

Endeavour Energy Customer Panel

**Revenue Proposal 2024-2029
Final Report - Wave 4**

June 2023





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Purpose and Methodology

Background and Purpose

The Endeavour Energy Customer Panel was established in mid 2022 to deeply engage with a broad and representative cross-section of residential and small business customers through an extended deliberative online process to inform the development of the organisation's 2024-2029 Regulatory Proposal.

89 participants were involved in more than 15 hours of engagement during three waves in May, June and September 2022.

Endeavour Energy decided to undertake a fourth wave of live online engagement in June 2023 following positive feedback from key stakeholders, with the key aim of checking in to understand how preferences and opinions may have changed over time, particularly in the context of rising cost-of-living. The specific objectives of the engagement relate partly to regulatory issues and partly to ongoing engagement. They were to:

- Inform the Panel of where Endeavour Energy's Regulatory Proposal had landed following its submission to the Australian Energy Regulator in late January 2023 and how their feedback had influenced the Proposal.
- Understand whether Panel participants' priorities in terms of long-term service outcomes had changed, and the extent to which the Proposal was considered in the best long-term interests of customers.
- Understand the Panel's preferences in relation to the transition timeframe for time-of-use network tariffs.
- Assess the types of information about electricity that Panel participants believe customers are most interested in, and which are most appropriate for Endeavour Energy to provide, as well as what information sources they trust the most.
- Identify which Panel participants would like to remain part of an ongoing Customer Panel.

Wave 4 Methodology

At the end of Wave 3 in September 2022, the 89 participants were asked if they would be interested in participating in an online survey in 2023 and 77 agreed. After the decision to make this a more substantial, live online engagement, 69 customers agreed to participate (50 residential and 19 SMEs). The Customer Panel profile remained broadly consistent and reflects Endeavour Energy's customer base.

Customer Panel participants were provided with background information in a pre-reading pack a week ahead of a two-hour live Zoom online forum on 7 June 2023. The Zoom forum included a mix of presentations, Q&A sessions and facilitated break-out room discussions.

Presentations were led by Endeavour Energy's Executive Team including its CEO Guy Chalkley, Chief Financial Officer Francoise Merit, and Chief Customer & Strategy Officer Leanne Pickering.

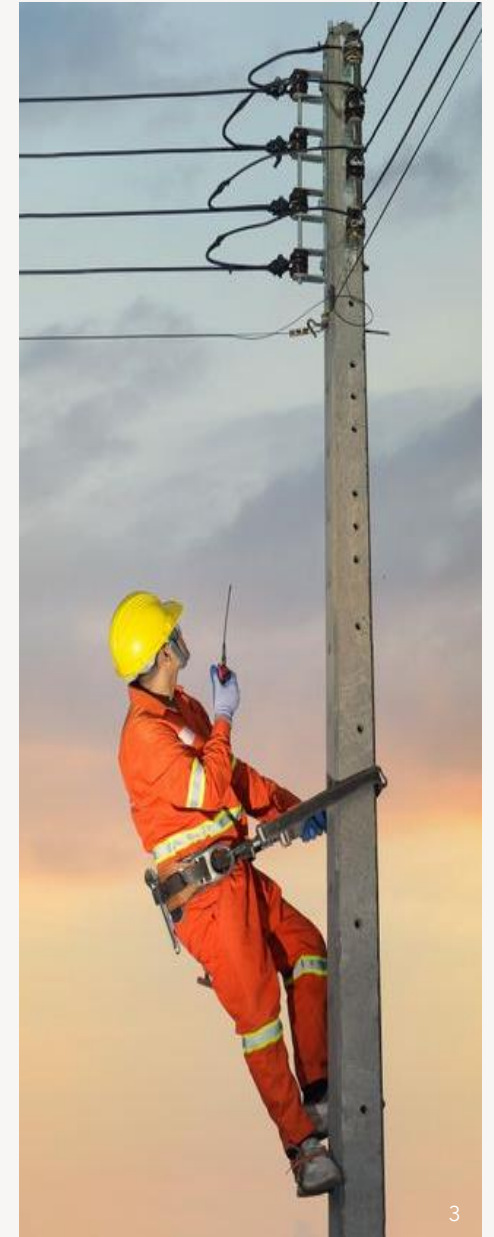
To ensure all voices were heard, participants were divided into 10 breakout groups for two discussions during the Zoom forum. These were segmented by participants under financial pressure, innovators, SMEs and other residents, with a maximum of 9 participants in each. The Zoom forum also included two 'open floor' discussions where customers could pose questions directly to Endeavour Energy's CEO and Executive team. Following the end of the Zoom forum, participants completed an online survey.

The engagement took three hours in total and participants were paid an incentive for their time, in line with market research industry practices. Participation was on a voluntary, opt-in basis and the statistics presented in this report are unweighted.

The Report from Waves 1, 2 and 3 can be read [here](#) on Endeavour Energy's Your Say website.

Executive summary

- **96% of the 69 Customer Panel participants said that Endeavour Energy's Regulatory Proposal reflects customers' priorities and preferred outcomes and is in the long-term interests of customers.** This is up from 90% of 89 participants in September 2022.
 - Customers' long-term services outcomes remained largely unchanged, and they said they were confident that Endeavour Energy had struck the right balance in its plans to deliver on these while keeping a strong focus on affordability.
 - 85% said that the approach that Endeavour Energy was taking to keep electricity prices down and look after the needs of vulnerable customers was 'about right', with 12% saying it was doing too little and 3% doing too much.
 - Many were interested in hearing more about how they can access information on energy concessions, with some suggesting these should be available to more customers as so many are under financial pressure.
- **Thinking about the transition timeframe for time-of-use network tariffs, two thirds (67%) preferred a 12-month transition comprising educational support before the transition to full time-of-use network tariffs.**
 - A third (33%) preferred a 24-month transition (originally proposed by Endeavour Energy). This comprised 12-months of educational support and no change in tariff arrangements, followed by an additional 12-month period with ongoing educational support and a 'transitional' tariff which is 50% cost reflective, before the full time-of-use network tariff commences.
 - It was clear that many customers are eager to get access to time-of-use tariffs as quickly as possible so they can save money by changing when they consume electricity.
 - While Endeavour Energy did remind participants that retailers choose how to structure their retail tariffs (bundling our network tariffs in them), some Customer Panel participants may still be unclear that this bundling process means the network tariffs that we pass to retailers may not be directly offered like-for-like to them.
- **100% of participants rated their overall experience of the Endeavour Energy Customer Panel over the last year as excellent (75%) or good (25%).**
 - 68 of the 69 participants were keen to stay involved in Endeavour Energy's future Customer Panel.



Customer Panel feedback on the Regulatory Proposal

In June 2023, 96% of Customer Panel participants said Endeavour Energy's Regulatory Proposal was in the best long-term interests of customers, up from 90% in September 2022.

Percentage of customers who felt Endeavour Energy's Proposal reflects customers priorities (Wave 3 & 4 %)



- At the end of the workshop Customer Panel participants filled in an online survey to give their final opinion on Endeavour Energy's 2024-2029 proposal. **96% of the 69 Customer Panel participants agreed it was in customers' long-term interests**, with 61% strongly agreeing and 35% somewhat agreeing. Three customers disagreed - one somewhat and two strongly.
- While there was elevated concern about cost-of-living pressures and a stronger focus on affordability, most felt Endeavour Energy had listened carefully to what the Panel had told them about their long-term service priorities and felt the Regulatory Proposal had struck the right balance between delivering on these and keeping costs down.
- Participants said their service priorities were largely unchanged, but some said they would re-order them slightly if asked again due to financial pressures - some residential customers said they would have deprioritised innovation and some SMEs said they were less now concerned about resilience and safety.

Q. Do you think Endeavour Energy's Regulatory Proposal reflects customers' priorities and preferred outcomes and is in the long-term interests of customers?
Q. Why do you say that? // Base: all participants in Wave 3 (n=89), Wave 4 (n=69) *Note: In Wave 3 this question was asked relative to Endeavour Energy's Draft Proposal and in Wave 4 the question wording was updated to reflect the final version of the Regulatory Proposal. Wave 4 wording also included somewhat agree and strongly agree for both yes and no options - we have merged the 'yes' and 'no' responses together for Wave 4 to compare with Wave 3.

Reasons for assessment of the Regulatory Proposal

Customer Panel participants were asked to explain their assessment of whether or not the Proposal was in the best long-term interests of customers and these quotes reflect key themes



"Endeavour took a forward leaning approach and invested resources into listening to their customers. Based on the discussions and empirical surveys completed by the consumers, I believe the proposal reflects the customer sentiment."

(Residential, Wollongong, Shoalhaven and the South Coast)



"The majority of the customers are seeking energy reductions on their bills due to inflation/higher cost of living. Affordability remains the most vital and important factor for customers. For me, the outcome has been the same from last year to this year. And I doubt that will change from now to the next 5 years."

(Residential, CALD, impacted by floods, South-west Sydney and Southern Highlands)



"I think Endeavour Energy did listen to the Panel during the discussions but then also took into account the volatile financial market and cost of living pressures. I originally thought that a more innovative approach should be taken with funds spend on new technology, however the current environment has altered that, and I feel more comfortable that Endeavour Energy has taken a bit more of a conservative approach. I just hope we don't regret it down the track, but I do think for everyone's state of mind this is the right way to go."

(Residential, under financial pressure, South-west Sydney and Southern Highlands)



"I think it reflects the majority of customers needs but I am concerned about customers with limited incomes and how they will be able to afford it."

(Residential, under financial pressure, South-west Sydney and Southern Highlands)



"Endeavour Energy has taken the time to actually ask us what we think and explained a lot of difficult information in ways we can understand. Not only that but they have reacted to our feedback and made changes based on what we think."

(Residential, under financial pressure, Wollongong, Shoalhaven and the South Coast)



"Endeavour Energy tries to keep electricity bills relatively steady, despite increase interest rates and inflation."

(Residential, CALD, impacted by floods, Wollongong, Shoalhaven and the South Coast)



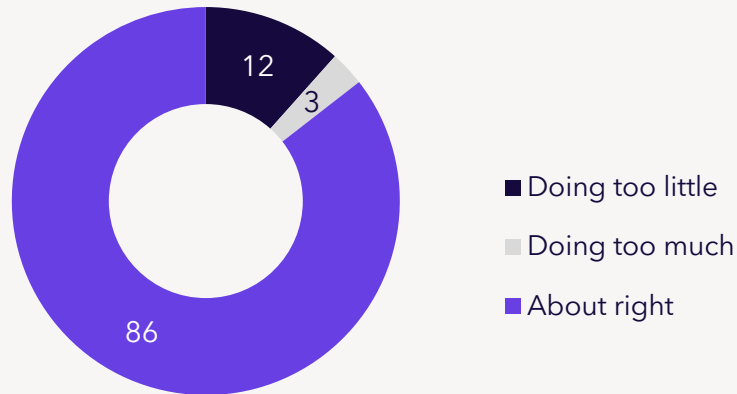
"Endeavour Energy has really listened to what the panel think. It has been evident Endeavour Energy has changed things as times have changed and panel members thoughts have changed."

(SME, impacted by floods, Wollongong, Shoalhaven and the South Coast)

Endeavour Energy's work to keep electricity prices down

Over 85% of Customer Panel participants were comfortable with the work Endeavour Energy is doing to keep electricity prices down and look after the needs of vulnerable customers

Sentiment towards Endeavour Energy's work to keep electricity prices down and look after the needs of vulnerable customers (Wave 4 %)



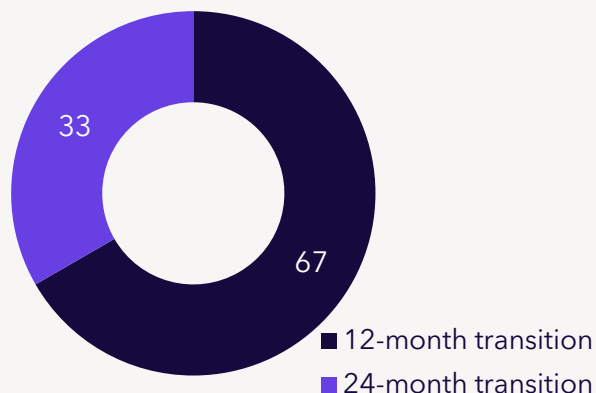
"While I understand people may be struggling financially, we need to ensure infrastructure doesn't stand still and is continually maintained and improved. They are looking for ways to shuffle funds from other areas to keep costs down for customers whilst moving forward."
(SME, South-west Sydney and Southern Highlands)

- **86% of Customer Panel participants felt Endeavour Energy's approach in this space was "about right"**, with these participants noting it is:
 - Engaging with customers well and responding to customer feedback;
 - Focused on affordability and doing the best for its customers;
 - Making appropriate and transparent investments; and
 - Doing what it can within its role to keep prices down, with some participants suggesting retailers and governments could do more to keep prices down.
- The 12% who said Endeavour Energy was doing too little, suggested it could:
 - Work with retailers more to protect vulnerable customers;
 - Work to ensure rebates are provided to a broader range of customers, not on just those on government concessions;
 - Provide more accessible education on how to save money on electricity bills; and
 - Undertake more work to manage demand on the network, through encouraging initiatives like batteries for individuals and the community and industry partnerships.
- The two people who said Endeavour Energy was doing too much noted that governments, rather than Endeavour Energy and its customers, should be doing more to protect vulnerable customers and subsidise their bills.

Timing for introduction of time-of-use network tariffs

Over two thirds of Customer Panel participants preferred retailers are offered a 12-month transition to time-of-use network tariffs, largely as they wanted to access these tariffs to save money as soon as possible by changing the time of day they consume electricity

Preference of time-of-use tariffs (Wave 4 %)



A 12-month transition comprising educational support before the transition to full time-of-use tariffs

A 24-month transition to shift to time-of-use tariffs which includes:

- a 12-month period of educational support and no change in tariff arrangements AND
- an additional 12-month period with ongoing educational support as well as a 'transitional' tariff offered to retailers which is 50% cost reflective before the full time-of-use tariff commences.

Two thirds of participants said they'd prefer a 12-month transition due to:

- A desire to save money sooner by changing when they consume electricity, particularly in light of current cost-of-living concerns, with some asking if could happen in less than 12 months;
- A belief that 12 months would be enough time for customers to prepare for the transition; and
- A view that a 24-month transition will be more confusing for customers and may mean retailers will "drag their feet" in making the transition.

The third of participants who preferred a 24-month transition cited:

- The need for more time for customers to prepare to benefit from time-of-use network tariffs, including by installing smart meters, solar panels and batteries. Some participants with solar panels noted they would need more time to invest in batteries as time-of-use network tariffs would reduce the financial benefits of solar panels.; and
- Concern that some customer types (e.g. elderly, financially vulnerable) might benefit from more time for education to mitigate negative impacts.

Regardless of preference, many participants highlighted the importance of clear and easy-to-understand education materials to help customers make informed decisions and understand how they can benefit from the tariffs.

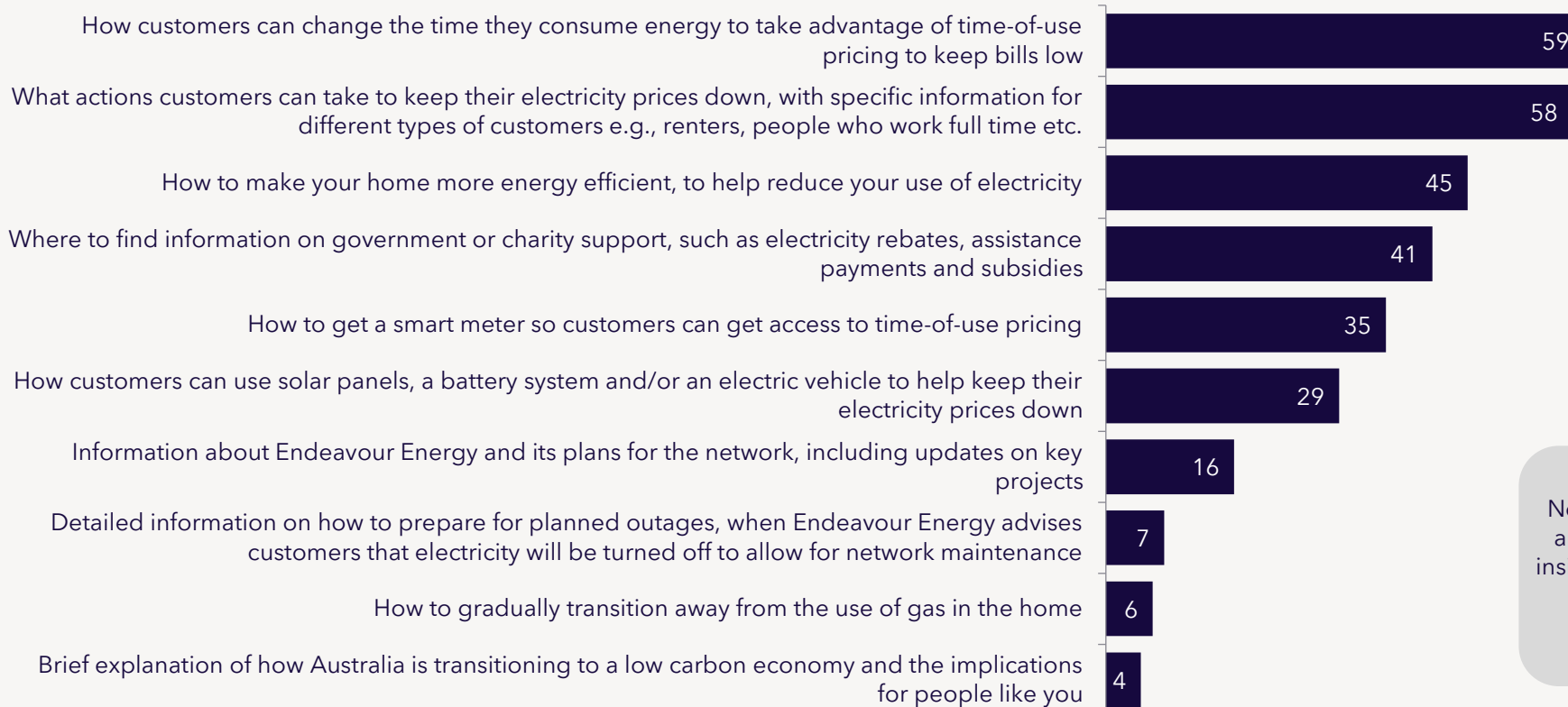
A number of participants acknowledged the role retailers need to play in passing through time-of-use network tariffs, installing smart meters and providing education to customers. While Endeavour Energy did remind participants that retailers choose how to structure their retail tariffs (bundling our network tariffs in them), some Customer Panel participants may still be unclear that this bundling process means the network tariffs that we pass to retailers may not be directly offered like-for-like to them.

Many participants were keen to know how they could access a smart meter, particularly if they are renters or in public housing. Some wanted to know if they would be forced to choose a time-of-use tariff or could still opt for a flat tariff.

Information Endeavour Energy could provide to customers

Customer Panel participants were asked to choose topics from a list that they felt would be of most interest to Endeavour Energy customers and which it could provide on its website and social media. Most related to actions customers could take to keep costs down. Questions about where to find information on rebates was a key theme in the Zoom call.

Topics the Customer Panel believe would be of most interest to customers (% who selected topic)



Note: one SME said they'd also appreciate access to insights aimed specifically at small and medium businesses.

Additional information Endeavour Energy could provide

In an open-ended question in the survey Customer Panel participants made some additional suggestions about the type of information they'd like to see. They also emphasised the importance of ensuring information was accessible for all customers.

Customer Panel participants suggested Endeavour Energy could provide information on:

- How energy consumption affects bills, including through tools (e.g. calculators) to help customers better understand the impact of usage on bills.
- Ways to reduce electricity bills, including by changing the timing of consumption and automation/scheduling of home appliances (e.g. washing machines and dishwashers).
- How to access a comparison of the retailer offers available and get advice on the 'fairest' retailer.
- How to access smart meters, solar panels, and low-cost batteries, including community batteries, and how to maximise the benefits of these technologies through measures like energy trading.
- How Endeavour Energy is modernising its network and improving the network's resilience to major weather events.

A number of participants also wanted clearer and more accessible information, including for the elderly and CALD communities. In particular, participants suggested TV ads, leaflets and community information sessions could be used to improve accessibility, rather than relying on a website and social media.



"I wish I could be updated regularly on how any push for smart meters in government housing will be made. As a single mum, I need to find ways that can cut the cost of my energy bills, but I shouldn't have to foot the large expenditure for it." (Residential, ATSI, Wollongong, Shoalhaven and the South Coast)



"More information on how customers can change the time they consume energy to take advantage of time of use pricing to keep bills low." (Residential, CALD, impacted by floods, South-west Sydney and Southern Highlands)



"Community battery schemes and how communities can get one started." (Residential, Wollongong, Shoalhaven and the South Coast)



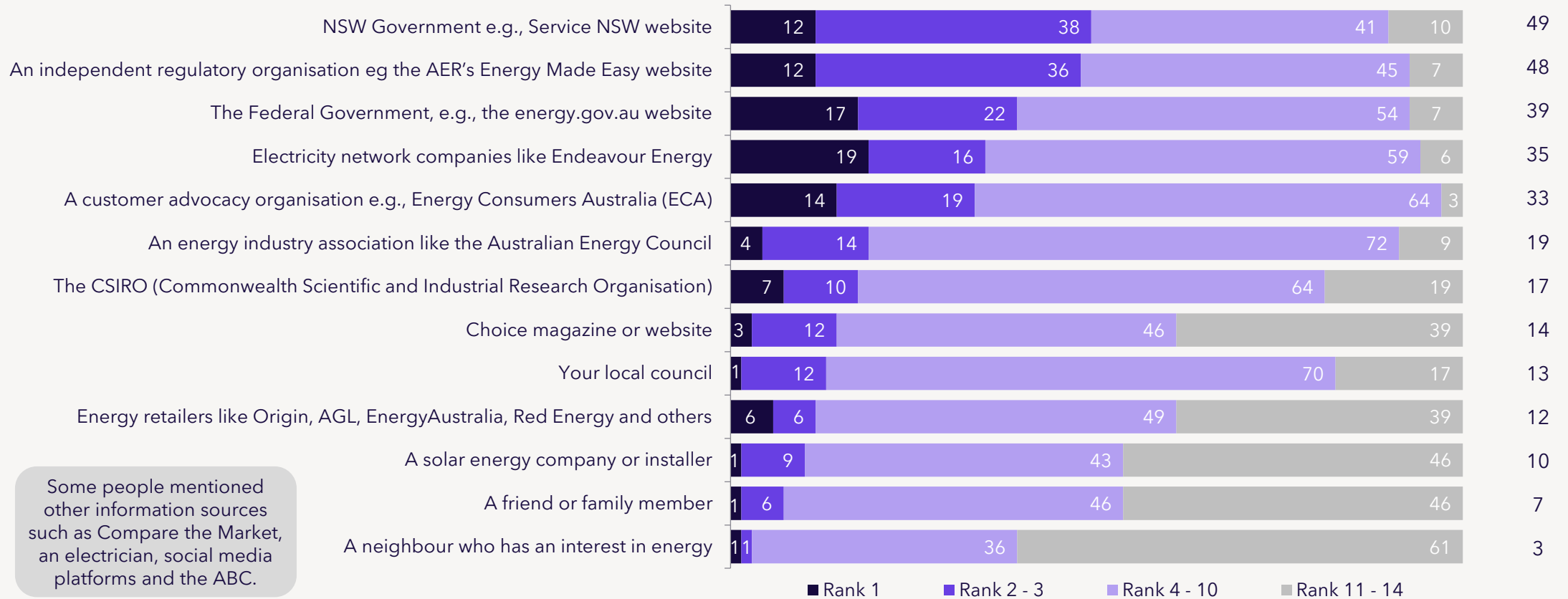
"More education and information on what solar and smart meters are best for our homes. You hear so many stories that some people solar works well, others say there is no effect after large outpouring of money into it. If I am going to invest this large amount of money I want to be educated and know what I need. I would love for Endeavour to do something like this." (Residential, Wollongong, Shoalhaven and the South Coast)

Ranking trusted sources of information

Customer Panel participants said the information sources they would trust the most to give them information about energy issues and energy prices would be the Federal and NSW Government, independent regulatory organisations, network companies like Endeavour Energy, and customer advocacy organisations.

Trusted information source ranking (%)

NET Top 3 Ranked Sources (%)*



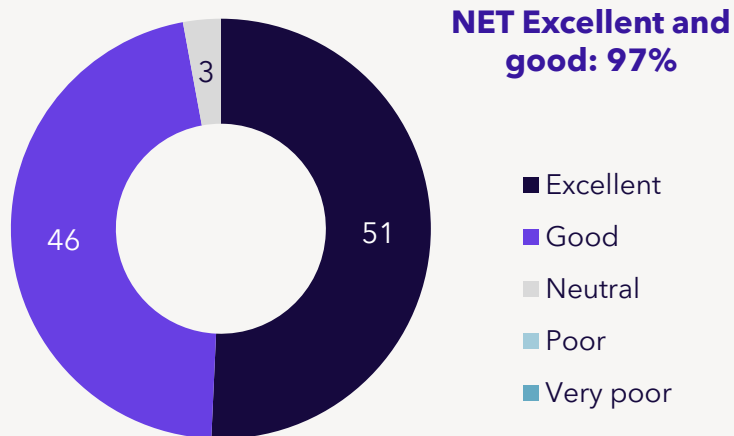
Some people mentioned other information sources such as Compare the Market, an electrician, social media platforms and the ABC.

Q. Which of the following sources would you trust the most to give you information about energy and energy prices? Please rank them from top (most trusted) to bottom (least trusted). // Base: all Wave 4 participants (n=89). *Note: The top 3 ranked total results may not always total due to rounding.

Overall rating of Endeavour Energy as an organisation

97% of Customer Panel participants rated Endeavour Energy as 'excellent' or 'good' as an organisation, with many citing its strong commitment to engagement and the way it had responded to customer feedback

Sentiment towards Endeavour Energy (Wave 4 %)



"Being involved in this consultation process has shown that Endeavour Energy really does value the opinion of their consumers." (Residential, CALD, South-west Sydney and Southern Highlands)

Key reasons why Customer Panel participants rated their overall opinion of Endeavour Energy as an organisation as 'excellent' or 'good' were as follows:

- Strong commitment and effort in communicating and engaging with customers and responding to their feedback.
- Commitment to doing what's right for its customers and prioritising and valuing customer interests and views.
- Staff seem highly committed, authentic and 'impressive', with a number of participants citing their appreciation of the time and effort made by Endeavour Energy's Executive staff.
- Doing what it can to reduce costs and operate the network reliably and sustainably.
- Making transparent and considered decisions.

Participants who rated Endeavour Energy highly also noted the need to improve communication during major weather events and outages. One acknowledged that Endeavour Energy was also motivated to maximise profits for shareholders.

Two participants rated Endeavour Energy as 'neutral' as an organisation, citing:

- The complexity and number of players in the energy market.
- Endeavour Energy's 'fixed' culture, while noting the organisation also has a 'growth mindset'.

Reasons for views of Endeavour Energy as an organisation



"Demonstrated great ethics through the running of these groups and the information provided." (SME, CALD, North-west Sydney, Hawkesbury and the Blue Mountains)



"Prior to the panel I would have said poor or neutral however, these sessions have allowed me to gain a deeper insight and understanding into what Endeavour Energy does and how they focus on their customers." (Residential, under financial pressure, impacted by floods and bushfires, North-west Sydney, Hawkesbury and the Blue Mountains)



"Your engagement with customers has been amazing. The group discussions have also made me feel a little better about my choices moving forward." (SME, impacted by floods only, North-west Sydney, Hawkesbury and the Blue Mountains)



"This is one of the most detailed research panels I have been on, and Endeavour Energy has come back to us telling us how our voice has shaped and impacted the proposal." (Residential, under financial pressure, CALD, North-west Sydney, Hawkesbury and Blue Mountains)



"They seem to be stuck in classic and fixed organisation culture/business but with growth mindset." (Residential, CALD, South-west Sydney and Southern Highlands)



"The amount of time, effort and education put into the panels has been amazing. I've learnt so much and having the CEO and major personnel part of these groups and giving presentations has made it very personal." (SME, North-west Sydney, Hawkesbury and Blue Mountains)



"This panel of interesting and diverse people has changed my opinion of Endeavour Energy. I realise this is part of what they have to do, however, the fact that they seem to have heard lots of people give lots of opinions on some very important and complex topics and then take those opinions and ideas into account in developing their policies is pretty impressive." (Residential, Wollongong, Shoalhaven and the South Coast)



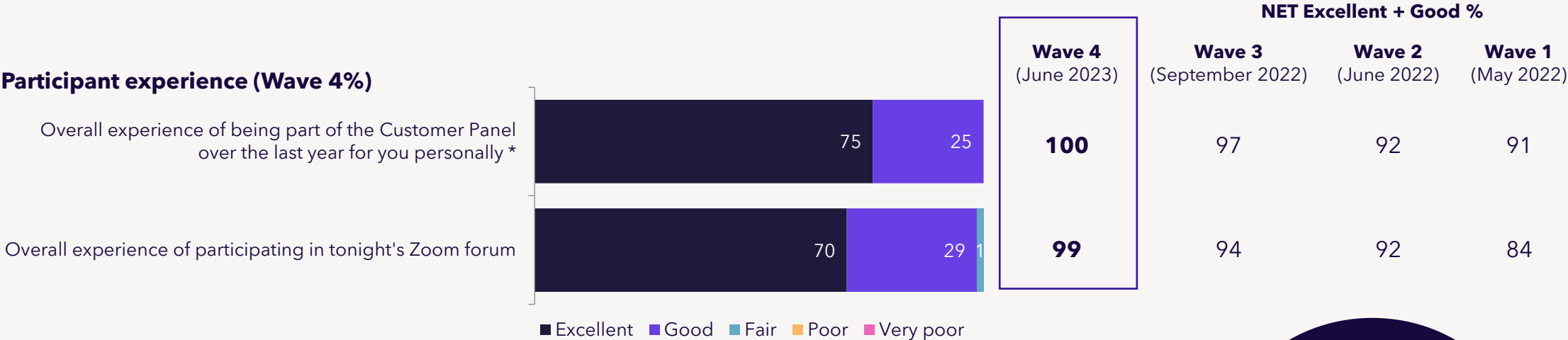
"Being involved in this panel has shown me that they care about their customers and value their opinions. Whilst they are a company that is privately owned, they are more than just looking to maximise profits." (SME, South-west Sydney and Southern Highlands)



"This is a company that wants to effect change for the future and do right by its customers, which is commendable." (Residential, impacted by Bushfires, Wollongong, Shoalhaven and the South Coast)

Post-engagement evaluation survey results

Customer Panel participants completed an evaluation survey at the end of each wave (in May 2022, June 2022, September 2022 and now June 2023). Participants' ratings of their overall experience and each Zoom forum have progressively improved with each Wave, with 100% of participants rating the overall experience as 'excellent' or 'good' in Wave 4 in June 2023.



- All Customer Panel participants rated the overall experience of being part of the Customer Panel as 'excellent' or 'good', with 75% rating it as 'excellent'. Participants who were from SMEs, financially vulnerable or who had been impacted by bushfires and floods were more likely to have rated the overall experience as 'excellent'.
- 99% participants rated the Wave 4 Zoom forum as 'excellent' or 'good', with 70% rating it as 'excellent'.

99%
of Wave 4 participants would be interested in remaining part of Endeavour Energy's ongoing Customer Panel

Final Customer Panel feedback



"Being involved on this Panel has been rewarding in more ways than just financially. I have learnt a lot about electricity and innovation, and I have been shown that Endeavour Energy care and listen to their customers. I believe they have made all members of the panel feel valued. It has been a very rewarding experience that I recommend." (SME, South-west Sydney and Southern Highlands)



"It was enjoyable, great to be heard and have those thoughts truly investigated." (Residential, ATSI, Wollongong, Shoalhaven and the South Coast)



"Informative, non-judgmental, good facilitators and members of the board are listening to your opinions." (Residential, North-west Sydney, Hawkesbury and Blue Mountains)



"This has been one of the most interesting and informative Panels I have ever been a part of!" (Residential, under financial pressure, impacted by floods and bushfires, South-west Sydney and Southern Highlands)



"The Panel has been both informative and receptive to our comments. By no means did I feel I was going through the motions or filling numbers." (SME, impacted by floods and bushfires, North-west Sydney, Hawkesbury and Blue Mountains)



"The Panel process was refreshingly authentic, honest and transparent and I would be very happy to be included in any future projects with Endeavour Energy." (Residential, Wollongong, Shoalhaven and the South Coast)



"The experience has been fantastic. I am so much more informed about everything, so it's been both educational and encouraging to see how much our opinions are valued and taken into account when formulating the end submission. Everything has been so professionally run and every effort made to keep everyone educated as much as possible to enable informed decisions." (SME, North-west Sydney, Hawkesbury and Blue Mountains)



"Really worth being a part of the bigger picture. I've gained insights I never expected and have learned a lot. It's good to be given a voice." (Residential, impacted by floods and bushfires, North-west Sydney, Hawkesbury and Blue Mountains)



"It was fascinating to learn so much about how our power system works. Being able to give feedback at such a high level, and then to see that feedback actually used to influence Endeavour Energy's policies was wonderful." (Residential, under financial pressure, North-west Sydney, Hawkesbury and Blue Mountains)



Thank You