



Jemena Electricity Networks (Vic) Ltd

2021-26 Electricity Distribution Price Review Revised Proposal

Attachment 01-02

Capire - Jemena People's Panel Report November 2020



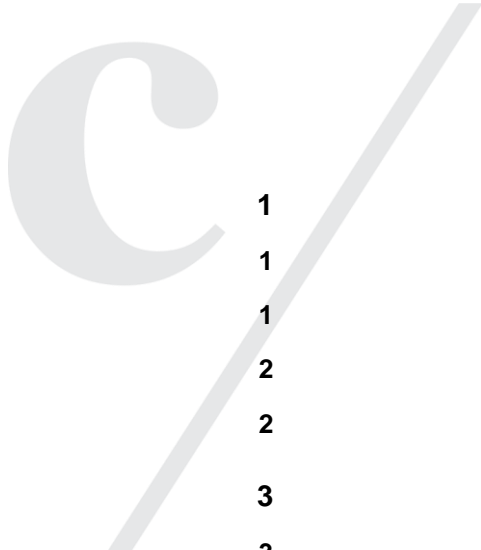


Jemena People's Panel

Report on forum to explore pricing submission feedback from Australian Energy Regulator

November 2020

capire



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1 Introduction

1.1 Background

The Jemena People's Panel was formed in mid-2018 to provide Jemena with advice and recommendations regarding a range of strategic and operational decisions. The establishment of the People's Panel involved creating a sample of the community and undertaking a journey of learning and discussion over a series of sessions. The deliberative engagement process enabled Jemena to build the knowledge of panel members, allowing them to participate in in-depth discussions about the future of electricity distribution and pricing.

A core component of a People's Panel is having members that reflect the diversity of experiences, values and voices within that community. This diversity was reflected in the 43 individuals who participated in the People's Panel.

1.2 Engagement Purpose

In late 2020, Jemena reconvened the People's Panel to report the Australian Energy Regulator's (AER) draft decision on Jemena's distribution determination from 2021 to 2026.

All People's Panel members were invited to participate in the forum. They were asked to choose to attend one of the two sessions:

- People's Panel Forum 1, Friday, 20 November, 9.30am – 11.30am
- People's Panel Forum 2, Monday, 23 November, 6.30pm – 8.30pm

The objectives of the forums were to:

- invite People's Panel members to share their stories of how they have been impacted by COVID-19.
- report the AER's draft decision on Jemena's distribution determination from 2021 to 2026.
- explore the concept of 'depth' in engagement.
- revisit the energy trilemma of affordability, reliability and sustainability.

Due to COVID-19 restrictions the forums were hosted in a virtual format using Zoom meeting software. The forum agenda was designed to:

- use an ice-breaker for participants to familiarise themselves with the online tools.
- use a range of meeting functions (including chat, raise-hand function, private chat to access technical support) and Mentimeter (an interactive voting tool) to facilitate live polling and discussions.

The agenda of the forums is provided below.

9.30am /6.30pm	Welcome and introductions
9.35am /6.35pm	A quick summary of the AER's overall decision
9.40am /6.40pm	Session 1: Reliability
9.55am/6.55pm	Session 2: Sustainability
10.25am /7.25pm	TEA & COFFEE BREAK
10.35am /7.35pm	Session 3: Affordability
11.20am/ 8.20pm	People's Panel check-in
11.25am /8.25pm	Final remarks and next steps
11.30am /8.30pm	CLOSE

1.3 Participation

A total of 28 members accepted the invitation, and 19 of them participated; six members participated in Forum 1 and 13 members participated in Forum 2. In the forum invitation, participants were asked if they would need support to participate using online meeting platform Zoom, and whether they required interpretation services. One participant dialled in to the meeting with support from Capire; another participant was offered extra mobile data to participate but did not attend due to personal circumstances. Participants were also provided with an EFT gift voucher to cover any out of pocket expenses.

1.4 Amendments

After Forum 1, Jemena and Capire reflected on the questions posed to the participants. The team evaluated that the questions about whether the panel members still support the Future Grid program and whether they would like to be more involved in assessing Jemena's operation efficiency could be clearer. Slight amendments were made to the presentation and the question to clarify the 'ask' of the questions. Below is a table showing the changes in questions posed in Forum 2.

Table 1 Changes in questions

Topic	Forum 1	Forum 2
Sustainability	Have your views changed on greening the grid?	Do you still support our Future Grid program to green the grid?
Affordability	Who should provide a customer view on how Jemena's operating efficiency is measured?	Do you also want to get involved in more detail? Why did you choose your answer?

2 Forum findings

This section of the report provides a summary of the participatory elements of the forums.

2.1 Session 1: Reliability

Jemena first presented on the topic of 'reliability' and reported back to the panel members that 'the regulator endorsed the capital spend we need to maintain a reliable supply of electricity to our customers.' Participants were then asked: *how has this year been for you?* and *has this changed your reliance on the electricity network?* These questions were also sent to the participants prior to the sessions to understand how the pandemic has affected their lives.

In response to the first question, four participants expressed that this year was very difficult for them; it was difficult as they were isolated at home, or they have lost family members during the pandemic. Seven participants found this year different but interesting as they were able to continue to work from home for several months.

Many participants mentioned they experienced an increase in household energy bills, and more reliance on a stable electricity supply at home. One participant remarked that Jemena has been providing reliable services during lockdown. Three participants felt more positive as they noted that the experience was 'not as bad as expected', and they get to spend more time with their family at home.

Comments from panel members included:

'This year has been interesting as I worked from home for 7 months.'
'A lot of changes to my processes to be able to see clients.'
'This year has been one of the worst ever for my mental and medical health, very seriously.'
'Different & interesting. I think it shows the real character of humanity is kind,'
'I've worked from home all year! It seems to have been an endless Groundhog Day this year. I spent most of it inside my little place!'

In response to the second question, (*has this changed your reliance on the electricity network?*), most participants said this year has changed their reliance on the electricity network. The reason being they had to stay at home most of the time. Participants shared that stable electricity supply is crucial to maintain work, social lives and domestic needs like heating, gas, lighting, food storage and electrical devices.

A few participants have experience planned outages during lockdown. Some found it really difficult as it impacted their work and daily lives; while others said it was acceptable as they were given notice beforehand.

Comments from panel members included:

'Being stuck at home for months meant my household power usage increased by 50%.'

'It has made me aware of the contingency needed in case another bad situation happens.'

'Reliability in 2020 was big part of my work during this year. Work was excellent.'

'Gas bill was double and gave me a heart attack. Gas charges more during winter. Better to switch to electricity, but that bill is higher during winter too because no solar input. Maybe it was colder generally this year.'

'It did impact on my electricity as there were often outages during the evening and I was stuck inside with no power. I couldn't get my car out of the garage because of the electric garage door lift.'

'My reliance on the network was even more critical at this time as I was unable to attend the office to perform my work.'

'Me, my kids and my wife are working from home or home schooling. The reliance on electricity network is very crucial for us.'

'Most certainly, I can see it staying like this with more people choosing to work more days at home when we go back, hence increasing electricity consumption at home.'

'We had a planned outage which went for most of the day and I had to take a day's leave. I was surprised Jemena decided to go ahead with such outages in the area considering the number of customers who are working from home during a lockdown period.'

2.2 Session 2: Greening the grid

The second session focused on 'sustainability'. Two of the recommendations from the People's Panel had contributed to the development of the 'Future Grid' program, which includes connecting solar to the grid and improve the performance of the grid by using new technologies. Jemena presented a cost-benefit analysis of various rates of solar feed-in tariff.

In Forum 1, participants were then asked: *have your views changed on greening the grid?*

Four participants responded 'no' and two participants said 'yes'. The question was ambiguous as some participants might not have supported the program in the first place, but then have changed their minds to support the program, or vice versa. Participants were then asked: *why did you choose your answer?* Most comments demonstrated that the participants supported the program while one participant mentioned they did not have solar.

Comments from panel members in Forum 1 included:

'We cannot keep doing as is. Demand increases and we want to limit the negative impact.'

'I think long-term is what needs to be considered. Balance over the longer term to reduce individual cost.'

'The direction is still valid, the question is now at what cost is a balanced one.'

'More info makes us more knowledgeable.'

'I am even more convinced now that we should push for this as it is only a small outlay for potentially bigger savings and environmental improvements in the future.'

'We don't have solar.'

In Forum 2, the question was modified to remove ambiguity, as participants were asked: *do you still support our Future Grid program to green the grid?* See Figure 1 below.

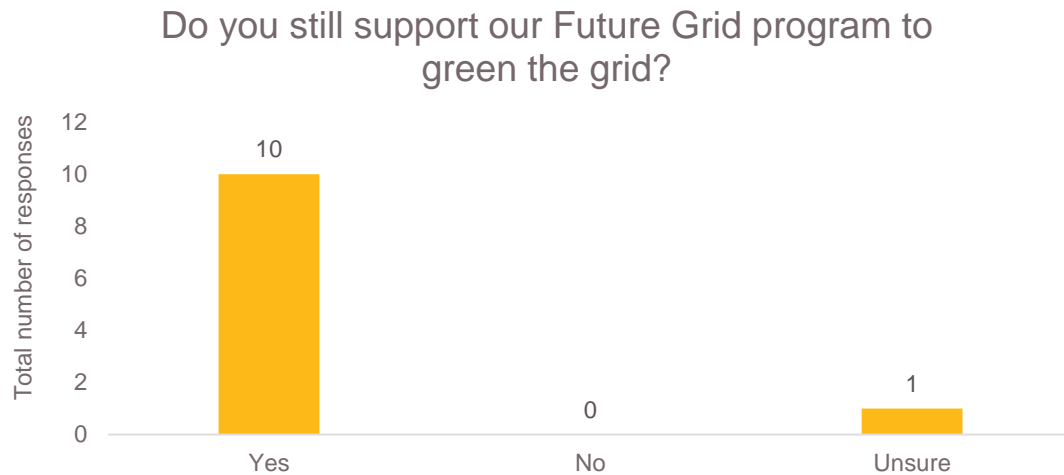


Figure 1: Forum 2 participants indicated whether they still support the Future Grid program (n=11)

A total of 11 participants responded, of which 10 of them still supported the Future Grid Program. Only one participant was unsure because they needed further details about the investment costs.

Participants supported the program because they felt that solar energy is good for the environment, reduces energy costs for consumers, and is a worthwhile long-term investment.

Comments from panel members included:

'Seems like there is still a cost benefit to the consumer. Good for the environment and the long-term monetary investment for the consumer!'

'I will be adding solar panels, but probably not a battery, to my new house when it's built, and I want myself and others to be able to continue to benefit from exports.'

'Because Solar is one of the best ways for families to reduce their energy costs and possibly delivery a green source back into the grid.'

'To encourage solar exports and reduce carbon footprint.'

'Stating the obvious is that mankind will have fewer respiratory problems the greener the grid gets.'

'It's an important goal and becoming more so as our coal-fired power stations reach end of life.'

'The last year has demonstrated how important it is to move quickly now to greener energy.'

'The existing economics is still beneficial, notwithstanding the increasing efficiencies of this technology so it can only get better, and we already knew solar is already cheaper than coal.'

'To diversify sourcing energy for future consumption without losing focus and balance at the present.'

2.3 Session 3: Future involvement

The third session of the forum was about 'affordability'. Jemena reported that the AER had benchmarked Jemena as the least efficient network and therefore said Jemena must reduce their costs from \$87M/year to \$75M/year by 2025/26. Jemena also presented how this reduction in costs will result in bill savings for residential customers from \$64/year to \$73/year. Jemena proposed to the People's Panel that they would like to propose a compromised saving of \$70/year.

In Forum 1, Jemena presented the range of stakeholders that were involved in the process and ask participants: *who should provide a customer view on how Jemena's operating efficiency is measured?* Participants were given a 100-point scale to distribute among the choices of stakeholders, including:

- People's Panel
- Australian Energy Regulator
- Jemena
- Economic consultant
- Independent customer lobby group
- Consumer Challenge Panel
- Government
- Others.

Results were shown in Figure 2 below.

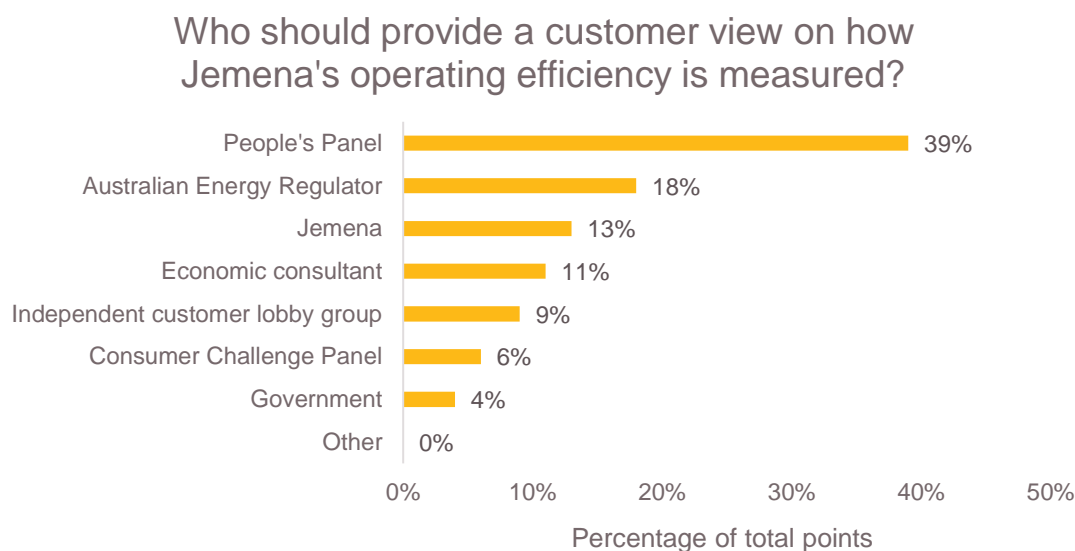


Figure 2: Forum 1 participants indicated who should provide a customer view on Jemena's operating efficiency measurement with a 100-point scale (n=600)

Six participants responded and in total allocated 600 points, of which 39% of the total points were given to People's Panel, followed by the AER (18%), Jemena (13%) and economic consultant (11%).

In Forum 2, the question was slightly amended. Jemena presented the range of stakeholders that were involved in the process then asked the panel members: *do you also want to get involved in more detail?* Results were shown in Figure 3 below.

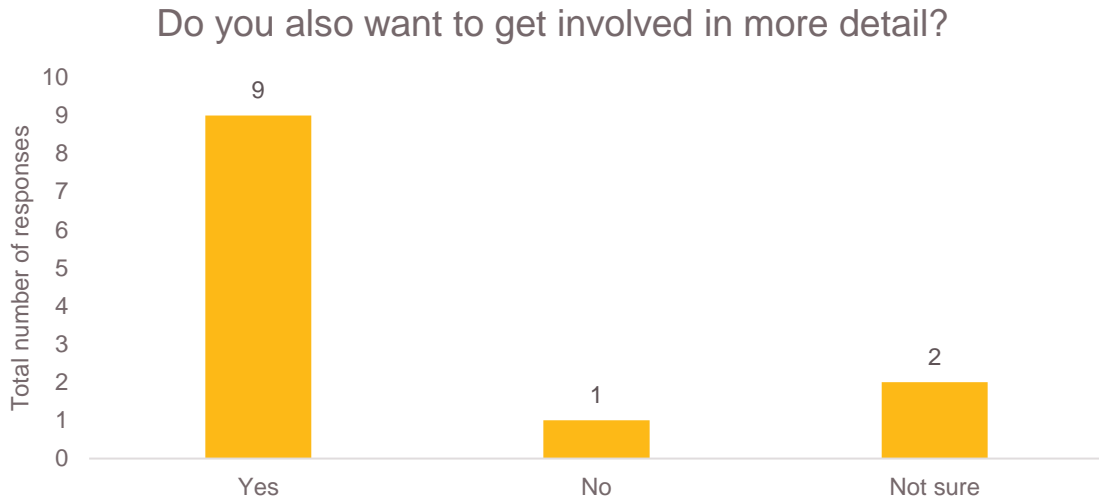


Figure 3: Forum 2 participants indicated whether they want to get involved in more detail (n=12)

A total of 12 responses were received, of which nine participants wanted to get involved, one participant did not want to get involved and two participants were not sure.

Participants who would like to get involved felt that an average person's voice should be represented in the process. Participants posed further questions about the process, asking if they need any specific knowledge to be involved or how much time is needed.

One participant mentioned that it would be hard for the People's Panel to judge the benchmarking process objectively if they were eventually benefiting from a lower operating income, hence savings in their bills.

Another participant felt that there is a need for a representative independent from Jemena to look at the benchmarking but questioned whether the Consumer Challenge Panel has the relevant expertise.

Comments from panel members included:

'I think it would be good to know about this in order to make a more informed decision.'

'I have a business background, so this stuff is really interesting to me. I also think the customer's voice is important. An outsiders view can often highlight areas that have been missed by people who are deeply involved.'

'I would be keen to know if energy industry knowledge would be a help or a biased hinderance to such a commitment.'

'It would be good to know the details of how benchmarking works, so I am able to form an independent opinion.'

'I think that the average person's view is very important.'

'Because this is pivotal to how we move forward.'

'The industry specific expertise is beyond that of an average member of the public to confidently derive a correct assessment. I'm an accountant myself and I do not believe I can gage this objectively.'

'How much more time?'

'I would like to see transparency, accountability, and fairness to all parties concerned to be done in benchmarking.'

To conclude the forum, participants were asked: *if you didn't feel that you could participate in the conversation, who would you want to represent your voice?* Their responses were:

- Energy Consumers Australia
- AER
- Economic consultant
- Consumer Challenge Panel
- Independent customer lobbying group
- A combination of the Consumer Challenge Panel and Energy Consumers Australia and an economic consultant
- Consumer advocate like St Vincent de Paul Society
- Energy Users Association of Australia
- Australian Competition and Consumer Commission (ACCC)

3 Evaluation

Eight participants provided feedback following the forums. The evaluation questions were different from previous People's Panel's sessions. This is largely due to the forums being delivered virtually and the desire to understand the participant's experience. See Figure 4 below.

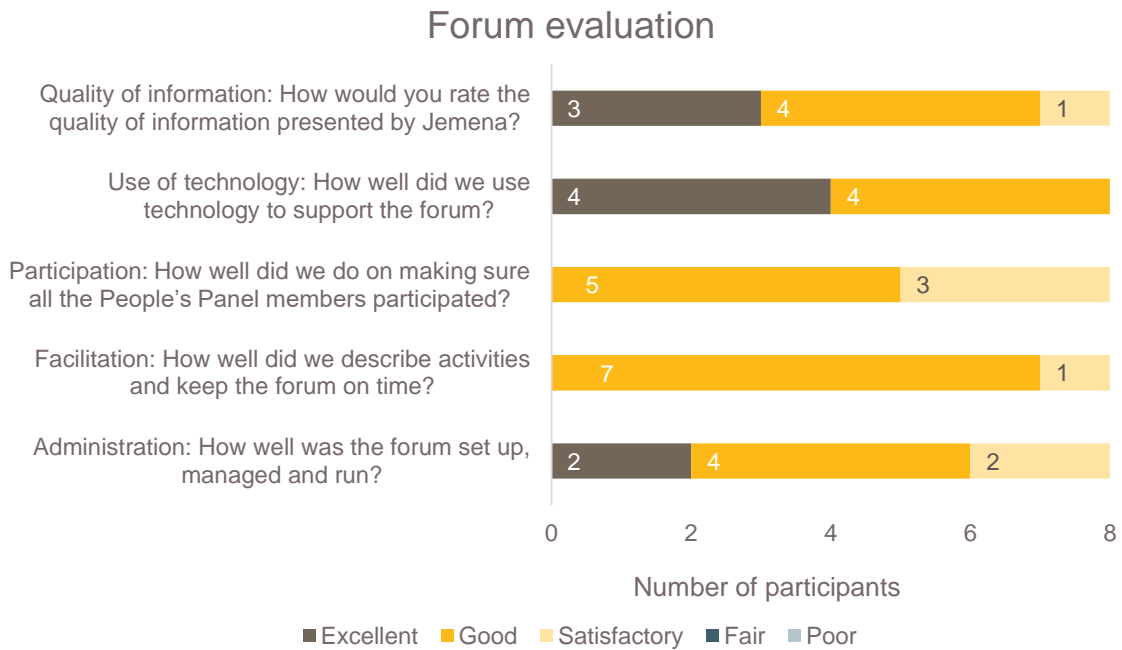


Figure 4: Evaluation of the online forums (n=8)

Overall, the feedback received was positive. Most participants rated 'Excellent' or 'Good' for the quality of information, the use of technology and administration, while participation and facilitation were rated 'Good' or 'Satisfactory'.

One participant found the technology difficult to use, commenting that the meeting application took time to load and it was difficult to switch to the Mentimeter browser.

Participants were also asked if they would like to continue to be invited to any future People's Panel events or discussions. All participants responded Yes.

Some participants provided further comments:

'It was nice to see those who attended and that we are still alive through this pandemic.'

'I was left a little unclear what Jemena's expectation is towards the people panel - especially moving forward. If I am asked to contribute to an efficiency evaluation, I would need significant inside into management and operational processes. Probably deeper than an average company would be prepared to share.'

'It was a good forum, but if its more transparent would be much better.'

'Overall, very good.'

'I am thankful for being part of the People's Panel and having been able to help out in one way or another throughout the process.'

'Great discussion as always. Would be good if there was an icebreaker at the beginning to make people feel more comfortable to participate.'

'This forum was rather rushed and the information provided was not comprehensive enough compared to the previous in-person forums.'

'The delivery via teams worked well. The information was clear, I also really liked how you were able to use the online answering/barcode system. I would be interested in being part of the next round, to assist in contributing to the Jemena's benchmarking methodology sessions. Thank you.'