



APRIL 2014

TRANSFORMING THE ENERGY
CONVERSATION

**Meaningful Consumer Engagement
by Energy Networks**

CONSUMER ENGAGEMENT AND ENERGY NETWORKS

Australia has over thirty regulated electricity and gas networks with over 14 million connections serving nearly every household and business in the country.

Australian energy consumers interact with the Grid in different ways every day, usually without wanting or needing to consider the elements that bring safe, reliable energy to them when they require it.

Electricity and gas networks come in all shapes and sizes— from the largest interstate transmission assets to the distribution networks outside your door – and all have customers with individual expectations and needs.

Because they provide essential services to our entire community, energy networks must understand the breadth of consumer views on the energy service, from day to day business activities to critical long-term investments.

Networks exist to serve their customers, to deliver the range of services customers need safely, efficiently, and reliably. Consumer engagement makes this possible.

ENA'S APPROACH TO CONSUMER ENGAGEMENT

ENA strongly supports the role enhanced customer engagement can play to ensure energy networks are ready to meet changing customers' needs into the future.

To be successful the engagement process must be inclusive, accessible, transparent and collaborative, allowing for meaningful and effective engagement.

Given that energy networks operate in distinct areas, that vary in demographics and geography, rather than imposing a prescriptive approach to consumer engagement – frameworks for engagement should not inhibit the ability of networks to meet changing consumer needs and must provide the flexibility for individual energy networks to undertake an approach that suits their customers.



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REAL-TIME ENGAGEMENT

United Energy – Energy Easy

Smart meters, when teamed with an in-home display or internet portal, will enable customers to more easily understand how much electricity they use. Using smart meter technology, United Energy are providing a new, secure customer internet portal called Energy Easy.

- » **Electricity View:** See how much electricity you are using and when you are using it.
- » **Your Target:** Set yourself an electricity saving target and track your progress.
- » **Your Devices:** Install an in-home display to get real time information about your electricity usage.
- » **Compare:** Enter tariffs from different electricity retailers to find the best plan for you.



- » **Outages:** Register to receive notifications when you have a power outage.

Energy Easy can be used on a computer, tablet or smart phone to track daily, weekly and seasonal electricity usage.

www.uemg.com.au

SOCIAL MEDIA ENGAGEMENT

Ausgrid, Essential Energy and Endeavour Energy – Your Power Your Say

The Your Power, Your Say Facebook page is a joint project between Ausgrid, Essential Energy and Endeavour Energy launched in November 2013.

Its goal is to provide NSW electricity consumers with a channel for greater engagement on power distribution in an open, observable and collaborative environment.

Some of the topics discussed on the page include: *What's an electricity network?, Reliability, Streetlights, Solar, Customer Communications, What should be our highest priority?, Pricing and Metering*



The page allows for both two-way collaboration between NSW consumers and their power companies, as well as the opportunity for distribution networks to inform consumers about aspects of running the Grid.

www.facebook.com/yourPoweryourSay

PLANNING FOR THE FUTURE

SA Power Networks – Talking Power

SA Power Networks is currently undertaking a detailed multi-channel customer engagement strategy under its ‘Talking Power’ initiative. It is South Australia’s sole electricity distributor and delivers power to more than 835,000 homes and businesses across the State.

As SA Power Networks prepares its plans for managing the State’s electricity distribution network in the 2016–2020 regulatory period, Talking Power will provide an innovative form of extensive community consultation with residential and commercial customers about their needs and priorities for the distribution network. A comprehensive engagement plan, to take place

over 2013 and 2014, will feature consumer and stakeholder workshops, an online consumer survey and regular stakeholder updates. The outcomes of the program are designed to shape the package of proposed network operational plans and investments due to be considered by the Australian Energy Regulator over 2014-15.

www.talkingpower.com.au



Energex – Connecting with you

Energex supplies 1.4 million residential, commercial and industrial customers across a population base of 3.1 million people in South East Queensland. Its new initiative **Connecting with you** will provide an opportunity to for consumers to provide views on specific

topics in a series of residential and business customer workshops. The focus will be on key aspects of the *Energex Five Year Future Plan*, the 2015-2020 Regulatory Proposal submitted to the Australian Energy Regulator. Some of the key issues addressed will include: Capital and Operating Expenditure; Regulation and Revenue;

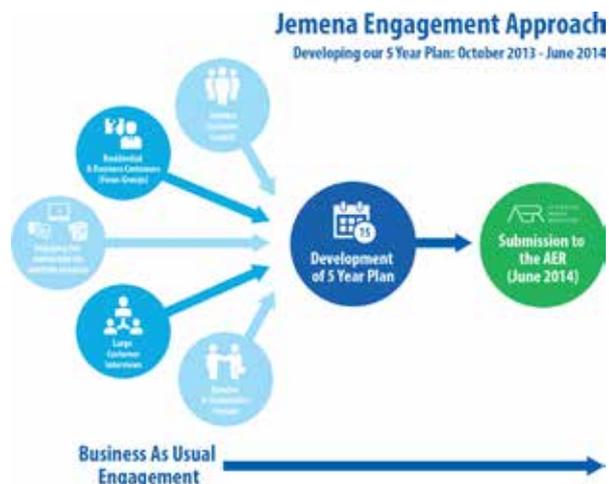
Reliability; Changes to Metering; Vegetation Management; Demand Management; and the Price of power. The program is supported by a *Customer Engagement Research Program*; which will inform Energex’s *Customer Engagement Strategy*.

<https://www.energex.com.au>

Jemena’s 2015 Gas Five Year Plan

As Jemena develops its 5 year Gas plan, it has undertaken structured engagement with its customers, stakeholders and community on key issues including:

- » Current levels of safety and service and whether Jemena should invest in a universal level of service;
- » proposed investments to manage expected changes to Australia’s gas markets;
- » whether and to what extent Jemena should focus on attracting new customers, including by network extensions;
- » options for the profile of cost recovery and pricing structures.



HOW NETWORKS ARE ENGAGING WITH THEIR CUSTOMERS

Networks increasingly use a mix of traditional and innovative approaches to engaging with their customers on their priorities.

Engagement can occur around a diverse set of issues or challenges. As an example, networks routinely engage with customers on pricing, reliability, planning and environmental performance issues.

Customers' perspectives can help networks ensure that their services are relevant and responsive to the needs of households, businesses and large energy users.

Typical issues for customers to consider through engagement process and programs include:

- » **Reliability:** What are customers' expectations around network reliability now and for the future?
- » **Planning:** What do customers want the capacity of their future grid to be?
- » **Pricing:** Which types of network charges will help drive lower the total costs of the grid for the community in a fair and equitable way?
- » **Infrastructure:** What priorities do individual communities assign to the impacts of undergrounding network infrastructure on visual amenity, community safety and the level of network charges?

More than this, in the future consumer engagement will increasingly have a localised focus to support:

- » Consideration of demand management options
- » Connections of embedded generation, energy storage and energy information
- » Improved information on power supply and outages

As the energy system transforms customers will engage in decisions on energy use like never before, as they 'shop around' to lower their bill, respond to price signals and increasingly become producers of energy in their own right. In this new and evolving environment the preferences of consumers will shape the development of future networks.

HOW DOES IT WORK?

Engagement can occur through day to day contact with the community, established consumer reference groups, targeted consultations for energy customers or other stakeholders affected by a particular project, or through broader customer or market research around community priorities, and through new social media channels and digital interfaces including web-portals and smart applications.

For example, ACT electricity distributor ActewAGL has recently used "willingness to pay" surveys to inform decisions about undergrounding investment. These detailed surveys have provided a voice for the community on the value they place on improved visual amenity, balanced against the costs. In NSW, the AEMC has tested consumer attitudes as part of its review into reliability standards. In this case, most consumers placed a high value on reliability and were not attracted to trading off reliability for modest savings in costs.

Networks commonly have customer and stakeholder groups that convene regularly to consider customer perspectives on current and future network investments, operational and pricing decisions.

At the same time, many networks are taking advantage of evolving technologies, social media and other tools to extend their existing customer engagement activities in innovative ways.

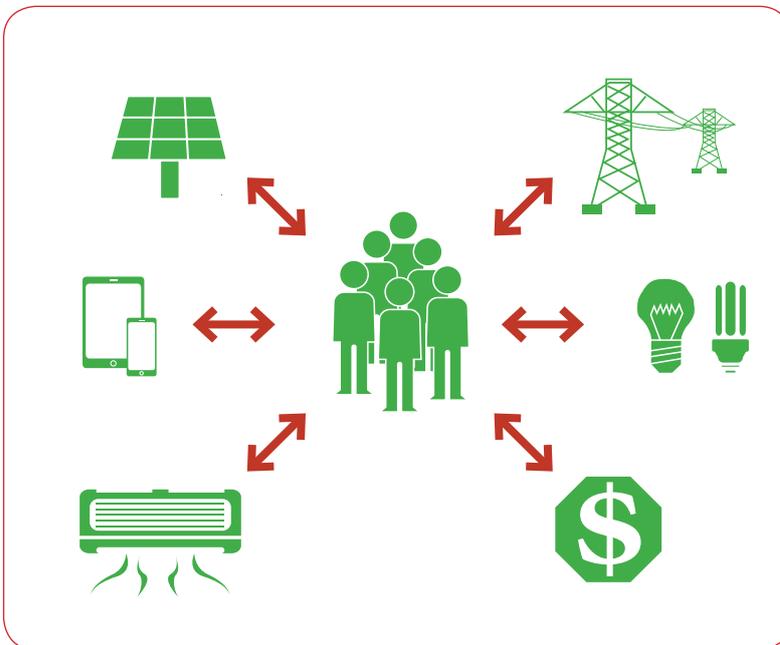
CONSUMER ENGAGEMENT AND CHANGING NETWORKS

The expected transformation in the role and function of networks into the future makes increased focus on customer engagement particularly important.

Changing technology costs and capabilities are over time allowing new relationships to develop between customers and the grid.

One driver of these new relationships is rapid establishment of one million solar rooftop PV units in Australia. Where these units are deployed, smart meters are also installed and provide scope for a new range of network and retail service offerings to develop, providing benefits to consumers.

The old model of a 'one-way' Grid is being replaced by new 'enabling' networks, expected to resiliently provide not only security of supply but also access to new markets in which consumers are trading their demand management or surplus power. If such a dynamic future is to be realised, it will require closer engagement by customers and networks today.



Some of these developments have critical implications for the way customers have historically been charged for their network use, and there will be a critical need for customer engagement on how future tariff structures ensure fairness and efficiency.

NEW NATIONAL REGULATORY DEVELOPMENTS IN CONSUMER ENGAGEMENT

Australia's energy networks have been innovating in deeper and more diverse customer engagement techniques in recent years and this is reflected in changes to the regulatory framework.

Recent changes to national regulatory rules require the Australian Energy Regulator to consider issues identified by electricity consumers in their engagement with networks processes when assessing future network expenditure.

To assist this process, the AER has developed a *Customer Engagement Guideline for Network Service Providers* with the cooperation and support of networks and consumers. Additionally, a new Consumer Challenge Panel will provide input on networks engagement with customers. These initiatives are designed to bring consumers voices and perspectives directly into regulatory decision-making on network pricing determinations.

From July 2014, a new national body known as 'Energy Consumers Australia', will its commence operations leading energy consumer advocacy across Australia.