

United Energy SME survey results | Contents

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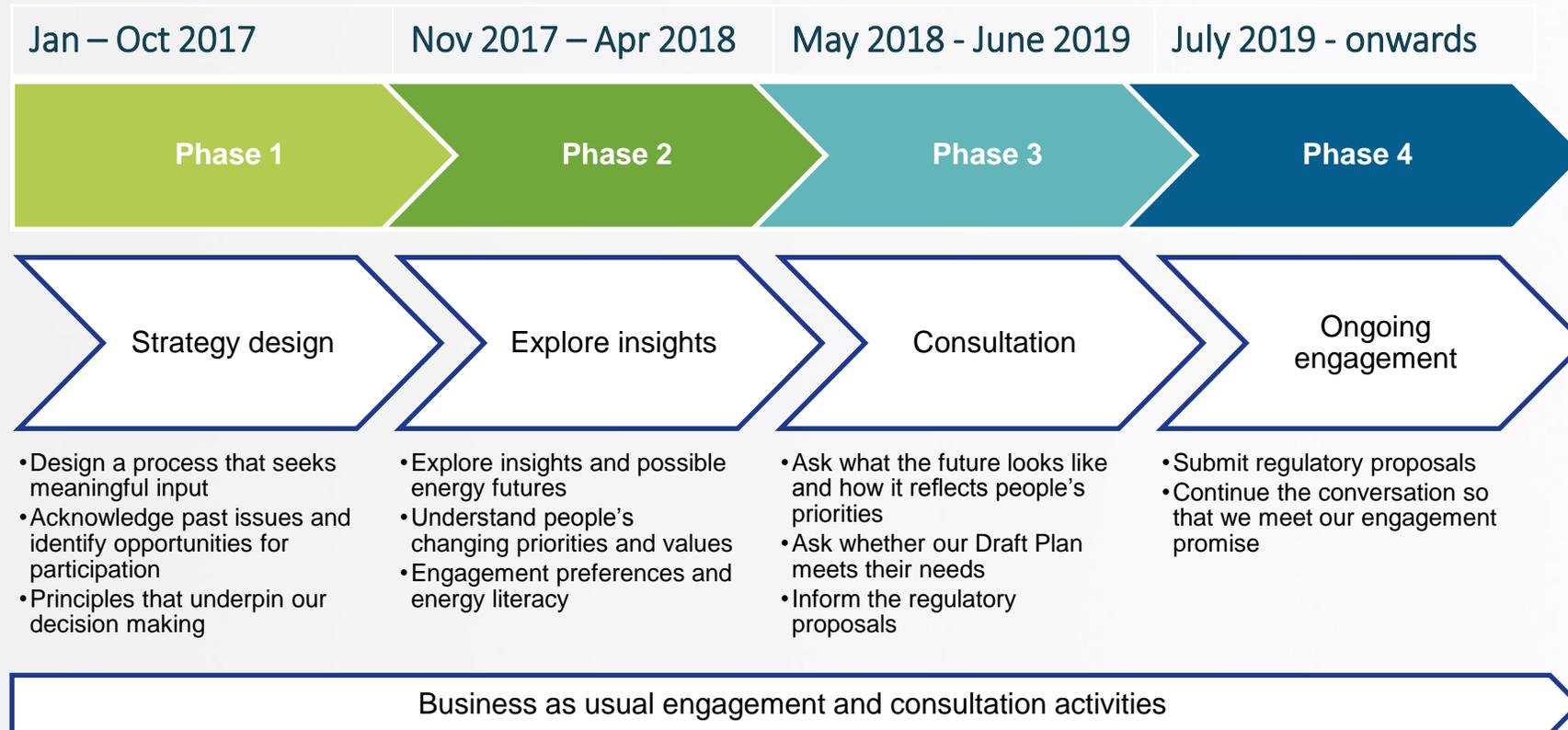
Background and context

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

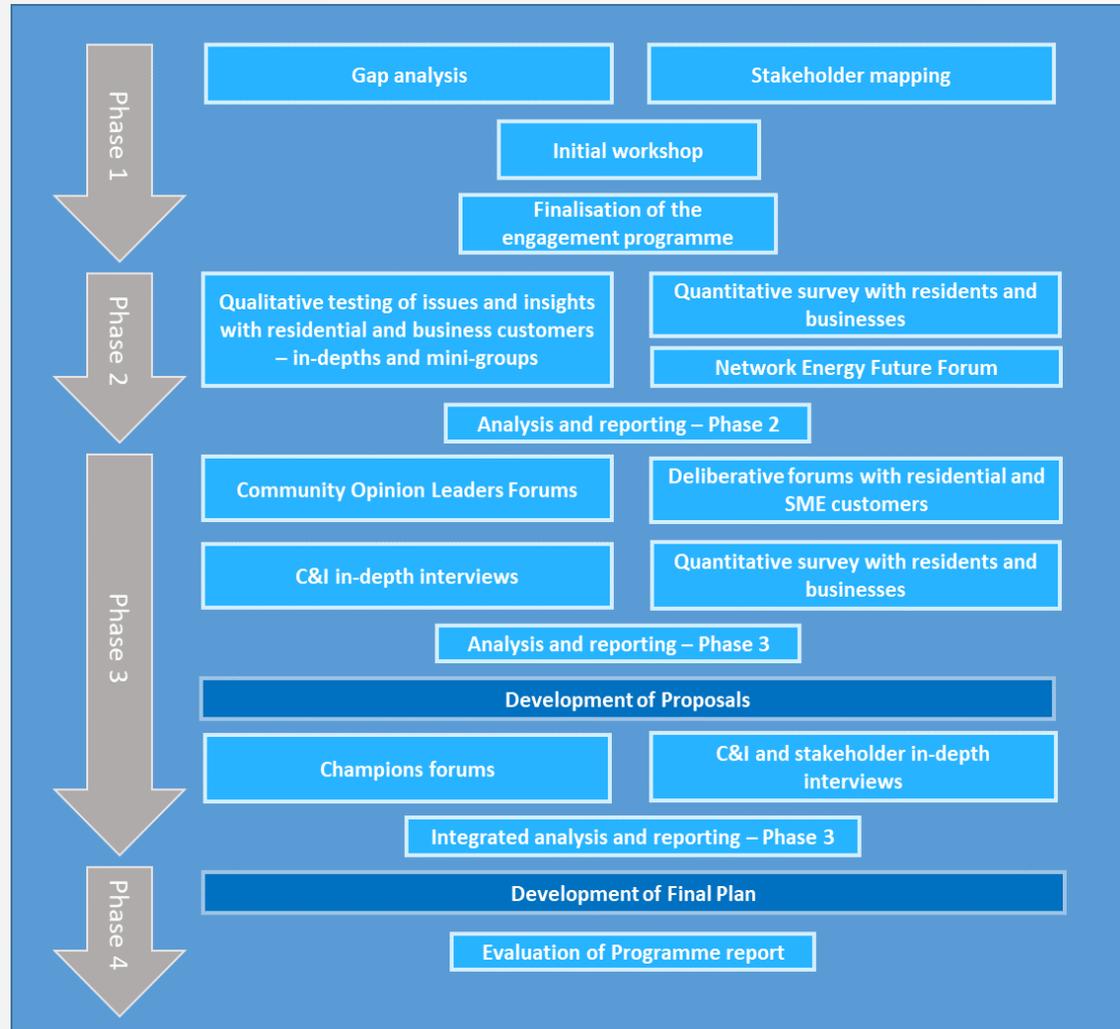


Engagement programme

We are currently in phase 3 of the programme



Engagement methodology



Key findings

Knowledge & literacy

- Like residential customers, most business customers did not know the name of their electricity distributor (75%), with many confusing their retailer and distributor.
- When prompted, around two thirds of businesses were aware that the distributor got electricity to their business (63%), responded to outages (59%) and maintained poles and wires (56%).

Customer benefits

- The most important benefits/values were perceived to be reliability and safety, followed by managing the network at the lowest cost.

Connecting to the network

- Only a minority had experienced connecting a new premises to the network (9%). Just over half were satisfied with the experience with many stating they were neither satisfied or dissatisfied.
- Responses to a 'fast track user pays' option were mixed (40% in favour) but larger businesses were more in favour (83%).

Key findings

Reliability of supply

- Satisfaction with the reliability of the current electricity supply was high (81%).
- More than half of business respondents (52%) indicated they had experienced an outage in the last two years, with 15% indicating a moderate impact, and another 13% indicating a high impact.

Compensation payments (GSLs)

- Respondents were most likely to believe that GSL payments should be increased (49%). However, investment to improve reliability in worse performing areas was preferred (56%) over continued compensation through GSL payments (29%).

Power quality

- Around a third of business respondents indicated at least a moderate level of impact from variations in power quality. Impacts included computer issues and machines not operating.

Key findings

Making it easier to export solar and charge your battery

- One in five businesses stated that they have solar panels. Larger SMEs were more likely to have them (33%), as well as a central system (17%), electric vehicles (17%) and batteries (17%).
- More than two in five (41%) respondents were interested in exporting/ selling back to the grid.
- It was felt that those who exported back to the grid should be responsible for paying for improvements to power quality (43%), especially by those with over 20 employees (67%).
- More than half of respondents favoured a 'one-off' standard connection charge for connecting new technologies to export power (53%), however larger SMEs preferred the idea of an export tariff. Almost two thirds of those who favoured the one off charge said they thought customers would be likely to pay a \$500 upfront fee (61%).
- Almost two thirds thought that parts of the electricity network should be upgraded quicker to allow for more renewable energy users and large customers to connect/export solar power to the grid (61%).

Key findings

Safety

- 69% of business respondents had never had concerns about the safety of the electricity network.

Vegetation

- Over half would like vegetation to be trimmed at the same level and frequency as it is currently (59%) and just over half believed that United Energy should remove and replace some vegetation (56%).

Undergrounding

- Even though it costs more to consumers, 62% of business respondents felt that the distributor should invest more into moving poles and wires underground that are in road accident black spots.
- After hearing about the safety strategies, just over a third agreed that enough is being done to manage safety across the network although half were unsure or did not know.

Key findings

Energy usage data

- Fewer business respondents than residential respondents (35%) were interested in accessing their real time energy usage data.
- Fewer also indicated they were likely to use the real time data to receive rebates or savings (45%).

Key findings

Affordability and pricing

- Whilst the vast majority indicated that they had not sought advice about methods of payment or deferral of payment (84%), almost two thirds felt their bills were expensive or very expensive (65%).
- Fewer business respondents stated that they would be likely to participate in trials or programs to receive a small financial incentive or reward (approx. \$10-15) to reduce their electricity usage at peak times when asked by United Energy (38%).
- However, 55% indicated that they would be happy to respond to peak pricing signals and reduce power when alerted. On average, businesses felt that they should receive a rebate of around \$65 to participate in the signalling program.
- A quarter were willing to allow United Energy to adjust their energy usage remotely for appliances such as air conditioners if they didn't notice a large difference in heating/cooling.
- Around a third of businesses were unaware of what their current electricity pricing structure was (34%).
- Over half thought that a Time of Use tariff would suit them best (52%).

Methodology

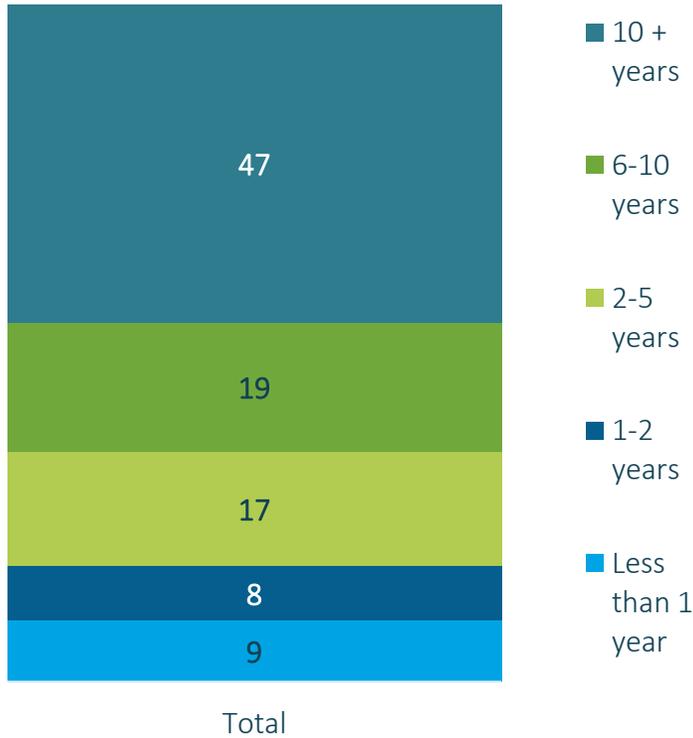
- The survey was conducted online.
- N=204 completes were obtained.
- The online respondents were sourced through an online panel provider, used solely for research purposes.
- The survey was live from 21/06/2018 to 05/07/2018.
- Data was weighted during the analysis by size of business to reflect the United Energy area.

The survey covered the following areas:

- Knowledge and literacy
- Customer values
- Ease of connection
- Reliability & quality of supply
- Exporting and charging batteries
- Safety
- Energy usage data
- Affordability and pricing

Business profile

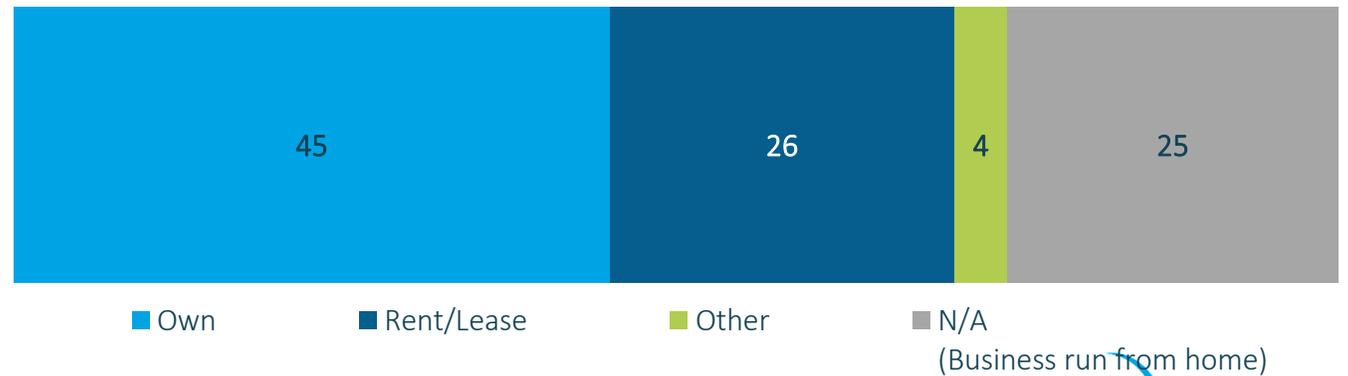
Age of Business



Position in Company



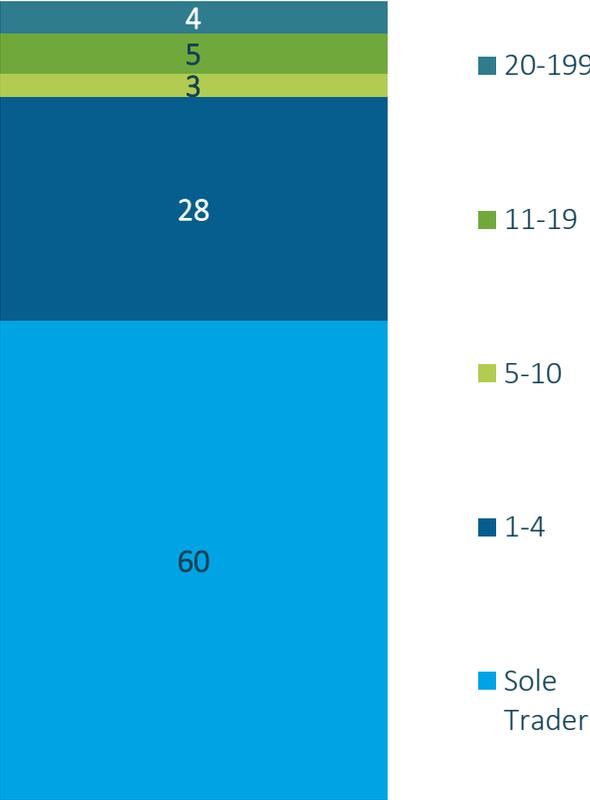
Premises Owner or Rent/Lease



Q49. How many years has your business been operating?
 Q48. What is your position or title within your organisation?
 Q50. Does your business own or rent/lease its business premises?
 Base: All respondents (n=204)

Business profile cont.

Number of Employees



Industry Type	All respondents n=204 %
Education	10
Retail Trade	9
Property and business services	8
Construction	6
Wholesale Trade	6
Personal services	5
Manufacturing	5
Cultural and recreational services	4
Health and community services	4
Government administration and defense	3
Finance and insurance	3
Accommodation, cafés and restaurants	2
Transport and storage	2
Communication Services	2
Agriculture, Forestry, Fishing and Hunting	1
Electricity, Gas and Water Supply	0
Mining	-
Other	30

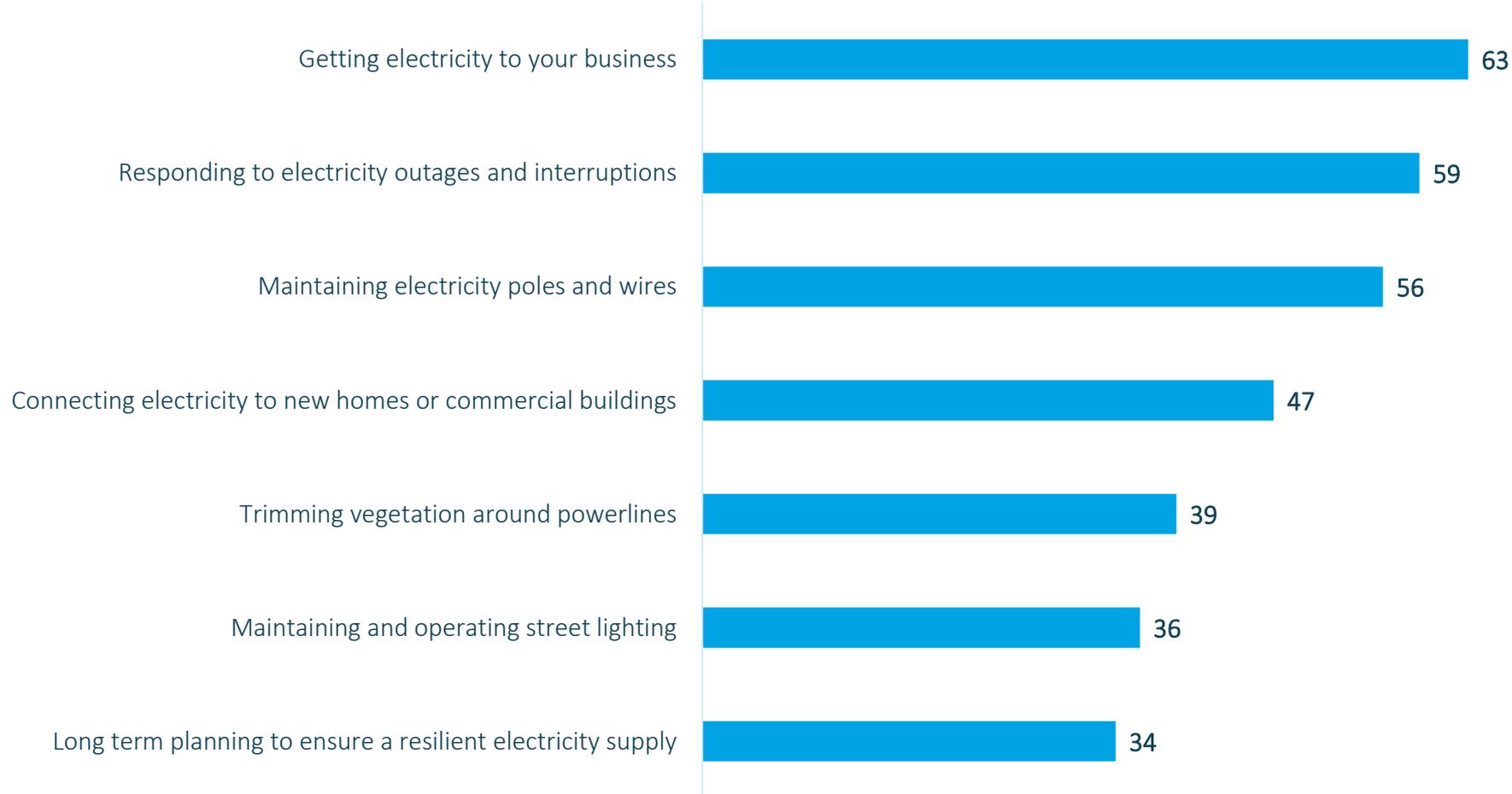
Q2. How many employees do you have in your business, by employees I mean full time equivalents other than the proprietor?
 Q3. And what industry does your business operate within?
 Base: All respondents (n=204)

Name of electricity distributor | unprompted

Perceived name of electricity distributor Unprompted	N=204 %
United Energy	25
AGL	10
Origin	6
Simply Energy	3
Energy Australia	2
Lumo	2
Citi Power	1
Powercor	1
Red Energy	1
Alinta	1
Ausnet	1
Australian Energy	1
Momentum Energy	0
None/off grid	0
Jemena	0
Don't Know	43
Other	1

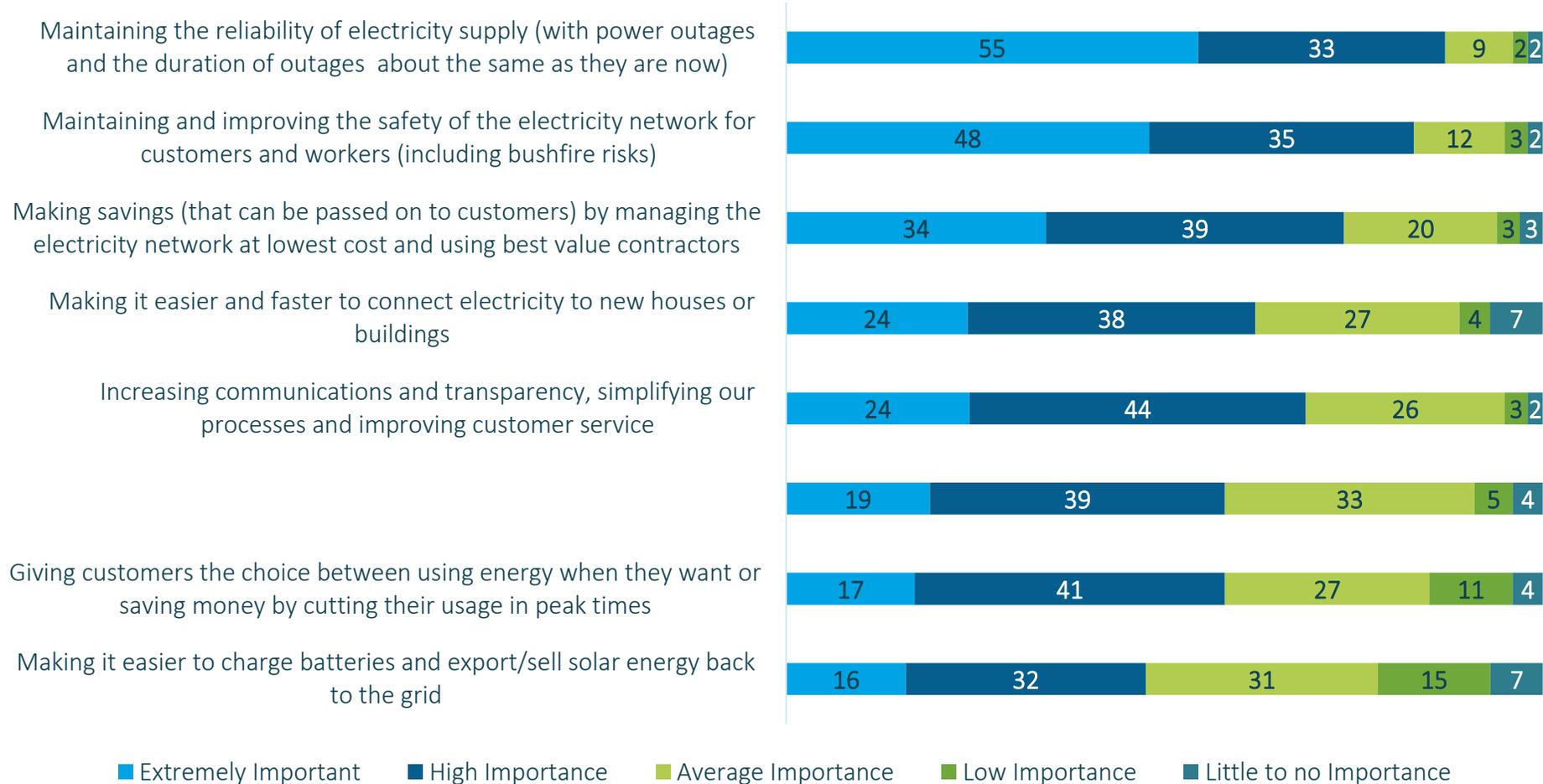
A quarter of business respondents were able to correctly identify United Energy as their electricity distributor.

Awareness of roles of distributor | prompted



Businesses were most aware that distributors were responsible for getting power to homes and businesses and responding to outages and interruptions.

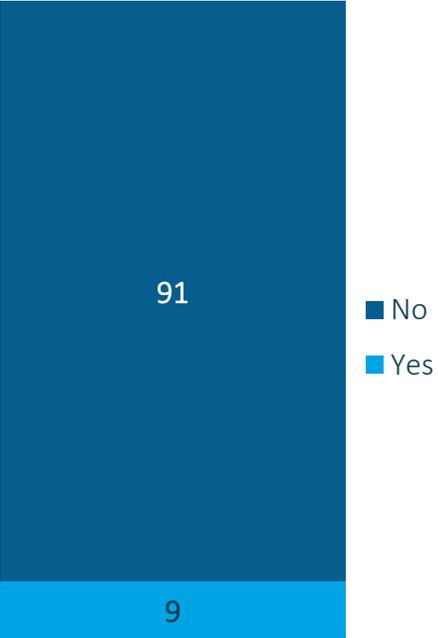
Importance of benefits



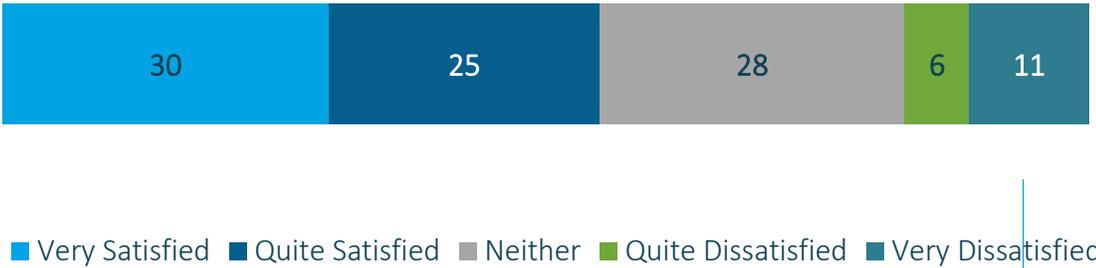
Maintaining reliability and maintaining and improving the safety of the network were considered the two most important benefits.

Experience with connecting a new business

Experienced new connections



Satisfaction with timeframe and process



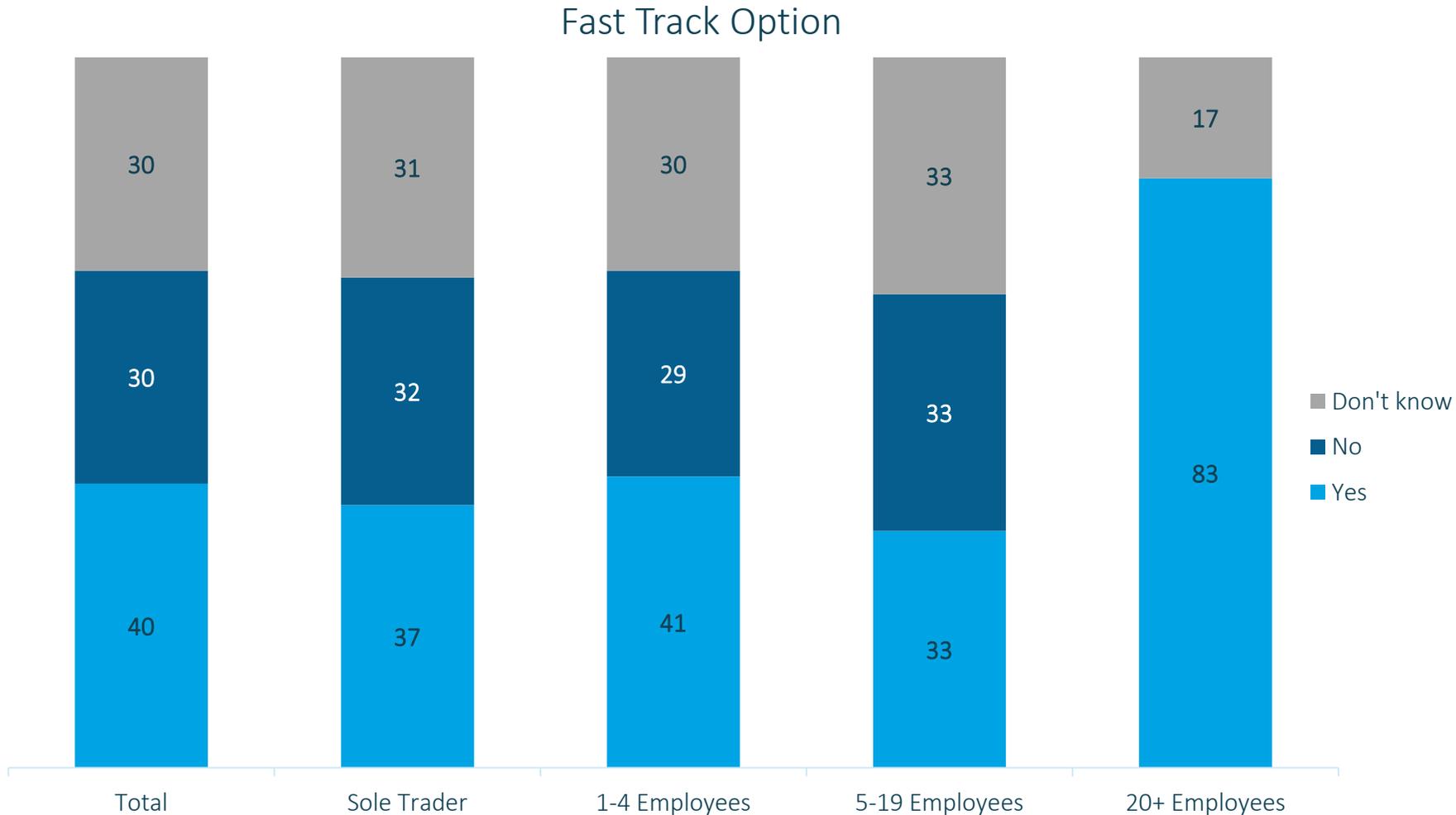
Suggestions to improve connection process	Respondents who had connected and were not satisfied (n=6*)
Quicker Connection Response	63
Better Communication	13
Better Organisation / Efficiency	12
Other	13

Less than 1 in 10 respondents indicated they had experience a new connection, however those that had generally were satisfied (55%). Some suggestions for improvement included quicker connections, better communication and being more efficient.



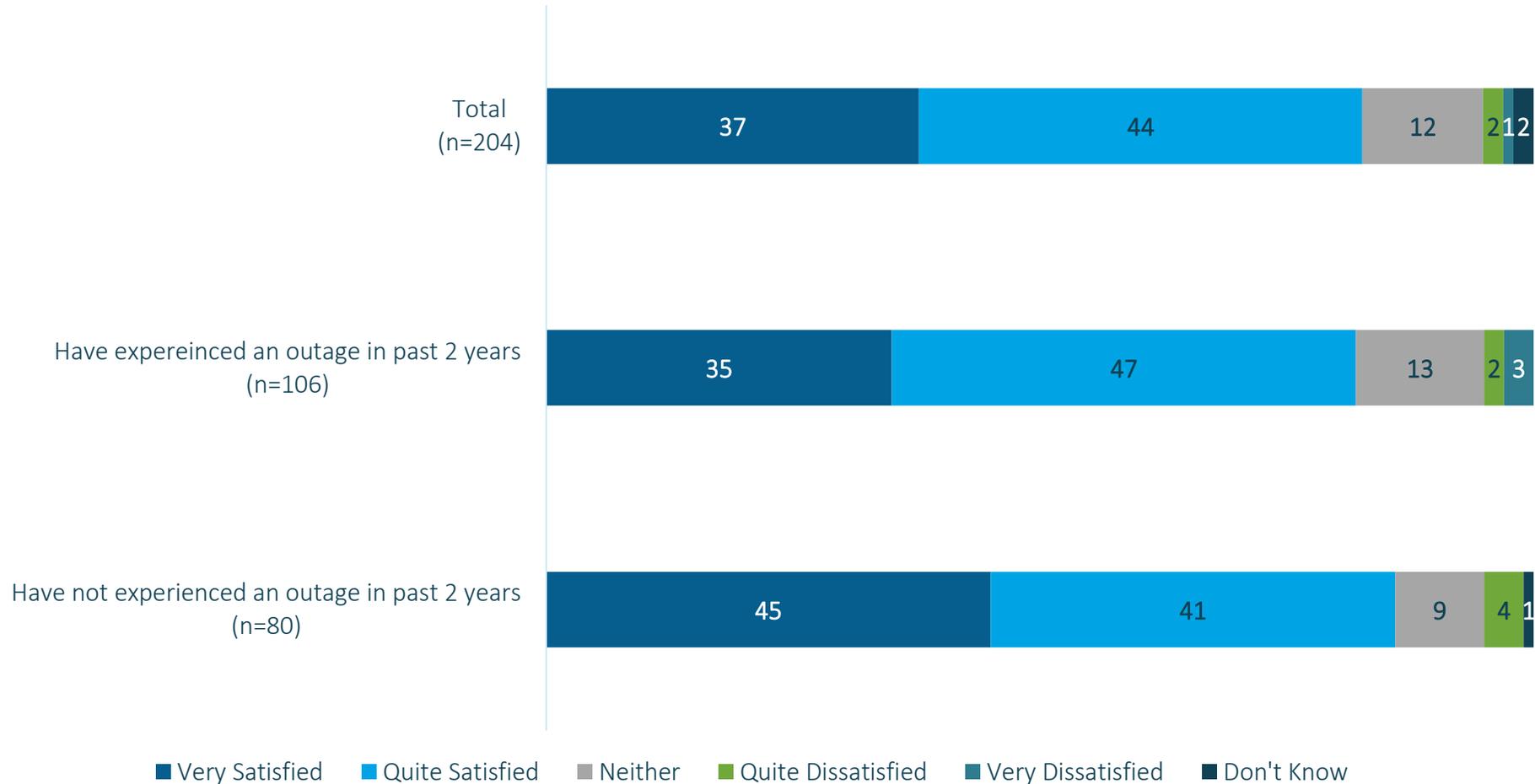
Q7. Have you had experience in connecting a new business premises to the electricity network with [distributor]? Note this is about a new connection, so not moving premises but building a new premises.. Base: All respondents (n=204)
 Q8. How satisfied or dissatisfied were you with the timeframe and process? Base: Respondents who had experience connecting a new business (n=17)
 Q9. What would have made the connection process better? Base: Respondents who had experience connecting a new business and were not satisfied (n=8*) *CAUTION SMALL BASE SIZE

Agreement with the 'fast track' option



Two in five respondents were supportive of the 'fast track user pays' option, with larger businesses (20+ employees) being most supportive.

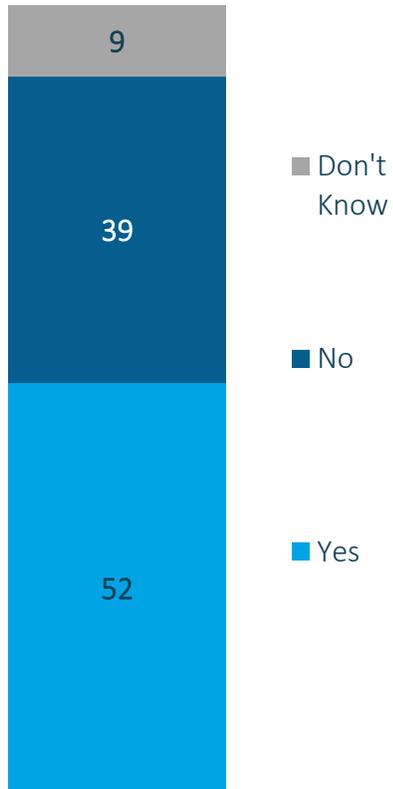
Satisfaction with current supply reliability



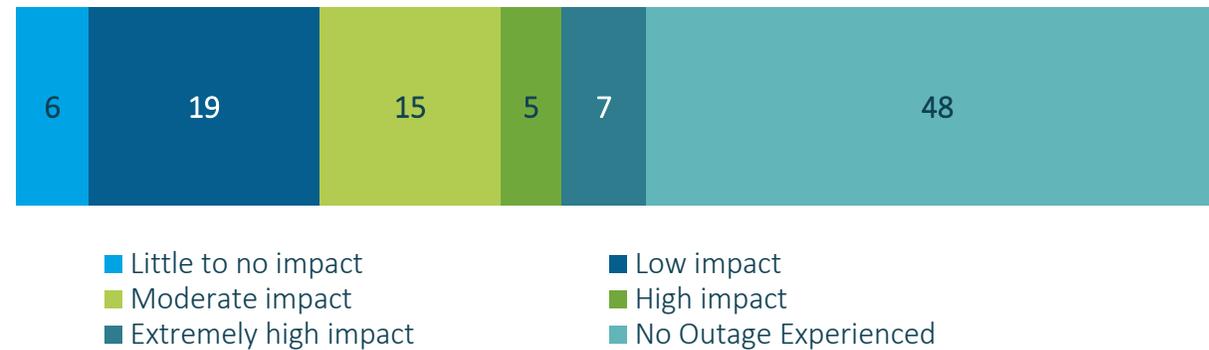
Satisfaction with current reliability was high (81%), and slightly more so for those who had not experienced an outage in the last 2 years.

Outage experienced in current business

Experienced an Outage
in the last 2 years



Level of Impact



More than half of business respondents (52%) indicated they had experienced an outage in the last two years, with 15% indicating a moderate impact, and another 13% indicating a high or extremely high impact.

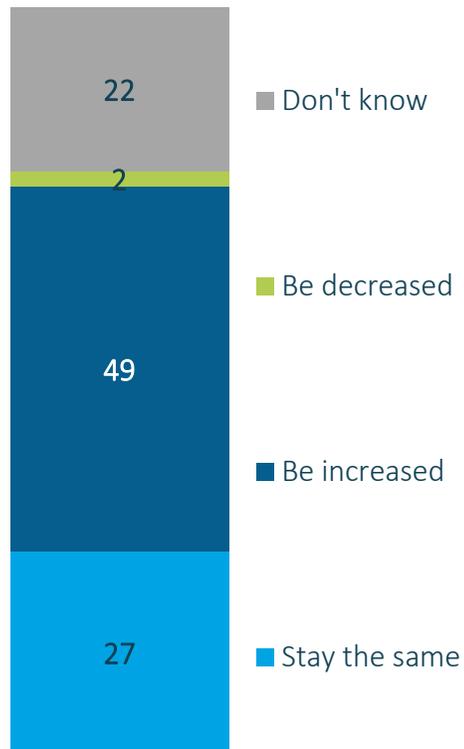
Impact on outages experienced

What were those impacts	Those who experienced a moderate level of impact or more n = 54
We couldn't /can't work/loss of productivity/had/have to shut down	26
No computer/issues with computer	22
No lights/scariness/risk of accidents/no light for customers/security problem	15
We couldn't operate our machines/systems/tools of trade	14
No internet/can't find out what's going on	11
Not being able to use any appliances/anything/everything is electric/or indirectly reliant on electricity	11
No heating/cooling/effect on old people, children	11
We can't serve customers/ open the till/use EFTPOS/credit cards/billing	7
Not being able to charge my mobile phone /laptop	7
The inability to cook	6
Loss of/worried about loss of food in the freezer/fridge	6
No phone/this can be unsafe/we miss calls	6
Loss of communication NFI	5
Loss of power/for particular length of time NFI	5
Other	14
Don't know	6

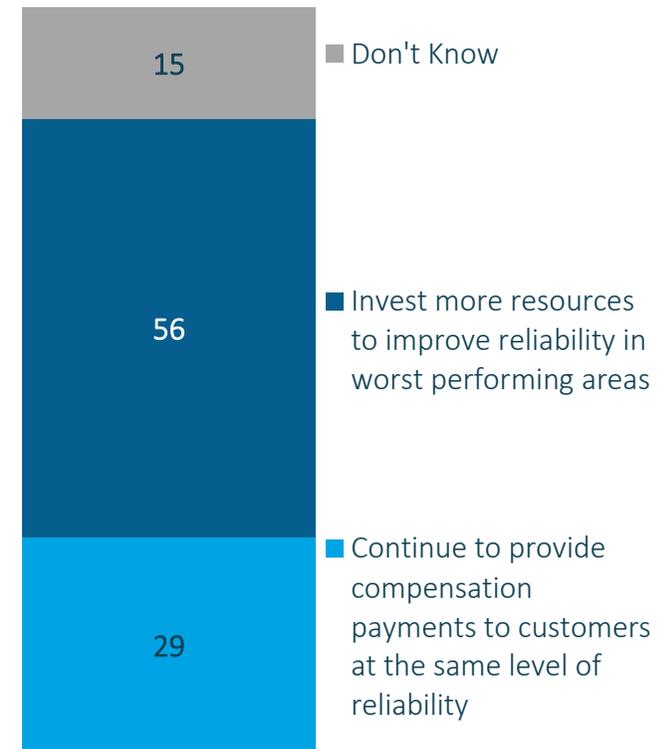
Impacts as a result of outages were generally attributed to the inability to continue working and loss of productivity, as well as issues with computers.

Compensation payments

Should the Payments Change



How Should Payments Change



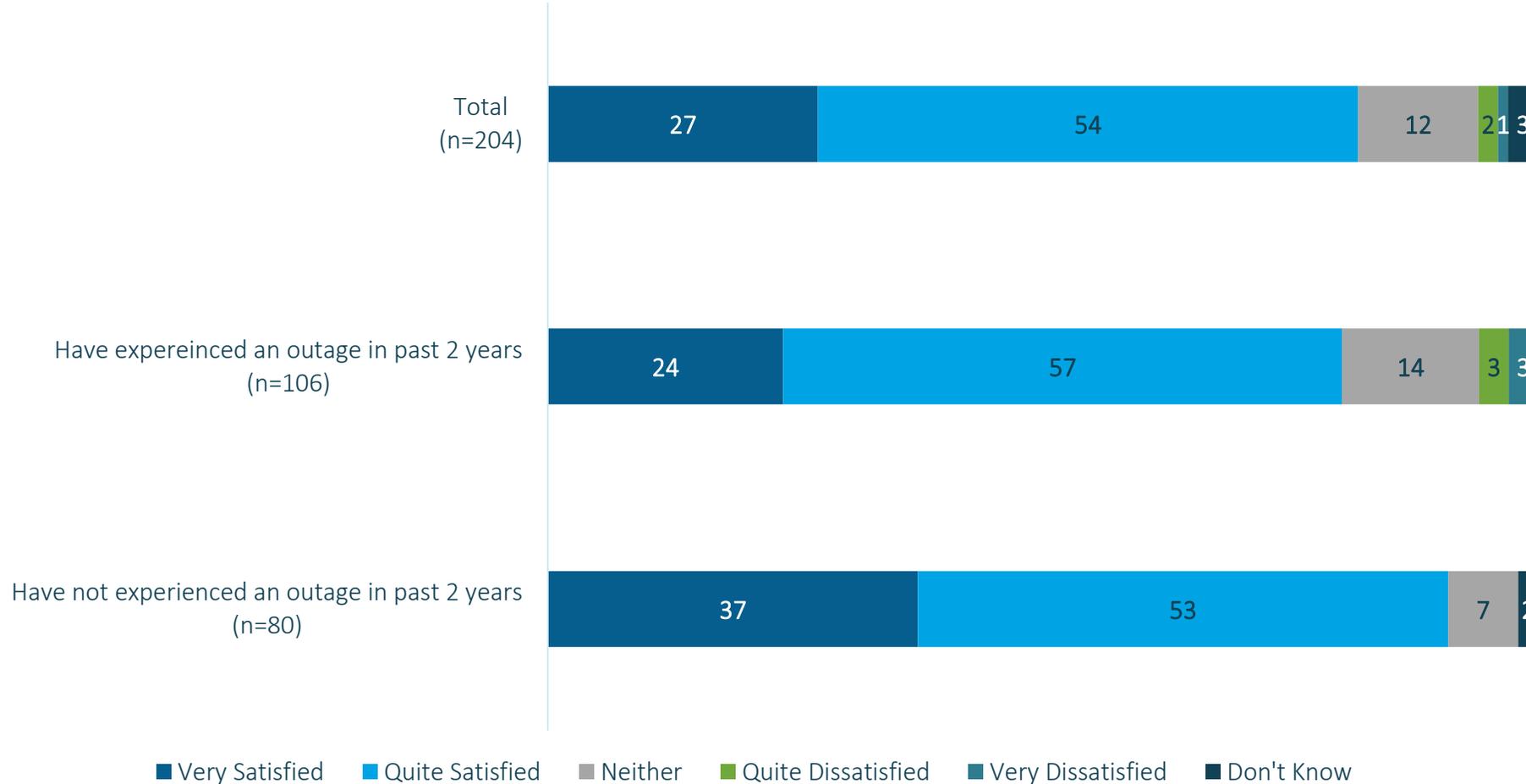
Many felt that compensation payments should be increased (49%), however more than half (56%) indicated a preference for investing money to improve reliability as opposed to continuing compensation payments.

Q16. When the reliability of the electricity supply does not meet the required level, the distributor must compensate customers. Currently customers receive between \$30-\$360 depending on the frequency and duration of outages. The highest payment of \$360 is paid for more than 24 unplanned and sustained interruptions per year (or 60 hours of interruptions). Do you think these payments should stay at the same level, or should they be increased or decreased?

Q17. Should the distributor continue to provide such payments to customers who experience more than a certain number of outages/hours of outages per year or should they invest more to improve reliability for those in the worst performing areas? SR

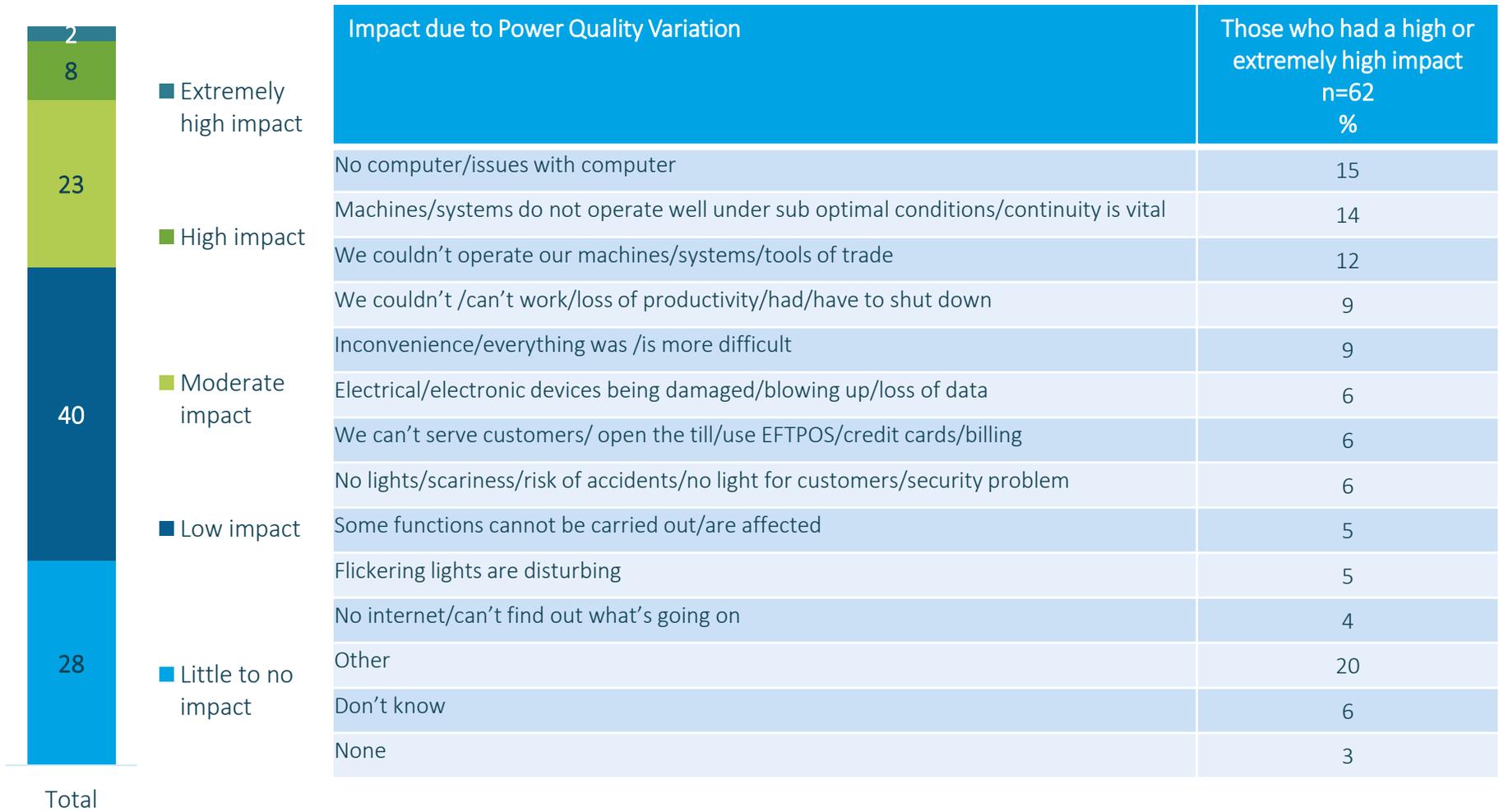
Base: All respondents (n=204)

Satisfaction with quality of electricity supply



More than 4 in 5 respondents (81%) indicated they were satisfied with the quality of their electricity supply, which was slightly higher amongst those who had not experienced an outage in the last 2 years.

Power quality variation impact



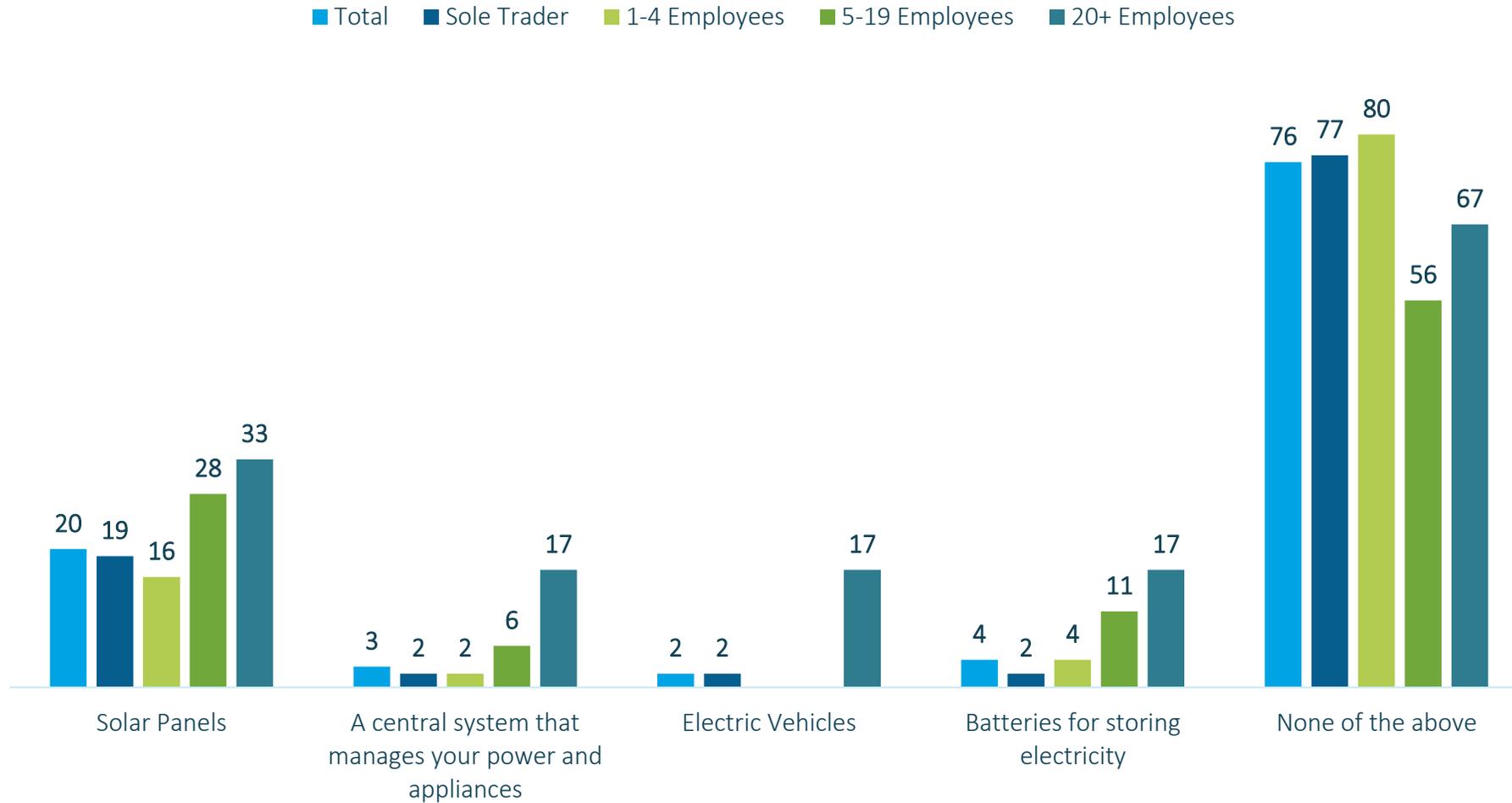
Around a third of business respondents (33%) indicated at least moderate impacts due to power quality variation. These included computer issues, machines not working properly, and a loss of overall productivity.



Q19. What level of impact do variations in power quality have on your business?
Q20. Please tell us about what those impacts are.

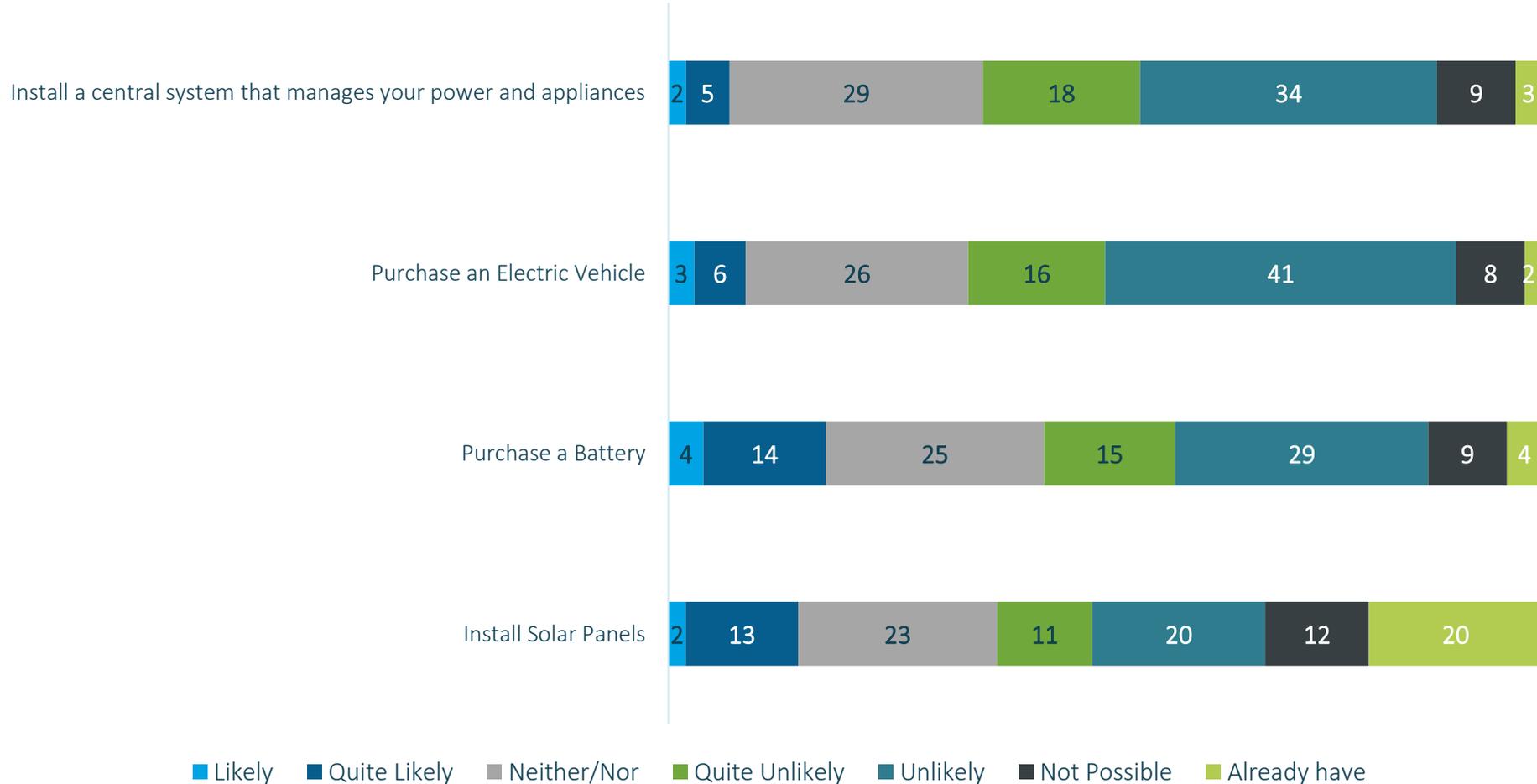
Base: All respondents (n=204)
Base: Respondents that have had a high or extremely high impact (n=62)

Incidence of having any of the following



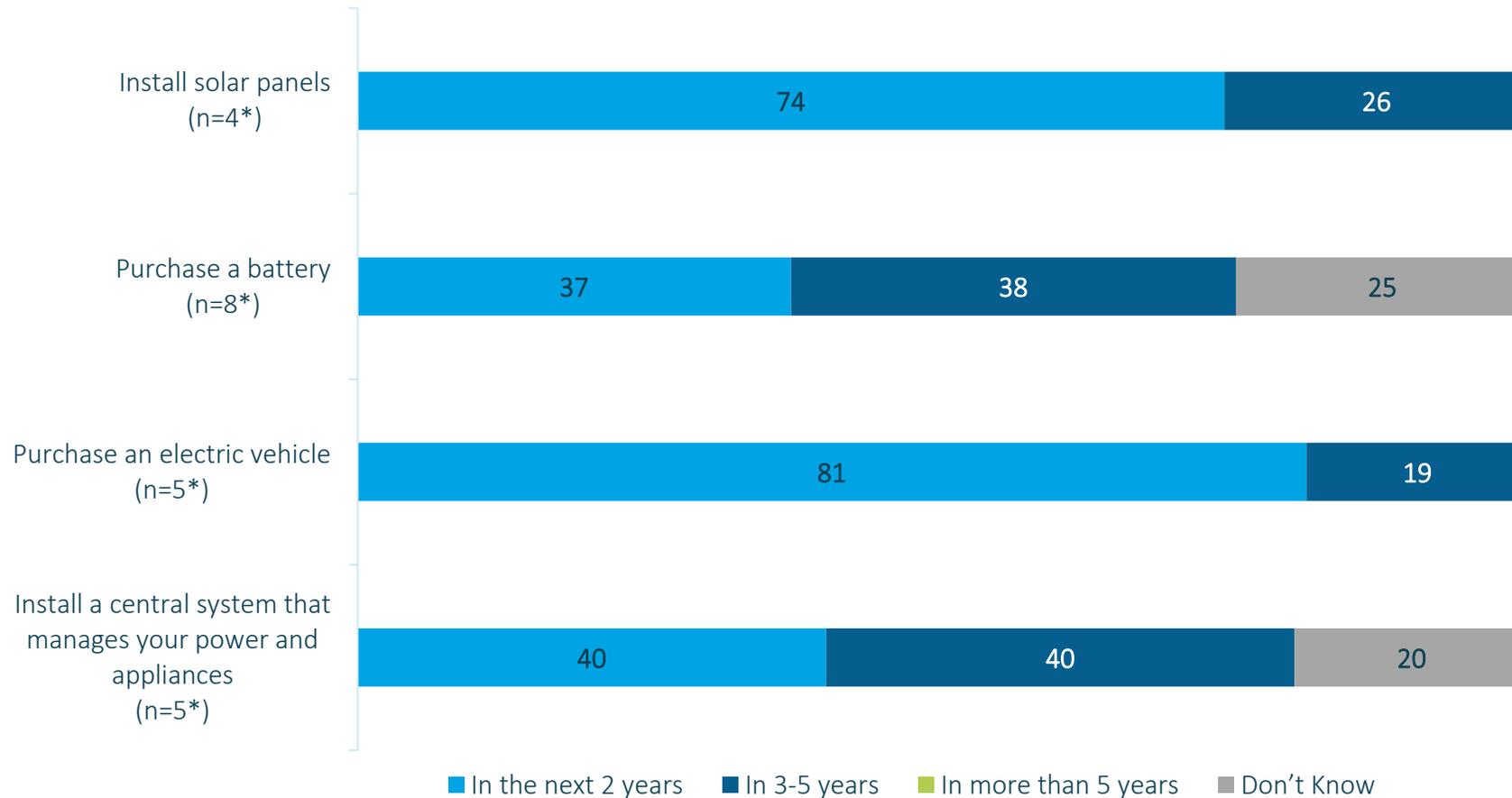
Larger businesses were more likely to have one of the listed technologies, with those with over 20+ employees significantly more likely to have a central management system, electric vehicles, and batteries for storage.

Likelihood of installing in future



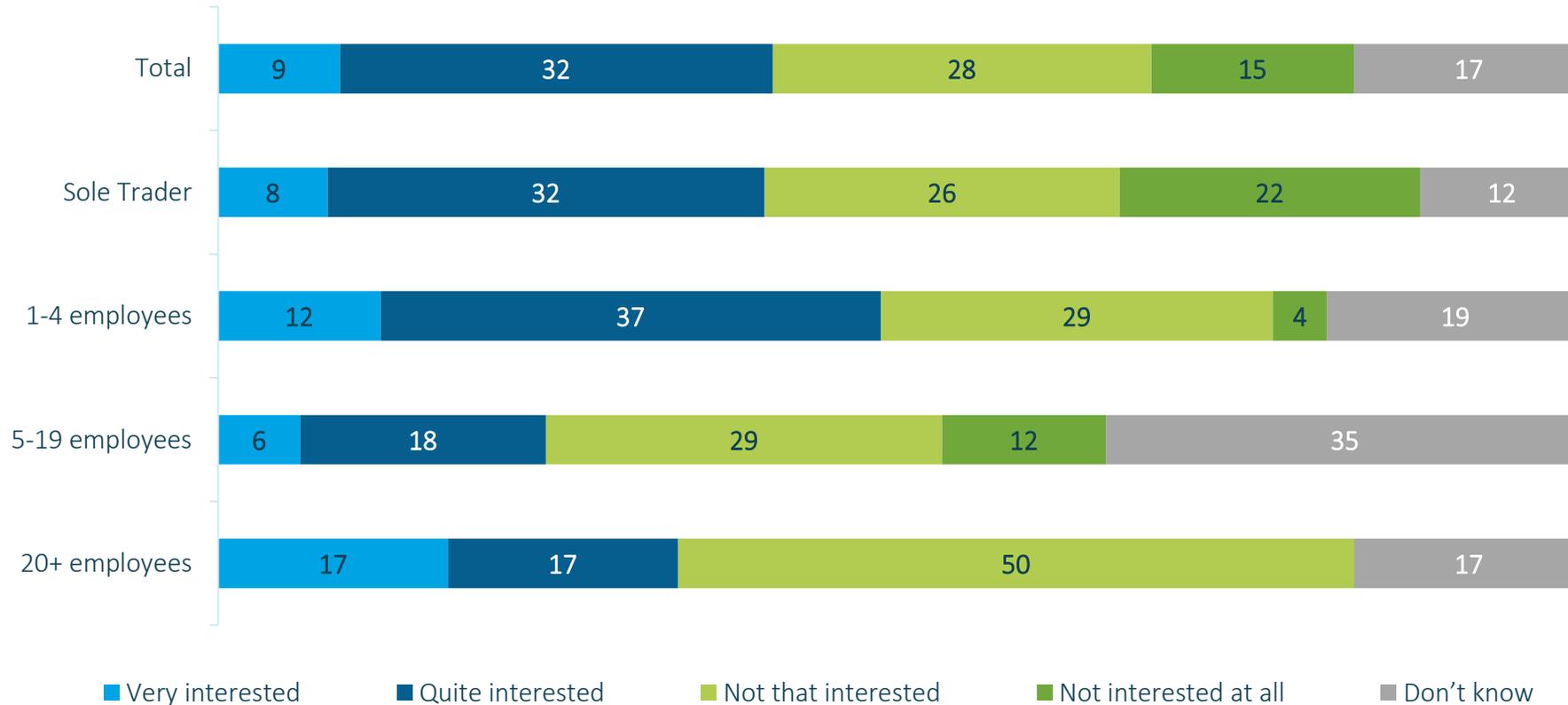
Installation of solar panels and purchasing batteries were the most likely technology to be taken up in the future.

Timing of future installations



More than half of business respondents (56%) indicated they would implement these technologies in the next 2 years, with a further 27% taking them up in the next 3-5 years.

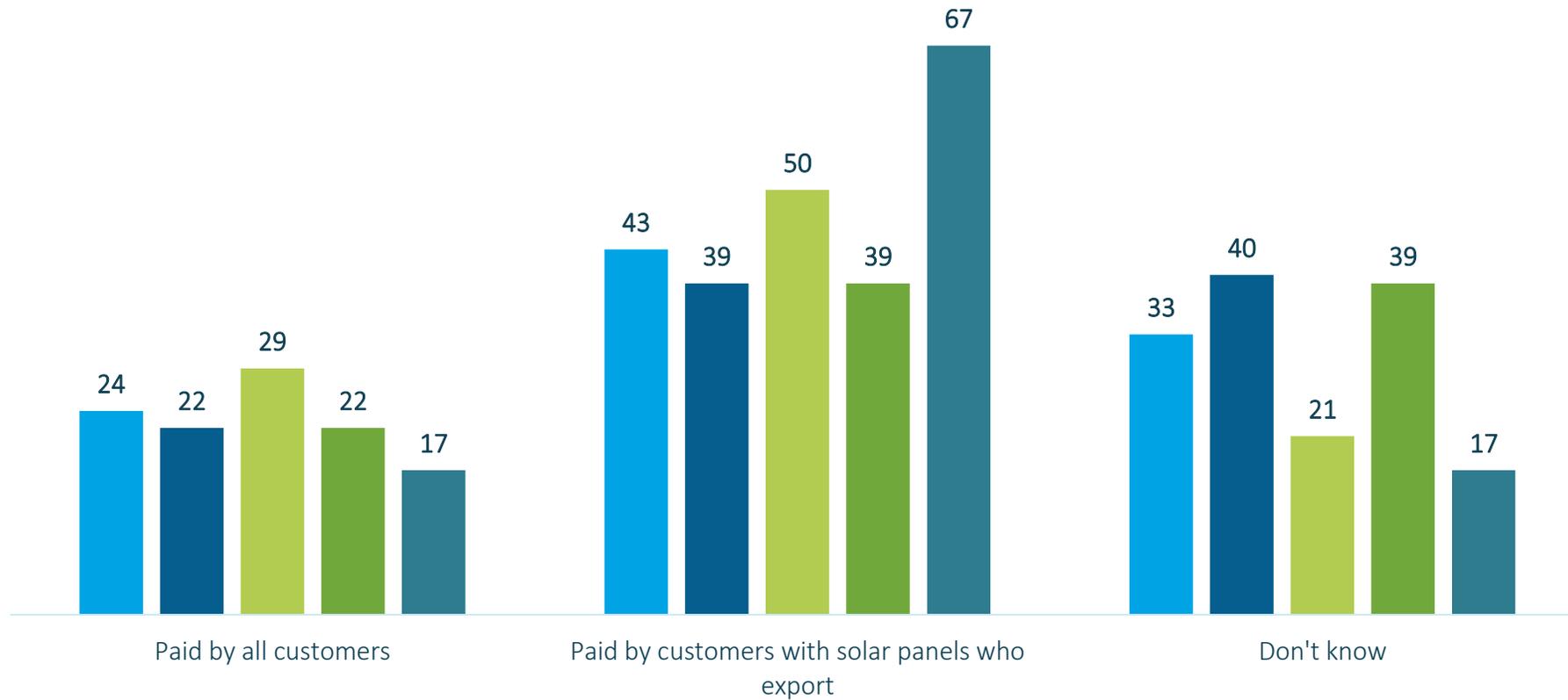
Interest in exporting/selling back to the grid



More than two in five (41%) respondents were interested in exporting/selling back to the grid.

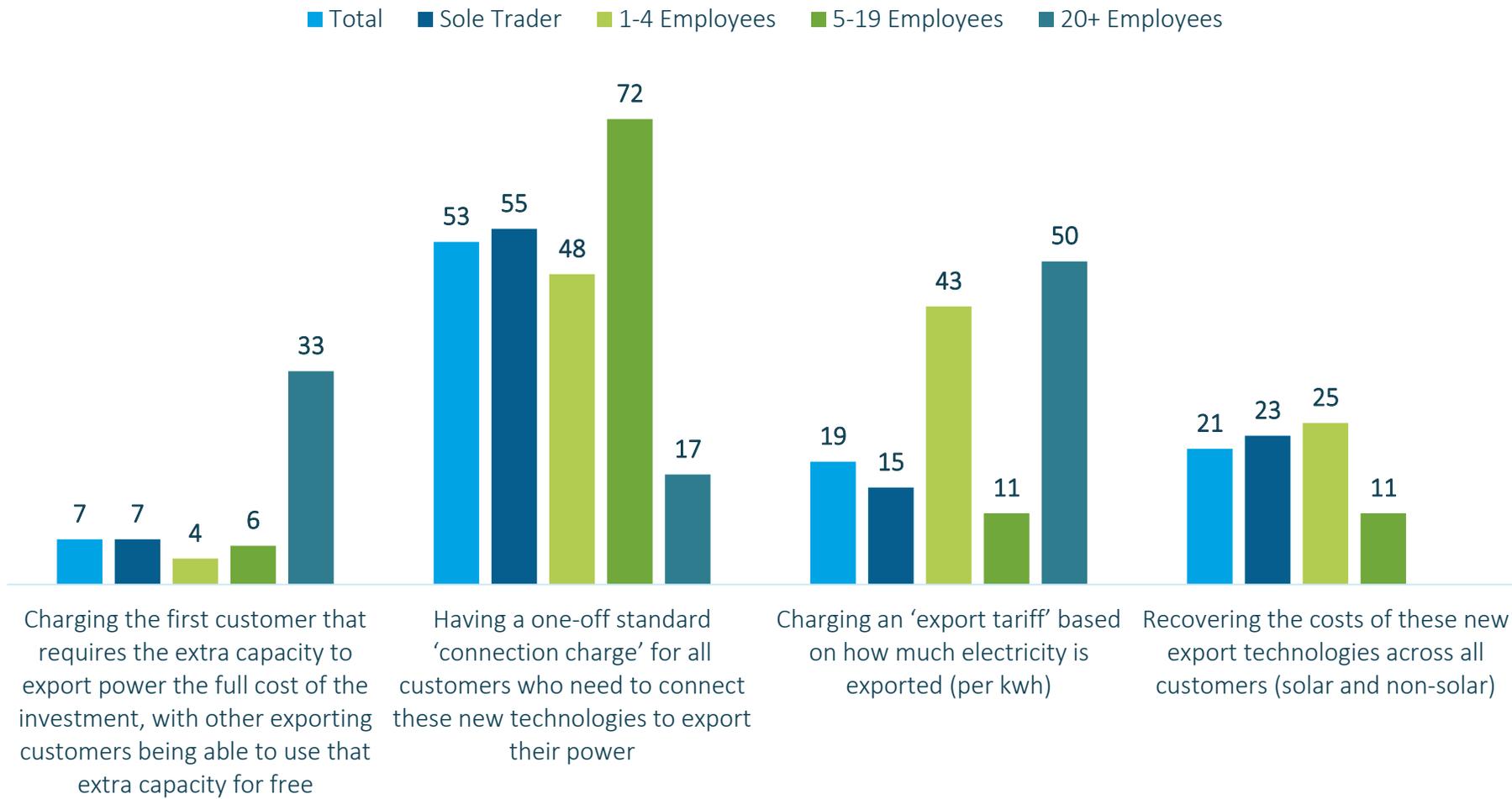
Investment in power quality

■ Total ■ Sole Trader ■ 1-4 Employees ■ 5-19 Employees ■ 20+ Employees



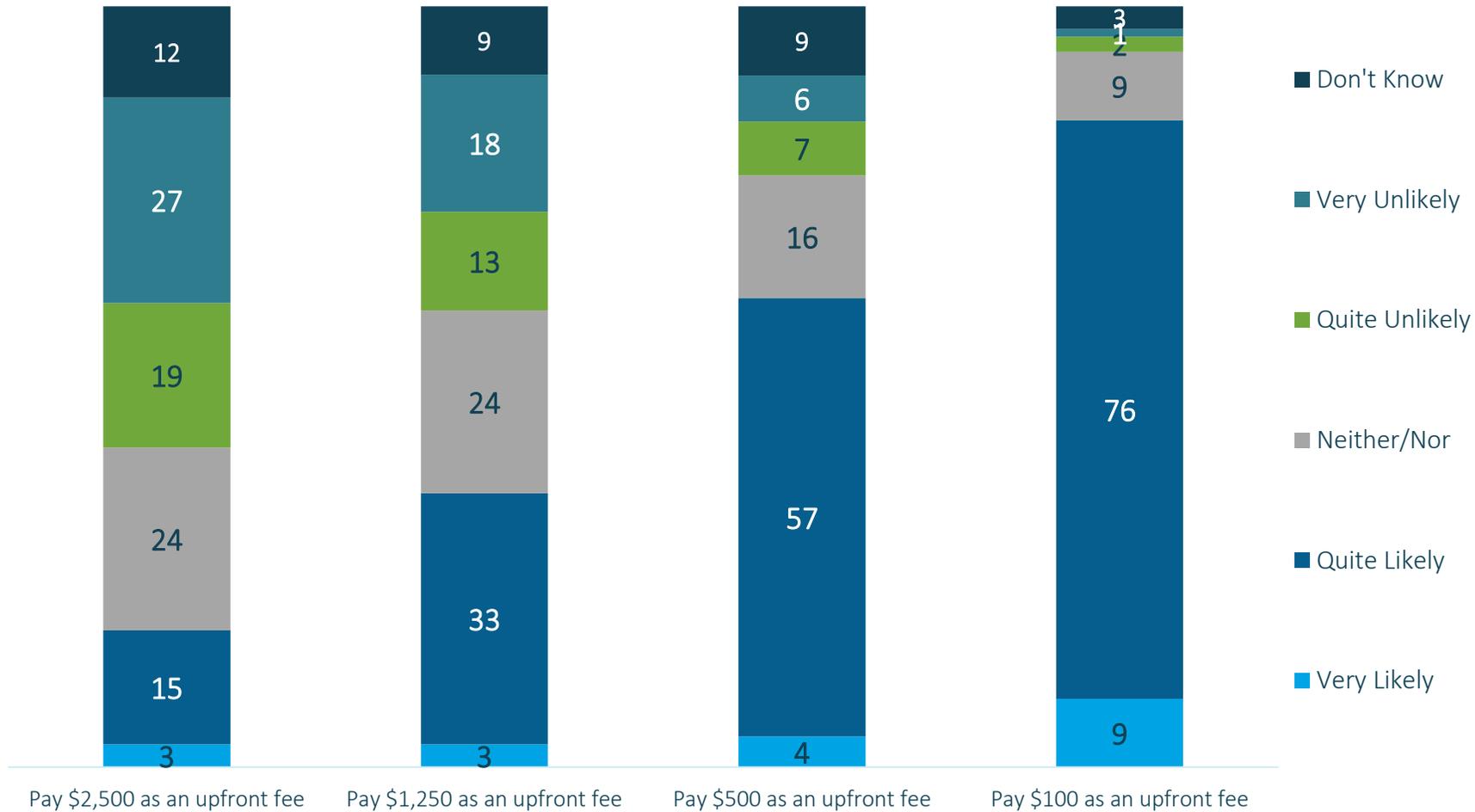
It was felt that those who exported back to the grid should be responsible for paying for improvements to power quality (43%), especially by those with over 20 employees (67%).

Funding extra capacity investments



A one-off standard connection charge was the preferred pricing structure for those who wanted to connect and export back to the grid. However, businesses with 1-4 employees and those with over 20 employees were also supportive of charging an export tariff based on the amount being exported.

Likelihood of paying one off fees

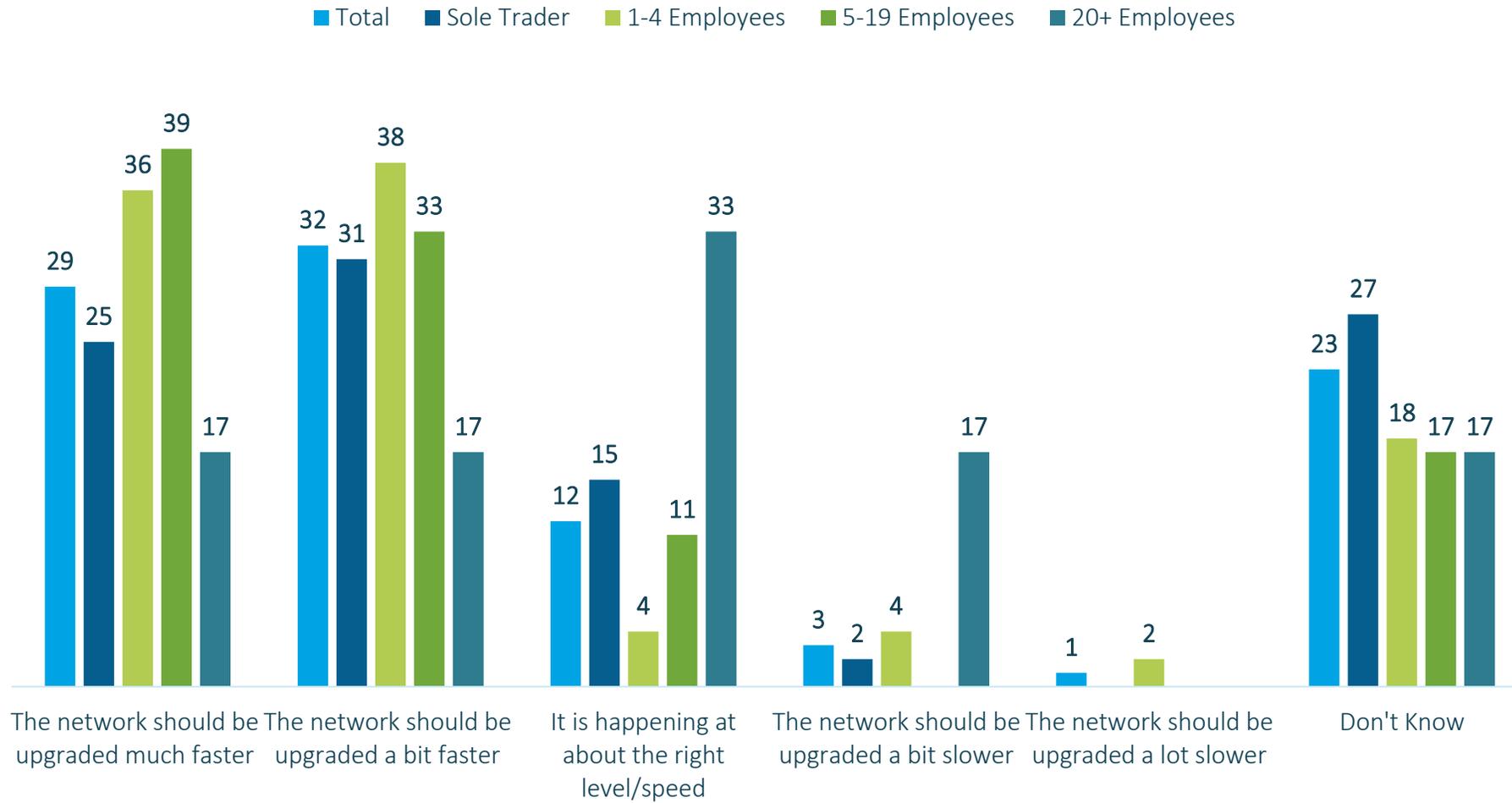


Three in five respondents (61%) interested in the one of connection charge indicated they would be likely to pay \$500 as an upfront fee.

Q27. How likely do you think customers would be to pay \$2,500 as an upfront connection charge for a typical 5kW solar system to guarantee the ability to export power to the network? If they do not say very or quite likely to this then ask same question for \$1,250. If they say do not say very or quite likely to this then ask \$500. If they do not say very or quite likely then ask 'less than \$100'.

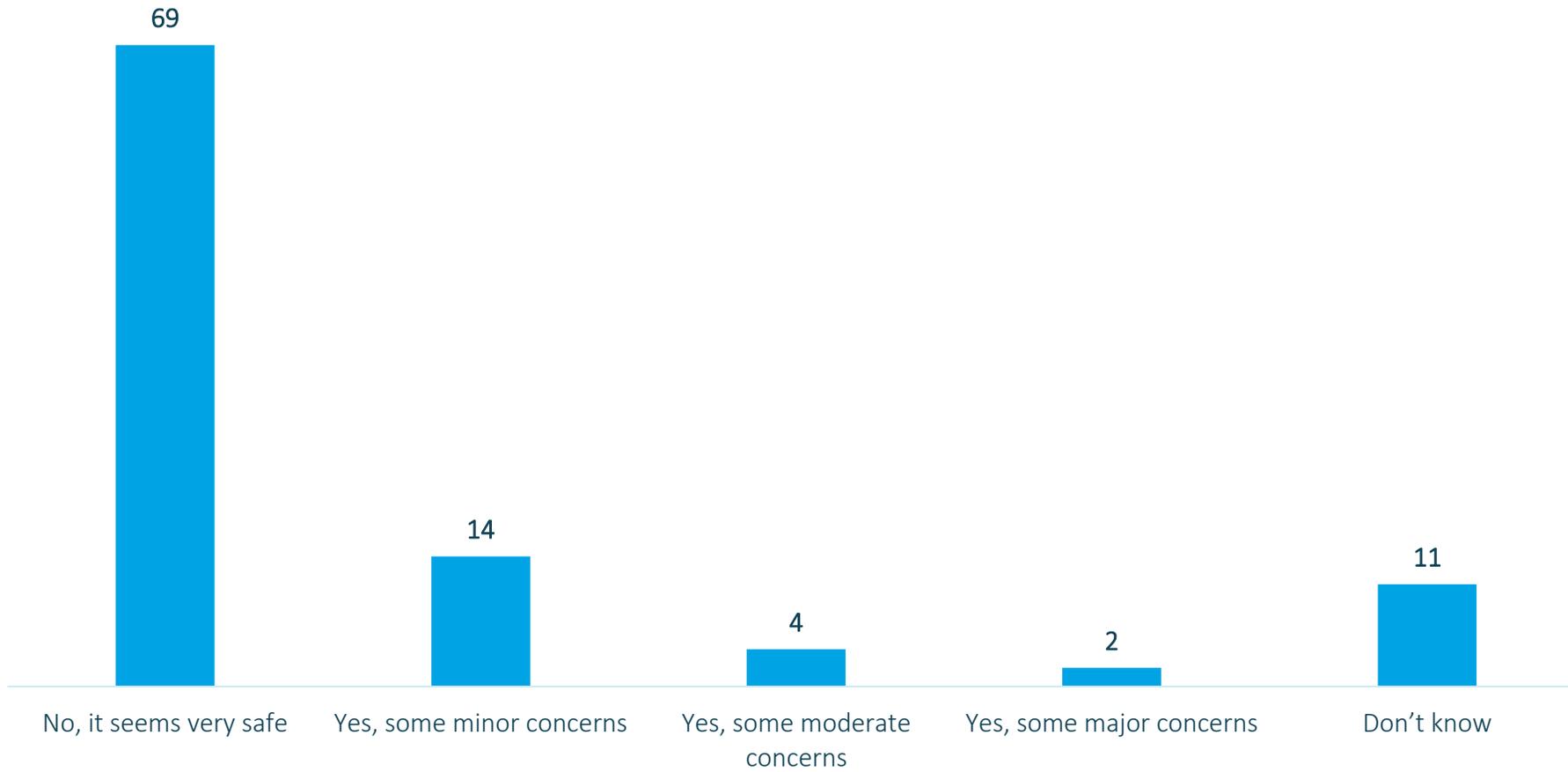
Please change this for all different sub questions in this question Base: Respondents who preferred to have a one off standard connection fee (n=109)

Upgrade timeline



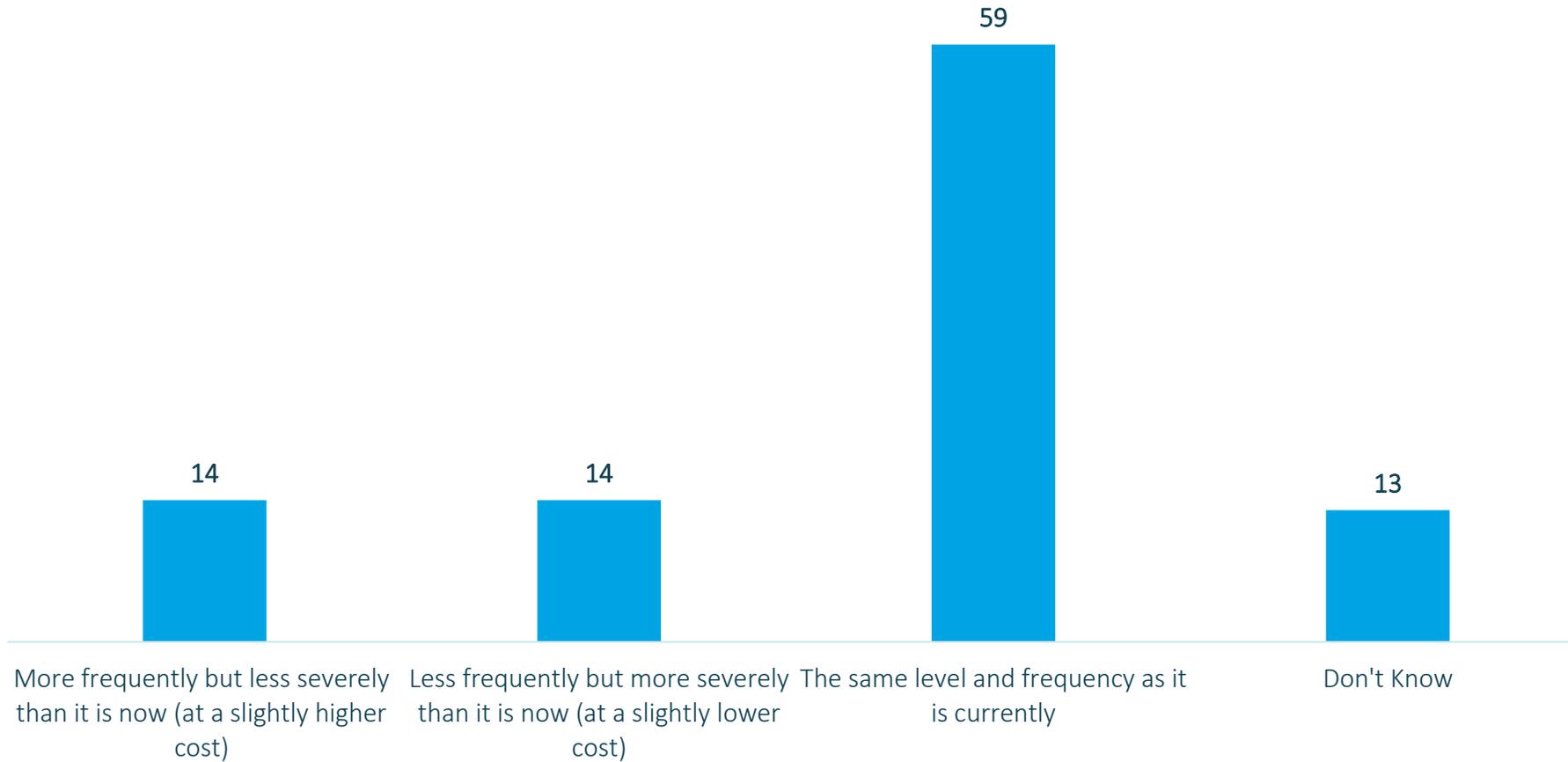
Most respondents (61%) felt that network upgrades should be faster, however businesses with over 20 employees were more likely to be satisfied with the current level of upgrades (33%).

Concerns about safety



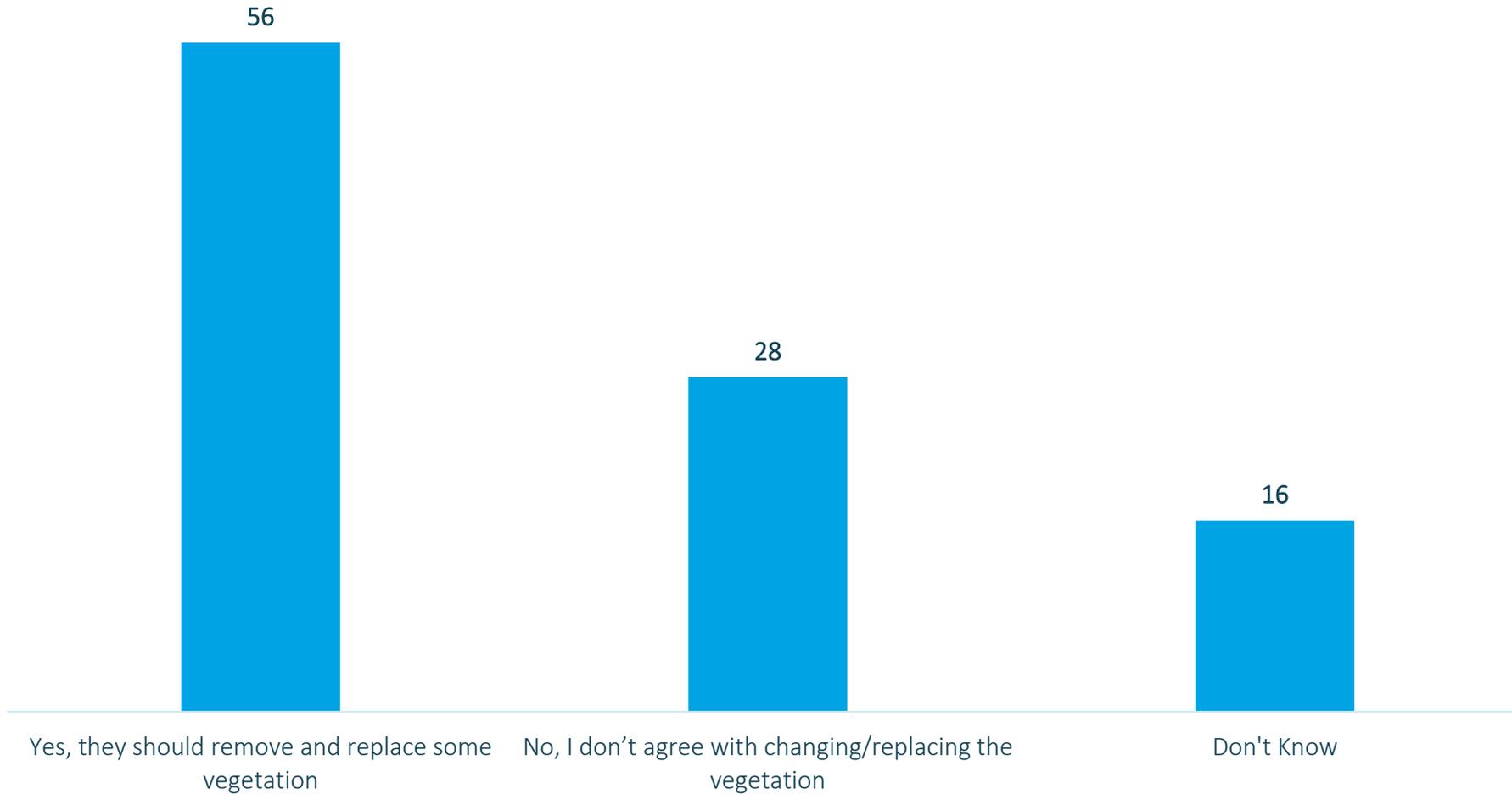
Most respondents felt that the network seemed very safe, however there were some minor concerns (14%) and moderate to major concerns noted (6%).

Vegetation maintenance



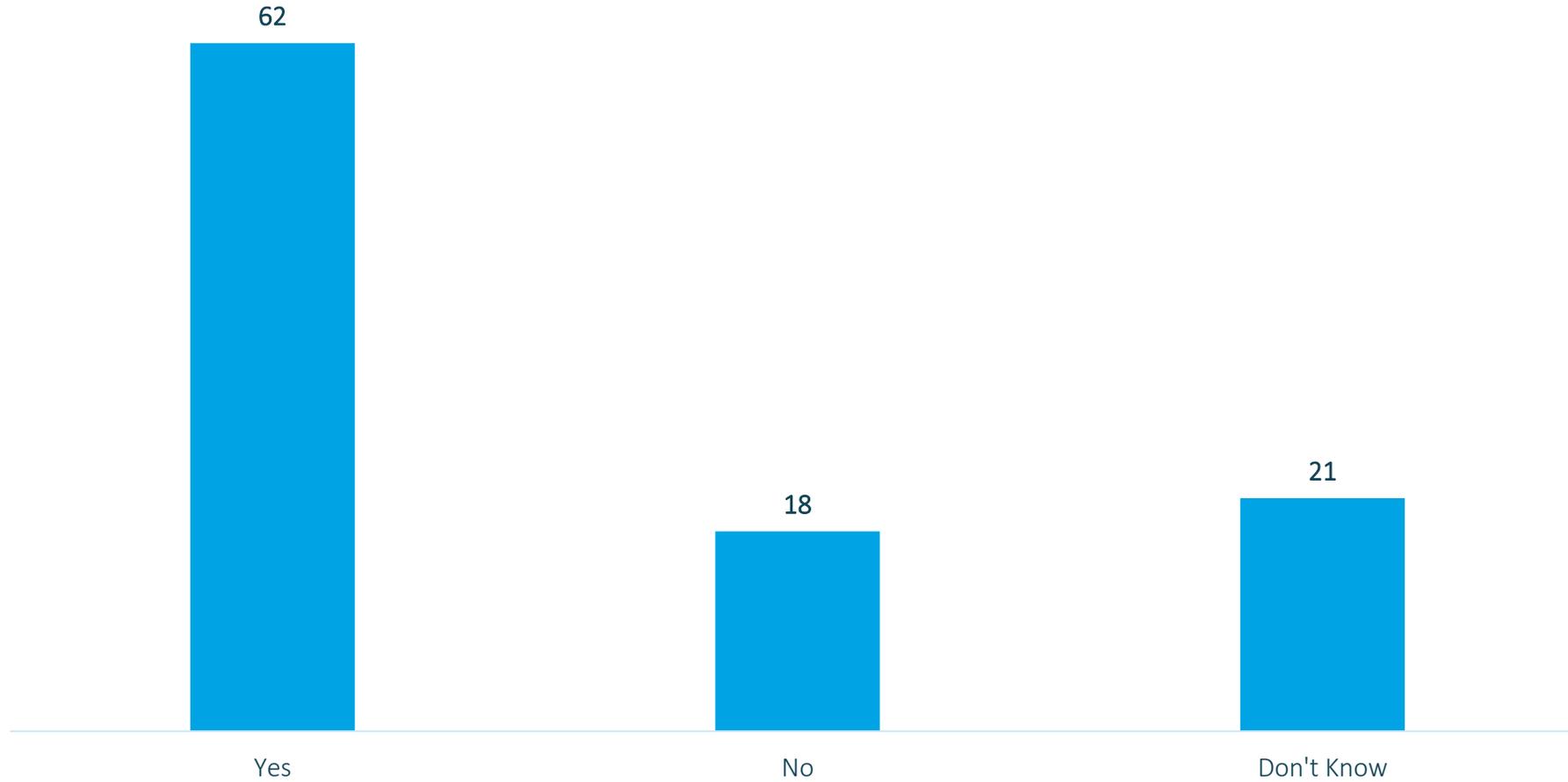
It was felt by the majority of respondents (59%) that the frequency of vegetation trimming was adequate as it was currently.

Replacing vegetation



More than half of respondents (56%) felt that some vegetation should be removed and replaced with more manageable species.

Underground electricity assets



Even though it was a cost to the consumer, 62% of respondents indicated a preference for undergrounding assets in road accident black spots.

Q32. Putting electricity assets underground eliminates safety risks, however, it costs significantly more to house wires underground initially. Should (insert distributor) invest in moving poles and wires underground that are in road accident black spots, albeit at a slightly higher cost to consumers?

Base: All respondents (n=204)

Management of safety



- Don't Know
- Strongly Disagree
- Disagree
- Neither /Nor
- Agree
- Strongly Agree

Suggestions to improve safety	Respondents who disagreed that there was enough being done to manage safety n=13* %
Do more maintenance of/around powerlines/infrastructure	24
More/ a better job/get off their backsides NFI	15
Put powerlines underground	15
Do more checking of the network/the poles/lines	14
Move poles away from roads/unsafe places etc	8
Cut back vegetation around power lines/reduce growth	8
Don't know	16
Other	16

35% of respondents agreed that there was enough being done to manage safety across the network, with the majority unsure. Some suggested improvement included; more maintenance of assets and undergrounding.

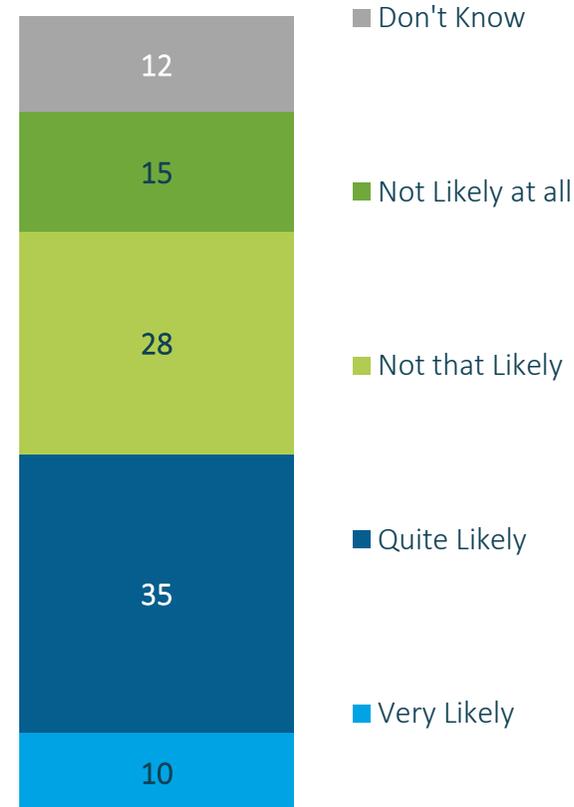
Q35. Do you agree or disagree that there is enough being done to manage safety across the electricity network? Base: All respondents (n=204)
 Q36. What should [insert distributor] be doing with regards to safety? Base: Respondents who disagreed that there was enough being done to manage safety (n=13*) *CAUTION SMALL BASE SIZE

Real time access to data

Level of Interest



Likelihood to Use



More than a third of respondents (35%) indicated they would be interested in accessing real time data for their business', with 45% indicating they would be likely to utilise this information to monitor usage for financial incentives.

Q37. What is your business's level of interest in having real time access to your energy usage data?

Q39. How likely would you be to use a 'real time' energy use monitor to receive rebates or savings if it was installed or accessible on your premises?

Base: All respondents (n=204)

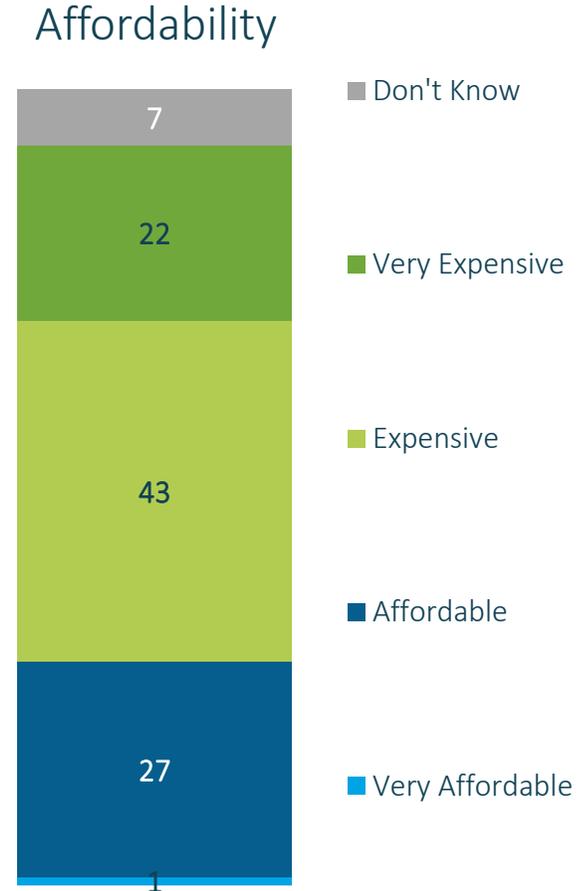
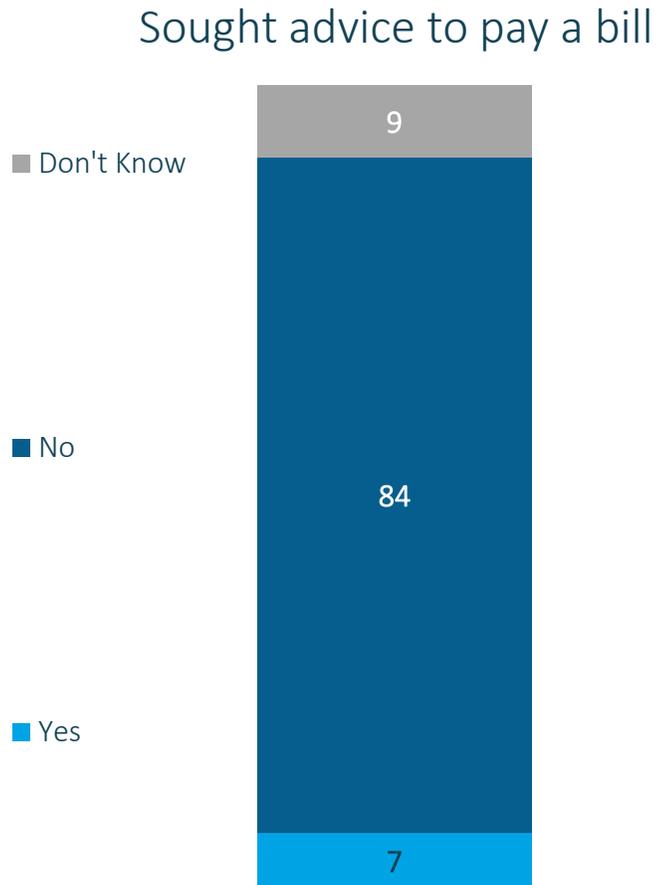
Perceived benefits of real time access

Benefits of real time access	All Respondents n=204 %
The ability to monitor/monitor accurately your usage	11
Save money/lower our bill/control costs	10
The ability to manage/adjust usage/consumption	10
No unexpected bills/know your costs/track spending/budgeting/costings	10
Minimal/very little, if any	7
Being able to see the best time for heavy usage activities/to decrease usage in peak	6
Knowing when /that you need to cut down usage/if you have overdone it	3
Being able to pinpoint what uses the most electricity	3
It gives information/better understanding/ability to make informed choices	3
Better energy usage efficiency/planning	3
Being able to see when I'm using most power	2
It may help you to work out the best ways /where to cut use if needed/see unnecessary usage	2
None	35
Other	6

Perceived benefits of having access to real time data included:

- Lowering the costs of bills
- Managing and adjusting consumption
- Improving budgeting

Affordability



Less than one in ten (7%) of business respondents had sought advice to pay a bill or sought deferral of payment, however 65% indicated that bills were expensive.

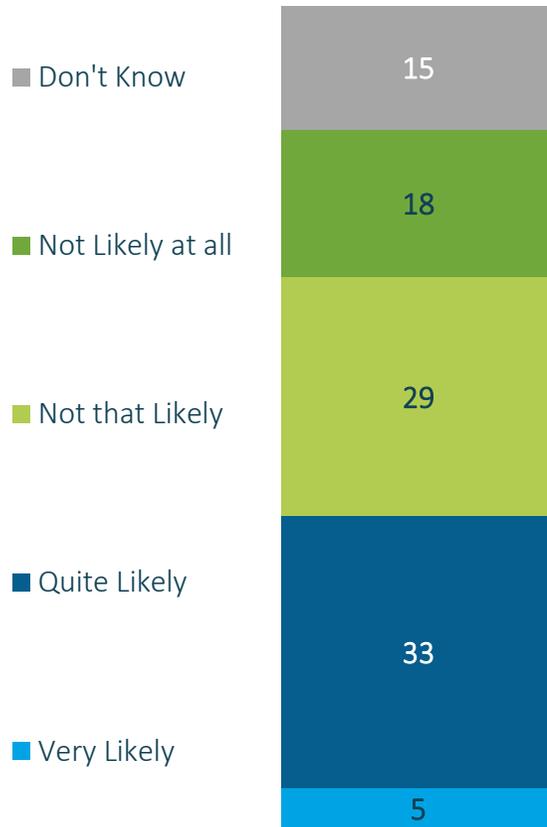
Q40. In the last 12 months, has the energy bill of your business led you to seek advice about methods of payment or deferral of payment?

Q41. How would you rate the affordability of your electricity over the past 12 months?

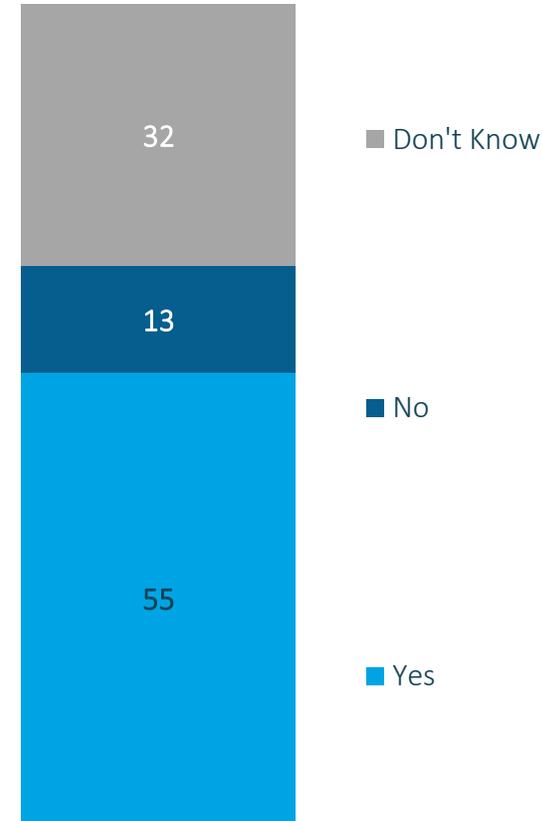
Base: All respondents (n=204)

Reducing energy usage through programs/trials

Likelihood to participate in trials or programs



Ability to respond to peak pricing signal to reduce power usage



- Nearly one in 5 respondents (38%) indicated they were likely to participate in a trial or program for financial incentive.
- More than half (55%) said they would be able to respond to a pricing signal to reduce power usage.

Q42. How likely is it that your business would participate in trials or programs where you can receive a small financial incentive or reward (approx. value of \$10-15) to reduce your electricity usage at peak times when asked by the distributor? Base: All respondents (n=204)

Q43. Could you respond to a peak pricing signal and reduce the power usage of your business for up to 3 hours with 48 hours prior notice? Base: Respondents who indicated they were likely to participate in a trial or program (n=77)

Expected rebate amount from participating in programs/trials

	Mean amount \$
Sole Trader (n=59)	\$64.40
1-4 Employees (n=30)	\$71.39
5-19 Employees (n=7)	\$24.60
20+ Employees (n=5)	\$70.00
Overall average	\$64.58

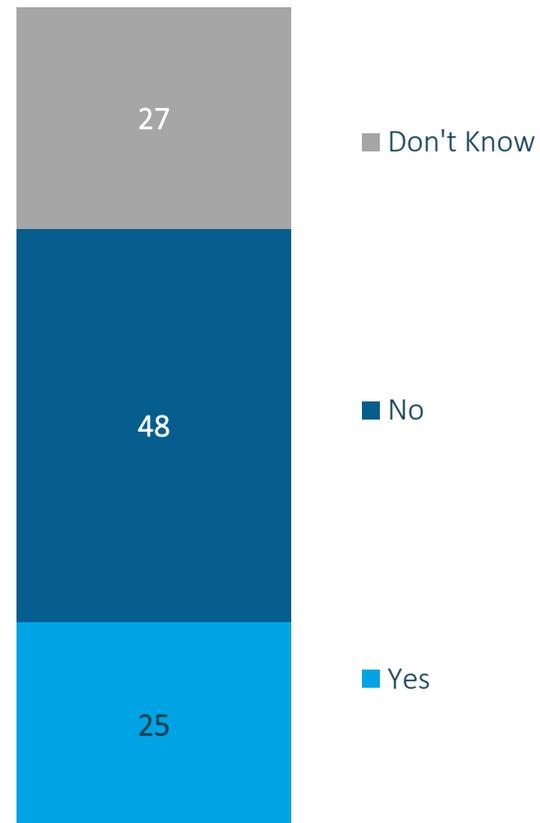
The average expected rebate amount for participating in programs/ trials was \$64.58, however this was slightly higher for businesses with 1-4 employees and with 20+ employees.

Q44. If you are able to occasionally respond to these signals to achieve a rebate, what level of rebate (dollar value) would you expect if you reduced your power use for each 3 hour event?

Base: Respondents who indicated they were likely to participate in a trial or program (n=136)

Allowing remote access

Allowing distributor remote access to adjust your energy use.



Only a quarter of respondents indicated that they would allow United Energy to remotely control appliances.

Q45. Would you be interested in receiving a small incentive (approx. value of \$10-15) to allow the distributor to adjust your energy use remotely for appliances like air conditioners if you didn't notice a large difference in heating/cooling?

Base: All respondents (n=204)

Tariffs

Current pricing structure



What type of tariff do you think you should be on

- Don't Know
- Demand Charge (a higher rate for the highest half-hour usage during the day)
- Time of Use Tariff (different rates for peak and off-peak times)
- Flat Rate (one rate for any time of the day)



More than a third of business respondents were unaware of their current pricing structure, however most thought they should be on the time of use tariff or flat rate structure.

Q46. What is the pricing structure of your current electricity bill?

Q47. Taking into account your pattern of electricity use and your energy sources (e.g. whether most of your usage is only at certain times during the day or whether you have solar or batteries), what type of tariff do you think would best suit your needs?

Base: All respondents (n=204)

