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Business Survey
Phase 2 Results

Prepared for: Powercor

December 2017

Powercor Business Survey Results
Contents

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

Jan – Oct 2017	Nov 2017 – Apr 2018	May 2018 - June 2019	July 2019 - onwards
Phase 1	**Phase 2**	**Phase 3**	**Phase 4**
Strategy design	Explore insights	Consultation	Ongoing engagement
• Design a process that seeks meaningful input • Acknowledge past issues and identify opportunities for participation • Principles that underpin our decision making	• Explore insights and possible energy futures • Understand people's changing priorities and values • Engagement preferences and energy literacy	• Ask what the future looks like and how it reflects people's priorities • Ask whether our Draft Plan meets their needs • Inform the regulatory proposals	• Submit regulatory proposals • Continue the conversation so that we meet our engagement promise

Business as usual engagement and consultation activities

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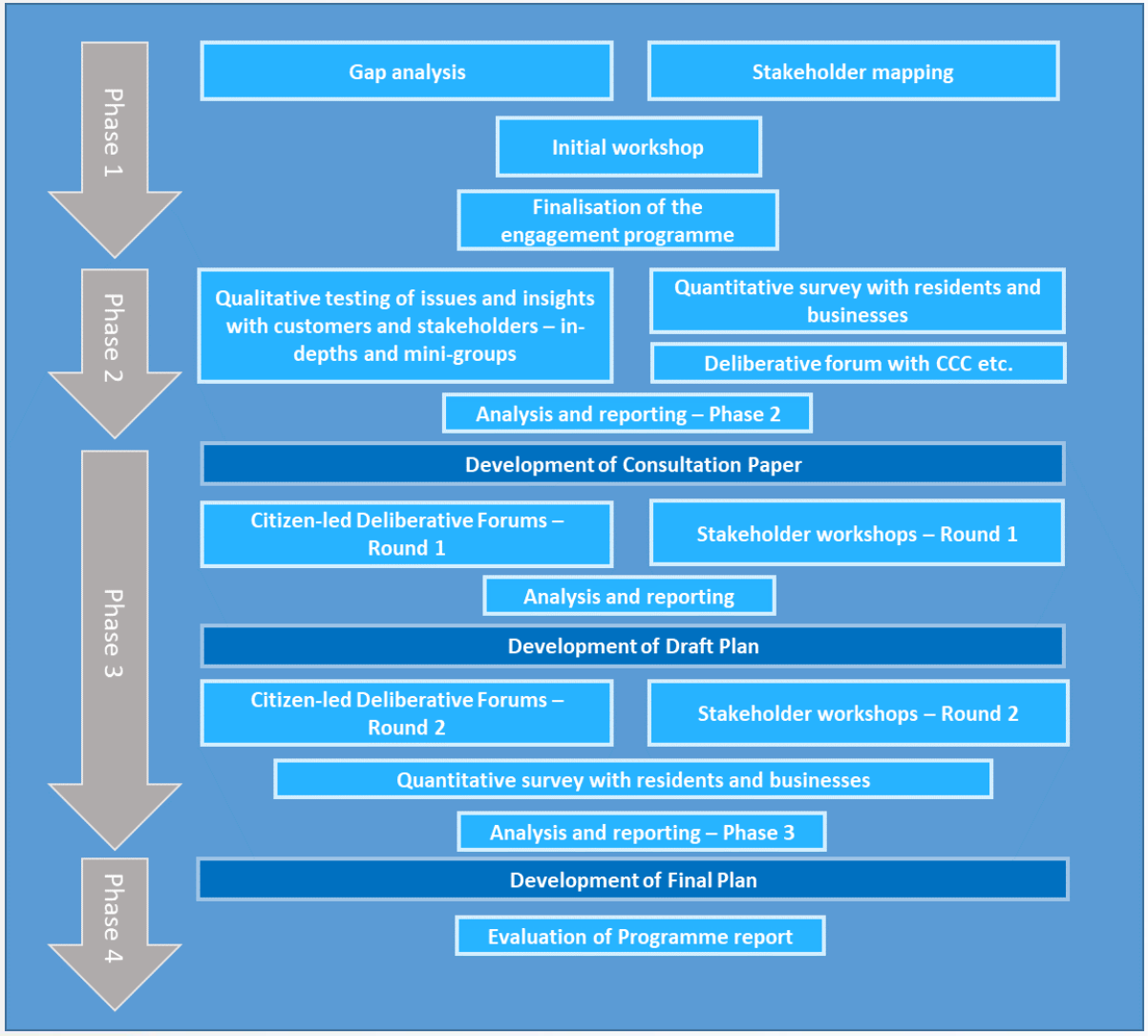
Research methodology



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Key Findings

Key findings

Awareness and Values

- Awareness of Powercor and its role was moderate and shows room for improvement.
- Responding to outages and interruptions was perceived to be a main role of distributors (86%), as well as maintaining electricity poles and wires (82%).
- Reliability of the network was the most valued roles of a distributor, both prompted and unprompted, with 52% of respondents indicating a satisfaction score of 9-10 for this attribute.
    - Less than 1 in 20 businesses accepted a trade-off for a lower level of reliability in order to see a reduction in their energy bill (3%).

Pricing

- A large proportion of businesses (42%) paid under $250/month, with larger businesses tending towards having larger bills. Over half of respondents (52%) indicated they would reduce their energy consumption during peak times for a $10 rebate.
- There was a preference for pricing to remain the same throughout the day (49%) as opposed to varying (36%).
- The majority of respondents (84%) 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 requesting businesses.

Key findings

The Future and Renewable Energy

- There was a split preference for businesses between the Green Power (40%) and Steady State (40%) potential future scenarios.
- There is a willingness (68%) to pay a small increase for safeguarding the network against extreme weather, as well as upgrades to the network to manage load in peak times (64%).
- Businesses were generally very conscious of reducing electricity usage as much as possible (66%), however this was significantly lower amongst large businesses (45%), with money being the biggest incentive to adopt energy efficiency measures (93%). These measures used include:
    - Heating/cooling only when necessary (66%)
    - Energy efficient machinery and appliances (40%)
    - Turning off equipment at the wall (39%)
- There was a strong favouritism towards home and business solar panel installation (91%) – with 30% indicating they had these installed – as well as large-scale renewables used by the electricity network (66%) and batteries for residential and business customers (63%).
    - While around half of businesses indicated an intention to adopt green energy measures in the future, this was likely to be in 3-5 years time.

Business Survey Methodology

Methodology

- The survey was conducted primarily online with some CATI top up.
- N=200 completes were obtained.
- The online respondents were sourced through an online panel provider, used solely for research purposes.
- The survey was live from 17/10/2017 to 06/11/2017
- 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.

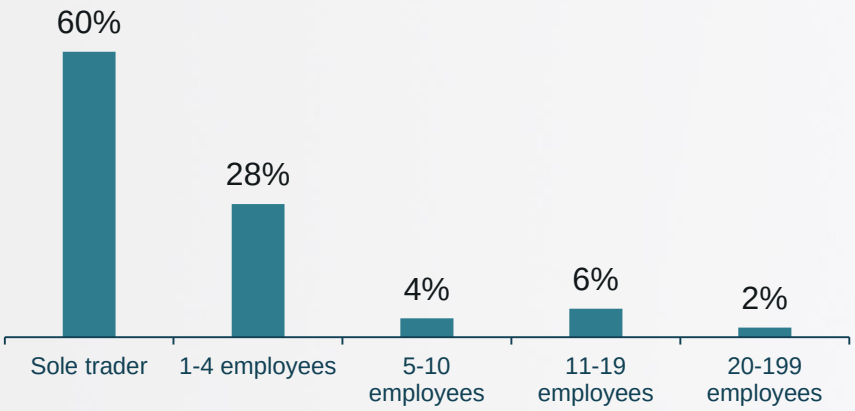
The survey covered the following areas:

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

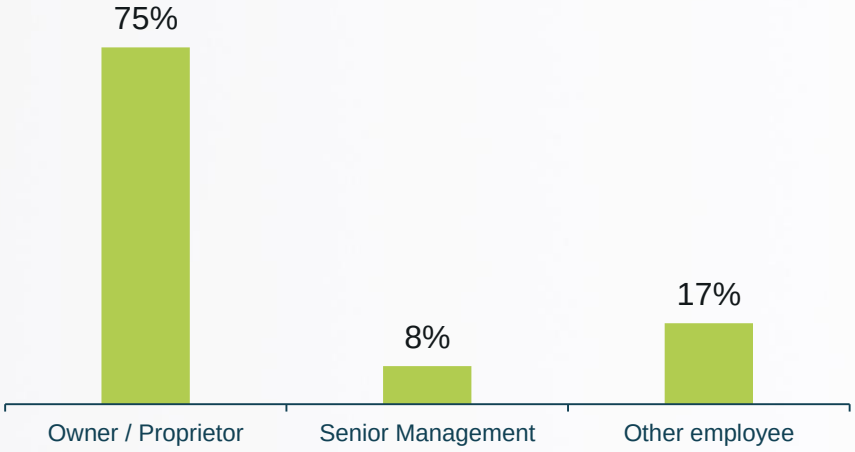
Participant Profile

Participant profile

Employee breakdown



Position or Title



Q2. How many employees do you have in your business, by employees I mean full time equivalents other than the proprietor?
Q31. What is your position or title within your organisation?
Base All respondents n=200

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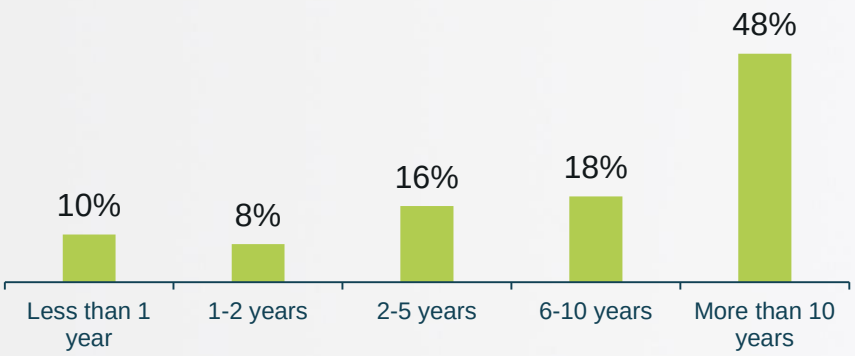
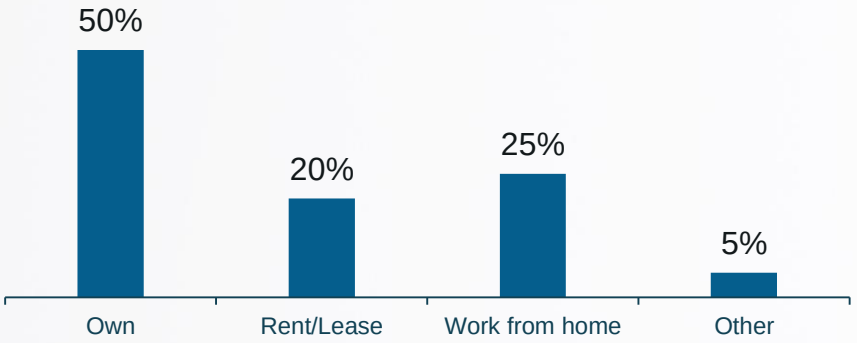
Participant profile

Length of operation



Business premises



Q32. How many years has your business been operating?
Q33. Does your business own or rent/lease its business premises?
Base All respondents n=200

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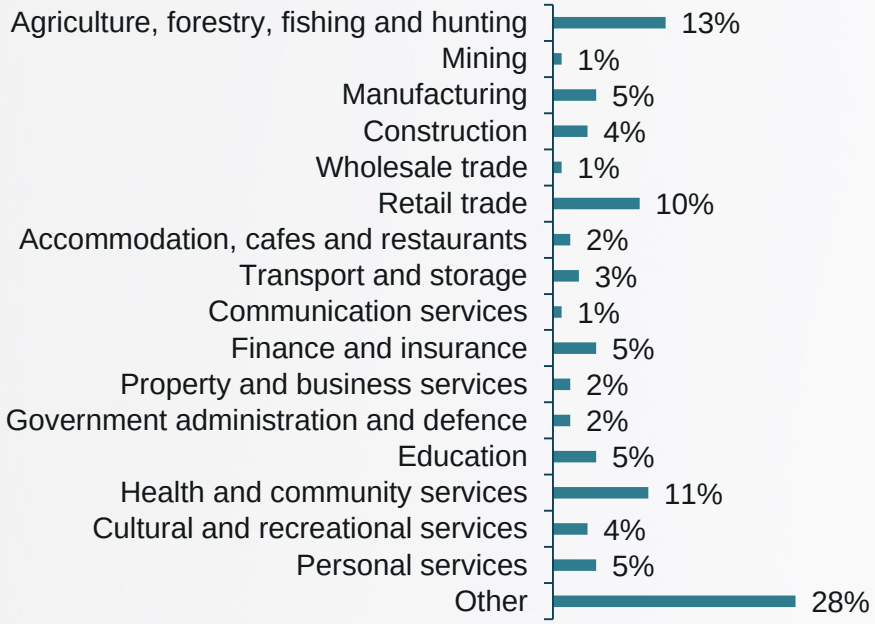
Participant profile

Industry

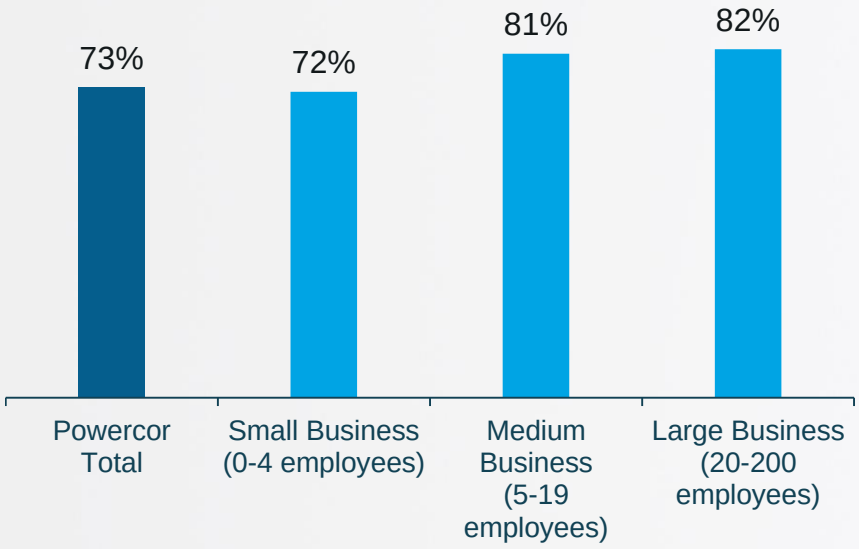


Q3. And what industry does your business operate within?
Base All respondents n=200

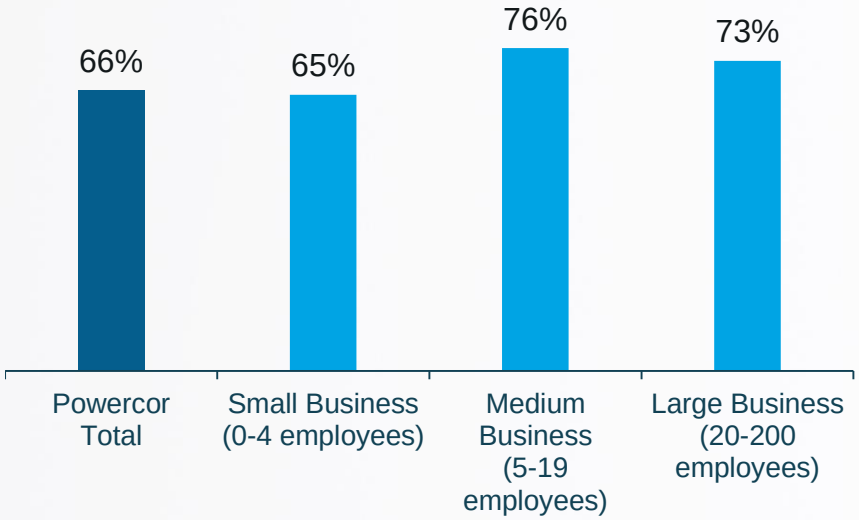
Knowledge and Literacy

While most businesses felt they knew the difference between retailers and distributors, only 66% correctly knew their distributor to be Powercor.

Understanding of the difference between retailer and distributor



Knowledge of electricity distributor



Q4. Do you feel you have a good understanding of the difference between an electricity distributor and electricity retailer?
Q5. 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=200

There was a strong awareness around the roles of outage responses and maintenance of poles and wires, especially amongst medium and large businesses.

Perceived role of a distributor

Perceived roles	Powercor Total (n=152) %	Small Business (0-4 employees) (n=86) %	Medium Business (5-19 employees) (n=35) %	Large Business (20-200 employees) (n=31) %
Responding to electricity outages and interruptions	86	86	91	84
Maintaining electricity poles and wires	82	79	**97**	**97**
Getting electricity to your business	77	78	74	77
Trimming vegetation around powerlines	65	65	63	71
Long term planning to ensure a resilient electricity supply	64	65	57	71
Connecting electricity to new businesses	63	61	71	81
Maintaining and operating street lighting	46	44	54	58
None of the above	5	6	-	3

Q6. [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=152

Energy Values

Reliability was most important, however large businesses were significantly more concerned with pricing and customer service.

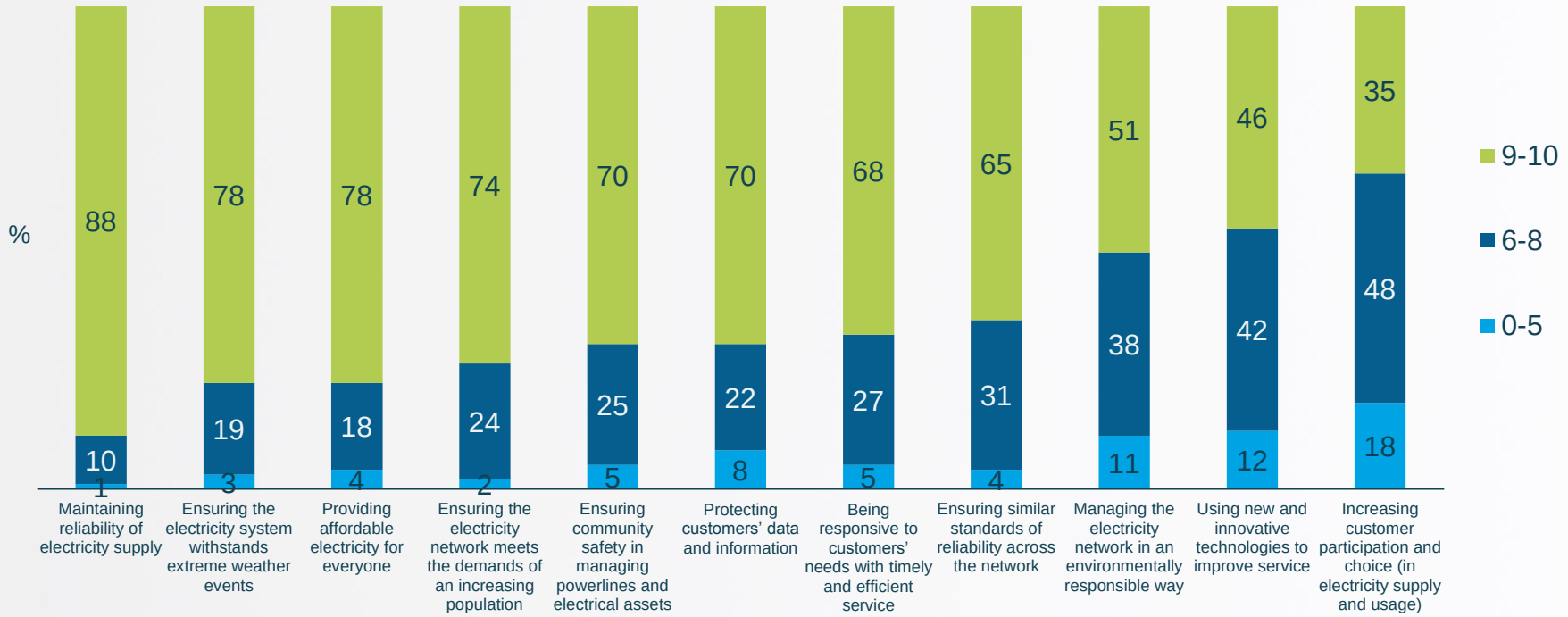
Top three things most valued by businesses

Values	Powercor Total (n=200) %	Small Business (0-4 employees) (n=119) %	Medium Business (5-19 employees) (n=43) %	Large Business (20-200 employees) (n=38) %
Reliability/consistent supply	89	88	91	87
Price/low cost/value	71	73	58	76
Fast response to supply issues/problems	18	18	19	24
Customer service	16	17	12	**32**
Communication /when there are/are going to be outages	10	10	9	5
No spikes/surges	8	8	12	5
Safety	8	6	**21**	5
Sustainability/eco friendly	6	6	5	-
Efficiency	5	5	2	3
Other	19	19	21	11
Don't know/not answered	3	3	5	-

Q7. 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=200

Maintaining reliability of electricity supply was by far the highest ranked value role, followed by withstanding extreme weather and affordability.

Importance of values



Q8. Could you now read through a list of values other people have suggested for the role of an electricity distributer 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=200

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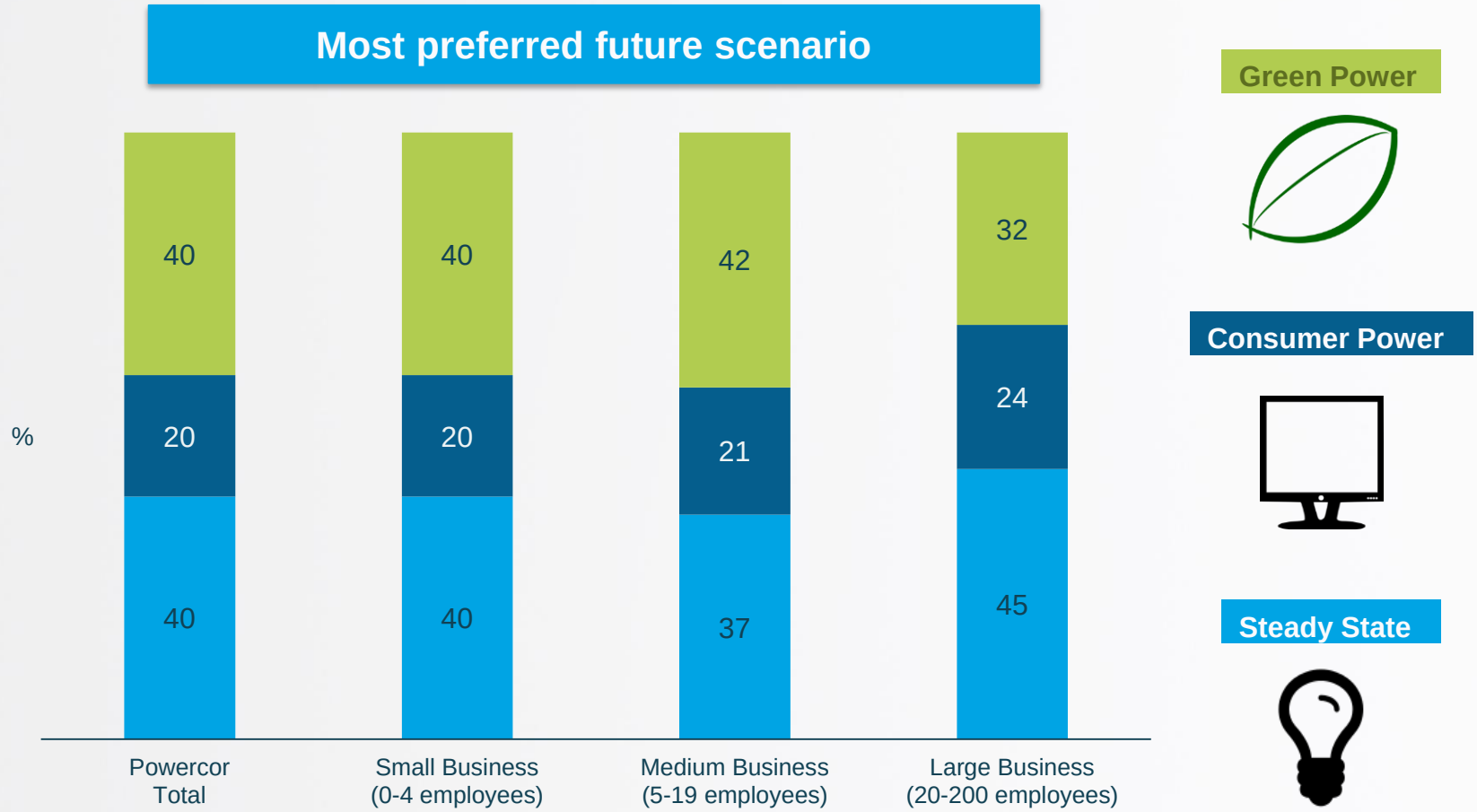
There was a split preference for businesses between the Green Power scenario and Steady State – generally preferred by larger businesses.

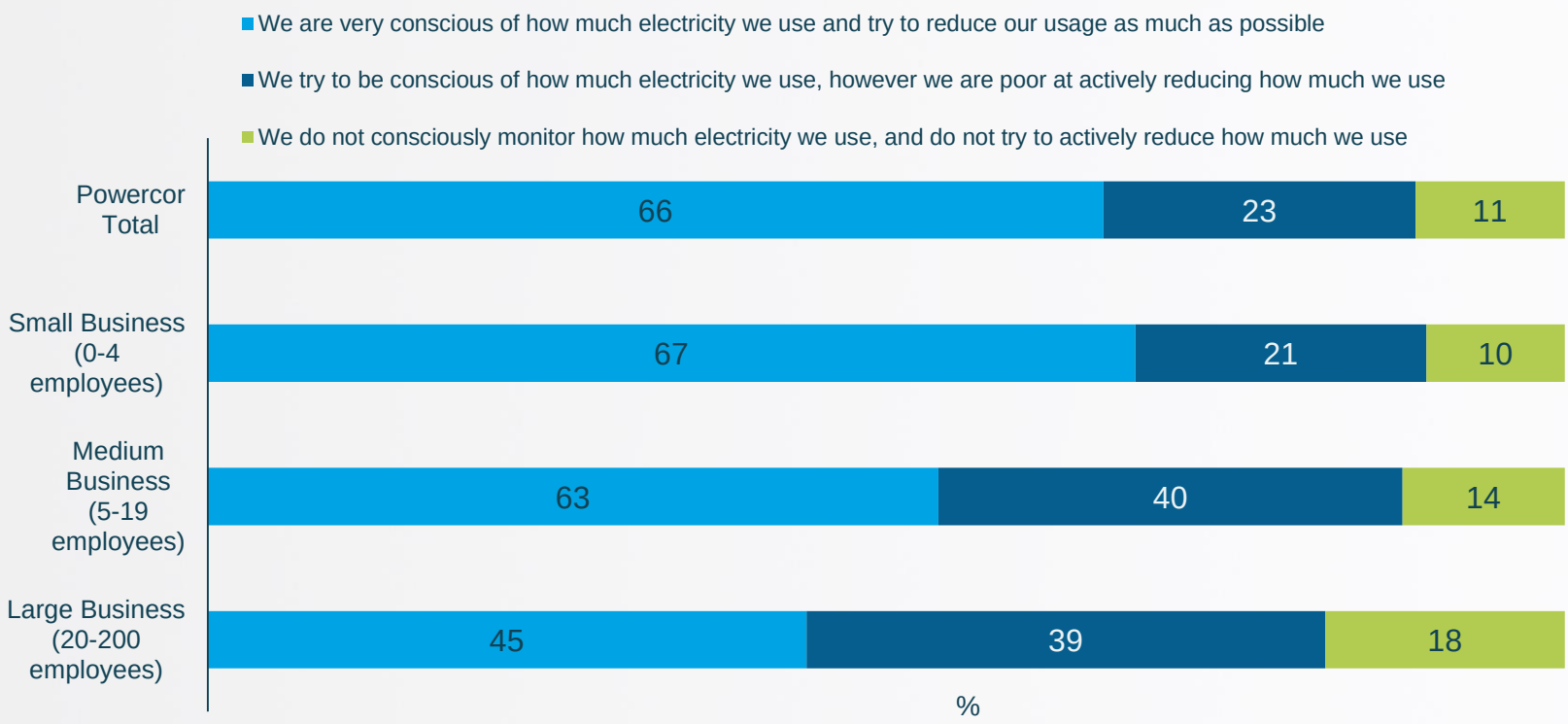


Q9. Below are three possible future scenarios for electricity distributors for the next 10 to 15 years After you have read through them, could you indicate which would be your first choice (1), which would be your second choice (2) and which would be your least preferred option (3).
Base All respondents n=200

Energy Behaviours

Most businesses were generally very conscious of reducing electricity usage as much as possible, however this was significantly lower amongst medium and large businesses.

Attitude toward electricity



Q10. How would you describe your business's attitude towards electricity?
Base All respondents n=200

Assessing the necessity of heating and cooling was a day-to-day measure used by businesses, but significantly less so amongst large organisations.

Adoption of energy efficiency measures

Energy Efficiency Measures	Powercor Total (n=200) %	Small Business (0-4 employees) (n=119) %	Medium Business (5-19 employees) (n=43) %	Large Business (20-200 employees) (n=38) %
We only heat or cool the premises using heaters or air conditioners when it is absolutely necessary	66	67	63	45
We ensure that any machinery or appliances we purchase are energy efficient models	40	38	53	42
We always turn off our equipment and appliances at the wall	39	39	44	18
We change the times we use certain machinery to avoid peak times	22	24	14	3
We have switched to other energy sources, like gas or an oil generator	10	9	19	5
We have changed our business model to reduce our electricity consumption	6	6	9	13
Using solar	5	3	14	11
We have changed our operating hours to reduce our electricity consumption	4	3	7	3
Better insulation	1	1	-	-
Other	1	1	-	-
None	15	15	14	26

Q11. Which of the following energy efficiency measures does your business adopt?
Base All respondents n=200

Monetary savings were the biggest incentives for businesses to implement energy efficiency measures.

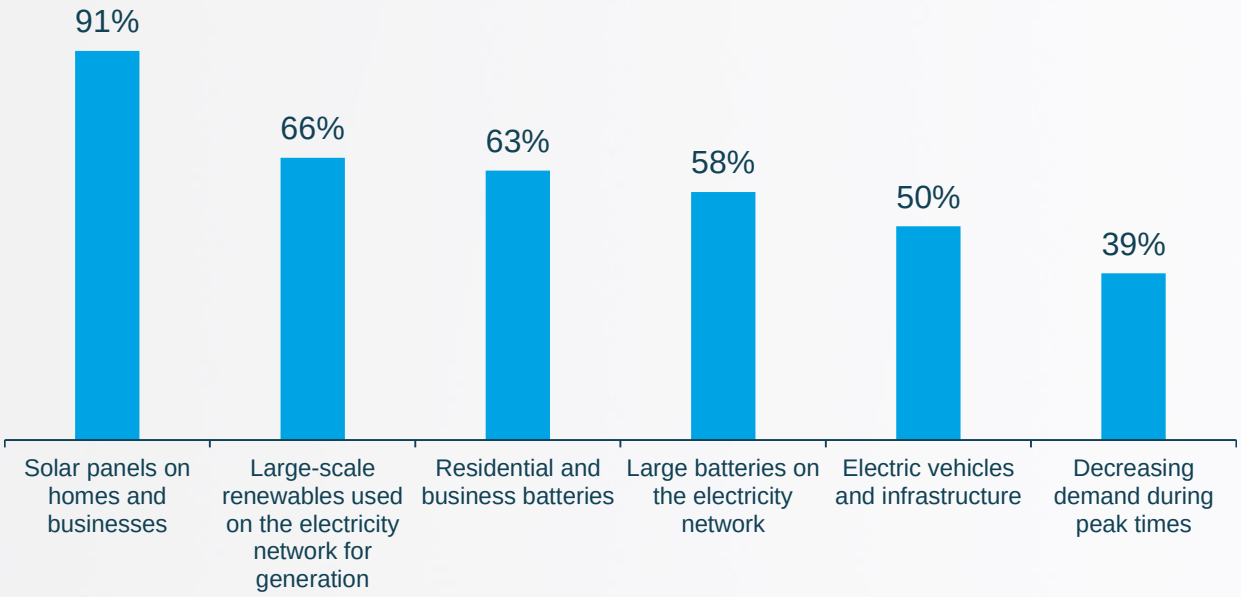
Reasons for adopting energy efficiency measures

Reasons for adopting energy efficiency measures	Powercor Total (n=200) %	Small Business (0-4 employees) (n=119) %	Medium Business (5-19 employees) (n=43) %	Large Business (20-200 employees) (n=38) %
To save money	93	92	95	93
To lower our carbon footprint	45	46	35	45
To reduce the load on the network	19	20	16	14

Q12. Why does your business adopt energy saving behaviours?
Base Respondents who indicated they adopted at least one of the energy saving methods n=200

Solar panels and large scale renewables were the technologies most businesses were strongly in favour of. Batteries were also of interest.

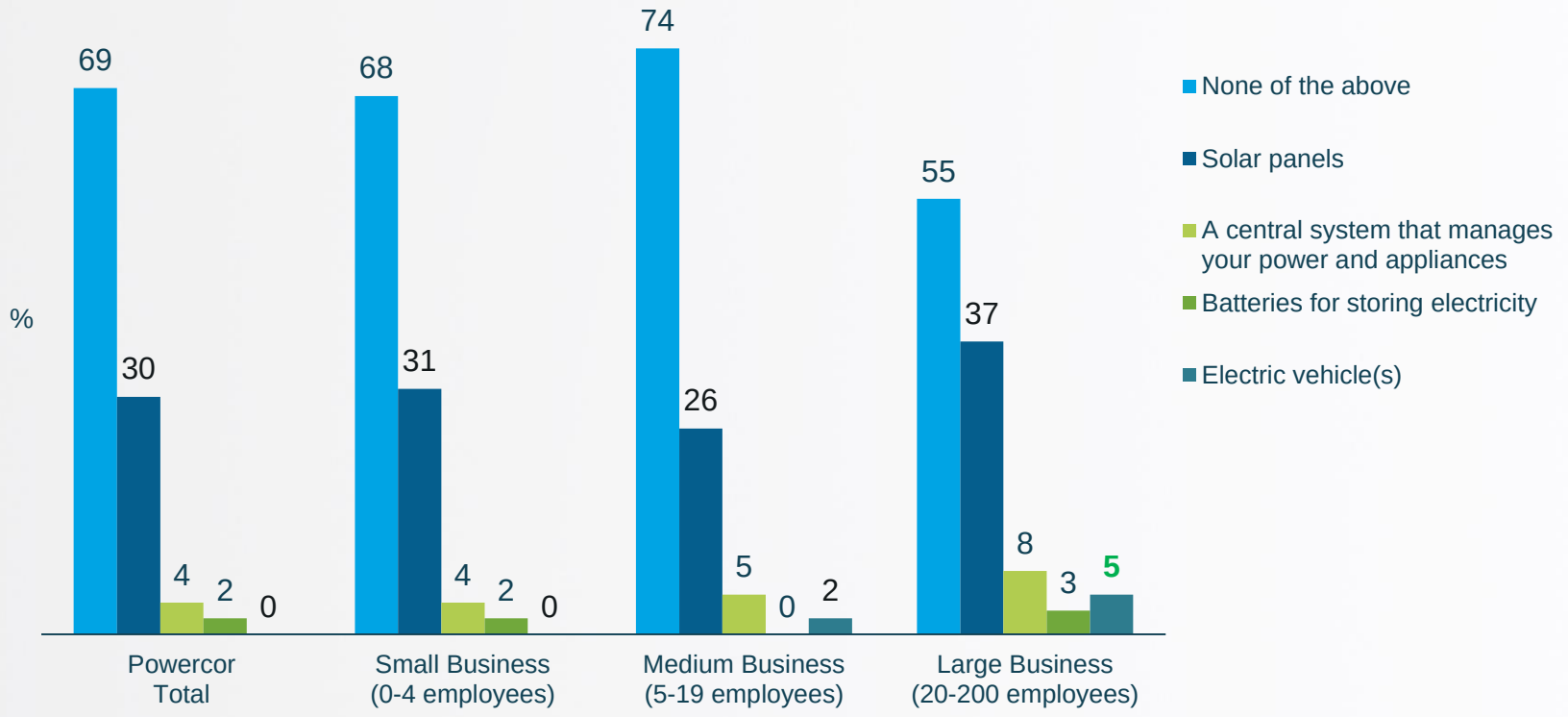
Favourable technological and behavioural network adoptions



Q13. 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=200

Nearly a third of businesses indicated they had solar panels installed, slightly higher amongst larger businesses. Large businesses were significantly more likely to have electric cars.

Energy efficient solutions currently in place within the household



Q14. Does your business currently have any of the following:
Base All respondents n=200

One in five business respondents indicated an intention to install solar panels, and just under a third to purchase a battery.

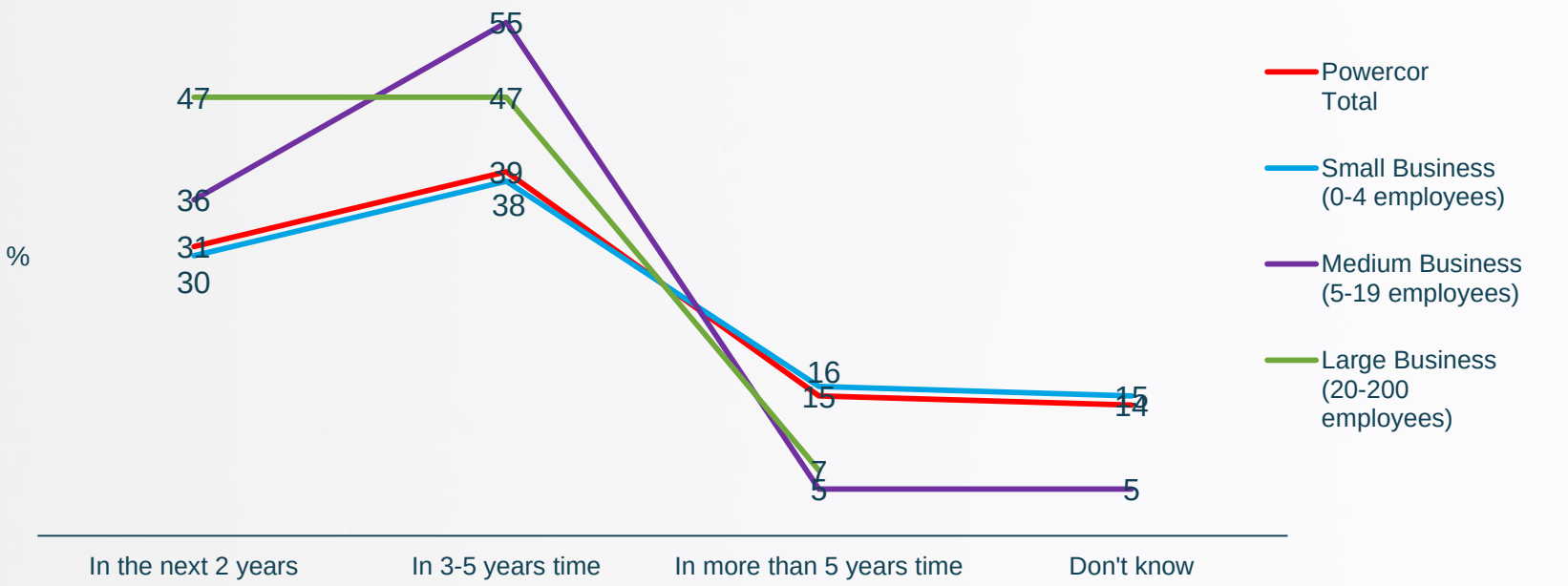
Intention of green energy adoption

Likelihood of installing various green energy measures	Powercor Total %	Small Business (0-4 employees) %	Medium Business (5-19 employees) %	Large Business (20-200 employees) %
Install solar panels	43	44	34	33
Purchase a battery	31	32	30	19
Purchase an electric vehicle(s)	19	20	17	11
Install a central system that manages your power and appliances	14	15	10	17

Q15. How likely would your business be in the future to….
Base Respondents who did not have the green energy option already (Bases vary)

Most businesses envisaged the adoption of green energy tech in 2-5 years time.

Timeframe for intended green energy adoption



Q16. When do you think your business would 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= 90

Money was the biggest incentive to invest in green energy, as well as to be more self-sufficient.

Reason for being likely to invest in green energy technology

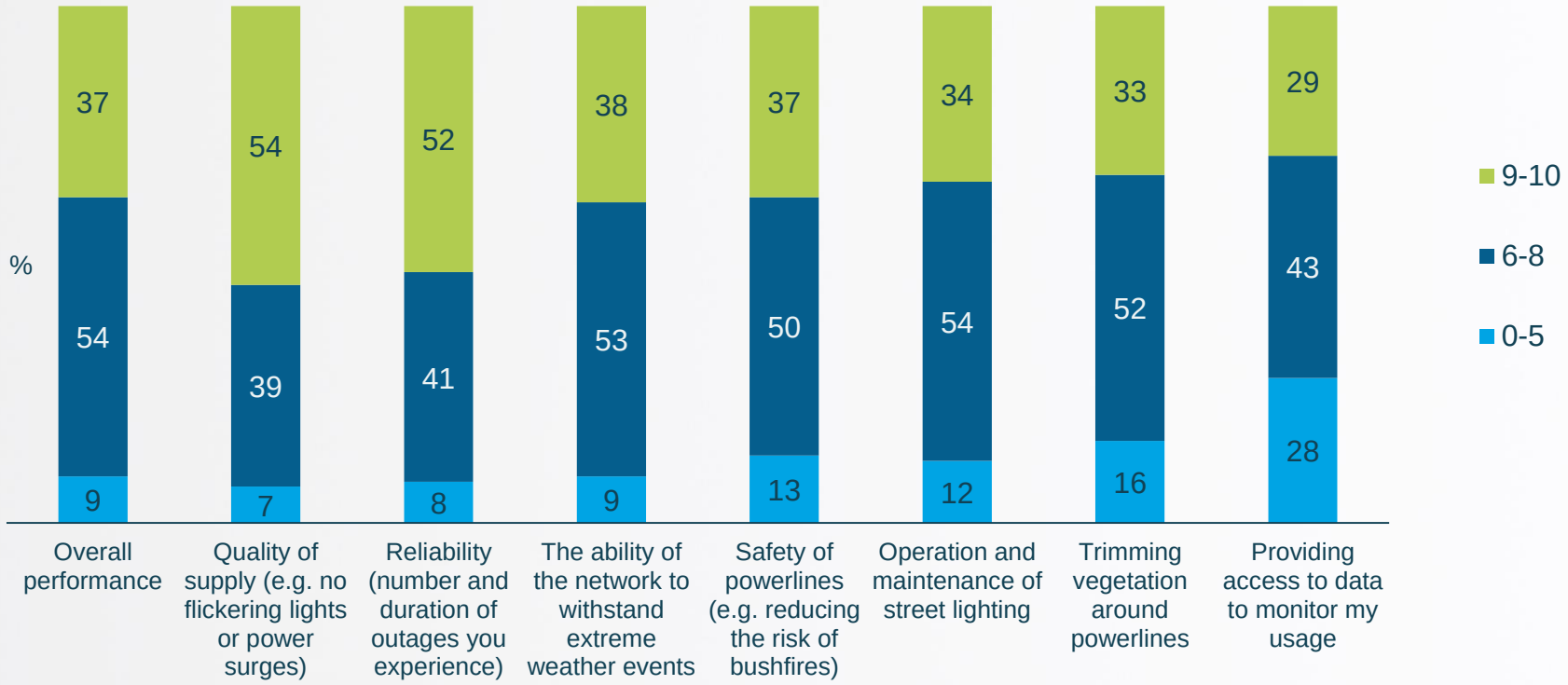
Reason for intention to install various green energy measures	Powercor Total (102) %	Small Business (0-4 employees) (n=65) %	Medium Business (5-19 employees) (n=22) %	Large Business (20-200 employees) (n=15) %
To save money	88	89	77	80
To be more self-sufficient	78	80	64	73
It is more sustainable	62	62	64	53
To sell electricity back to the grid	24	25	18	47
As part of a downsize/upsize	2	1	5	7
More reliable	1	2	-	-

Q17. And for which of the following reasons would your business 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= 102

Network Performance

There is opportunity to improve satisfaction scores especially in the areas of street lighting maintenance, powerline safety, and monitoring usage through data access.

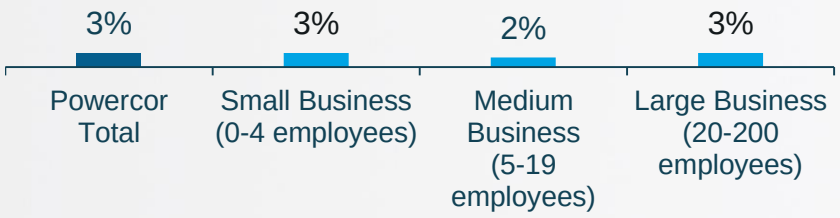
Satisfaction with distributor performance



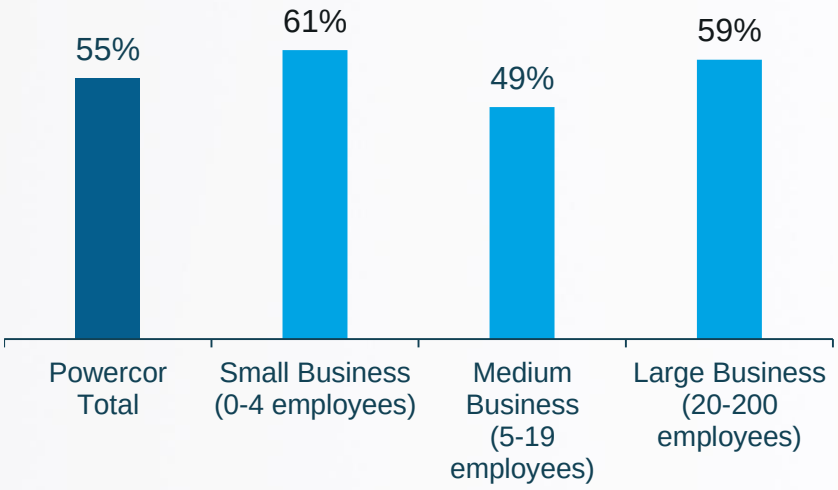
Q18. Thinking about all that your network distributor does, could you please rate your satisfaction with their performance using a score out of 10, where 10 is the highest and 0 is the lowest, on the following factors. For example, how satisfied are you with [insert network] in terms of:
Base All respondents n=200

There was a general lack of acceptance to have lower reliability as a trade off for a reduction in electricity bills, however over half indicated a willingness to pay a slight increase to help those with poorer service.

Acceptance of trading off reliability for a reduction in electricity costs



Willingness to pay a slight increase to improve reliability for poor service areas



Q19. 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?
Q20. And would you be willing to pay a little more for your business's 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=200

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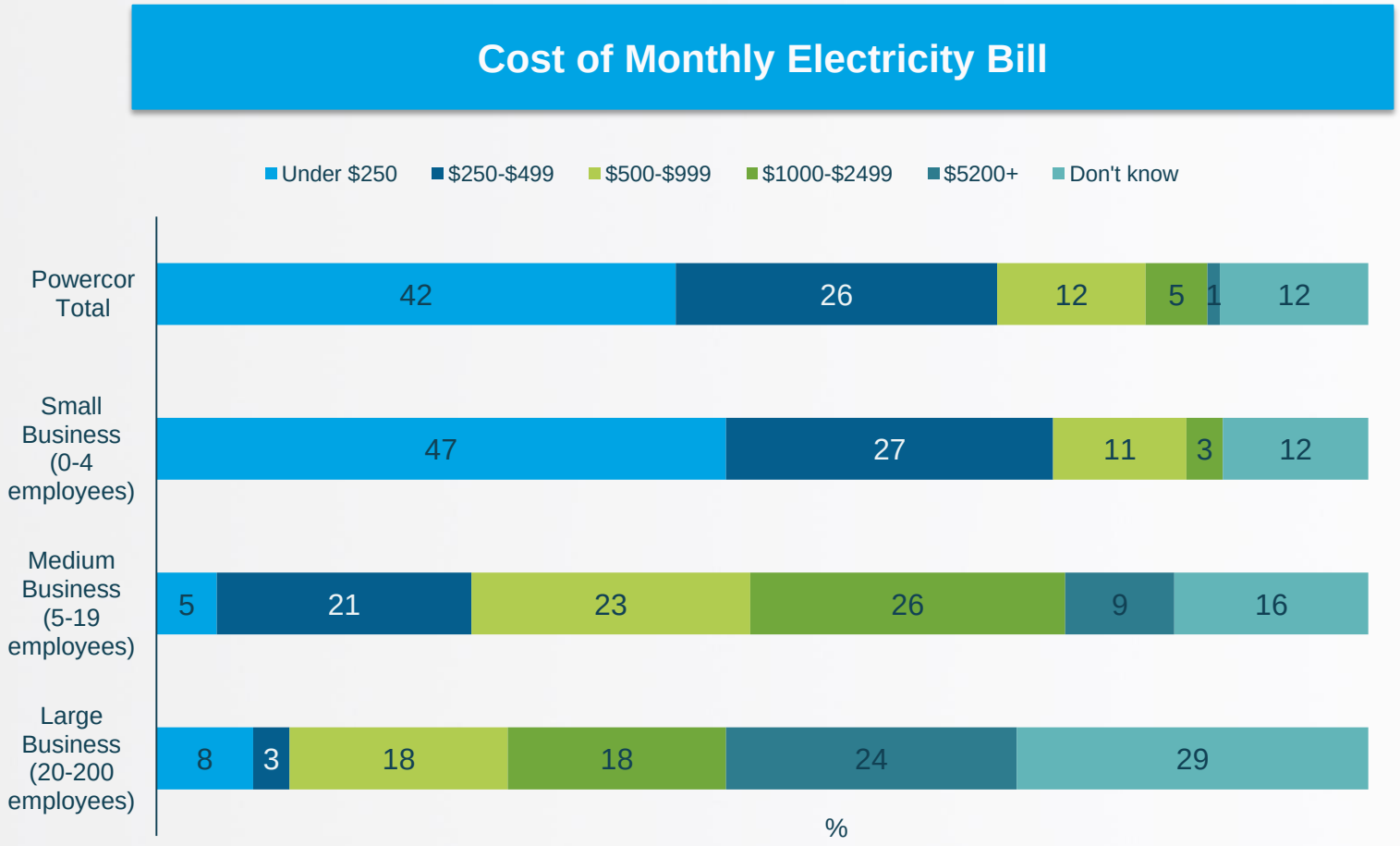
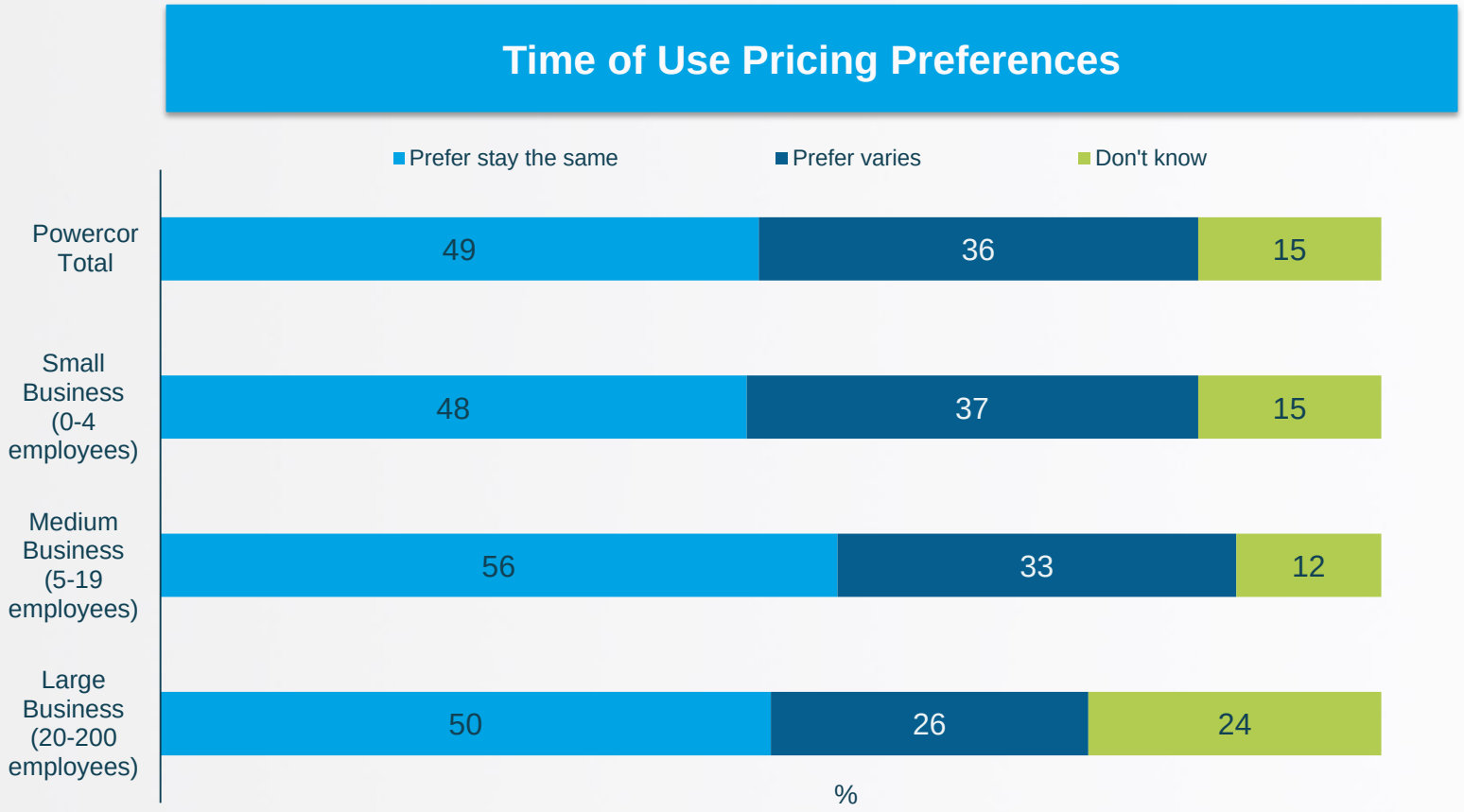
Pricing

The majority of businesses paid under $250/month, with larger businesses having larger bills.



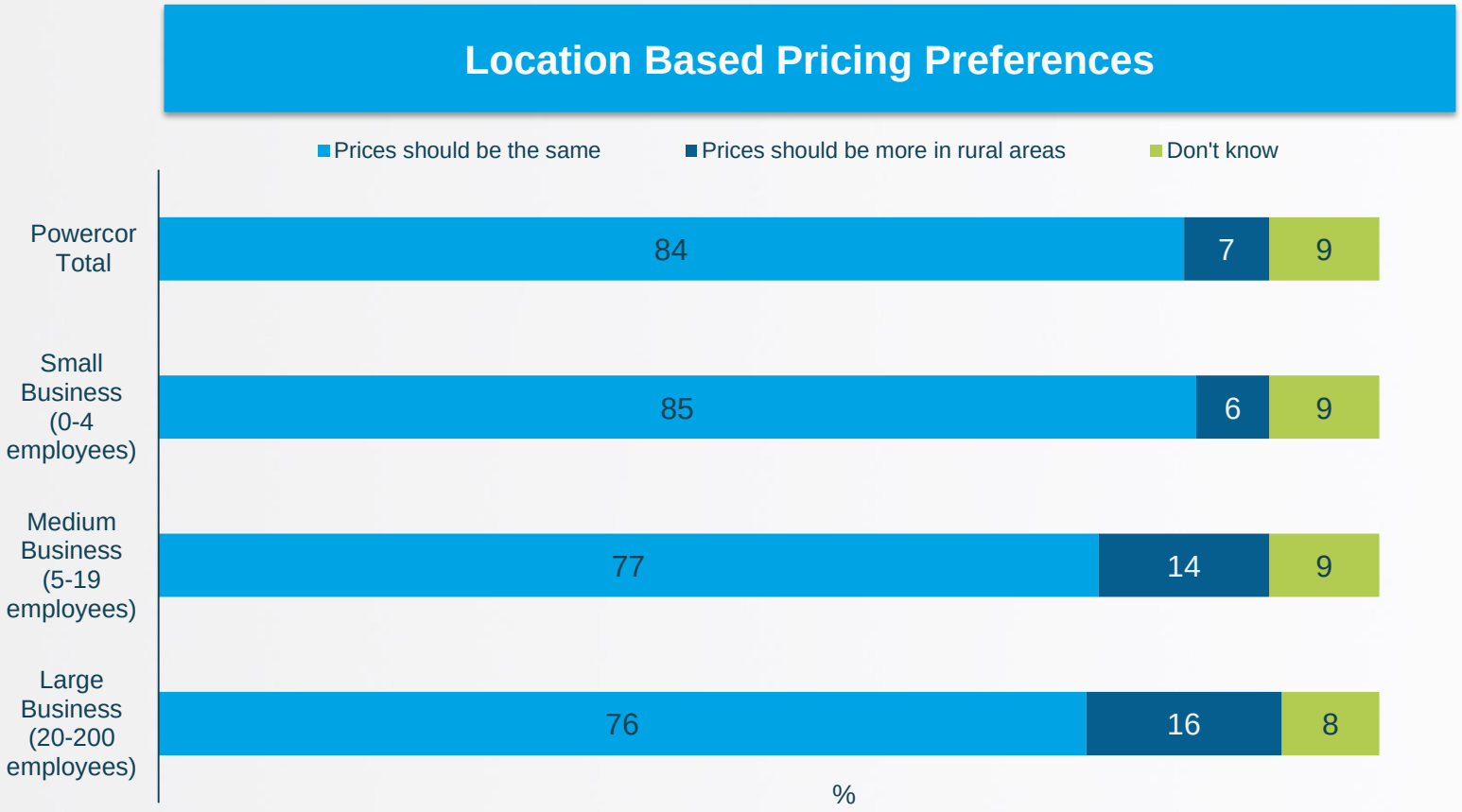
Q21. Which of the following price ranges does your business's typical electricity bill fall per month?
Base All respondents n=200

There was a slight preference for pricing to say the same rather than move to variable pricing.



Q22. 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 your business to alter its electricity usage in response to lower and higher prices.
Base All respondents n=200

Nearly two-thirds of business respondents felt that prices should stay the same across locations.



Q23. 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=200

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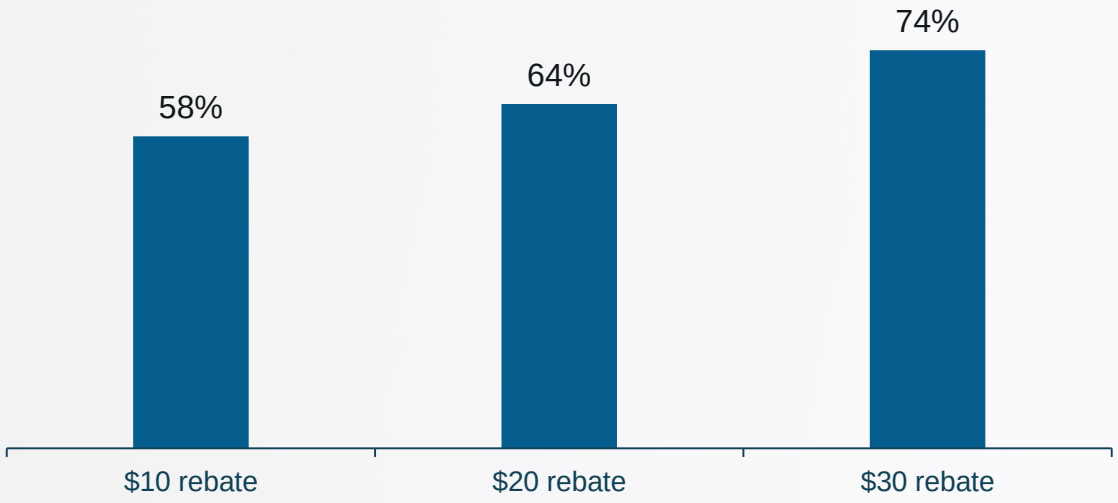
Three-quarters of business respondents indicated they would be interested in a rebate of $30 for reducing energy usage.

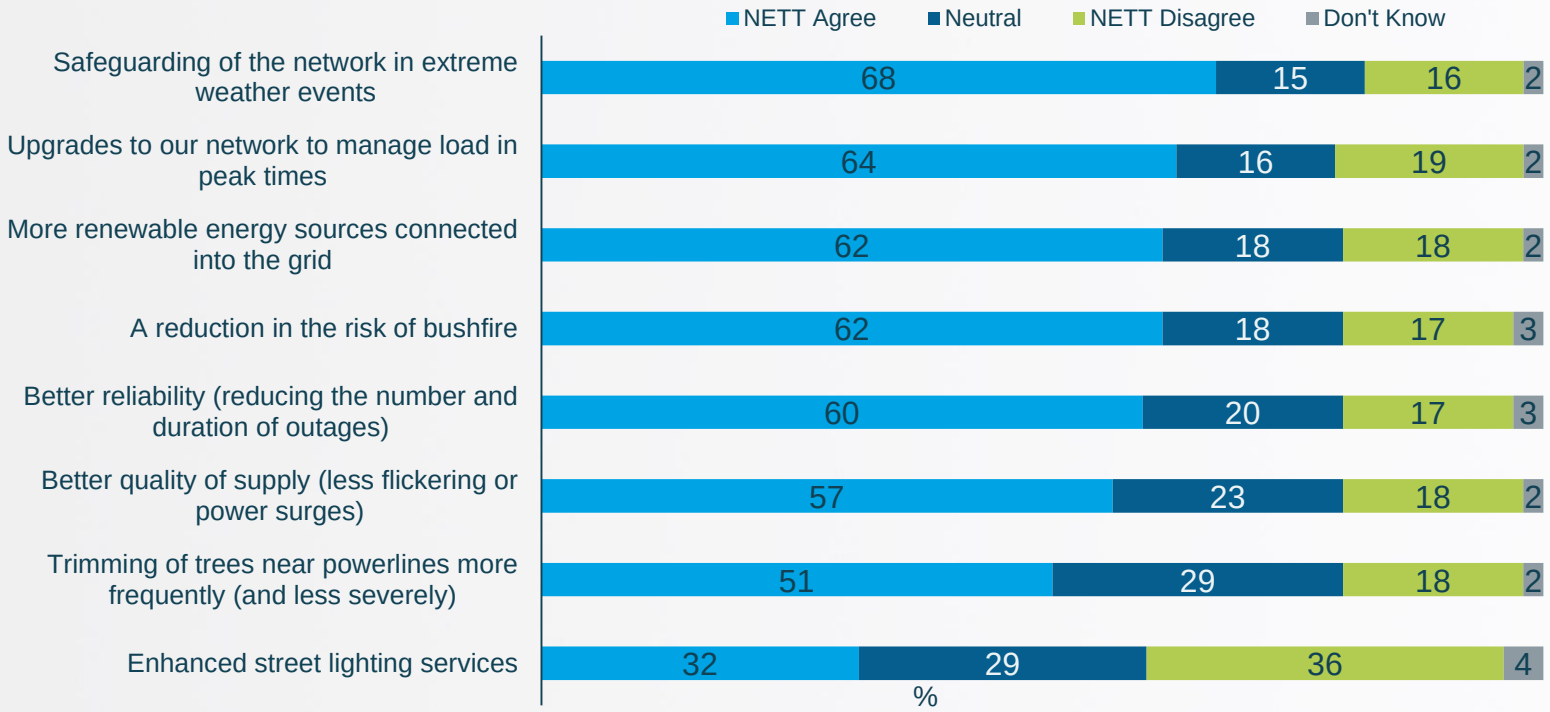
Rebates for Reduction in Electricity Consumption



Q24. 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=200

There was a greater willingness to pay for safeguarding the network from extreme weather events and upgrades to manage load at peak times.

Willingness to Pay for Various Services



Q25. To what extent do you disagree or agree that: "I would be happy with a small increase in my business' electricity bill (less than $1 per month per option) to provide…
Base All respondents n=200

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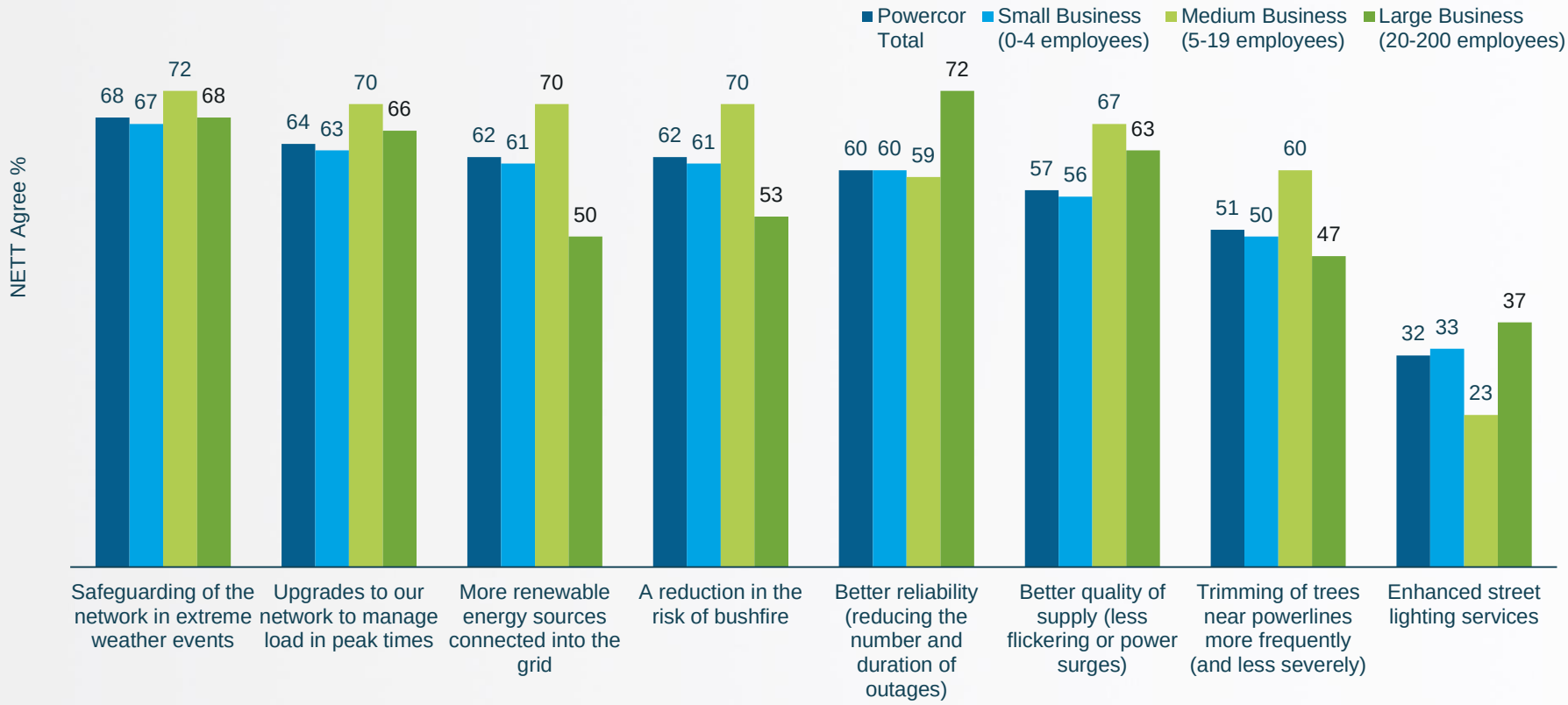
Medium size businesses were slightly more willing to pay for various services.

Willingness to Pay for Various Services by Business Size



Q25. To what extent do you disagree or agree that: "I would be happy with a small increase in my business's electricity bill (less than $1 per month per option) to provide…
Base All respondents n=200

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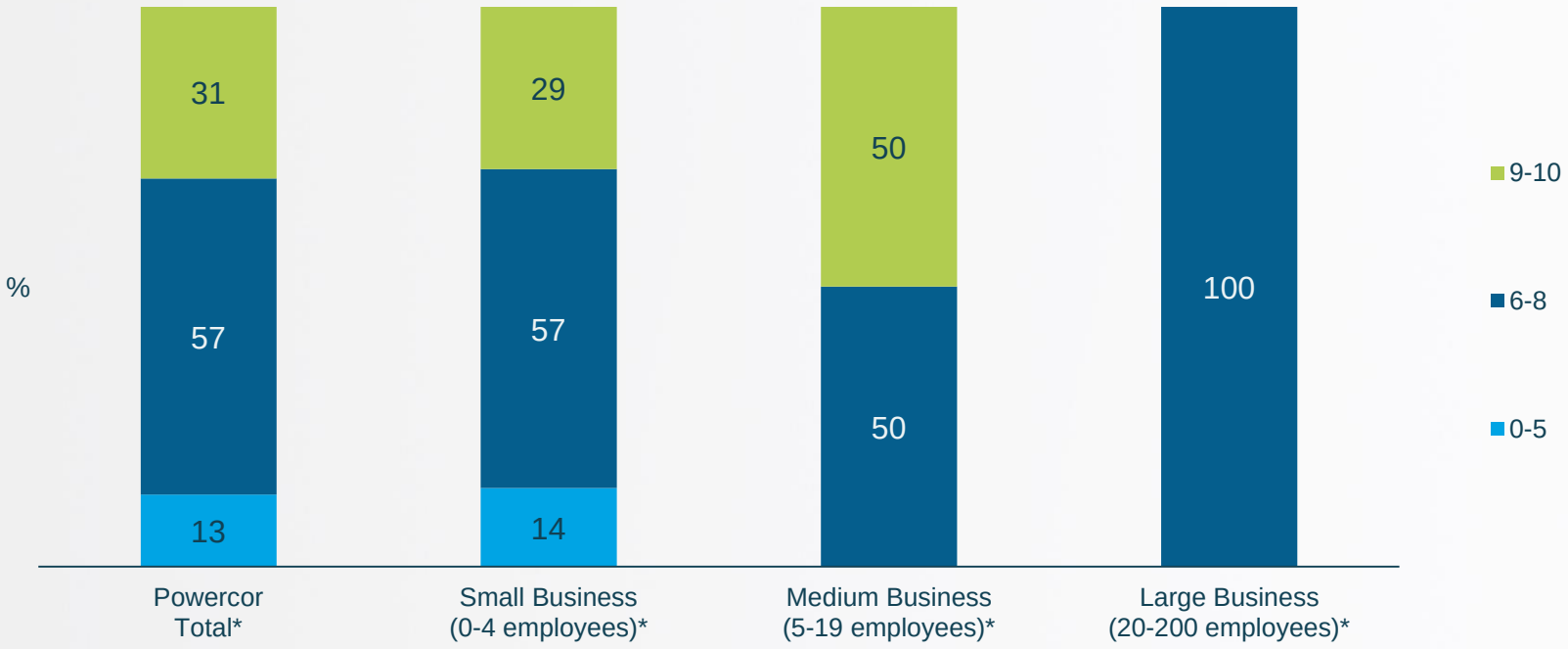
Connections

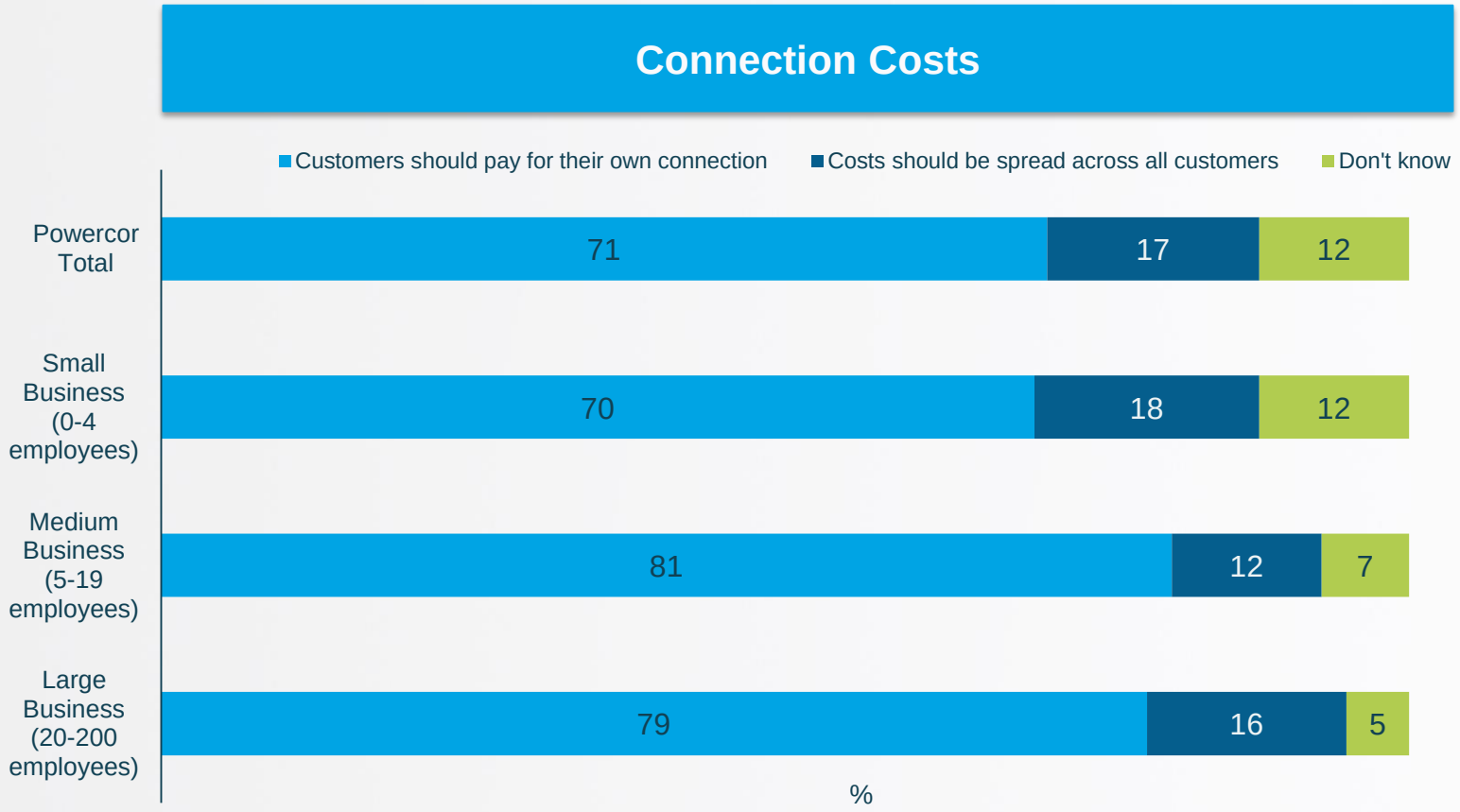
Amongst a very small sample of participants who had had their electricity connected to businesses in the last 12 months, the most common score was between 6-8/10.

Satisfaction with Connection Service



Q28. 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=10*
*WARNING SMALL BASE SIZE

There was as strong call for businesses to pay for their own connection costs.



Q29. Do you think the cost to connect customers to the network for a new home, business or solar should be spread across all customers, or paid by the customer requesting the connection?
Base All respondents n=200

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Residential Survey
Phase II
Prepared for Powercor