

Residential Survey Phase 2 Results

Prepared for: Powercor
November 2017

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Powercor Residential Survey Results

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Approach

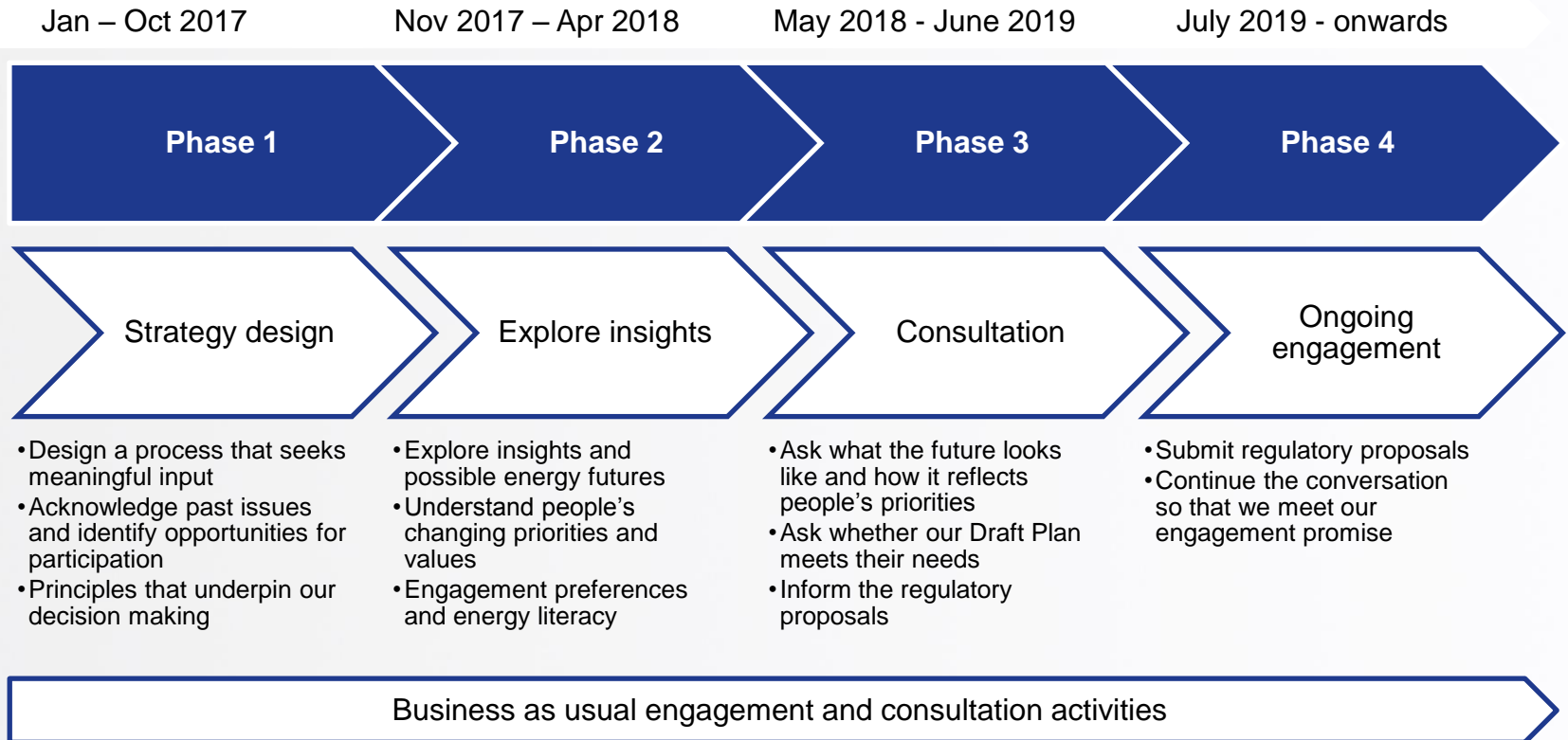
Background and context

- Powercor is required to provide a regulatory proposal to the AER every five years, detailing its predicted expenditure and revenue requirements over the regulatory period.
- Powercor is currently developing its regulatory proposal to the AER for the 2021-2025 regulatory period.
- To help shape this regulatory proposal, Powercor is keen to further understand the priorities and concerns of its customers.
- Woolcott Research and Engagement has been commissioned to conduct customer and stakeholder engagement to input into the preparation of the regulatory proposal.

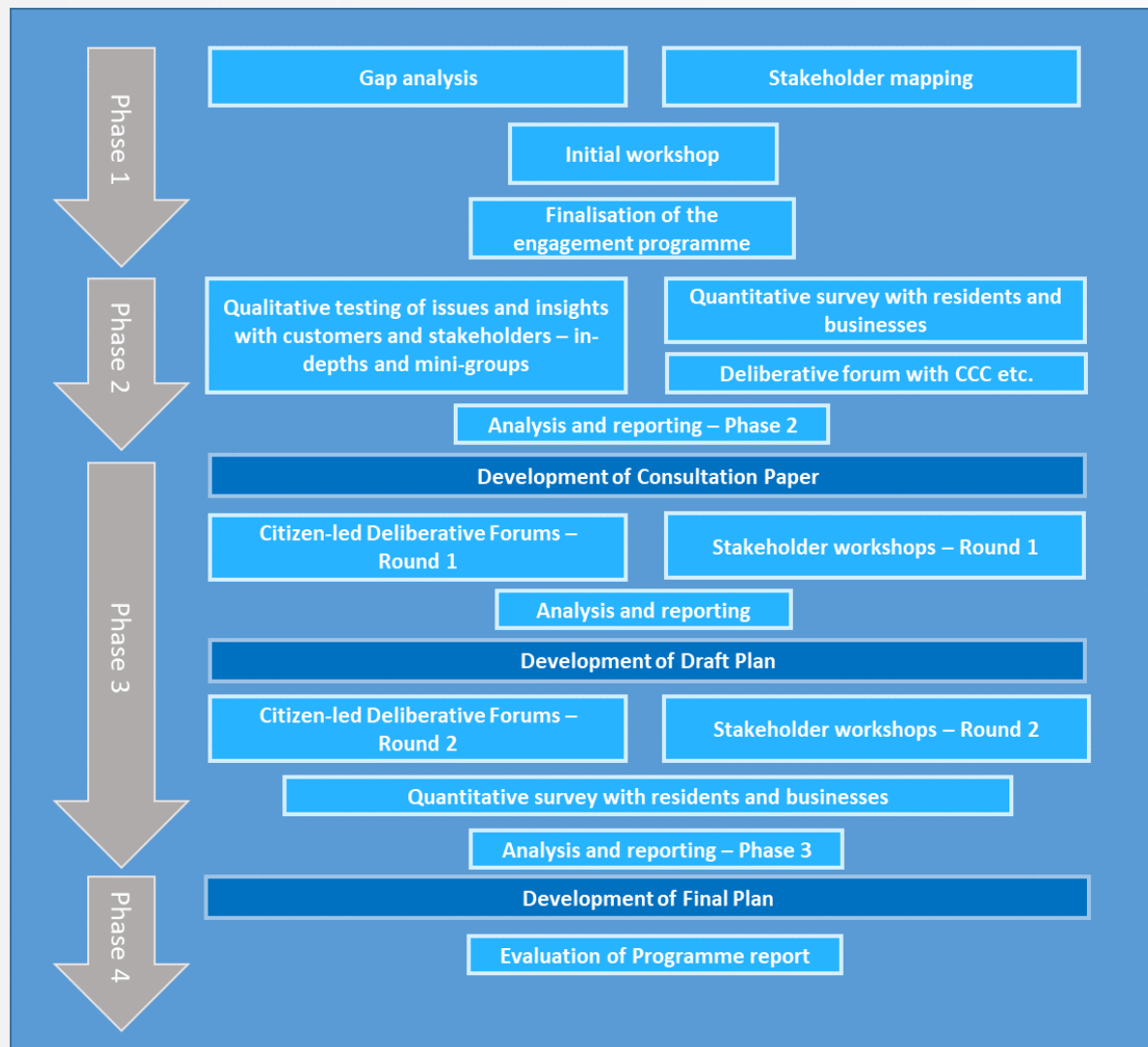


Engagement program

We are currently in phase 2 of the program



Research methodology



Key Findings

Key findings

Awareness and Values

- Awareness of Powercor and its role was moderate, with 18-34 year olds knowing significantly less about the distributors roles.
- Reliability of the network was the most valued roles of a distributor, both prompted and unprompted, with 53% of respondents indicating a satisfaction score of 9-10 for this attribute.
 - Only 1 in 10 accepted a trade-off for a lower level of reliability in order to see a reduction in their energy bill (11%), which was significantly lower amongst those ages 65+ years. However 46% were willing to pay a small increase to improve reliability in areas with poorer service.

Pricing

- The majority pay between \$50-\$150/month for their electricity bill, with nearly half of respondents (49%) indicating they would reduce their energy consumption during peak times for a \$2 rebate.
- There no clear preference between prices varying (42%) or staying the same throughout the day (40%), except amongst those aged 18-34 who were more likely to prefer that pricing stay the same (45%).
- Four out of five respondents thought it fair that prices should remain the same across urban and rural areas, and there was a strong agreement that connection costs should be paid by individuals.
- Four in five respondents indicated they would like to learn more about pricing.

Key findings

The Future and Renewable Energy

- The majority of Powercor respondents (45%) preferred a future scenario of 'Steady State', with a third supporting 'Green Power'.
- There is a willingness (62%) to pay a small increase for more safeguarding of the network against extreme weather and a reduction in the risk of bushfire (61%).
- Those aged 55 and over are very conscious of electricity usage and reduce as much as possible (77%), as opposed to 54% of 18-34 year olds who indicated they were poor at actively reducing how much they use, with money being the biggest incentive to adopt energy efficiency measures (93%). These measures used include:
 - Energy efficient lighting and appliances
 - Finding alternatives to cooling/heating
 - Home insulation
- There was a strong favouritism towards home solar panel installation (77%) – with 36% indicating they had these installed.
 - Intention to adopt measures in the future was significantly higher amongst 18-34 year olds, and those who intended to adopt indicated this to be likely in 3-5 years time.
- While only 38% indicated interest in community education programs, 18-34 year olds were significantly more likely to be interested in this topic (48%).

Residential Survey Methodology

Methodology

- The survey was conducted primarily online with some CATI top up.
- N=600 completes were obtained.
- The online respondents were sourced through an online panel provider, used solely for research purposes.
- The survey was live from 16/10/2017 to 31/10/2017
- Data was weighted during the analysis by age and gender to reflect the Powercor area.
- Throughout the presentation numbers in **bold green** are significantly higher than the total and numbers in **bold red** are significantly lower than the total.

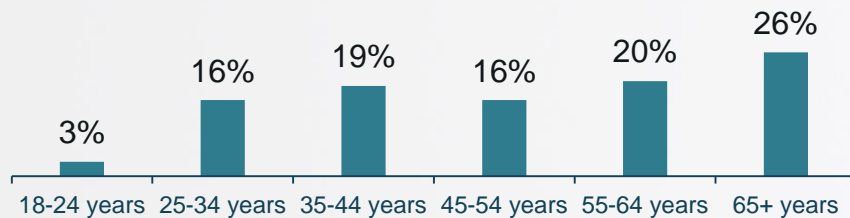
The survey covered the following areas:

- Knowledge and literacy
- Energy values
- Energy behaviours
- Network performance
- Pricing
- Connections
- Community engagement

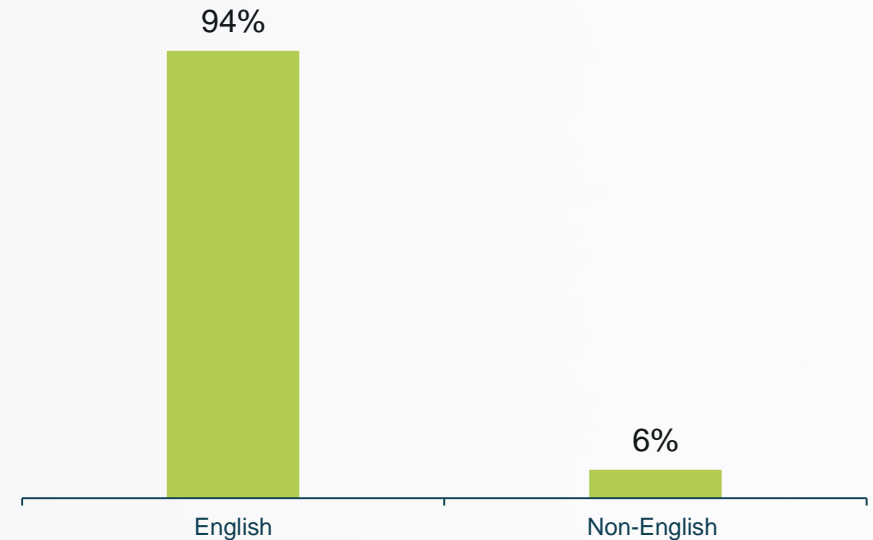
Participant Profile

Participant profile

Age breakdown

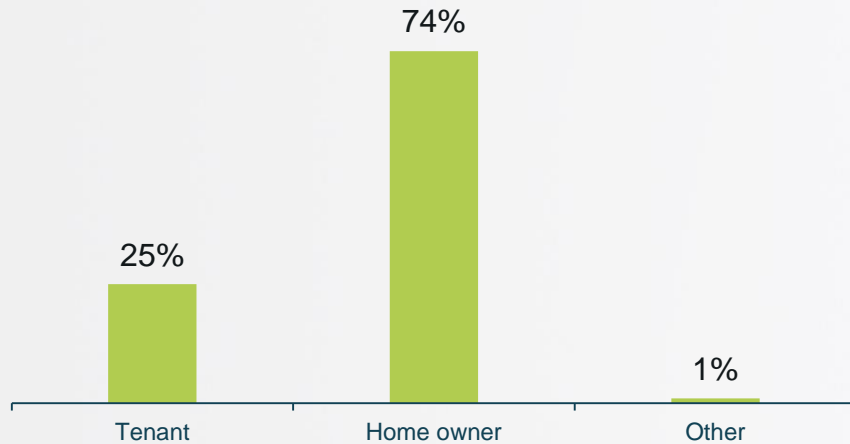


CALD – English v non-English

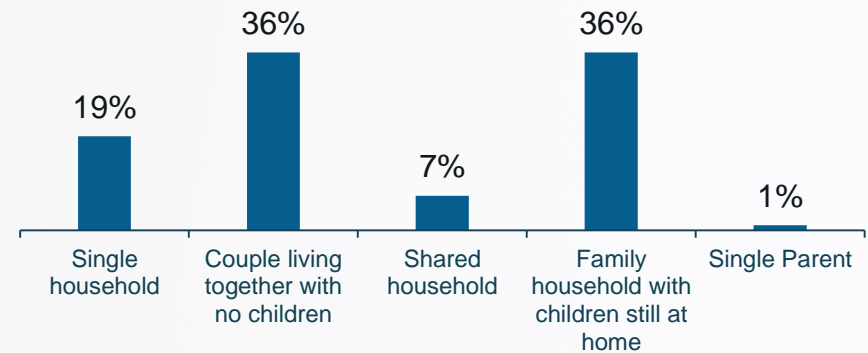


Participant profile

Residential status e.g. tenant, home owner etc.

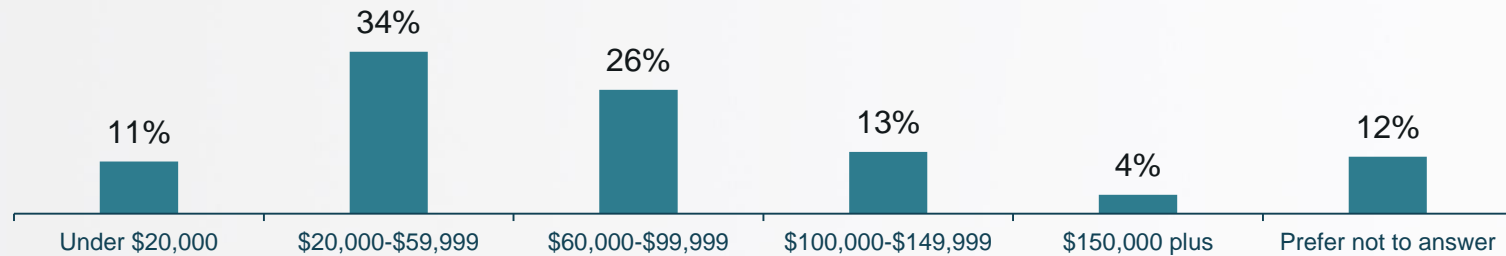


Household make up e.g. single, couple etc.



Participant profile

Income

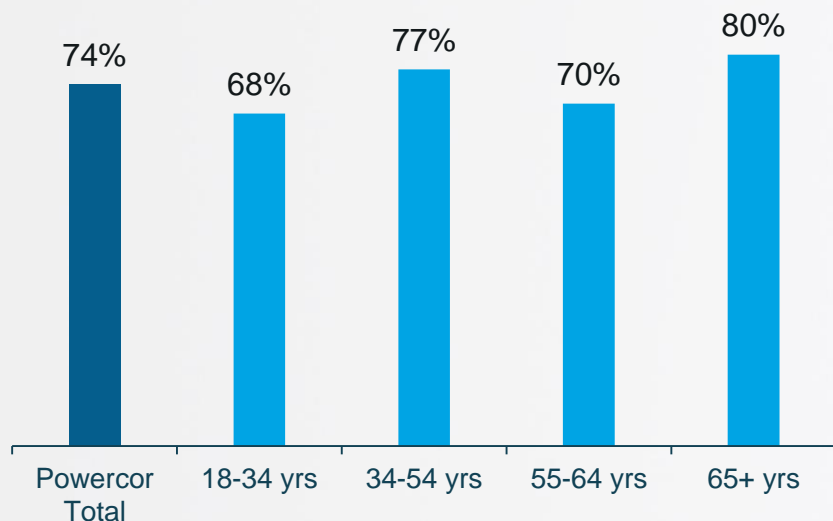


Q40. Which of the following categories best describes the income before tax of the highest earner in your household?
Base All respondents n=600

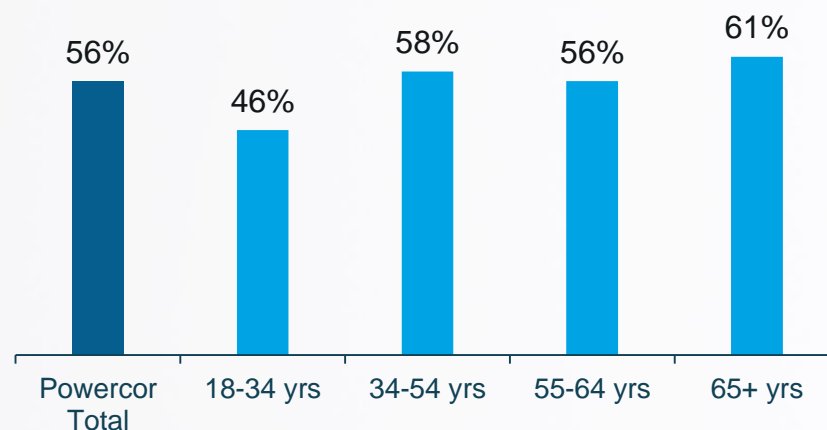
Knowledge and Literacy

Three quarters understood the difference between the role of a retailer and distributor with over half knew the name of their distributor, less amongst young people.

Understanding of the difference between retailer and distributor



Knowledge of electricity distributor



Q8. Do you feel you have a good understanding of the difference between an electricity distributor and electricity retailer?
 Q9. What is the name of your electricity distributor? By distributor, we mean the company responsible for the electricity network not your energy retailer who sends you the bill.
 Base All respondents n=600

The key roles of a distributor were perceived to be the maintaining the poles and wires, responding to interruptions, and getting electricity to homes. Younger people were far less familiar with the role of a distributor.

Perceived role of a distributor

Perceived roles	Powercor Total (n=489) %	18-34 yrs (n=84) %	35-54 yrs (n=166) %	55-64 yrs (n=93) %	65+ yrs (n=146) %
Responding to electricity outages and interruptions	83	66	82	85	94
Maintaining electricity poles and wires	83	68	83	90	89
Getting electricity to your home	76	63	73	82	85
Connecting electricity to new homes	70	55	66	72	82
Long term planning to ensure a resilient electricity supply	68	50	64	74	78
Trimming vegetation around powerlines	63	46	52	76	77
Maintaining and operating street lighting	63	61	61	54	70
None of the above	4	6	4	6	3

Q10. [insert distributor] is the electricity distributor for your area. Which of the following roles were you aware that [insert distributor] did before today?
Base Respondents who indicated they knew the difference between a retailer and distributor n=489

Energy Values

Reliability of supply and affordability were by far the most important to residents with reliability being particularly important for older people.

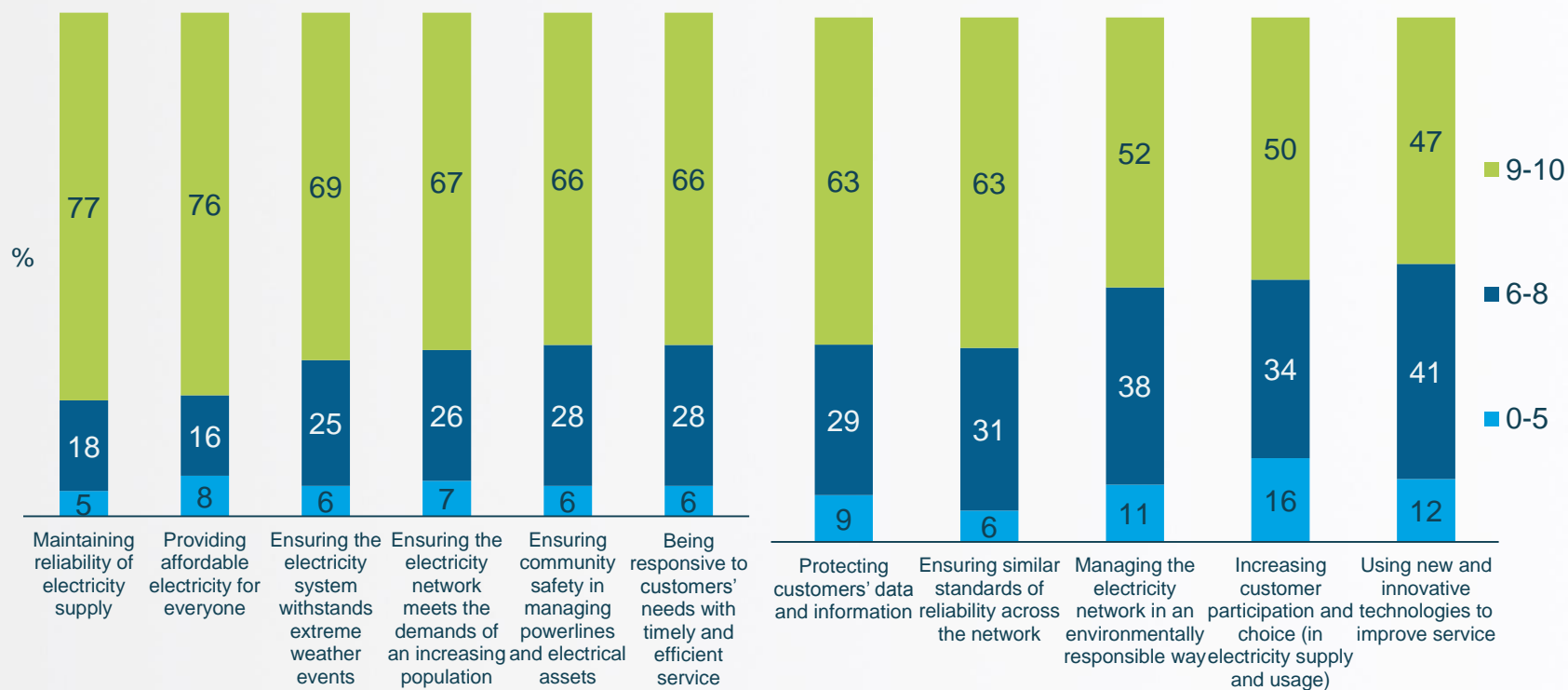
Top three things most valued by residents

Values	Powercor Total (n=600) %	18-34 yrs (n=117) %	35-54 yrs (n=195) %	55-64 yrs (n=114) %	65+ yrs (n=174) %
Reliability/consistent supply	75	63	69	80	87
Price/low cost/value	64	61	63	70	62
Customer service	14	19	14	9	13
Safety	13	10	15	14	13
Fast response to supply issues/problems	13	7	9	16	19
Sustainability/eco friendly	9	7	10	9	9
Good maintenance	7	5	5	11	10
No spikes/surges	6	3	8	6	6
Communication /when there are/are going to be outages	4	5	3	6	4
Good discounts/ loyalty programs	4	7	3	4	3
Honesty/trustworthiness/accountability	4	6	3	3	4
Other	16	20	21	10	12
Don't know/not answered	7	12	8	5	4

Q11. First of all, when you think about your electricity supply, what are the three things you value most (or are the most important to you)?
Base All respondents n=600

In a prompted sense, reliability of supply and affordability again emerged as the key important values. Of least importance was innovative technology to improve services

Importance of values

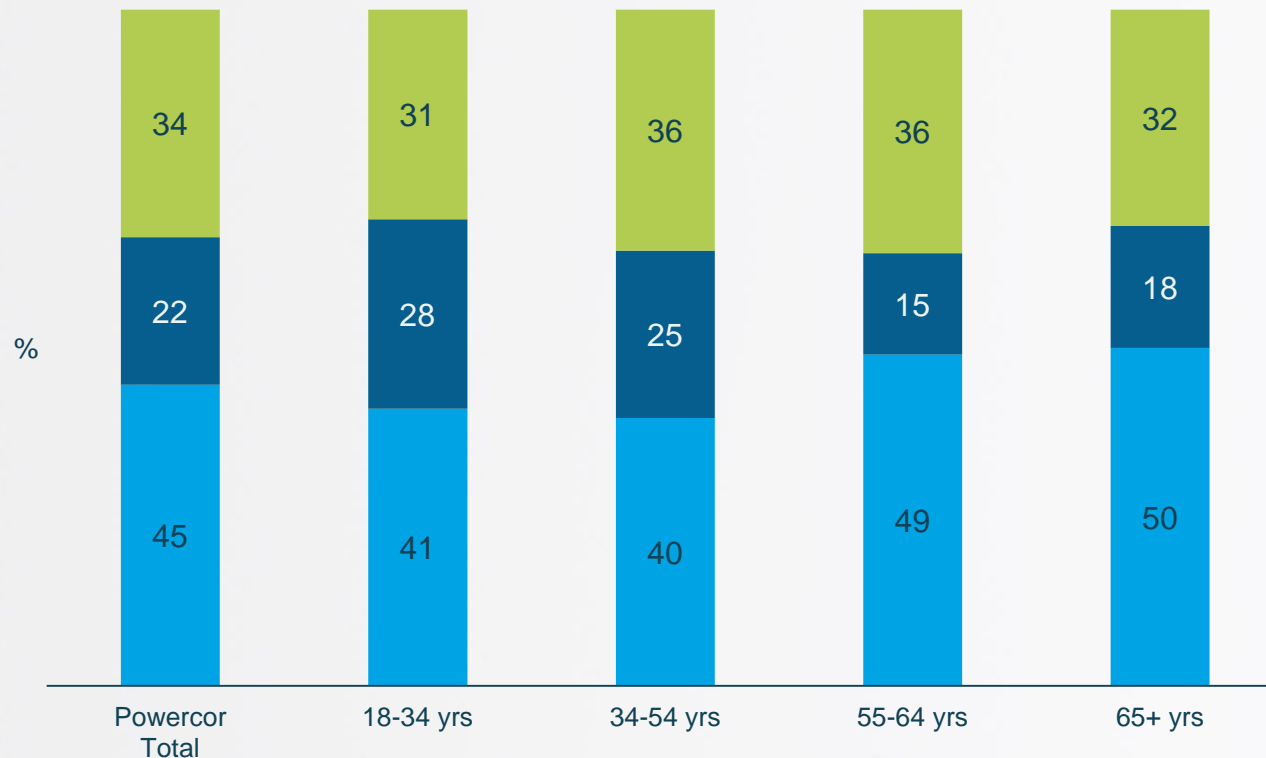


Q12. Could you now read through a list of values other people have suggested for the role of an electricity distributor and indicate how important that particular value is to you personally using a scale from 0-10 where 10 is extremely important and 0 is not important at all. You may use any number in between to indicate how important it is to you. Taking the first value...

Base All respondents n=600

In the Powercor area there was a strong preference for the Steady State scenario, with younger participants leaning towards the Consumer Power more than other age groups

Most preferred future scenario



Green Power



Consumer Power



Steady State



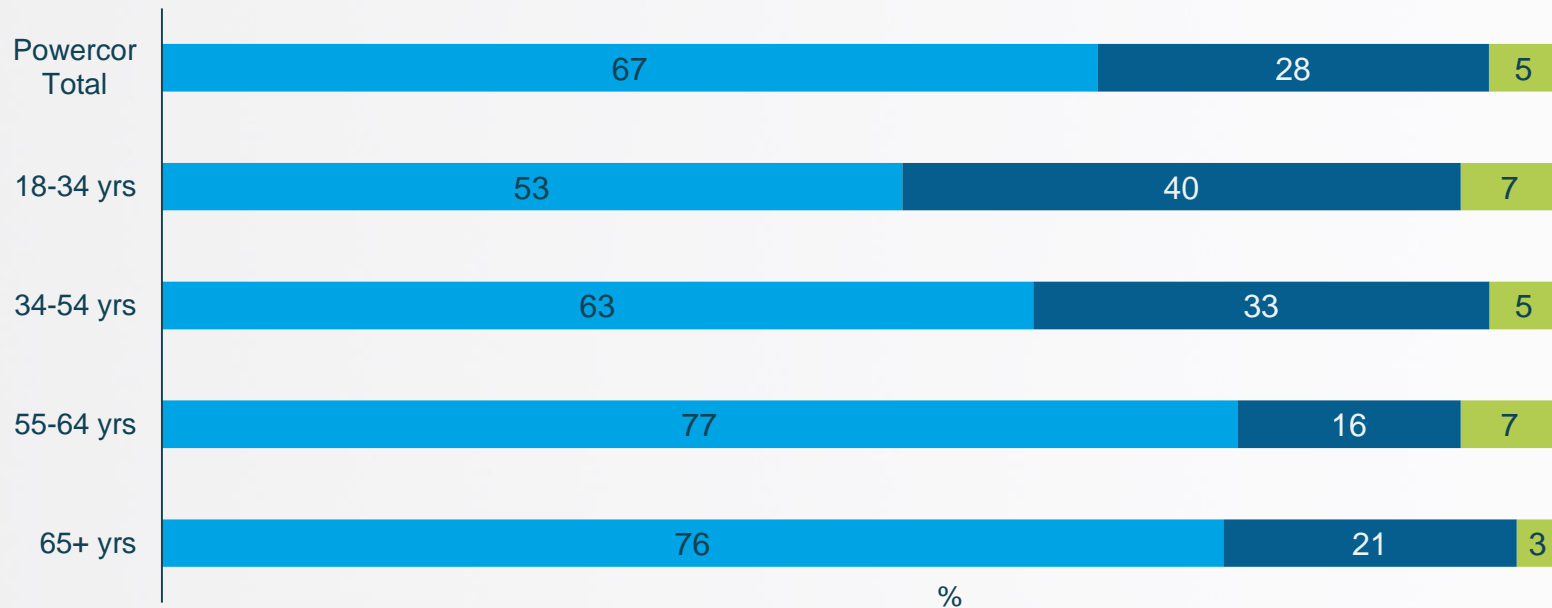
Q13. Below are three possible future scenarios for electricity distributors for the next 10 to 15 years. After you have read through them, could you indicate which would be your first choice (1), which would be your second choice (2) and which would be your least preferred option (3).
Base: All respondents n=600

Energy Behaviours

Over two-thirds of customers were very conscious of their electricity usage, especially those over 55 years. Younger residents were significantly worst at implementing energy saving behaviours.

Attitude toward electricity

- We are very conscious of how much electricity we use and try to reduce our usage as much as possible
- We try to be conscious of how much electricity we use, however we are poor at actively reducing how much we use
- We do not consciously monitor how much electricity we use, and do not try to actively reduce how much we use



Q14. How would you describe your household's attitude towards electricity?
Base All respondents n=600

The most common electricity saving behaviours were installing energy efficient lighting and appliances, which younger people did significantly less than others.

Adoption of energy efficiency measures

Energy efficiency measures	Powercor Total (n=600) %	18-34 yrs (n=117) %	35-54 yrs (n=195) %	55-64 yrs (n=114) %	65+ yrs (n=174) %
Installing energy efficient lighting	74	54	71	81	88
Purchasing energy efficient appliances	69	48	63	81	83
Finding alternatives to cooling/heating (such as opening windows or using blankets)	66	59	68	69	64
Home insulation to reduce your energy reliance	57	34	49	71	77
Using solar	8	1	7	12	12
Turning appliances etc off at the wall	4	3	5	4	5
Turning off lights not in use	1	1	1	-	3
Rarely/not using heating/cooling	1	-	-	1	2
Use electricity off peak	-	-	-	1	1
Other	-	-	-	1	1
None	5	9	7	3	-

Q15. Which of the following energy efficiency measures does your household adopt?
Base All respondents n=600

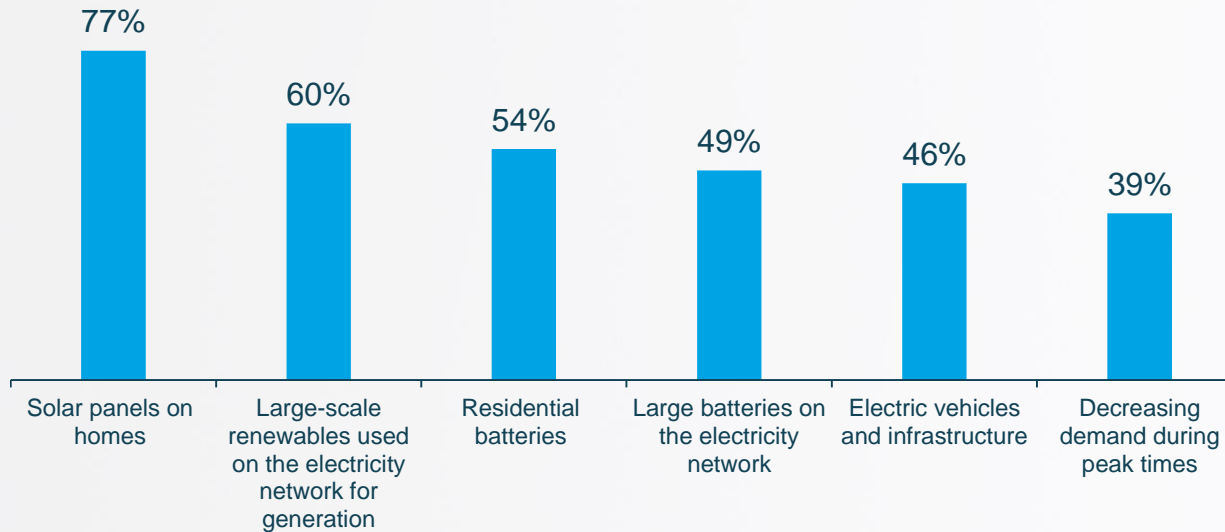
The main motivation to adoption of energy efficient measures was to save money, although this was lower amongst young people.

Reasons for adopting energy efficiency measures

Reasons for adopting energy efficiency measures	Powercor Total (n=600) %	18-34 yrs (n=117) %	35-54 yrs (n=195) %	55-64 yrs (n=114) %	65+ yrs (n=174) %
To save money	93	87	95	96	93
To lower our carbon footprint	44	41	45	46	43
Through education / habit	34	29	28	36	44
To reduce usage at peak times	33	31	30	35	38
Other	1	-	1	1	1

Individual solar panels were the most favoured technology for adoption, followed by large scale renewables on the network.

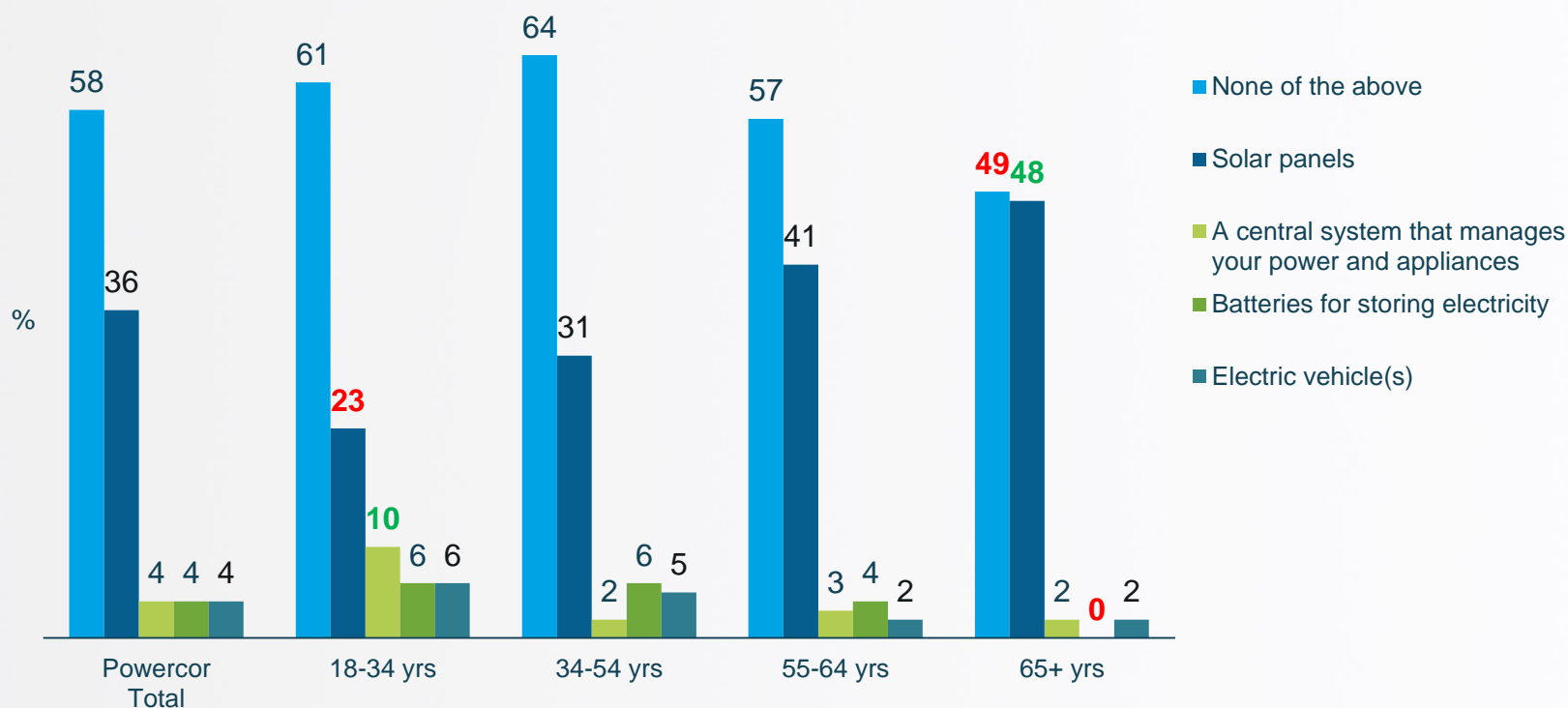
Favourable technological and behavioural network adoptions



Q17. Looking at the following technological and behavioural options below, how much are you in favour of the adoption of them in the electricity network:
Base All respondents n=600

Those over 65 years were significantly more likely to have solar panels in place, while young people had a higher incidence of a central management system in place.

Energy efficient solutions currently in place within the household



Q18. Does your household currently have any of the following:
Base All respondents n=600

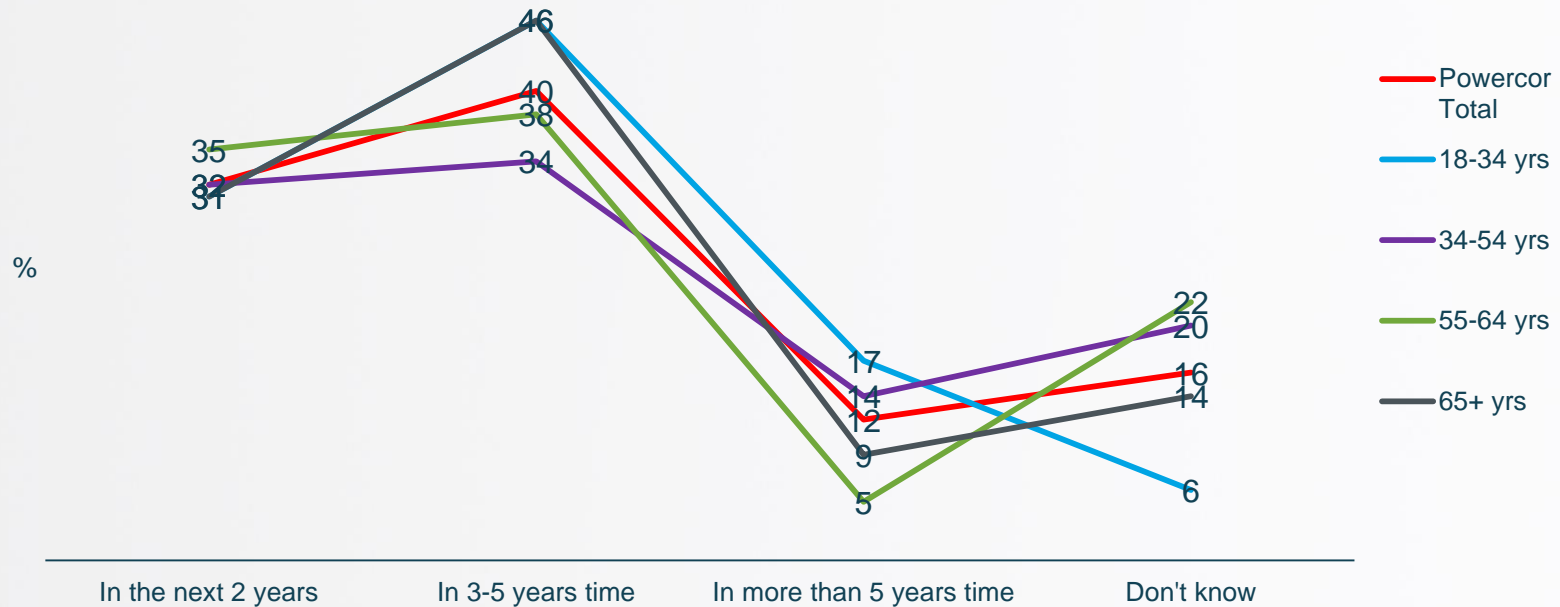
Installing solar panels was likely amongst nearly a third of those who had not yet invested in them. Intention to adopt many of these measures was significantly higher amongst 18-34 year olds.

Intention of green energy adoption

Likelihood of installing various green energy measures	Powercor Total %	18-34 yrs %	35-54 yrs %	55-64 yrs %	65+ yrs %
Install solar panels	34	42	35	32	26
Purchase an electric vehicle(s)	13	24	12	12	9
Purchase a battery	32	28	30	39	33
Install a central system that manages your power and appliances	20	29	22	18	11

In the next five years one in five respondents intend to have invested in a green energy initiative.

Timeframe for intended green energy adoption



Q20. How likely would your household be in the future to...
Base Respondents who did not have the green energy option already and were likely to purchase in the future n= 287

Saving money was the biggest incentive for likely installation of green technology. Over 65 year olds are also interested being more self sufficient.

Reason for being likely to invest in green energy technology

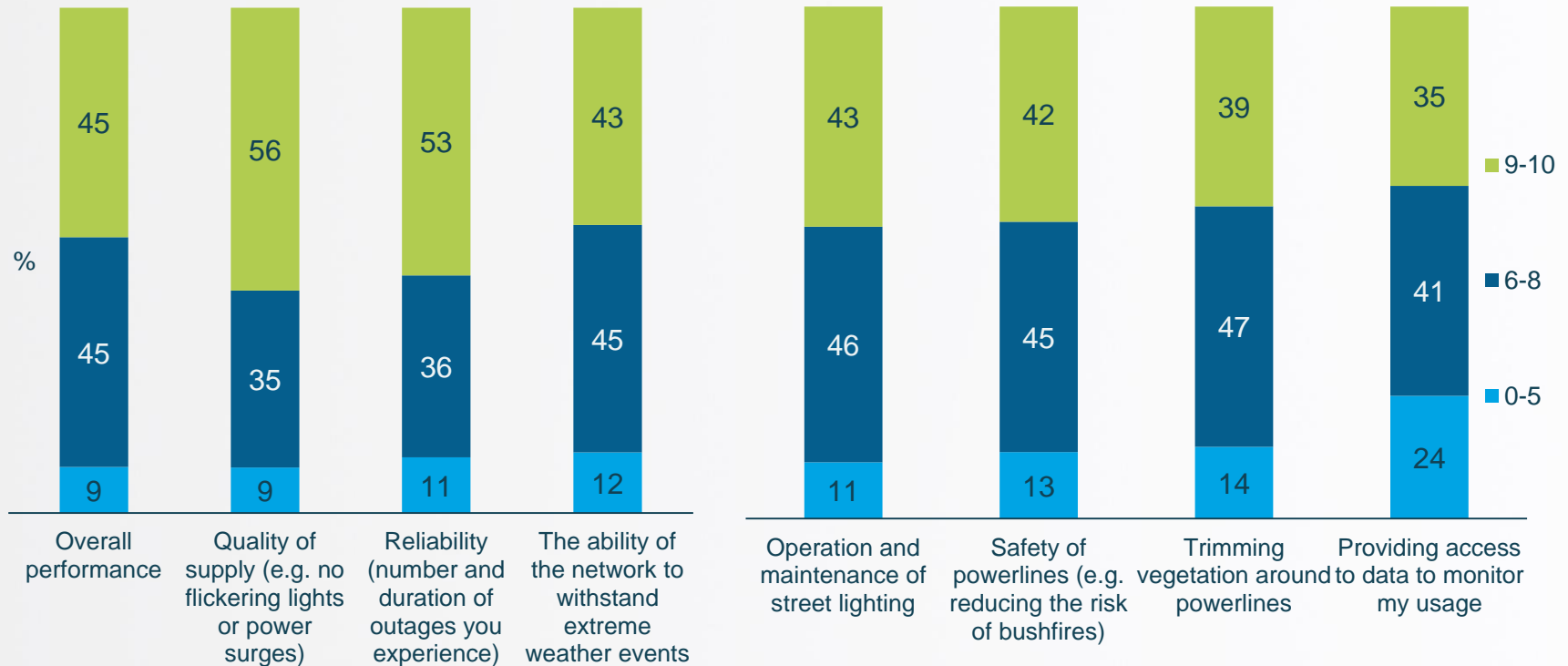
Reason for intention to install various green energy measures	Powercor Total %	18-34 yrs %	35-54 yrs %	55-64 yrs %	65+ yrs %
To save money	85	86	85	88	83
It is more sustainable	69	68	72	71	64
To be more self-sufficient	65	45	63	73	80
To sell electricity back to the grid	37	17	42	43	41
Other	1	-	2	-	-

Q21. And for which of the following reasons would your household be likely to invest in these technologies?
Base Respondents who did not have the green energy option already and were likely to purchase in the future n= 287

Network Performance

Quality of supply and reliability were rated the most positively. Those over 65 tended to be most satisfied with their quality of supply.

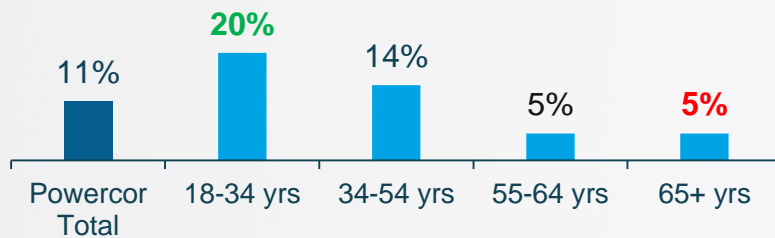
Satisfaction with distributor performance



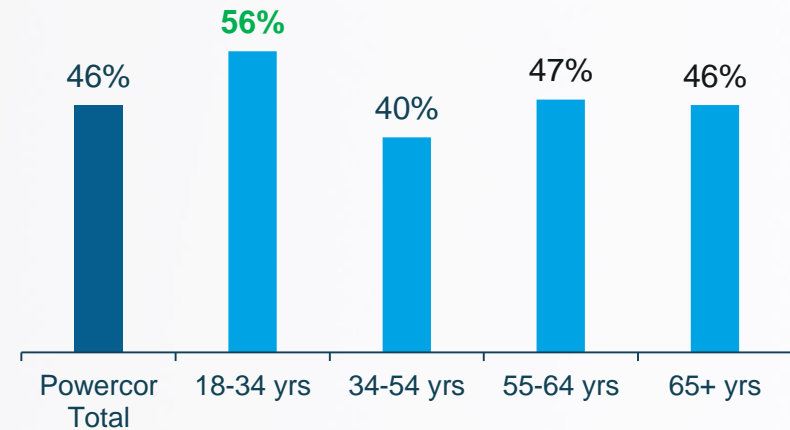
Q22. Thinking about all that your network distributor does, could you please rate your satisfaction with their performance using a score out of 10, where 10 is the highest and 0 is the lowest, on the following factors. For example, how satisfied are you with [insert network] in terms of:
Base All respondents n=600

Only 1 in 5 respondents indicated they would accept a trade off of reliability for savings. This was significantly higher amongst 18-34 year olds (20%). Young people were also more willing to pay more to improve services for others.

Acceptance of trading off reliability for a reduction in electricity costs



Willingness to pay more to improve reliability for areas with poorer service



Q23. In principle, would you be willing to accept a lower level of reliability (for example, more or longer outages or more flickering power) if it meant a reduction in your electricity bill?

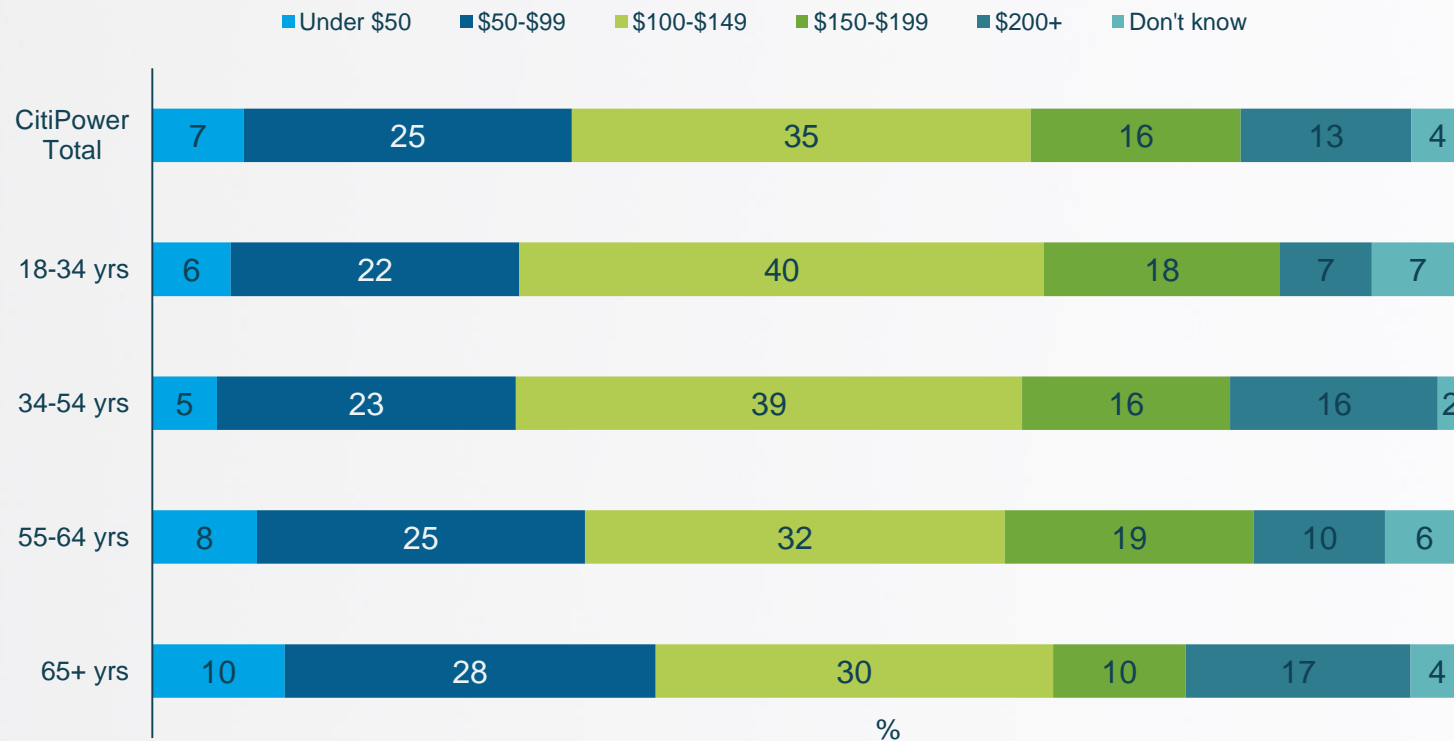
Q24. And would you be willing to pay a little more for your electricity, less than \$1 per month, to improve reliability for customers with poorer service, that is, areas with more than 10 outages per year.

Base All respondents n=600

Pricing

The majority pay between \$50-\$150/month for their electricity bill.

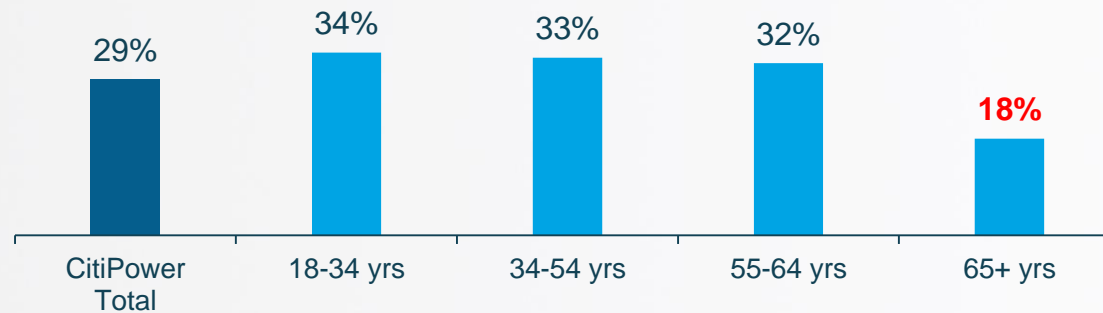
Cost of Monthly Electricity Bill



Q25. Which of the following price ranges does your typical electricity bill fall per month?
Base All respondents n=600

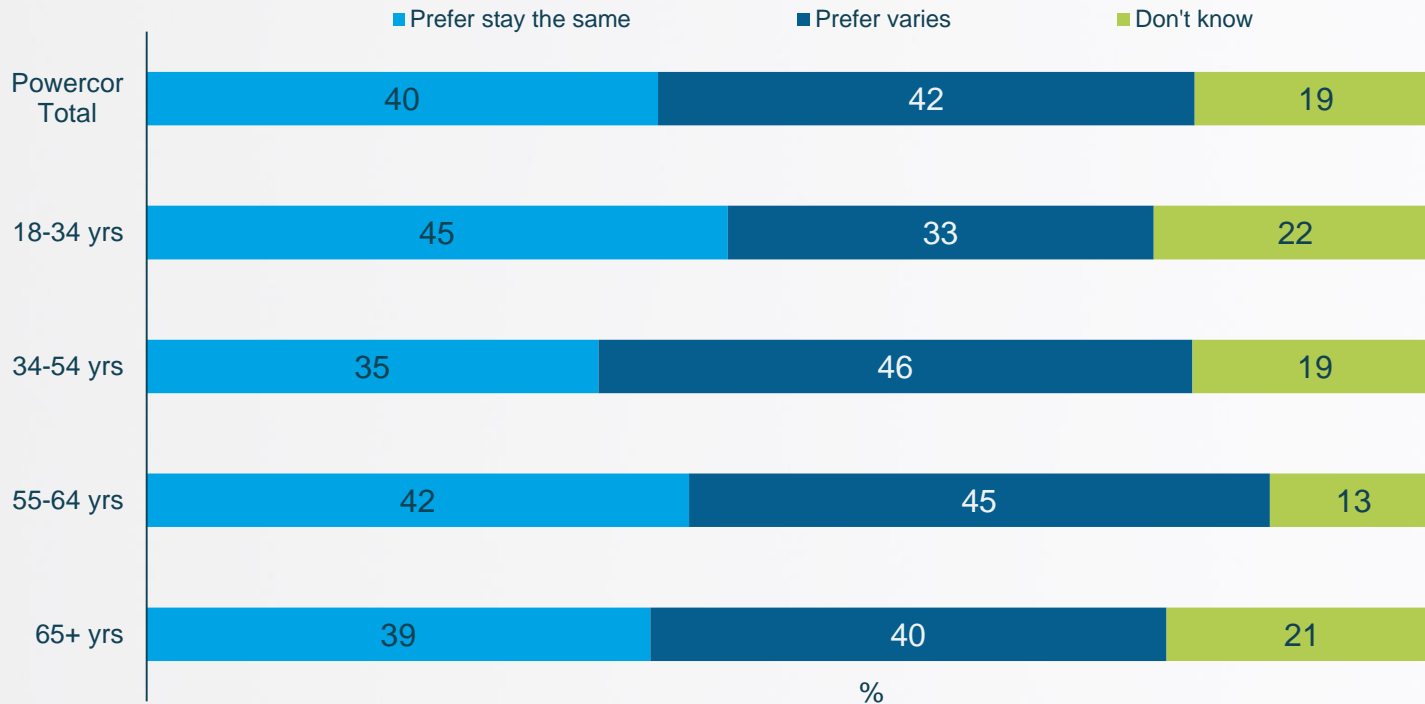
Most did not have difficulty paying their electricity bill, with the 65+ age group having the least difficulty.

Incidence of Difficulty Paying Electricity Bill



There was as light preference for variable pricing, however 18-34 year olds indicated a preference for prices to stay the same.

Time of Use Pricing Preferences



Q27. Do you prefer that the price of electricity stays the same throughout the day regardless of how or what time of the day you use it, or would you prefer that it varies? A variable price would allow you to alter your electricity usage in response to lower and higher prices.
Base All respondents n=600

There was a preference for pricing to remain the same across urban and rural areas.

Location Based Pricing Preferences

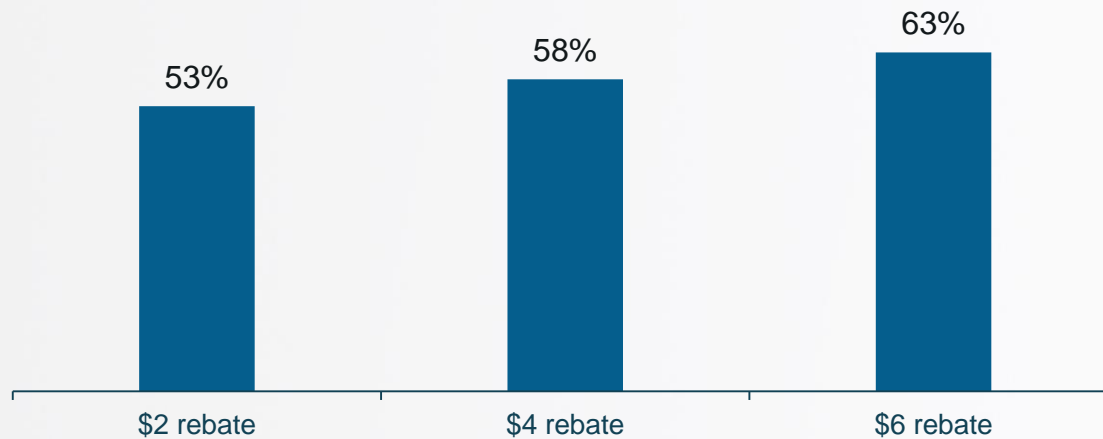


Q28. It costs more to supply electricity to rural and remote areas than urban areas. Do you think that everyone should be paying the same rates regardless of where they live or should rural customers be paying more for electricity than urban customers?

Base All respondents n=600

Over half were interested in a simple \$2 rebate, with 18-34 year olds being significantly more interested in all rebate amounts.

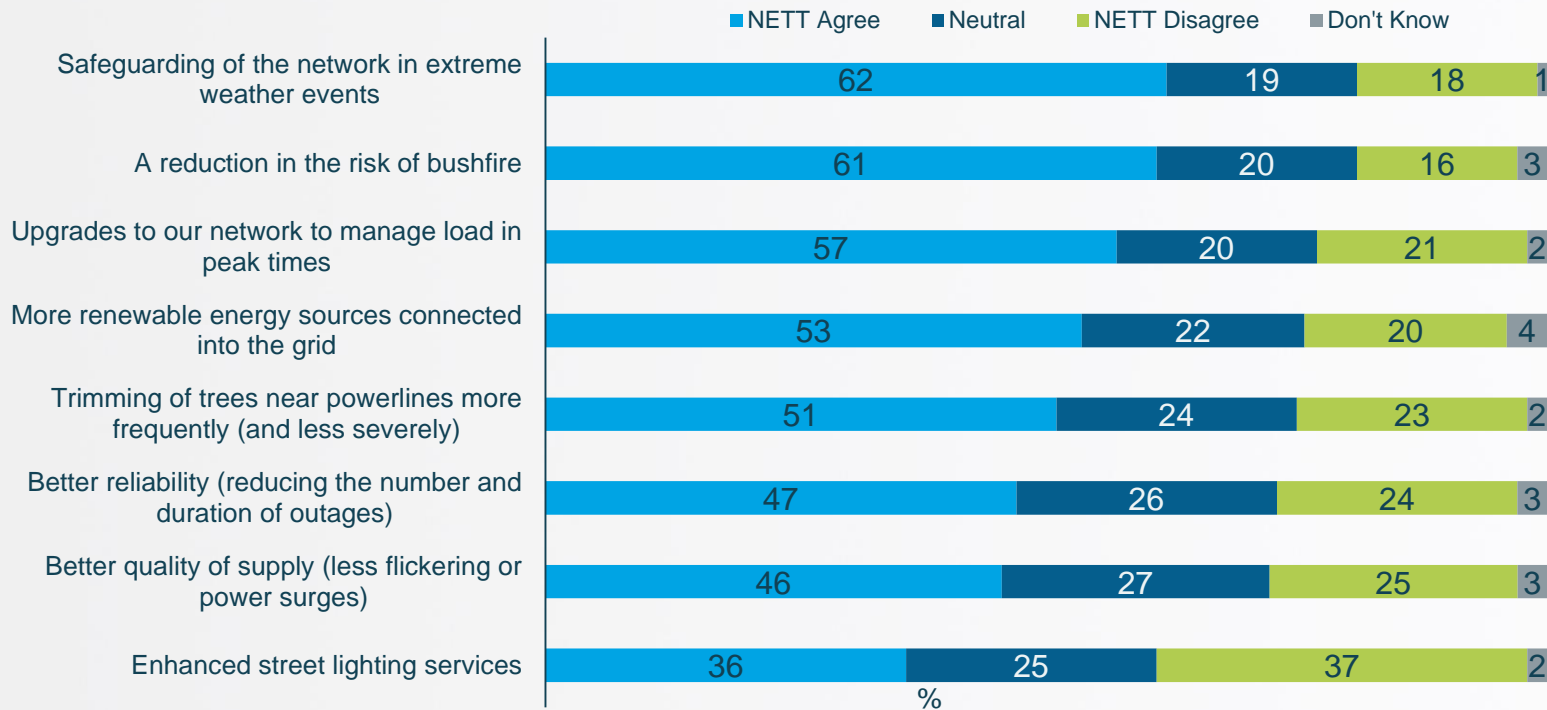
Rebates for Reduction in Electricity Consumption



Q29. How interested would you be in a rebate that rewarded you for reducing your electricity consumption during peak times? How interested would you be if the rebate resulted in a saving of ...
Base All respondents n=600

There was more willingness to pay for safeguarding in extreme weather and reducing bushfire risk.

Willingness to Pay for Various Services

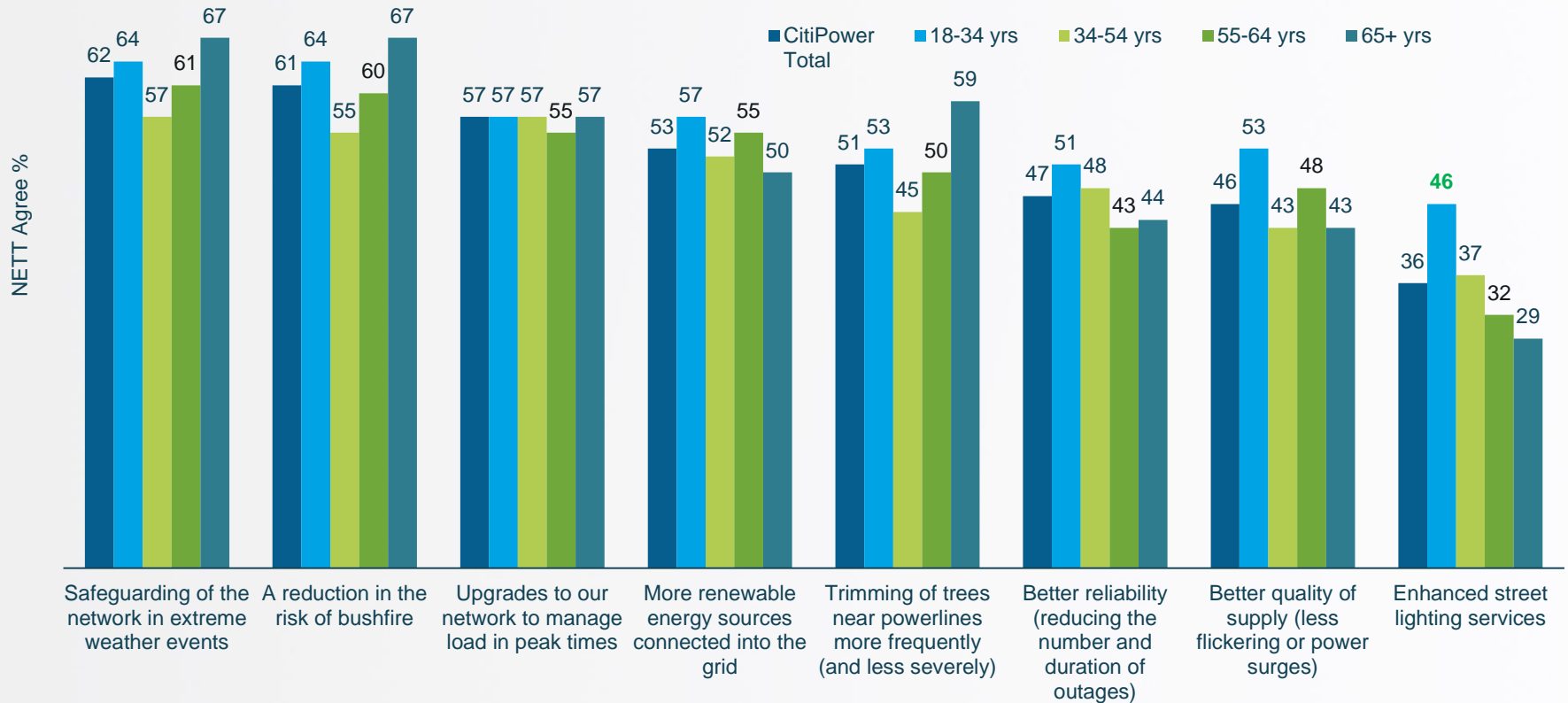


Q30. To what extent do you disagree or agree that: "I would be happy with a small increase in my electricity bill (less than \$1 per month per option) to provide..."

Base All respondents n=600

Those aged 18-34 and 65+ were slightly more likely to agree with most statements.

Willingness to Pay for Various Services by Age

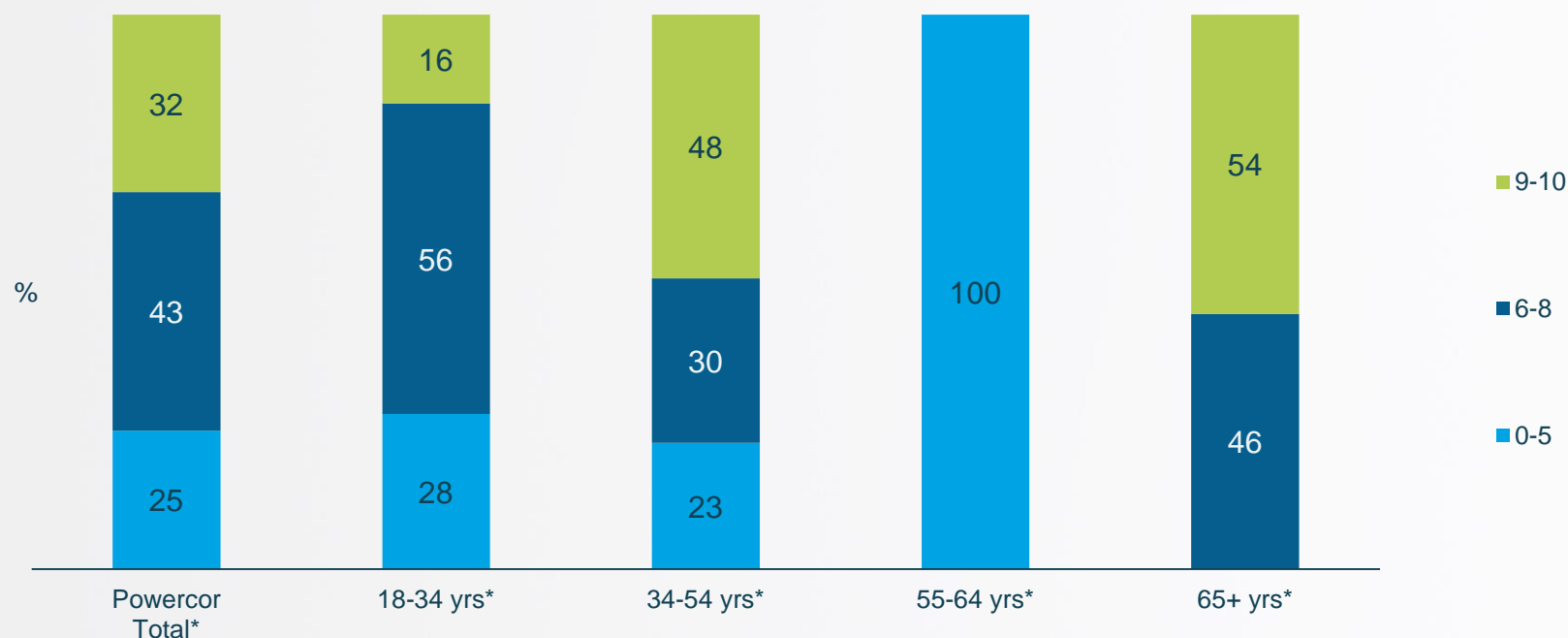


Q30. To what extent do you disagree or agree that: "I would be happy with a small increase in my electricity bill (less than \$1 per month per option) to provide..."
Base All respondents n=600

Connections

Respondents aged 18-34 years were significantly more likely to have had power connected for a newly built home in the last 12 months, with a moderate level of satisfaction.

Satisfaction with Connection Service

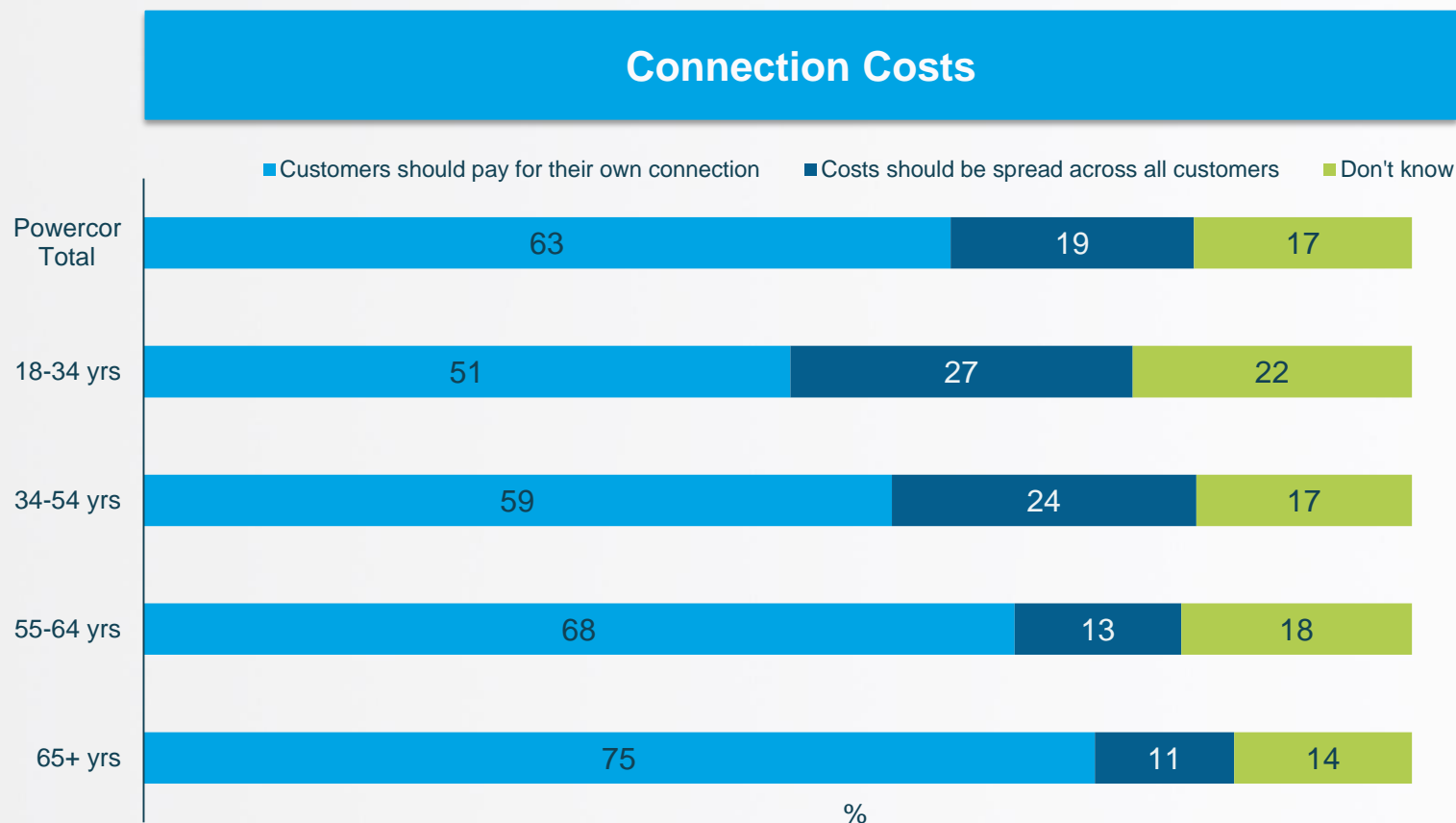


Q33. On a scale from 0-10, where 0 is very dissatisfied and 10 is very satisfied, how satisfied were you with the service you received from your distributor during the connection process?

Base respondents who had power connected for a new home in the past 12 months n=31*

*WARNING SMALL BASE SIZE

Nearly two-thirds of respondents felt that customers should pay for their own connection, which was significantly higher amongst those aged over 65 years.



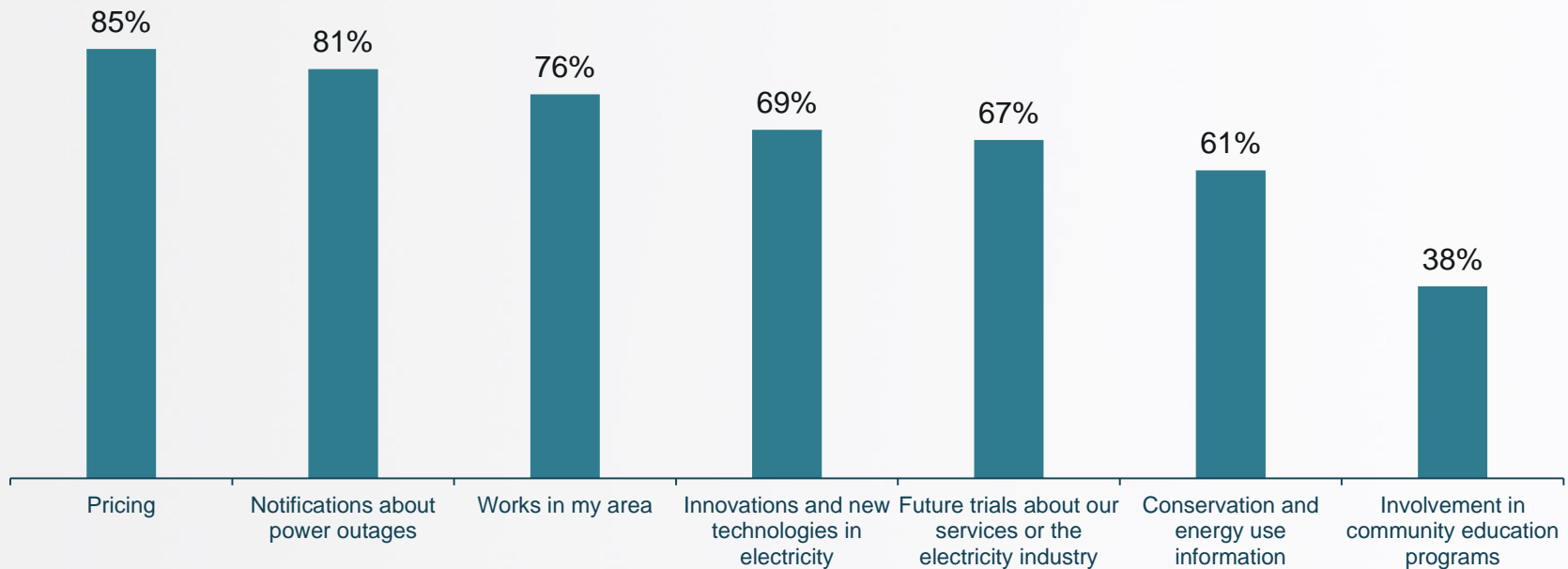
Q34. Do you think the cost to connect customers to the network for a new home or solar should be spread across all customers, or paid by the individual requesting the connection?

Base All respondents n=600

Communication and Engagement

While only 38% indicated interest in community education programs, 18-34 year olds were significantly more likely to be interested in this topic (48%).

Interest in Education Topics



Q36. How interested are you in learning more about the following....
Base All respondents n=600

Residential Survey
Phase II
Prepared for Powercor

