers are using a lot of electricity at the same time, the network comes under the greatest strain.</p> <p>Building networks for extreme peak events is costly, particularly because it is not used that much. That is, a lot of the network is built for only 10 hours usage per year to meet extreme demands. This means that the network is only used 0.1% of the time.</p> <p>There are two main causes for the power to go off:</p> <ul style="list-style-type: none"> • Damage – a car hitting a pole, a possum short-circuiting equipment and a major storm causing trees to fall on power lines are all causes of outages (these are the main reasons for an outage) • Shortage of supply – in extreme cases, there is simply not enough electricity being produced. This is a rare occurrence. <p>There are rare events where the network simply does not have enough equipment installed to supply electricity in some areas.</p>

No.	Question	Answer
10	How have smart metres impacted costs? Installation and running (without install costs)	<p>Smart meters have a number of cost components, these include the meter itself, installation, and communications networks. On top of this is the operating and maintenance costs - to operate and maintain the smart meter system, Jemena expects to incur \$13.27m or \$40.22 per customer in 2018.</p> <p>The total charge for smart meters to retailers for most domestic users is \$83.70 over the whole of 2018. This number includes the above noted operating and maintenance costs, as well as other costs such as depreciation, tax and overheads.</p> <p>The AER reviews these costs every five years to assess that they are efficient. They also review prices annually to make sure they meet a set of compliance criteria.</p>
11	How are you handling cyber security of assets? Does it factor or is the job of the generators/transmission guys?	<p>Cyber Security are the technologies, processes and controls designed to protect IT systems and data from cyberattacks. Jemena will continue to invest in being able to prevent, detect and respond to cyberattacks on our IT systems.</p> <p>The risk to assets that distribute electricity is limited to a small subset of these systems, all of which have additional physical measures applied to keep them secure.</p>

SESSION 3 QUESTIONS AND ANSWERS

No.	Question	Answer
1	It's just occurred to me that energy trading opens a big loophole, I could sell drugs, sex, illegal things for energy. Obviously this would be difficult to prove, but would people selling/buying a lot be monitored or suspicious? I could be asking for \$x for 1kwh electricity on your system but really selling something else I could also do a trade/service swap including energy money, which is good but how to stop bad transactions?	'Blockchain' is a new technology that is being used to underpin transactions between parties for all sorts of things, one of these things is electricity. Concerns have been raised about the use of this technology being used for illegal purposes, this is because of the lack of transparency, accountability and regulations. It's not really possible for us to answer this question because of the many and varied outcomes that could arise, and we are sure many people, Governments and technologists that have their own opinion on this topic. It's reasonable to assume that there will be an increase in laws and rules to address the concerns over time - only the future will tell.
2	Why are some areas we live in provided by retailers given options of off peak shoulder rates, and others are not?	<p>It is up to the retailer to decide how it packages pricing offers, if you are not satisfied with the offers by your current retailer then we suggest shopping around.</p> <p>On this point, Jemena provides a series of network tariffs including single rate, two-rate (peak and off-peak) and flexible pricing (peak, shoulder and off-peak), which helps retailers to provide similar options. These network tariffs are available to all of the customers in Jemena's distribution area so there should be some available in the marketplace.</p>
3	Is it feasible for Jemena to contribute to lowering the service fee and raising the usage fee so people are encouraged to save energy more?	When we set tariffs in September for 2019, we can try to re-balance the proportions within the rules we are bound by. Please keep in mind, however, that the network portion of the bill only contributes 37% of a customer's total bill and therefore our efforts will have little impact on the total bill received by customers.

No.	Question	Answer
4	<p>Can Jemena do anything to help more people go green? Trends are people are becoming more mobile- shift homes more often and therefore putting in e.g. solar panels is not going to add as much to the value of a home as it costs to put on- disincentive. More people living in apartments- difficult to find space enough to put solar panels, let alone negotiating landlords/owner occupiers/body corporate. Or is this really only a possibility for local or state government?</p>	<p>There are lots of ways to 'go green', some of which are promoted by Governments. One way Jemena can contribute to this proposal is to ensure customers are not prohibited (constrained) from exporting to the grid. In our Session 3, we touched on this topic and we sought the views of panel members about the best way to deal with this question.</p>
5	<p>In session 2, we talked a lot about solar power and battery storage. We did not consider other alternative sources located outside our property. Is there a place for wind or hydro on customer's property? How will this fit in with other new energy sources outside the home?</p>	<p>The type of generation depends on a number of factors including access to natural resources, space, and Government restrictions. We see high-density living, such as apartments, run into all of these barriers, urban areas have fewer, and in rural areas, very few of these problems arise.</p> <p>Wind generation can be installed on electricity networks; however, it usually only occurs in rural areas where the barriers are lower..</p> <p>We are starting to see body-corporates taking an interest in group generation projects for apartments, or rural communities that sell electricity to city folk through bilateral agreements. In short, we are starting to see innovative ways people are getting around the restrictions for different types of distributed generation.</p>
6	<p>How much did it cost per household to install the smart metre in dollar terms- cost of metre plus installation cost?</p>	<p>An independent report developed by a consultancy called 'Huegin' assessed Jemena's costs for meters and installation during the Government mandated roll-out process that took place between 2009 and 2015.</p> <p>In the report, they identified that Jemena customers, meters cost around \$167.24 each and are installed at the cost of around \$163.45.</p> <p>See Figure 5 of this file:</p> <p>https://www.aer.gov.au/system/files/Jemena%20-%20AMI%20transition%20charges%20application%20-%20Attachment%202%20-%20Benchmarking%20report%20-%2031%20May%202016.pdf).</p>

No.	Question	Answer																				
7	What is penetration of rooftop SV [Solar Voltaic] in Jemena's network currently? Do you have a trend line?	<p>Around 10% of Jemena households have installed solar PV by mid-2018.</p> <table><tr><th>Number of Jemena households installing solar PV mid year</th><th>solar customers</th></tr><tr><td>2010</td><td>6,156</td></tr><tr><td>2011</td><td>8,755</td></tr><tr><td>2012</td><td>14,504</td></tr><tr><td>2103</td><td>18,098</td></tr><tr><td>2014</td><td>22,574</td></tr><tr><td>2015</td><td>25,424</td></tr><tr><td>2016</td><td>27,495</td></tr><tr><td>2017</td><td>29,288</td></tr><tr><td>2018</td><td>32,090</td></tr></table>	Number of Jemena households installing solar PV mid year	solar customers	2010	6,156	2011	8,755	2012	14,504	2103	18,098	2014	22,574	2015	25,424	2016	27,495	2017	29,288	2018	32,090
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8	Is Jemena paying compensation for outage even if it is not Jemena's responsibility? For example, car accident, natural disasters, terrorist occurred etc...?	<p>Jemena is required to make compensation payments to meet Guaranteed Service Levels (GSL) under the Victorian Distribution Code. Jemena can make an application to the Essential Services Commission to be excluded from making a GSL payment, but only in limited circumstances, such as failure of the transmission network. The examples provided in the question would not be a sufficient reason to grant an exemption. Jemena has not applied to the Essential Service Commission for an exemption from making GSL payments.</p>																				
9	Why can't Jemena pass the cost to individual household owner as same as Council rate, park maintenance annually? It would be unfair for low income to pay for cost of improvements and maintenance of the network when they are renting the house.	<p>This proposal is possible, however, not all customers like one bill per year, most customers prefer to have bills spread out so that they can manage to pay smaller bills more frequently rather than high bills on a less frequent basis.</p> <p>Also, even if Jemena did charge one bill per year, a customer's retailer may not follow the same approach. The retailer may continue to charge more frequently such as monthly or quarterly.</p> <p>There are lots of customers in our society that fall into the category of having difficulty in paying bills; these include pensioners and the disabled; renters may also fit into this category. The Government has set up some concession schemes which are administered by retailers for these customers. Network businesses do not get involved in the administration of these policies. As a network business we do, however, try to assist the more vulnerable members of our community by partnering with community groups such as Uniting Kildonan to help where we can.</p>																				

No.	Question	Answer
10	<p>How does Jemena justify the costs being allocated to the people rather than using it's profit? What are the terms and conditions of the contract that Jemena has with the government in relation to their duties and the expense the people must pay for this? Is there a guaranteed percentage they are entitled to, or a guaranteed \$ amount? If so, has this amount been factored in when passing down remaining costs to consumers?</p>	<p>(a) All businesses and Governments incur costs to provide services. Some of the costs include wages paid to employees, interest for loans, and equipment. All of these costs are financed from the sale of products in the case of privately owned businesses, or through taxes if the Government provide the service.</p> <p>Profits earned (whether the business is privately owned or whether it is Government owned) are the residual amounts left over from the sale of products after costs are paid. They represent the returns for the risk taken to finance the costs of operating the enterprise. Profits are not for paying costs.</p> <p>The Regulator sets the profits for electricity distribution businesses; the amounts set are not nearly enough to cover the costs of running the business.</p> <p>(b) The terms and conditions for providing electricity distribution services are set in a distribution license, codes, guidelines, and other legislative instruments. There are thousands of pages of obligations, too many to note in this response - it might be more useful to discuss the obligations that Jemena must comply with. Breaches of these rules can result in fines, enforceable undertakings, court orders and in extreme cases, a loss of a licence.</p> <p>(c) These various obligations also outline the costs that a distribution business can incur for providing services; distribution businesses cannot just pay for anything they like.</p> <p>The laws and rules do not provide a guarantee for the owners of electricity distribution networks, in fact, the National Electricity Law states that the entire legal and regulatory framework is designed around the long-term interests of customers, it is not designed around the long-term interests of the shareholders.</p>

SESSION 4 QUESTIONS AND ANSWERS

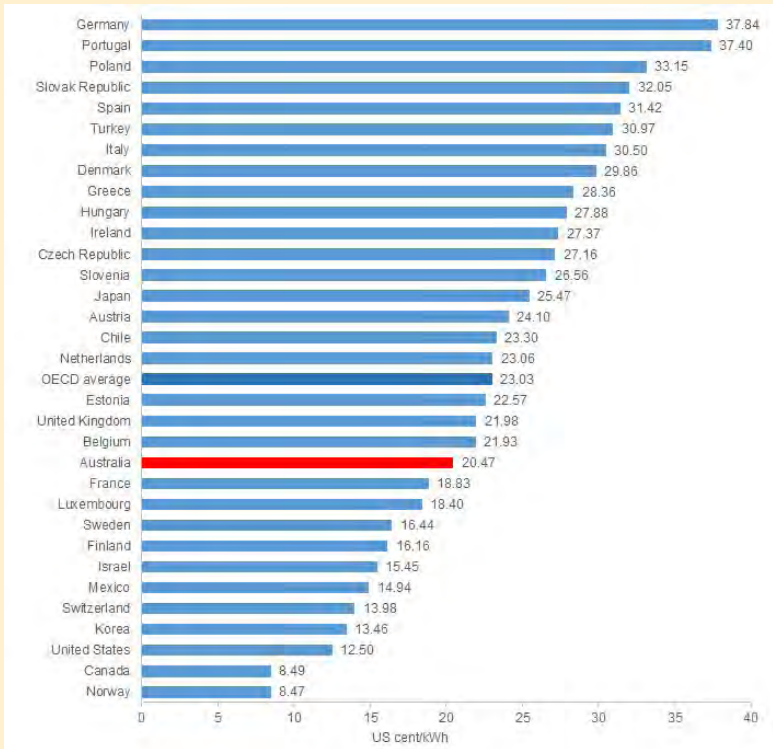
No.	Question	Answer
1	<p>National Energy Guarantee:</p> <p>1) What is it?</p> <p>2) How does it/will it affect Jemena (and other companies)</p> <p>3) How does it/will it affect power consumers?</p>	<p>The National Energy Guarantee is a national policy which puts obligations on electricity retailers to purchase a certain percentage of electricity from renewables, to reduce the electricity industry's impact on the environment. The policy also requires a certain percentage of electricity from other sources (e.g. batteries or traditional coal, gas or hydro generation), which can be used at times when renewable sources are not producing electricity (e.g. when there is little to no sun or wind).</p> <p>The aim of the NEG is to balance the environmental impact of the electricity industry, whilst ensuring we don't experience wide spread blackouts and costs are also managed.</p> <p>As Jemena is not a retailer, and we cannot own generation, the NEG does not have a direct impact on Jemena.</p> <p>However, Jemena will likely be impacted by more renewables connecting to the network, which we seek to do in the most efficient and cost-effective way.</p>
2	<p>Do areas with underground supply have less outages?</p> <p>How much more does it cost to put services underground?</p> <p>How much would be the cost to retrospectively put services underground?</p>	<p>Areas with underground supply currently have less outages, as customers in these areas are more protected against outages due to weather and animals. The underground assets in these areas are typically newer, so customers in these areas are also less likely to have outages due to electricity network equipment failure. This may change in the future when our underground networks get older and degrade.</p> <p>The cost of undergrounding the electricity network in a new estate is approximately \$1 million for 125 homes (\$8,000 per house).</p> <p>To retrospectively put services underground would cost slightly more than this (around \$10,000 per house), as we would effectively need to establish the new underground network in the same way as a new estate, before removing the overhead network.</p> <p>Note: 100% of customers in an area would need to agree to this change for it to happen.</p>

No.	Question	Answer
3	Why are outages information not given to the public until we called? We were not told to register for unplanned or planned outages by email/phone/website?	<p>Due to Privacy laws, we are not able to maintain a register of customer contact details unless we have authorisation from each customer.</p> <p>We need to make more of our customers aware of the option of registering for outage notifications.</p>
4	Explain the tariff system in easy to understand English so that end-users can tell how it works how it affects them... and how to give feedback, if applicable?	<p>[We have assumed the simplest residential case in the below example].</p> <p>For each customer connected to our network we bill a customer's retailer using a daily charge (\$/day) and a usage charge (\$/kWh). For example, if in the month of July 2018, a customer consumes 350 kWh (kilowatt-hours) then the network bill to the retailer would be:</p> <ul style="list-style-type: none"> • Daily charge 31 days x \$0.12 = \$3.72 • Usage charge 350 kWh x \$0.08 = \$28.00 • Total = \$31.72 <p>(Note: the rates used in the above example are Jemena's 2018 network prices, excluding GST).</p> <p>The retailer then considers all of its costs and bills its customer (you). The main costs a retailer incurs include, (i) the network charges (noted above), (ii) the energy charges (which equates to the apples from the farmer in the example that we provided) and (iii) metering charges. On top of this the retailer adds a profit margin.</p> <p>Using the above example, the bill to the customer would look like the following:</p> <ul style="list-style-type: none"> • Daily charge 31 days x \$1.34 = \$41.54 • Usage charge 350 kWh x \$0.20 = \$70.00 • Total = \$111.54 <p>(Note: the prices used in the above example are AGL's published market offer rate for 2018, inclusive of GST).</p> <p>Feedback on tariffs can be provided in Session 5. We welcome any feedback you might have.</p>

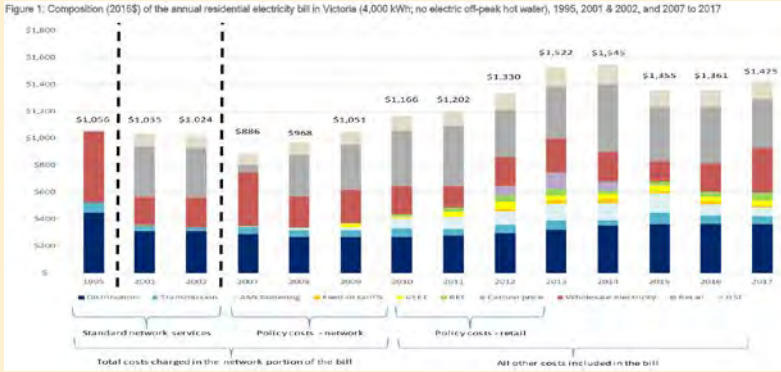
No.	Question	Answer
5	What's the difference in network cost between the networks- to help understand, and what are the number of customers?	<p>Network costs are largely the same between each network; they all use poles, wires and transformers. There are some nuances that cause costs to differ, including:</p> <ul style="list-style-type: none"> • who owns the network business (private or Government); • reliability standards which are set by state Government; <p>and</p> <ul style="list-style-type: none"> • Age of the network. <p>The most significant difference in costs between network businesses is customer density. City networks are typically cheapest, urban networks (such as Jemena) are a bit more expensive and rural networks are the most expensive to run.</p> <p>Comparing costs is very difficult because of the different circumstances. To compare, Ausnet Services (which serves a large rural customer base) will have much higher costs than Jemena. However, the higher costs do not necessarily mean Ausnet Services are doing anything wrong.</p> <p>The Regulator is mindful of this problem and undertakes some complex benchmarking techniques to develop a process of like-for-like comparison.</p> <p>In the latest report by the Regulator, Jemena ranks 5th out of 13 in terms of cost efficiency comparisons of network businesses across the National Electricity Market. Benchmarking is not an exact science, but it does give a sense of ranking amongst the network businesses operating in the National Electricity market.</p> <p>The approximate number of customers for each of the Victorian Electricity Distribution businesses is:</p> <ul style="list-style-type: none"> • Jemena – 350,000 • Powercor – 800,000 • CitiPower – 300,000 • United Energy - 700,000 • Ausnet Services – 750,000
6	What's the SLA for fixing streetlighting?	<p>In most circumstances a streetlight must be fixed within two days of the fault being reported, otherwise a \$25.00 fee must be paid to the first person that reported the incident.</p>

No.	Question	Answer																																																												
7	In relation to the future, has Jemena done any studies concerning the impact of artificial intelligence and robotics on the network?	<p>Jemena collaborates internationally with lots of other electricity network businesses, and both artificial intelligence and robotics are often topics of interest.</p> <p>These technologies are still very expensive, but some businesses (not Jemena yet) have started implementing artificial intelligence in control rooms to help manage reconfiguring the network during outages, and robotics out in the field to detect possible equipment failure (e.g. using infra-red detection).</p>																																																												
8	1 outage per year of 1 hour, OK. But how does this compare to other areas in Australia and the world?	<p>The table below compares Jemena to other areas of Australia and other countries. The Australian data is from the Australian Energy Regulator, all other data is from the World Bank's Doing Business report.</p> <table> <tr> <th>Area/country</th><th>Number of outages per customer each year</th><th>Length of outages each year</th></tr> <tr> <td>Jemena – North West Melbourne</td><td>0.9</td><td>51 min</td></tr> <tr> <td>South East Melbourne</td><td>0.9</td><td>1 hr 5 min</td></tr> <tr> <td>Inner Melbourne</td><td>0.4</td><td>26 min</td></tr> <tr> <td>Western Victoria</td><td>1.4</td><td>2 hrs 12 min</td></tr> <tr> <td>Eastern Victoria</td><td>1.7</td><td>2 hrs 21 min</td></tr> <tr> <td>Sydney</td><td>0.8</td><td>1 hr 17 min</td></tr> <tr> <td>Regional NSW</td><td>1.9</td><td>3 hrs 41 min</td></tr> <tr> <td>South East Queensland (incl Brisbane)</td><td>0.9</td><td>1 hr 12 min</td></tr> <tr> <td>Regional Queensland</td><td>2.5</td><td>4 hrs 30 min</td></tr> <tr> <td>New Zealand</td><td>1.1</td><td>2 hrs</td></tr> <tr> <td>United Kingdom</td><td>0.2</td><td>18 mins</td></tr> <tr> <td>Canada</td><td>1.4</td><td>1 hr</td></tr> <tr> <td>Los Angeles, US</td><td>0.9</td><td>2 hrs 6 min</td></tr> <tr> <td>New York City, US</td><td>0.1</td><td>18 mins</td></tr> <tr> <td>Italy</td><td>1.5</td><td>30 mins</td></tr> <tr> <td>Germany</td><td>0.2</td><td>12 mins</td></tr> <tr> <td>Beijing, China</td><td>0.4</td><td>1 hr 12 mins</td></tr> <tr> <td>Delhi, India</td><td>2.7</td><td>2 hrs 54 mins</td></tr> <tr> <td>Mumbai, India</td><td>1.6</td><td>54 mins</td></tr> </table>	Area/country	Number of outages per customer each year	Length of outages each year	Jemena – North West Melbourne	0.9	51 min	South East Melbourne	0.9	1 hr 5 min	Inner Melbourne	0.4	26 min	Western Victoria	1.4	2 hrs 12 min	Eastern Victoria	1.7	2 hrs 21 min	Sydney	0.8	1 hr 17 min	Regional NSW	1.9	3 hrs 41 min	South East Queensland (incl Brisbane)	0.9	1 hr 12 min	Regional Queensland	2.5	4 hrs 30 min	New Zealand	1.1	2 hrs	United Kingdom	0.2	18 mins	Canada	1.4	1 hr	Los Angeles, US	0.9	2 hrs 6 min	New York City, US	0.1	18 mins	Italy	1.5	30 mins	Germany	0.2	12 mins	Beijing, China	0.4	1 hr 12 mins	Delhi, India	2.7	2 hrs 54 mins	Mumbai, India	1.6	54 mins
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No.	Question	Answer
9	<p>I feel question 9 of session 3 was misunderstood; if not I would like to see this. Q 9 was “Why can’t Jemena pass costs on like council rates for low income families?” Council rates are calculated per household based on the house value... what if supply costs were calculated based on income? Or portion of Jemena’s costs passed on?</p>	<p>There are many ways of coming up with a charge to customers; yes, house value or income are a couple of these.</p> <p>When considering the types of approaches to setting prices, house value and income are going to be very difficult, mostly because Jemena does not have the house value or income level information to be able to calculate the prices. Also, this information is usually covered by privacy laws which makes it difficult (if not impossible) to gather for billing purposes.</p> <p>As a general rule, we bill on the information that we have, and this is usually information that comes out of an electricity meter.</p>
10	<p>Greening the grid = smartening the grid. Was there a regulator before any state was privatised? If you get 10c per kwh import do you get any return on exported kWh. Spend more money on areas with multiple outages?</p>	<p>No business has been privatised without a Regulator in place, and just to be sure, Governments have covered off all aspects of regulation. We find there are usually state and federal regulations in place.</p> <p>Under the National Electricity Rules, Jemena is not allowed to charge anything for energy exported from the premises (usually a customer’s roof-top solar) to the electricity network.</p> <p>Through the reliability voting results given to Jemena (Session 4), we are already thinking of ways to meet the challenge of fixing outages as expected by the Panel. This is a complex challenge that will take some time to figure out.</p>
11	<p>Spotswood and surrounds- likely to be more planned outages in the future?</p>	<p>Some areas of our network do experience periods with multiple planned outages due to Jemena replacing old infrastructure, new customers connecting in the area, or due to other utilities (roads, rail, tram, etc).</p> <p>Following a period of multiple planned outages, that area of our network will experience improved reliability, as they are supplied via newer sections of the electricity network.</p>

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12	How do Australian electricity prices compare with international ones e.g. the US?	<p>Comparison of electricity prices internationally is complex, particularly because there is political instability and fluctuating exchange rates (that is things unrelated to electricity). To get around these problems, organisations such as the Organisation for Economic Co-operation and Development (OECD) use a purchasing power parity to come up with a common standard for comparison. There is also the problem keeping all of the information up to date.</p> <p>The OECD undertook a comparison back in 2014 which revealed that Australia is ranked in the top third of countries for electricity pricing.</p>  <table><tr><th>Country</th><th>Price (US cents/kWh)</th></tr><tr><td>Germany</td><td>37.84</td></tr><tr><td>Portugal</td><td>37.40</td></tr><tr><td>Poland</td><td>33.15</td></tr><tr><td>Slovak Republic</td><td>32.05</td></tr><tr><td>Spain</td><td>31.42</td></tr><tr><td>Turkey</td><td>30.97</td></tr><tr><td>Italy</td><td>30.50</td></tr><tr><td>Denmark</td><td>29.86</td></tr><tr><td>Greece</td><td>28.36</td></tr><tr><td>Hungary</td><td>27.88</td></tr><tr><td>Ireland</td><td>27.37</td></tr><tr><td>Czech Republic</td><td>27.16</td></tr><tr><td>Slovenia</td><td>26.56</td></tr><tr><td>Japan</td><td>25.47</td></tr><tr><td>Austria</td><td>24.10</td></tr><tr><td>Chile</td><td>23.30</td></tr><tr><td>Netherlands</td><td>23.06</td></tr><tr><td>OECD average</td><td>23.03</td></tr><tr><td>Estonia</td><td>22.57</td></tr><tr><td>United Kingdom</td><td>21.98</td></tr><tr><td>Belgium</td><td>21.93</td></tr><tr><td>Australia</td><td>20.47</td></tr><tr><td>France</td><td>18.83</td></tr><tr><td>Luxembourg</td><td>18.40</td></tr><tr><td>Sweden</td><td>16.44</td></tr><tr><td>Finland</td><td>16.16</td></tr><tr><td>Israel</td><td>15.45</td></tr><tr><td>Mexico</td><td>14.94</td></tr><tr><td>Switzerland</td><td>13.98</td></tr><tr><td>Korea</td><td>13.46</td></tr><tr><td>United States</td><td>12.50</td></tr><tr><td>Canada</td><td>8.49</td></tr><tr><td>Norway</td><td>8.47</td></tr></table> <p>Since 2014 Australia has seen a rapid increase in prices which means our ranking may have deteriorated. Sadly, the OECD has not produced a more recent report; we will have to wait a little longer before we can see the next comparison.</p>	Country	Price (US cents/kWh)	Germany	37.84	Portugal	37.40	Poland	33.15	Slovak Republic	32.05	Spain	31.42	Turkey	30.97	Italy	30.50	Denmark	29.86	Greece	28.36	Hungary	27.88	Ireland	27.37	Czech Republic	27.16	Slovenia	26.56	Japan	25.47	Austria	24.10	Chile	23.30	Netherlands	23.06	OECD average	23.03	Estonia	22.57	United Kingdom	21.98	Belgium	21.93	Australia	20.47	France	18.83	Luxembourg	18.40	Sweden	16.44	Finland	16.16	Israel	15.45	Mexico	14.94	Switzerland	13.98	Korea	13.46	United States	12.50	Canada	8.49	Norway	8.47
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13	How does electricity outages compare to water?	<p>City West Water is the water distributor which covers a lot of JEN's network area. Overall, water outages are less common than electricity, but last longer on average – similar to the comparison between underground and overhead electricity networks.</p> <p>In City West Water's current 5-year plan, their standard for length of an unplanned outage is 2 hrs and 5 min. This is longer than Jemena's average outage duration of around 50 minutes.</p> <p>As of July 2018, City West Water doesn't have a service standard for number of outages per year, but their previous 5-year plan included a standard of 0.2 outages per customer per year on average. This means there are fewer outages per customer than Jemena's average of 0.9 outages per year.</p>

No.	Question	Answer
14	<p>Do you have any information published on your website regarding network/fixed cost and Jemena charge per year per person to a retailer? This information will help us as a reference when we talk to our “stupid” retailers. If you do not have this information, is it possible to publish somewhere?</p>	<p>Jemena reports its fixed charges in its network pricing schedule: http://jemena.com.au/about/document-centre/electricity/tariffs-and-charges</p> <p>Pricing codes worth looking at in this schedule include:</p> <p>A100 for single rate tariffs</p> <p>A10X for flexible pricing (three-part Terms of Use)</p> <p>A10D for demand tariffs.</p> <p>The above list aligns to the tariff options outlined in the Session 5 homework pack.</p> <p>Jemena keeps track of charges per ‘typical’ customer (not per person) across Victoria. The last set of data is reported in this linked document:</p> <p>http://oakleygreenwood.com.au/wp-content/uploads/2017/11/Bill-component-movement-analysis-final-27Feb2017.pdf</p> <p>An extract of the results is produced in the chart below. The electricity distribution portion of the bill is represented by the dark blue section of the bars.</p>  <p>Figure 1: Composition (2015\$) of the annual residential electricity bill in Victoria (4,000 kWh; no electric off-peak hot water), 1995, 2001 & 2002, and 2007 to 2017</p> <p>Due to the size limitations of this document, it might be best to take a look at the chart via the web-link.</p> <p>Please keep in mind that there are many ways to calculate this information and results may vary in similar reports produced by different organisations.</p>

No.	Question	Answer
15	<p>I had a solar system installed 2 weeks ago. Today I received a message from Jemena that we've received from Simply Energy regarding your meter setting update at my address. Simply Energy confirmed that it will be updated within 20 working days, why does it take so long? What could be done better, quicker?</p>	<p>This response was provided by an external party.</p> <ul style="list-style-type: none"> • Simply Energy (or any Retailer) plays the role of a facilitator in order to provide solar services. The timing required for installations are beyond our control and authority as we do not deal with the field personnel. Solar upgrades occurs in these steps: • Customer contacts independent solar installer (Simply Energy plays no role in this phase) • Solar installer (e.g. TRU value solar, or any other company) seeks pre-approval from your Distributor (e.g. Jemena) for capacity – again Simply Energy plays no role in this phase • Once solar panels are installed, REC/Solar installer has to submit a request called “Connection Agreement” to your Distributor (e.g. Jemena), followed by a request to Simply Energy for “Meter Reconfiguration”. This is the step where Simply Energy submits a request to Jemena (with some other pre-requisites as mentioned below) to reconfigure your meter in order to enable solar tariffs. Simply Energy verifies if the customer has an existing smart meter onsite and quotes an applicable fee that customer must accept if incurred, these include: <ul style="list-style-type: none"> • alteration fee (if meter upgrade is required) • wasted truck visit fee (if no access is provided) • At this time Simply Energy also require acceptance of Solar Tariffs from the customer • Paperwork required <ul style="list-style-type: none"> • electrical works request (mandatory) • cert. of electrical safety (mandatory) • acceptance of fee via phone OR complete fee acceptance form • acceptance of solar tariff • completed FiT form • Please note that any delay in receipt of above paperwork can delay the application, however once everything received, Simply sends a request to the distributor (e.g. Jemena). • customer must ensure clear access is provided to the meter box, switchboard and inverter OR customer can be contacted by Jemena to meet crew onsite <p>[This part of the response was provided by Jemena]</p> <ul style="list-style-type: none"> • Connecting solar is a complex activity, given the market arrangements and safety issues; nevertheless, we are always looking for ways for things to work more quickly. For example, Jemena implemented a new connections portal eight months ago to streamline the paperwork process, reduce errors and build strong industry relations between retailers and networks. While this is a start, we recognise that we can do more. We continue to explore new efficiency opportunities, similar to those we presented to the Panel in the future scenario session.

No.	Question	Answer
16	<p>The Jemena panel said it is cheaper for everyone if we had bundle options but this is not true. It should be explained that it is only cheaper for Jemena because it reduces spike times and it should also be explained how the spike creates additional cost to Jemena. I can't see it being cheaper to have my water kept warmed at 65 degrees while I sleep during the night. I gave the example of running my car and the amount of petrol it uses. If I turn it on and let it run for an hour, according to Jemena that uses less petrol than if I turned it off immediately and turned it back on in an hour.</p>	<p>Smoothing out 'peaks' in network usage will help reduce costs for Jemena over time, and, because of the way Jemena's prices are set, the Australian Energy Regulator ensures that Jemena's prices will be adjusted downward to reflect these savings.</p> <p>In the example of heating water off-peak, the smoothing of peak demand could be offset by an increase in the total volume of electricity used (at both peak and off-peak times). Whether or not this is cheaper for the customer overall will depend on a the specifics of a particular retailer's bundled offer. There are a number of other ways of reducing peak demand which don't involve using more electricity overall - and some of them actually involve reducing overall electricity consumption, which can add further savings for customers. Examples include running appliances like washing machines outside of peak times, and smart air-conditioners which can reduce usage at peak times without noticeably impacting comfort levels.</p>

