

Endeavour Energy

# Energy Charter Feedback Report 2022-2023



## Accountability for customer outcomes

The Energy Charter is a unique, CEO-led coalition of like-minded energy organisations with a shared purpose and passion for customers and communities.

As a signatory to the Energy Charter, we commit to accounting for our efforts to uplift our performance and to work collaboratively across the supply chain to deliver more affordable, reliable and sustainable energy for our customers.

In 2022-2023, Endeavour Energy delivered its most ambitious customer engagement program to date, mindful of the need to focus on customer outcomes related to affordability and the energy transition. We engaged intensely with members of our Peak Customer and Stakeholder Committee (PCSC) and its subcommittees: the Regulatory Reference Group (RRG) and the Future Grid Reference Group (FGRG). We were humbled to win the 2023 Energy Networks Australia Consumer Engagement Award for our program.

Our PCSC members, listed below, represent richly diverse customer segments located in some of Australia's fastest growing communities. In 2022-2023, their constructive guidance and valuable insights helped to co-design programs that will create a better energy future for our customers.

With a goal to instil a customer centric culture led from the top, our PCSC meetings are led by the Executive team with support of subject matter experts. We pride ourselves on being open to challenge and to considering the tough questions put to us by PCSC members, so we can lift performance and improve customer outcomes.

Throughout the year, we invited PCSC members to critically review and challenge our efforts to drive customer centricity, as explained in our Disclosure Report. Core to the success of this process and to building trust was accounting for and actioning the PCSC's feedback on our previous Disclosure.

While the purpose of the Energy Charter Disclosure is to publicly report against the five Energy Charter Principles, the Disclosure and this Feedback Report sit within a broader, decentralised accountability model that is much more than performance reporting.

This devolved accountability process helps to enable cultural change, build capability, foster collaboration and provide a platform for genuine engagement and self-reflection. This forms part of our commitment to continual improvement for customers and community outcomes.

More than ever, the energy transition needs us to think deeply about a system-wide view and most importantly, requires collaboration across the entire supply chain. We value the diverse voices our PCSC members bring to this process.

Our PCSC members welcomed our substantial efforts in accounting for our achievements, challenges and future plans. We sincerely thank the people and organisations listed here for their thoughtfulness, advocacy and shared commitment to progressing better customer outcomes.

Annie Kiefer	Country Women's Association NSW & National Council of Women
Bruce McClelland	Business Western Sydney
Cristina Talacko	NSW Multicultural Association
Elisabeth Ross	Elisabeth Ross Consulting
Iain Maitland	Ethnic Communities Council NSW
Jan Kucic-Riker	Public Interest Advocacy Centre
Mark Grenning	Energy Users Association of Australia
Roger Stephan	Illawarra Shoalhaven Joint Organisation
Mike Swanston	The Customer Advocate
Trevor Oldfield	Greater Blacktown Business Chamber
Nic Pasternesky	Western Sydney Organisation of Councils
Simon Moore	Business NSW

## Approach to feedback

Endeavour Energy's PCSC members actively shaped our fifth Energy Charter Disclosure Report throughout the year. This iterative approach has resulted in more robust metrics, more focused customer highlights and case studies, and a more pragmatic approach to our maturity assessment.

We submitted our Disclosure Report on 30 September 2023 and invited members of its Peak Customer and Stakeholder Committee to join us to review and reflect on our performance and customer outcomes with the CEO and Executive team in an on-line meeting on 24 November. 2023.

This year, we were joined by Sabiene Heindl, Executive Director of the Energy Charter, who shared the many successes of the Energy Charter's focus on collaboration across the sector and set out key focus areas for 2024.

Ahead of this meeting, the PCSC welcomed specific actions to close out their feedback on last year's Disclosure Report, as follows:

### Closing the loop on your feedback to our CEO on last year's report

You raised this issue	Summary	We have actioned it in FY23 Disclosure
Transparency	<ul style="list-style-type: none"> <li>Disappointed that our FY22 Disclosure did not include more upfront coverage of our Life Support AER fine and our response to it until late in the report.</li> <li>As a result of this feedback we included coverage of it in the CEO's introduction</li> </ul>	<ul style="list-style-type: none"> <li>Included a Life Support feature case study (our Powering Life Program) focusing on steps we are taking to minimise further breaches, include commentary on the enforceable undertaking we have agreed with the AER.</li> <li>Reported on our work as a member of the Energy Charter's Life Support Better Together team, noting this work has been guided by a medical reference group</li> <li>Now include reporting of Life Support customer metrics</li> </ul>
Case studies	<ul style="list-style-type: none"> <li>Generally agreed with the selection but recommended a better case study on affordability</li> </ul>	<ul style="list-style-type: none"> <li>Given affordability remains a significant issue, we included a case study on our regulatory engagement Customer Panel and plans to leverage customers' continuing interest.</li> <li>Emphasised how we have addressed affordability over the long term through ongoing restraint and our operational efficiency program (measured by AER benchmarking)</li> </ul>
Measures and metrics	<ul style="list-style-type: none"> <li>Encouraged the use of concrete, measurable targets</li> <li>Encouraged greater clarity of 'in progress' and 'future' tasks</li> <li>Sought clarity on the criteria used to assess maturity</li> </ul>	<ul style="list-style-type: none"> <li>We committed to work with the PCSC to agree measures and metrics in FY23, noting we are also guided by an internal group of subject matter experts and our Data and Analytics team – more to do</li> <li>Utilised advice given by the Measures, Metrics and Maturity working group and also drew from measures used in existing corporate strategies and industry benchmarks in order to demonstrate improvement over five years</li> </ul>
Engagement	<ul style="list-style-type: none"> <li>Encouraged to reflect the work we have done with stakeholders to actively shape our plans</li> </ul>	<ul style="list-style-type: none"> <li>We have a positive story to share on co-design, reflected in measures and metrics and recommend this as another case study in this year's Disclosure</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>Great use of case studies</li> <li>Make clear how we have directly driven emissions reductions and our scope to expand in the future</li> </ul>	<ul style="list-style-type: none"> <li>Included reference to achieving goals of the Sustainability linked loan and included our Net Zero and Climate Positive targets.</li> </ul>
Vulnerable customers	<ul style="list-style-type: none"> <li>Focus more on Endeavour's efforts to address the issue and how we are going beyond the required actions raised by the regulator</li> </ul>	<ul style="list-style-type: none"> <li>Our Board has asked that we note there is still more work to do here.</li> </ul>



In meetings throughout the year, the PCSC also focused on our Energy Charter maturity model assessment, recognising our aspiration to attain a rating of exceeding in several principles, but urged caution based on the required investment for a potentially modest return.

Over the past two years, the PCSC has consistently urged investment constraint given cost of living pressures and concern for customer affordability. Members counselled Endeavour Energy to focus on sensible improvement, but not at any cost. For this reason, we focused on sustaining our performance at the level of empowered for most principles for 2022-2023 and this was welcomed by PCSC members. We also made clearer the justification for the ratings.

## Feedback from the PCSC to our CEO

We suggested a list of questions to help guide the feedback session for the PCSC members as follows, which prompted a wide-ranging conversation.

### 1. Results:

- How well we have delivered on our customer commitments.
- How well are we meeting your expectations?
- What have been the year's highlights and challenges and how effective have our actions been to address these?
- How effective are the metrics?

### 2. Opportunities:

- Where you see potential gaps in our performance?

- Where do you see opportunities and shifting customer needs which might inform our focus over the next year for Endeavour Energy

### 3. Collaborative efforts:

- Where have we partnered with others to address the big issues of the energy transition and affordability

### 4. Impact:

- What role have you observed the Energy Charter process has made in delivering better outcomes for customers?
- What is your understanding of the impact of the work that we do as an Energy Charter signatory?
- What suggestions do you have for better explaining and accounting for the outcomes of the work that we do?

### 5. Maturity:

- What guidance can you provide on the value of our maturity assessment
- Comment on our future goals, noting the important feedback you have provided to date on this about balancing ambition with cost.

## Themes

The following themes emerged as Committee members reflected on the 2022-2023 Disclosure Report and subsequent results. We were humbled and appreciative for the frank and largely positive feedback we received for the achievements we delivered this year for customers, illustrated by quotes from various PCSC members.

*“Endeavour Energy’s engagement is characterised by the moral fortitude to have the tough conversation on the tough issues. Some networks don’t ask the tough questions because they know they will not like the answer. Asking the tough questions helps build trust and fosters joint problem solving.”*

PCSC member

Theme	You said	We will
Leadership	Effective leadership is evident.  <i>“Endeavour Energy’s leadership is very obvious in your report...I sit on five network panels who are Energy Charter members doing these reports and you are setting the pace and standard...certainly the way you developed the report through consultation with the PCSC is an important part of that..”</i>	We are grateful for the encouraging comments but know significant challenges remain ahead.  We are committed to leading from the top, listening, learning and improving wherever we can.
Affordability and customer engagement	The concentration on affordability is critical and welcomed, and the focus on engagement is very important.  <i>“...the biggest thing you can do for affordability is putting an efficient reset proposal in and that’s what you have done... ...”I like the focus on customer engagement ...and that has been recognised with an ENA award...”</i>	Endeavour Energy will retain its focus and commitment to operating as efficiently as possible and working collaboratively on high quality customer engagement programs on the energy transition.  We will report our progress against our commitments to the PCSC on a regular basis, to our Customer Steer Co and our Board.
Defining the scope	The cyclical reporting format using sections that account for what has been completed, what is in progress and setting goals for future years is effective.  <i>“The format of the report is great...I also like the case studies and the way you have defined the scope of what’s in your control and what is not in your control..”</i>	We will track progress year on year using the dedicated Energy Charter scorecard and SMART goals.

Theme	You said	We will
Honest communication and disclosure of shortcomings	<p>There is strong support for frank and honest communication, including where things go wrong.</p> <p><i>"I have to congratulate you on your open and honest communication on the difficulties you have had with life support customers...and could see how disappointed you were with recent breaches given all your efforts to that point"</i></p> <p><i>"...If you reflect on the year that's been, it certainly is heart-warming to know that you guys are pushing for fairness right across the board and recognising groups and sectors that need support..."</i></p>	<p>We are committed to improving our performance for Life Support Customers and delivering on our commitments to the AER's Enforceable Undertaking.</p> <p>We are also committed to active participation in the #Better Together Life Support Rule Change.</p> <p>We will continue to engage broadly and deeply with our diverse customer base.</p>
Measures, metrics and maturity	<p>The use of concrete, measurable targets is a strength of our disclosure with a desire to make measures comparable with other networks.</p> <p><i>"...one of the things that is unique relative to some DNSPs is the slightly more qualitative focus with the scorecard...it's an interesting tool to track progress."</i></p> <p><i>"...I still have problems in comparing how you are going versus other networks. It's difficult for customers to say how one network is performing against another network..."</i></p>	<p>We will continue to use data to inform and progress our customer strategy and Energy Charter commitments.</p> <p>We have worked to align our measures wherever possible with other networks and will share this feedback with the Energy Charter's Industry Working Group.</p>
Improved customer communication	<p>Customer communication during major incidents has improved.</p> <p><i>..." you have made great strides in improving the quality of customer communication throughout four floods and other natural disasters...."</i></p>	<p>We will continue to measure customer feedback via our Voice of the Customer program and quarterly surveys and share results with the PCSC.</p>

Theme	You said	We will
Not limiting regulatory reforms intended to protect customer outcomes	<p>There needs to be a clear relationship between how Energy Charter initiatives go beyond regulatory requirements so that they push regulatory reforms to produce better outcomes for customers.</p> <p><i>...” there are some great Energy Charter initiatives that can feed into improving the regulatory framework and we need to look at some of the big picture outcomes that we want to achieve.</i></p> <p><i>We need to be cautious about not using the Energy Charter as a voluntary disclosures initiative to say, hey, we're doing all of these things here, so we don't need to do them under the regulatory framework e.g. energy literacy is fantastic, but we should be working to design a system where high levels of energy literacy aren't required for customers to secure decent outcomes....”</i></p>	<p>When Energy Charter customer initiatives are measured for impact and outcomes and are proven scalable and successful, we will share their success with regulators and reference them in regulatory submissions so that regulatory reform might follow.</p> <p>We will leverage the Energy Charter Impact Framework (2024) to assist us in this assessment of customer and community outcomes.</p>

If you have any questions about this Feedback Report, please contact

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