

Peak Customer and Stakeholder Committee

23 February 2021



Acknowledgement of Country

Endeavour Energy acknowledges the traditional owners of country where we work - the people of the Dharug, Wiradjuri, Dharawal and Gundungarra nations - and recognises their continuing connection to the land, waters and community. We pay our respect to them and their culture and to the elders both past, present and emerging.



According to the Alcheringa, the dreaming of the local Aboriginal peoples, **Mount Keira** is Geera, the daughter of Oola-boola-woo, the West Wind. The story of the creation of Mount Keira is tied to the creation of the Five Islands, which sit just off the Wollongong coast. She is known today as Mount Keira. *Ref: NSW Environment, Energy and Science.*



Welcome

1. Introductions and apologies
2. Previous meeting summary
3. Agenda

Opening Comments

Guy Chalkley
Chief Executive Officer



Understanding our Customers

Journey Mapping

Danielle Manley
Manager Customer Service



Overview

- Endeavour Energy is focused on better understanding our customers to improve service delivery and trust in our brand.
- Our Customer Journey Mapping project is reviewing critical customer processes to identify both pain points and opportunities for service improvement.
- We engaged the *Customer Experience Company* (CEC) to develop the Journey Maps and to help us create an actionable plan to implement key improvement opportunities.
- Phase 1 of the project was to obtaining customer experience insights. This involved detailed research with residential, business and industrial customers and service providers. In addition, we sought internal feedback from key Endeavour Energy staff, and held a workshop with the Peak Customer & Stakeholder Committee.
- Phase 2 of the project is to develop key concepts that improve the current customer experience. These concepts are currently being tested with both customers and staff.
- **We want to know how these customer insights resonate with Committee Members.**

Project approach

We are here

Phase 1

Phase 2

2. Understand external view

Conduct research with residential, business, and industrial customers as well as partners to understand their experience relating to outages, complaints and onboarding/connections.

4. Design and test concepts with customers and staff

- Create concepts aimed to improve the current customer experience.
- Test concepts with customers and staff and iterate accordingly.

1. Understand internal view

Facilitate 1:1 interviews with executives and internal subject matter experts, as well as three working groups with frontline staff, to understand their perspectives on the current organisational context, customer experience, and any barriers to change.

3. Synthesise all inputs

Synthesise internal and external research into meaningful tools that Endeavour Energy can use to improve the customer experience:

- Current state journey maps encompassing customers' experiences of outages, onboarding and complaints.
- Customer Profiles.
- Customer Research Insights.

5. Socialise findings, concepts and recommendations on choices

Deliver clear and actionable next steps for Endeavour Energy, with the following considered:

- What to do, what not to do.
- How to implement.

In Phase 1, we built on inputs from the Peak Customer and Stakeholder Committee by conducting in-depth interviews with:

15 Residential customers

- Journeys covered:
- 7 Planned outages
 - 6 Unplanned outages
 - 2 Complaints/claims



- Residential customers included:
- Regular dependency
 - High dependency
 - Solar and DER capability

5 Business customers

- Journeys covered:
- 1 Planned outage
 - 1 Unplanned outage
 - 3 Complaints/claims



- Business customers included:
- Small-medium
 - Those with critical supply need

3 Industrial customers

- Journeys covered:
- 3 Standard connections



- Industrial customers included a mix of organisations.

9 Partners

- Journeys covered:
- 9 Standard connections



- Partners included:
- ASPs – Level 1, 2 and 3
 - Project managers
 - Engineers

Key Research Insights

The key research insights are derived from:

- Customers,
- Peak Customer & Stakeholder Committee,
- Executive Leadership Team (ELT),
- Leaders within the business, subject matter experts and front-line staff.
- Existing Endeavour Energy data.

Seven key insights have been identified.

Three of these key insights will deliver the most impact for improving customer experience, and these were selected to ideate for Phase 2.

Our research identified 7 insights relating to the experiences of both customers and partners.

- 1 Inadequate outage communication is creating uncertainty and distrust amongst customers.
- 2 Greater education, guidance and support for customers will bring them clarity on a complex energy ecosystem.
- 3 Some customers want more than just affordability, and desire the choice to pay for a greater level of service or value.
- 4 Endeavour's turnaround times are out of sync with the needs and timelines of partners and clients.
- 5 ASPs need a modern and transparent application review and approvals process for standard connections.
- 6 ASPs experience inconsistent application of energy standards among Endeavour employees.
- 7 ASPs feel like they are always treading on thin ice while other stakeholders are treated with greater respect and consultation.

01

Inadequate outage communication is creating uncertainty and distrust amongst some customers.

Whilst Endeavour Energy attempts to notify customers with critical outage information, you are still failing to meet some customers' key communication needs, leaving them disgruntled and nervous.

Key segments affected

- Residential
- Business



Many customers are not getting the functional outage information they need from you.

- Many customers are not receiving the critical, timely outage updates e.g. not receiving any communication, accurate ETRs and/or notification of cancelled outages.
- Customers often need to conduct their own investigations and drain unnecessary resources.

After the event, some are still lacking helpful information to ease their anxiety or justify their pain.

- With unexpected outages, some customers feel anxious about the likelihood of future disruptions.
- Some customers who have experienced planned outages feel unsatisfied when they don't get acknowledgement or adequate justification for the inconvenience caused to them.

Outage communication appears to be Endeavour Energy's greatest opportunity to improve customer perception.

"When I found out it was a planned outage I was annoyed because we just spent the whole day fighting with NBN and found out it wasn't their issue. There had been no warning and communication from Endeavour Energy." – Business customer

"I feel very nervous about replacing my electrical products now. I was planning on buying an expensive front loader washing machine, but now I think there's no point buying a nicer one because they could get wrecked from the surges. I would love assurance from Endeavour Energy that they have things under control." – Residential customer

"It's happened three times this year, where we've been notified of an upcoming outage, reduced staff working and spent money to get the generator, and then cancellations happened... Being a medical practice, especially during Covid, we are waiting for test results to come through. We needed to make sure things were up and running, so there was a lot of frustration. If you were a service provider I would have changed." – Business customer

02

Greater education, guidance and support for customers will bring them clarity on a complex energy ecosystem.

Customers often have limited awareness of the ecosystem and who Endeavour Energy is – which is a significant barrier when they need support but are unsure where to get it.

Key segments affected

- Residential
- Business



Many customers still don't understand the energy ecosystem or know who Endeavour Energy is.

- Because of this lack of clarity, many customers engage other parties (e.g. their retailer, the NBN, Scam Watch) when they should be seeking out Endeavour Energy directly.

Because of this knowledge gap, some customers are also confused about who is going to pay their outage claims.

- Rightly or wrongly, customers expect Endeavour Energy to pay out claims relating to outages (and are left perplexed when instructed otherwise).

Customers' unanswered energy questions are an opportunity for Endeavour Energy.

- Several research participants expressed an unmet need for trusted guidance on the benefits of solar energy, and/or ways they could be more efficient with their energy.
- Other ecosystem parties like retailers and solar companies were often considered less trustworthy than Endeavour Energy.

"When I first got the letter from Endeavour Energy about the outage, I rang another number to check if it was a scam. I didn't know who Endeavour Energy was and assumed it was someone trying to rob me." – Residential customer

"If I'm paying for my electricity then it's their responsibility to pay for the problems. Plus, it's my first insurance claim so it will impact me in the long-run and drive up my premiums." – Residential customer

"I've thought about installing solar and I'd be interested in speaking with someone to know more... But I'm suspicious of solar companies and those door knocking people... I'd want someone from a reputable brand to talk us through where we're at now, what we can do better, and how much it will save us... we would definitely consider getting that information from Endeavour Energy." – Residential customer

03

Some customers want more than just affordability, and desire the choice to pay for a greater level of service or value.

Endeavour Energy has developed a strategy that prioritises customer affordability above all else, yet some customers are missing the greater service or additional value they want.

Key segments affected

- Residential
- Business
- Industrial
- Partners



Some customers are not getting the basic service they expect from Endeavour Energy.

- A significant number of customers have been left frustrated when waiting for callbacks and/or for applications to be processed.

Endeavour Energy is missing an opportunity to provide additional or premium paid services to customers.

- Some residential customers expressed a willingness to pay Endeavour Energy more for greater data, sustainable options, and heightened support.
- Some partners (i.e. ASPs) and larger scale businesses also expressed their propensity to pay for services that would accelerate their processes or streamline their outage preparation e.g. generator hire.

"There's no point having a number to ring if you can't get through... Don't put a phone number on the outage letter if you're not going to answer it." – Residential customer

"I would most certainly pay to fast track the process. The bigger projects we work on are multi-million-dollar projects and they often get held up by design delays. If it was a reasonable price offered by Endeavour Energy, one that outweighs the costs of delay to a 60-million-dollar project, it would be worth it." – Project manager



Discussion

How do these insights into customer experience with Endeavour Energy resonate with you?



Next Steps

- Endeavour Energy is engaging with customers and partners to seek feedback on possible initiatives to improve customer experience.
- Final Customer Journey Maps and recommendations for change are expected to be delivered in March 2021.
- We will share the final outcomes of this customer experience project with Members at the next meeting in May.

Knock Before You Disconnect

Trial Results – Penrith (Dec / Jan 21)

Danielle Manley
Manager Customer Service

Overview

- The AER *Statement of Expectations of energy businesses* update (October 2020) extended important protections for energy customers and encouraged customers to stay in contact with their retailers if worried about being able to pay their bill.
- Retailers are currently not able to disconnect any customer who is in financial stress and in contact with them regarding the debt or accessing any retailer support.
- Endeavour Energy's 'Knock Before you Disconnect Trial' is an initiative aimed at providing further support to those customers who may not have engaged with their retailer and are at risk of disconnection.

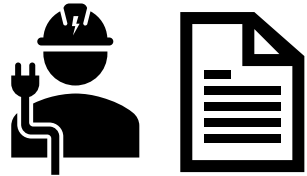


Trial Scope

- Initial trial was limited to 'Disconnection Non-Payment Service Orders' within the Penrith Area from 8 Dec 20 to 31 Jan 21



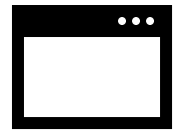
Service Order
Received from
Retailer



Field officer attends and
informs customer of
requested disconnection.
Provides letter with retailer
contact details & requests
customer to contact retailer to
avoid disconnection.



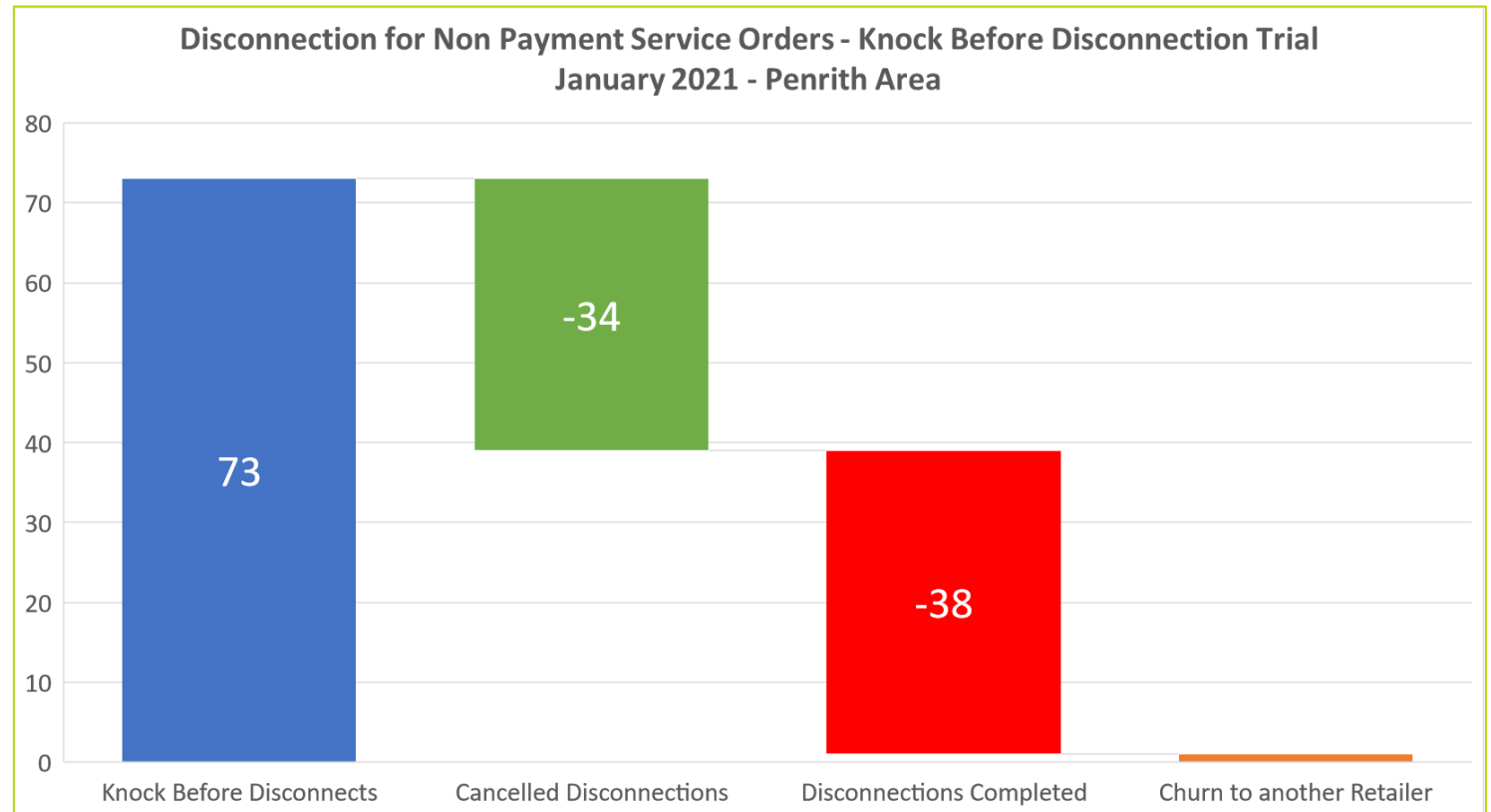
Customer contacts
Retailer and receives
appropriate support



Service Order is
cancelled and no
further visit required

Trial Results – January 2021

- 47% of potential disconnections were avoided as a result of the pre-visit with customers contacting their retailer.
- Of the 52% that were reported as completed (38), there were 10 cases unable to be physically disconnected due to access issues.



Trial Results – Insights & Next Steps

- More customers staying connected who would otherwise have been disconnected for nonpayment.
- More customers engaging with their Retailer who may have otherwise been avoiding and not receiving appropriate support.
- Internal Endeavour Energy processes require substantial manual intervention to enable this pilot, and that has resulted in two cases proceeding with disconnection when should they have been cancelled. Additional controls have been implemented and ICT changes are also in progress to provide some automation to the process.
- Retailers have been engaged and consulted on the pilot.
- As January and December are typically lower volume periods for disconnections, the pilot was extended to the Seven Hills area effective 1 February 2021, with continued positive results.
- It is expected that this process will continue to be rolled out to other areas as the supporting system changes are implemented and we will keep the Committee updated on progress.

Guest Presentation

Customer Engagement to Support Future Plans

Mark Grenning, Director, Policy & Regulation
Energy Users Association of Australia



PRESENTATION TO ENDEAVOUR PEAK CUSTOMER AND STAKEHOLDER COMMITTEE – PERSPECTIVES ON STAKEHOLDER ENGAGEMENT



23 February 2021



MY PERSPECTIVE IS BASED ON

- Membership of the AER Consumer Challenge Panel since 2016 involved in:
 - regulatory resets for Energex, Ergon, SAPN, TasNetworks, Power and Water Corporation, AGN SA and Evoenergy gas networks
 - Panels reviewing expected inflation, taxation allowance and profitability
 - Focus on two aspects:
 - Is the proposal in the long term interests of consumers
 - Evaluation of consumer engagement
- Member of the AER CRG on rate of return in 2018
- Member of the AEMO 2022 ISP Consumer Panel
- EUAA role:
 - Andrew Richards is a member of the Energy Charter Independent Accountability Panel and the Transgrid, AusNet, Jemena and Essential Committees
 - me as a long term member of the Powerlink and Ausgrid Customer Committees
 - participant in reset processes for AusNet Services and APA, previous submissions on Endeavour 2019-24 reset
 - long term participant in extensive array of AEMO and AEMC engagement activities
- I have seen first hand the very good, the good, the bad and the ugly

THE CONTEXT IS QUITE DIFFERENT THIS TIME

2016-7

- NSW DNSPs in the midst of ACT LMR/Federal Court legal appeals on 2014-19 decision
 - win some/lose some
 - Remittals process
- Fractured relationship with consumers
 - Consumer engagement not considered a competitive advantage
 - consumer advocates still learning
- CCP doing a lot of the negotiation
- Fractured relationship with AER
- AER benchmarking showing declining performance on MTFP/capex/opex
- Starting trend away from augmentation to repex

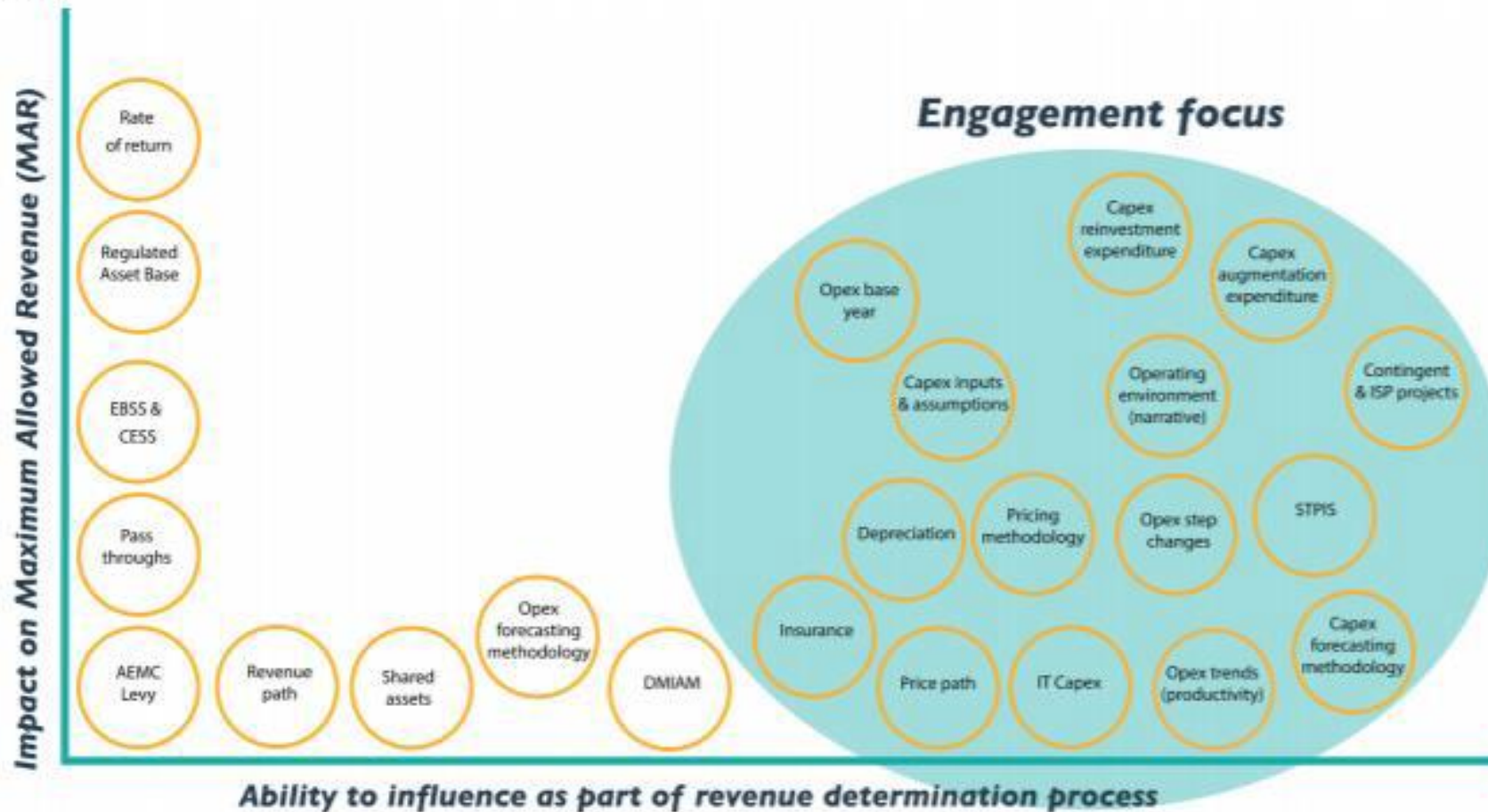
2021-22

- LMR appeals abolished, binding WACC guideline, low WACCs – risk of rise?
- New ownership/management – keen to create a transformed Endeavour
- Distributed energy driving network planning – who pays? ringfencing?
- Repex not augmentation
- No ambit claims
- Productivity improvements in recent years
- Importance of early AER engagement
- Consumer engagement at the core of network and AER activities
 - Competitive advantage to networks
 - Development of Table 7
 - ‘capable of acceptance’ criteria
 - Consumers much better informed with much higher expectations

- The best engagement approach is the one that works for Endeavour at its stage of its consumer engagement journey and the experience of this Committee
- Best practice now – great business as usual (BAU) lays the basis for reset, but remember best practice is getting better all the time
 - Powerlink – Customer Panel and RPRG as reset sub-committee
 - AGN – they deserved the ENA award – doing what I set out here
 - Ausgrid – fundamental change in approach in 2018
 - Customer Consultative Committee + sub-committees to help implement 2019-24 plan - Pricing (tariffs); Network Innovation (community battery); Technical (IT, cyber security)
- Just because another network used a particular approach that seemed to be successful for them, does not mean it is best for Endeavour
 - eg New Reg partly worked (yes for residential – but failed for C&I) for AusNet given AusNet had relatively poor engagement – instrument for culture change
- Remember what membership of the Energy Charter means
 - core values of “Be invested, make a difference”, “Be open, learn and improve”, and “Think big, be bold”
 - # Better Together Innovation Framework

- Best practice begins with the process of developing the reset engagement plan, not just what is in the plan
 - co-design approach of Powerlink – the final was [version 6](#)
- A plan that provides a coherent business narrative with the Committee involved in drafting
- A plan that has senior management committed – the pig, not the chicken
 - the Ben Wilson model
- A plan that starts early and continues until submission of revised/final proposal and integrates with BAU
 - Draft plan – Powerlink went through four drafts (including formal Draft Plan with submissions) before AER proposal submission in January
 - has quality engagement over the full reset timetable that increases the consumer advocates' knowledge base – not a mad rush of deep dives near the end
 - contrast with perception for 2019-24 of proposal as ambit claim then negotiation after submission
- A plan that that has involvement of the AER Reset Co-Ordinator and SMEs from early on

Figure I



A plan that focuses on what advocates can influence and are material to the outcome

5.1. Engagement scope against IAP2 Spectrum

Using the inputs from the Co-Design Workshop, the following aspects of the Revenue Determination process have been plotted against the relevant level of the IAP2 Spectrum in **Table 1**. Powerlink will work with customers and stakeholders further to refine these items e.g. any potential opportunities to include aspects of the Revenue Determination process at the "Collaborate" level of the spectrum.

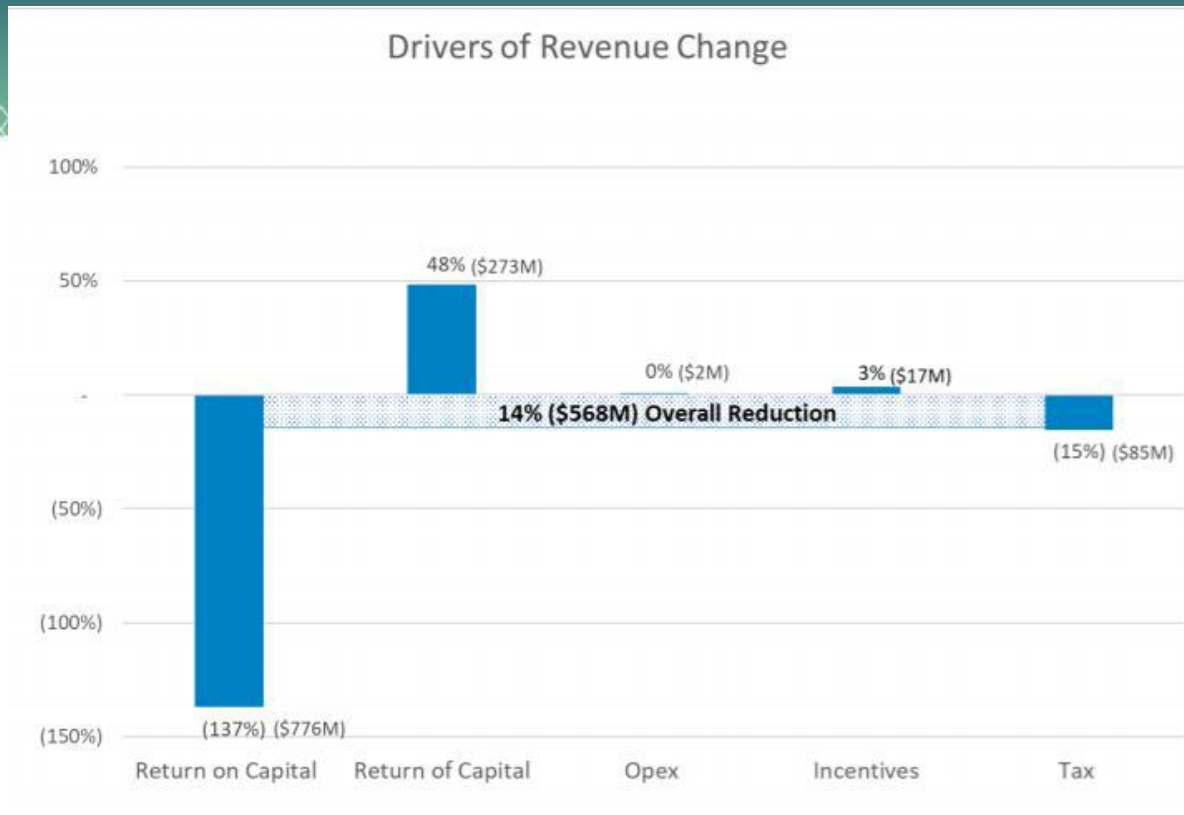
Table 1 (Note: Our Revenue Proposal will outline changes to this approach as at January 2021 based on further engagement.)

Level of IAP2 Spectrum	Aspect of Revenue Determination Process
Empower <i>To place final decision-making in the hands of customers and stakeholders</i>	
Collaborate <i>To work together with our customers and stakeholders to formulate alternatives and incorporate their advice into final decisions to the maximum possible extent</i>	Engagement approach Operating environment (Business Narrative) Contingent projects (including contingent reinvestment concept) Depreciation tracking approach
Involve <i>To work directly with customers and stakeholders to ensure their concerns and aspirations are directly reflected in the alternatives developed</i>	Insurance Capital expenditure – forecasting methodology Operating expenditure – efficient base year, step changes, productivity Service Target Performance Incentive Scheme (STPIS) Transmission Pricing Consultation / Proposed Pricing Methodology AER Benchmarking Cyber security Long-term revenue smoothing Capable of acceptance criteria Preliminary Positions and Forecasts Paper content Publication of a draft Revenue Proposal
Consult <i>To obtain feedback on alternatives and draft proposals</i>	ISP projects COVID-19 potential impacts Capital expenditure – augmentation expenditure, reinvestment expenditure, key inputs and assumptions, Information Technology Inflation
Inform <i>To provide balanced information to keep customers and stakeholders informed</i>	Operating expenditure – forecasting methodology AEMC Levy Risk appetite Rate of return Efficiency Benefit Sharing Scheme (EBSS) and Capital Expenditure Sharing Scheme (CESS) Regulated Asset Base Shared assets Pass throughs

Increasing level of influence on decision

- A plan that clearly lays out where each engagement sits on the IAP2 spectrum so advocates know what to expect from Endeavour and how they are expected to respond
- Best practice engagement varies along the spectrum depending on the topic

See p. 9 [Powerlink Engagement Plan December 2020](#)



- A plan that is very clear about what Endeavour is doing vs factors outside your control
- Are the benefits of lower WACCs about to be reversed?

Comparison against current Rate of Return

- We recognise the RoR is largely driven by external financial markets.
- For comparison, if the current RoR (~6%) was applied to the September 2020 capital and operating expenditure forecasts, our MAR would be increasing in the 2023-27 regulatory period by ~\$650m.

- Consider the varying level of knowledge of Committee members eg special briefings to inform members of the reset process
- Be willing to support advocates financially eg sitting fees
- Draw on your Committee's skills as much as possible
 - resist employing expensive consultants to ask consumer groups what they think
 - ask the advocates directly – they are a lot cheaper and the information you get will not be filtered
- Clearly indicate what difference consumer contributions have made and if no difference explain why
 - shows I have been listened to, even if not agreed with
- Agree schedule of meetings early – and get Committee's support for work programme
- Circulate slides a few days ahead
- Well planned, it does not need to cost a lot (AusNet spent \$1m on New Reg)

THE NOW FAMOUS TABLE 7

Table 7 Framework for considering consumer engagement

Element	Examples of how this could be assessed
Nature of engagement	<ul style="list-style-type: none">• Consumers partner in forming the proposal rather than asked for feedback on distributor's proposal• Relevant skills and experience of the consumers, representatives, and advocates• Consumers provided with impartial support to engage with energy sector issues• Sincerity of engagement with consumers• Independence of consumers and their funding• Multiple channels used to engage with a range of consumers across a distributor's consumer base
Breadth and depth	<ul style="list-style-type: none">• Clear identification of topics for engagement and how these will feed into the regulatory proposal• Consumers consulted on broad range of topics• Consumers able to influence topics for engagement• Consumers encouraged to test the assumptions and strategies underpinning the proposal• Consumers were able to access and resource independent research and engagement
Clearly evidenced impact	<ul style="list-style-type: none">• Proposal clearly tied to expressed views of consumers• High level of business engagement, e.g. consumers given access to the distributor's CEO and/or board• Distributors responding to consumer views rather than just recording them• Impact of engagement can be clearly identified• Submissions on proposal show consumers feel the impact is consistent with their expectations
Proof point	<ul style="list-style-type: none">• Reasonable opex and capex allowances proposed<ul style="list-style-type: none">◦ In line with, or lower than, historical expenditure◦ In line with, or lower than, our top down analysis of appropriate expenditure◦ If not in line with top down, can be explained through bottom up category analysis

- Provides an excellent framework to assess whether the consumer engagement has met these key themes
- Just a start with development continuing in the AER with input from the CCP

See p. 45 [AER AusNet Services Draft Decision Overview](#) September 2020

Powerlink Customer Reference Panel – Statement on Engagement

At PQ's request, the Panel members met separately to discuss our experiences of engagement with Powerlink, and to make a formal statement about that engagement. This discussion was held via videoconference and email in December 2020, and covered the engagement relating to PQ's preparations for their latest revenue proposal. Some Panel members have been involved with PQ for several years, while others have joined fairly recently.

We considered the following issues:

1. Has Powerlink's approach to engagement has been genuine? Do Customer Panel members consider they have been taken on the journey and kept informed?

The panel are unanimous in our view that Powerlink's engagement with us has been genuine, consistent and deep. We also acknowledge the consistent high-level efforts of PQ staff to ensure that they engage meaningfully with us.

2. Do Customer Panel members consider we have been able to influence the Revenue Proposal? If so, on what issues?

The Panel easily identified a number of cases where we feel we have influenced the RP. Some specific examples include:

- The Engagement Co-design workshop had a strong influence on subsequent engagement
- Development of the business narrative with the panel was very useful
- Proposed change in depreciation adjusted in response to panel feedback
- CAPEX/OPEX calculations or treatments changed in response to panel feedback
- Treatment of contingent reinvestment projects changed in response to panel and AER feedback

The Panel view this level of influence as high relative to other engagement processes in the industry.

3. As an overall package, do members consider that the Revenue Proposal is reasonable? (noting the AER has its technical work to do)

The majority of Panel members are happy to declare the RP to be reasonable: there's nothing on the table we are still debating, and there's unlikely to be any surprises, so the package that we can see at the moment is reasonable. Some Panel members are less comfortable with making this declaration at this point, either because they have some specific concerns about issues PQ has not yet addressed with the Panel, or due to their relative lack of expertise and prior experience with such processes. We also note that the Panel members differ markedly in backgrounds, roles in our own organisations, and familiarity with other proposals from other energy industry members, making our judgements here more complex than a simple binary choice.

- A plan that focuses on 'capable of acceptance' from the beginning
- Fulfilling the requirements of Table 7 (as it is developed and populated) is a necessary but not sufficient condition to make a proposal 'capable of acceptance'.
- An assessment of 'capable of acceptance' is a lot more than a 'pub test' of a revenue proposal.
- Consumers do not have the resources or ability to assess all the details of a network proposal e.g. does it meet the rules, which is the AER's role.
- Consumers cannot make a call on 'capable of acceptance' before the AER has applied its analytical framework to the network proposal and produced its Draft Decision

Questions?

THANKYOU

www.euaa.com.au

Break – 15 mins



Endeavour
Energy

Guest Presentation

Customer Engagement to Support Future Plans

Mark McLeish, Director Consumers & Markets
Kami Kaur, Acting General Manager, Distribution
Australian Energy Regulator





AUSTRALIAN
ENERGY
REGULATOR

Endeavour Energy Peak Customer and Stakeholder Committee – Customer engagement to support future plans

Kami Kaur and Mark McLeish

23 February 2021

aer.gov.au

Progress is being made in having consumer voices heard

- Consumer voices in regulatory proposals have always been important.
- In the beginning (late 1990s and early 2000's) industry lobby groups and peak consumer bodies tried to participate.
- Regulatory determinations are technical and complex processes which can make it difficult for ordinary consumers to participate
- Step-up with CCP (first panel appointed 2013)
 - The CCP assists the AER to make better regulatory determinations by providing input on issues of importance to consumers.
 - This year AER will be looking to appoint the 3rd CCP
- AER 2.0 July 2017 - another step-up
 - ***The opportunity is clear: we all need to engage earlier with each other in a more proactive fashion. We need to identify issues in dispute and work together to resolve them.***
 - <https://www.aer.gov.au/news/working-together-to-restore-confidence-in-energy-regulation>

...but still a long way to go

Consumer engagement – what we have learned from the Victorian distribution reset – so far.

- All Victorian electricity distributors have demonstrated vastly improved consumer engagement in the preparation of initial regulatory proposals.
 - AusNet Services participated in the New Reg trial
 - Jemena instituted an People’s Panel, with a stated desire to engage at the collaborate end of the IAP2 spectrum
 - CitiPower/Powercor and United Energy engaged at the grassroots level, involving a large number of “touchpoints” with customers and stakeholders.
- In response to this we developed a consumer engagement assessment framework to assess engagement approaches on their merits.
 - draft decisions 30th Sept 2020.

Table 7 – our framework for the assessment of consumer engagement

Table 7 Framework for considering consumer engagement

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What stakeholders said about our consumer engagement framework:

CCP17

- Provided a comprehensive assessment of the framework against the context of the evolution of consumer engagement by regulated businesses
 - Described the framework as: *“a helpful next step in the development of robust and responsive consumer influence on energy network expenditure planning and development...”*

EUAA

- Support the framework but criticised our application of it in the draft decision – and provided some suggestions for further development.

Energy Consumers Australia (and ECA's – consultant report)

- Welcomed the framework for Customer Engagement.
 - However, consultation should take place outside the confines of a reset to ensure a broader set of stakeholders is involved in a review.
 - Also welcome a review of the 2013 consumer engagement guideline

Victorian Community Organisations (VCO)

- VCO support the framework, noted elements that are missing such as the diversity of consumers and their preferences and want to ensure that we apply a high level of scrutiny over expenditure proposals.

Stakeholders, including Victorian distributors, support further development of the framework – and our Consumer Engagement Guideline – outside the reset process.

New Reg

1. Objectives of the New Reg process
2. Early engagement plan and AER support
3. AusNet Services' trial of the New Reg process
4. Next steps for New Reg

Future Grid Subcommittee

Dan Sze
Head of Strategy



Objectives of this session

- To recap our November 2020 conversation and provide a progress update on one of our Future Networks initiatives - community battery
- Future Grid subcommittee Terms of Reference
 - **Consult** members of subcommittee Terms of Reference
 - **Inform** members of progress in developing committee membership

Future Networks Roadmap initiatives

Recap of the Nov 2020 PCSC (Future Networks Strategy)

- Our Future Networks strategy is driven by the need to adapt to new technology and facilitate DERs in our network. We provided a perspective on what the network of the future could look like by customer groups, and how the role of electricity distribution could evolve going forward.
- In light of that, we have developed a Future Networks roadmap to improve customer experience through:
 - Facilitating customer-centric innovation;
 - Enhancing the sustainability and reliability of our network; and
 - Introducing new capability into our network.



Future Networks Roadmap

THEMES	PRIORITISED INITIATIVES
Storage	▪ Community Battery Focus for today
DER enablement	▪ Smart Thermostat ▪ Dynamic Voltage Control ▪ DER register
Western Sydney growth	▪ Embedded Networks ▪ Strategic Partnerships
Electric vehicles	▪ EV Charging Partnership ▪ Electric Bus Charging ▪ EV integration
Other	▪ Emergent opportunities ▪ Ongoing opportunities ▪ Enablers / Support

Community Batteries Concept Overview

There are several applications for community batteries on the distribution network

Grid Support Solution

Microgrids / Thin-grids

Shared Asset






Endeavour Energy

Endeavour Energy is planning to progress the shared asset model for community batteries.

The benefits of this solution include:

- Low-cost network solution at overloaded sites
- Batteries increase flexibility to solve constraints
- Sharing the use of the assets to reduce regulated investment costs
- Unlocking new customer services through offsite storage and lowering customer energy bills
- Providing support for PV and other emerging technology i.e. EVs

We will build on the early success of other projects:

Technology Options	Padmount	Polemount
Description	Larger ground mounted Community Battery. Initial sites targeting vacant land, easements and nature strips in locations with PV issues or overloading.	Flexible smaller overhead technology solution focused on solving network needs on overloaded feeders/substations.
System Size	100kWh – 500kWh	40kWh – 80kWh
Storage For	Up to 100 Homes	10 – 20 Homes
Australian Examples?	Western Power 	United Energy 
	Ausgrid 	

Community Batteries - turbocharged execution

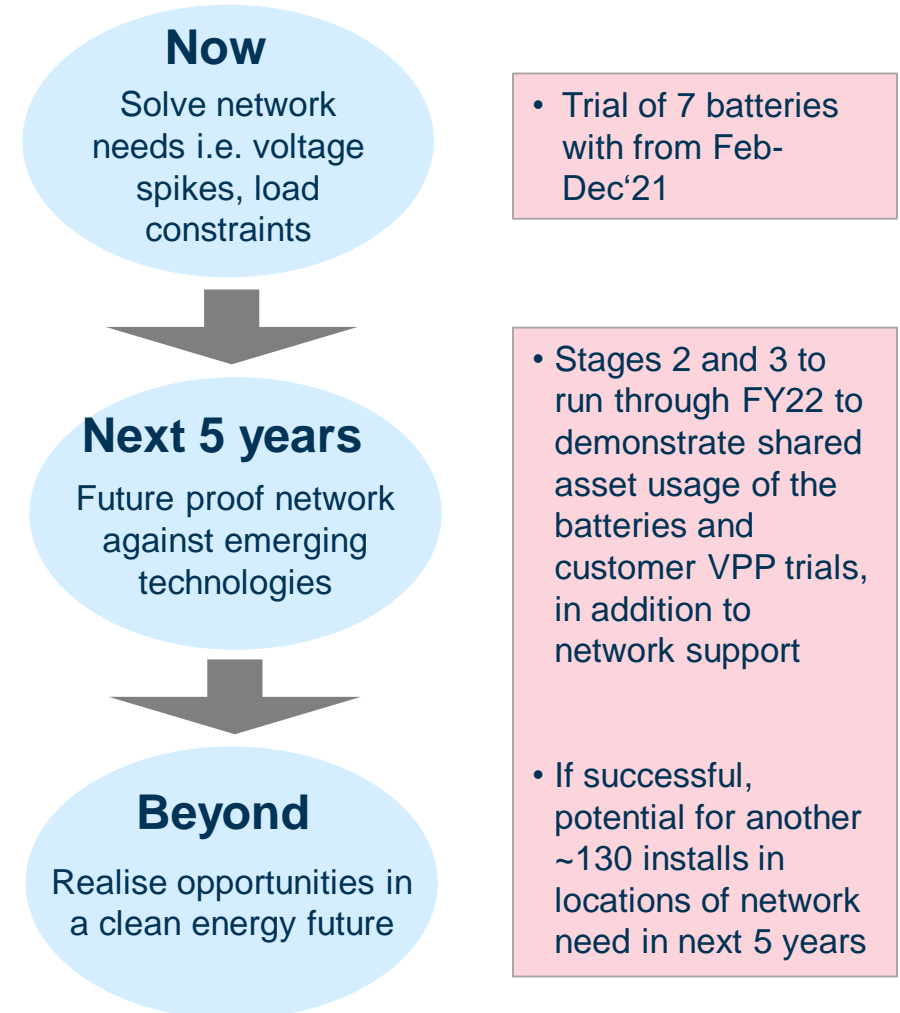
Project Status

- Endeavour Energy has commenced feasibility planning for 7 community batteries
- The trial will include:
 - 2 x pad-mounted facilities that would each have the capacity to service up to 100 homes
 - 5 x pole mounted batteries that each have the capacity to service a suburban street
 - A demonstration of network benefits and shared asset services accessible via community batteries

Next Steps

- Once initial technical assessments are complete, Endeavour Energy will commence engaging with councils and retailers to further develop the trial
- We welcome the early support for community batteries from WSROC and individual councils

Vision and Roadmap



Future Grid subcommittee Terms of Reference

Purpose

The subcommittee acts in an advisory capacity to:

- Guide the development of Endeavour Energy's Future Grid strategy;
- Identify opportunities for Endeavour Energy to diversify products and services for our customers, including adoption of new technologies such as SAPS and energy storage;
- Identify possible partnerships that will benefit the successful development and implementation of Endeavour Energy's Future grid strategy;
- Inform the design of a tariff strategy for emerging products and services;
- Consider effective approaches to building network resilience to ensure reliability of supply in worsening environment conditions;
- Promote education and research that identifies consumer priorities and drives informed choices for our customers in a changing energy landscape; and
- Assist our successful journey to a low carbon environment.

Membership

PCSC Representation

- Mark Byrne, Total Environment Centre
- Mark Grenning, Energy Users Association of Australia
- Mijuru Ediriweera, Public interest Advocacy Centre
- Annie Kiefer, Country Women's Association
- Melinda Liberato, Illawarra Shoalhaven Joint Organisation
- Nic Pasternesky, Western Sydney Region of Councils

+ Endeavour Energy Representation (minimum six representatives per forum)

+ Guest subject matter experts associated with UNSW's Energy Institute (to be advised)

Cadence and forum

Endeavour Energy will host a min. of two half-day forums per year. Agendas will be agreed in advance in collaboration with subcommittee members.

General Business



Thank you

Peak Customer and Stakeholder Committee Minutes

Tuesday, 23 February 2021
Microsoft teams meeting
10.30am – 1.30pm

Name	Organisation
Attendees	
Adam Young	AER
Kami Kaur	AER
Georgiana Copeland	AER
Pradeep Fernando	AER
Jesse Price	AER
Andy Fahey	AER
Mark McLeish	AER
Kit Hale	AER
Mark McKenzie	Council of Small Business Organisations of Australia
Annie Kiefer	Country Women's Association & National Council of Women NSW
Guy Chalkley	Endeavour Energy
Leanne Pickering	Endeavour Energy
Francoise Merit	Endeavour Energy
Keith Hoskins	Endeavour Energy
Andrew Pitman	Endeavour Energy
Kate McCue	Endeavour Energy
Colin Crisafulli	Endeavour Energy
Danielle Manley	Endeavour Energy
Jacqueline Crompton	Endeavour Energy
Dan Sze	Endeavour Energy
Shelley Ashe	Energy Consumers Australia
Mark Grenning	Energy Users Association of Australia
Peter Petrovich	Energy and Water Ombudsman NSW – observer role
Iain Maitland	Ethnic Communities Council
Cristina Talacko	Multicultural NSW
Bruce McClelland	NSW Business Chamber
Miyuru Ediriweera	Public Interest Advocacy Centre
Mark Byrne	Total Environment Centre
David White	Urban Development Institute of Australia
Nic Pasternatsky	Western Sydney Region Organisation of Councils
Apologies	
Scott Ryan	Endeavour Energy
Janine Young	Energy and Water Ombudsman of NSW
Rory Campbell	Energy and Water Ombudsman of NSW
Trevor Oldfield	Greater Blacktown Business Chamber
Melinda Liberato	Illawarra Shoalhaven Joint Organisation

Actions arising from previous meeting

Leanne Pickering, Chief Customer & Strategy Officer, advised that the AER had made a determination on Endeavour Energy's cost pass through for the bushfires.

<https://www.aer.gov.au/system/files/Endeavour%20Energy%20bushfire%20pass%20through%20AER%20determination%20Final.pdf>

Action	Status	Notes
Update on recovery	Completed	N/A

Opening remarks

Guy Chalkley, CEO reflected on his first 11 months as CEO of Endeavour Energy, which were dominated by Endeavour Energy's response to the two crises of the 2019/20 summer megafires and the coronavirus pandemic. Mr Chalkley emphasised that the stakeholder and customer engagement was a key focus for 2021, building on the uplift of our commitment to the Energy Charter. Mr Chalkley advised that Endeavour Energy was looking forward to working proactively and collaboratively with other agencies including Sydney Water and Jemena to achieve better outcomes for customers.

Mr Chalkley anticipated an exciting year ahead in which the customer will drive changes on the network, and the NSW Government's Electricity Infrastructure Roadmap will also create numerous opportunities for partnership in the ongoing transformation of the network.

Understanding our customers – journey mapping

Danielle Manley, Manager Customer Services presented the preliminary findings of Endeavour Energy's Customer Journey Mapping.

Member	Feedback
Miyuru Ediriweera	<ul style="list-style-type: none">Queried whether a key insight regarding customers seeking more than affordability (expressing willingness to pay for elevated services) was about the quality of supply, or service provision opportunities.<ul style="list-style-type: none">Danielle Manley advised it was the latter – business and industrial customers expressed an interest in paying for increased servicing.
Shelley Ashe	<ul style="list-style-type: none">Insights from the Victorian experience suggest that improved efficiencies utilising existing business systems can be found without increasing costs to distributors.<ul style="list-style-type: none">Danielle Manley advised that EE was analysing insights from the journey mapping against business processes, and Leanne Pickering advised that the key insights received ring true to the data we receive directly from customers.
Iain Maitland	<ul style="list-style-type: none">Queried whether CALD customers were surveyed in a significant proportion of the journey mapping.Advised that outage communications channels tend not to favour CALD customers, and that EE could receive better and more realistic feedback if research is undertaken in language.

Member	Feedback
	<ul style="list-style-type: none"> Advised that CALD customers are evenly balanced in prioritising affordability and environmental concerns. <ul style="list-style-type: none"> Kate McCue thanked Iain for his assistance with translation services on our Simple Steps for a Safer Summer campaign and for these insights and requested contacts for research partners in language.
Cris Talacko	<ul style="list-style-type: none"> Queried whether the insights suggested residential customers were willing to pay more for sustainable options. <ul style="list-style-type: none"> Danielle Manley advised the insight related to business and industrial customers wanting higher levels of customer service. The Journey mapping identified relatively lower trust in solar installers, and that EE and the industry at large had a role to play in providing information / support to customers in understanding renewable options.
Mark Byrne	<ul style="list-style-type: none"> Expressed an interest in Insight 3 (increased servicing / affordability) and wanted to know what information EE provides to customers re DER and does EE undertake export limiting of DER. <ul style="list-style-type: none"> Colin Crisafulli advised that EE does do export limiting in some parts of the network.

Knock before you disconnect trial

Danielle Manley, Manager Customer Services presented on EE's knock before you disconnect trial in Penrith and Seven Hills.

Member	Feedback
Miyuru Ediriweera	<ul style="list-style-type: none"> It was great to hear of such good results from the pilot program. Advised that Essential Energy also is providing references for additional support (Salvation Army, St Vincent de Paul) to vulnerable customers as part of their knock before you disconnect pilot and asked whether EE would consider doing the same. <ul style="list-style-type: none"> Leanne Pickering advised EE would be very interested in supporting this initiative for vulnerable customers.

Customer engagement to support future plans - EUAA

Mark Grenning, Director Policy & Regulation, Energy Users Association of Australia (EUAA) made a guest presentation on his experience as a CCP member on what constitutes meaningful and effective engagement to support revenue proposals.

Member	Feedback
Iain Maitland	<ul style="list-style-type: none"> Senior management buy-in is critical to high quality customer and stakeholder engagement <ul style="list-style-type: none"> Guy Chalkley confirmed this advice, advising EE senior leadership would stay the journey, and not dip in and out of engagement.

Member	Feedback
David White	<ul style="list-style-type: none"> Noted that EE is also a customer / stakeholder of government, and that visibility of issues within the broader operating environment affected EE in that role – EE not acting in isolation. <ul style="list-style-type: none"> Guy Chalkley responded that utilities needed to do a better job of working together, that the “blank canvas” before us could be a picture of well-coordinated, long-term development done properly the first time.
Shelley Ashe	<ul style="list-style-type: none"> Encouraged to hear that EE is taking a proactive and considered approach to quality engagement.

Customer engagement to support future plans - AER

Kami Kaur, Mark McLeish and Adam Young of the Australia Energy Regulator led presentations and discussions about the AER’s vision to place customers at the centre of energy decisions. The AER highlighted that this is essentially about driving cultural change. The presentation included the AER’s assessment framework for considering consumer engagement following the Victorian determinations; the learnings of the trial of New Reg led by AusNet Services; and feedback on the new Framework received to date, captured in the CCP17’s report.

Member	Feedback
Kate McCue	<ul style="list-style-type: none"> Thanked AER for providing a deeper understanding of Table 7, and queried the basis on which this continued to evolve. Raised tariff reform and the role it will play in the reset process. Confirmed EE’s interest in working with the AER, the NSW Government and other networks to streamline engagement, in response to requests from consumer advocates.

Reg Engagement subcommittee

Leanne Pickering & Kate McCue introduced draft terms of reference and called for a new sub-committee inviting Committee members to participate.

Member	Feedback
Mark Grenning	<ul style="list-style-type: none"> Volunteered for sub-committee Recommended engagement dates be established early to secure availability in members’ calendars
Iain Maitland	<ul style="list-style-type: none"> Volunteered for sub-committee (subject to resourcing)
Nic Pasternatsky	<ul style="list-style-type: none"> Volunteered for sub-committee
Shelley Ashe	<ul style="list-style-type: none"> Volunteered for sub-committee (subject to review of commitments – request taken on notice)
Miyuru Ediriweera	<ul style="list-style-type: none"> Volunteered for sub-committee
Adam Young	<ul style="list-style-type: none"> Volunteered a representative of the AER as an observer to the subcommittee

Future Grid

Dan Sze, Head of Strategy, presented an update on Future Grid, introducing the draft terms of Reference for the Future Grid sub-committee.

Member	Feedback
Cris Talacko	<ul style="list-style-type: none">• Volunteered for the subcommittee
Mark Byrne	<ul style="list-style-type: none">• Has convened an industry and stakeholder working group on community batteries looking at regulatory reform and customer – invited EE to participate.• Queried whether the EE community batteries trial was a desktop trial or whether customers would be participating.<ul style="list-style-type: none">○ Colin Crisafulli advised that the initial trial was investigating the network needs and that residential customers would not be participating at first.
Mark Grenning	<ul style="list-style-type: none">• Asked what role EE can play in the AEMO 2022 Integrated System plan (ISP) Consumer Panel, and what impact it has on EE's Future Grid strategy.<ul style="list-style-type: none">○ Guy Chalkley advised that he had recently met with AEMO's COO, Mike Gatt and noted that the Electricity Infrastructure roadmap was very transmission-focused, despite significant action happening in the distribution space.• Suggested AEMO's ISP Consumer Panel present to EE on the work it's been doing.<ul style="list-style-type: none">○ Kate McCue welcomed this suggestion.
Nik Pasternatsky	<ul style="list-style-type: none">• Confirmed WSROC's interest in a range of future grid initiatives such as virtual powerplants and EV charging networks.<ul style="list-style-type: none">○ Jacqueline Crompton thanked WSROC for making a thoughtful and detailed submission on their Future Grid priorities.
Mark Byrne	<ul style="list-style-type: none">• Referenced AEMO forecast that DER will make up 50% grid capacity by 2030, and suggested DER enablement should be the priority for the first subcommittee forum.

Actions arising from meeting

Issue / Action	Notes
Dates for Reg Engagement and Future Grid subcommittees	Jacqueline Crompton to propose dates for subcommittee forums (Future grid) and meetings (Reg Engagement).
Extended support letter for vulnerable customers	Miyuru Ediriweera to provide example letter to EE
Requested copy of AER presentation	Adam Young to provide and Jacqueline Crompton to disseminate to PCSC members.
AEMO 2022 ISP Consumer Panel	Kate McCue to request presentation to EE
WSROC Future Grid Brief	Jacqueline Crompton to share with PCSC members

Next meeting

10.30am, Tuesday 18 May 2021

Meeting close

Leanne Pickering brought the meeting to a close at 1.00pm

A reminder to please complete the evaluation of this committee's experience at <https://www.surveymonkey.com/r/K522GVT>

We thank those who responded to the last evaluation and welcome your input on ways we can work to better engage with customer and stakeholders.