Essential Energy

2.01 Summary of engagement outcomes

November 2023

Our Engagement Approach

The AER Draft Decision recognised that our Regulatory Proposal submitted in January 2023 was developed through a comprehensive engagement approach with customers.

We have continued with a significant engagement program to develop our Revised Proposal. As outlined in Chapter 2, our Phase 5 engagement program included the same engagement channels we used in Phases 1-4 of engagement, with the addition of our new Essential People's Panel.

We held a New Technology Providers Forum in October 2023, which was attended by 29 attendees representing battery proponents, solar installers, generators, and electric vehicle charging companies.

> *Essential's program has demonstrated a significant willingness to engage and listen to its customers. Essential's consumer engagement has been a material factor in our decision to accept most of Essential's proposal.*
> ***AER, Draft Decision***

Phase 5 Engagement February – November 2023

- **9** SCC meetings
- **5** PCC meetings
- **4** CAG meetings
- Public Lighting **2** Forums **9** meetings
- **1** Large, peaky load Customer Working Group meeting
- **1** Customer Webinar
- **1** Customer Survey
- **2** Essential People's Panel sessions
- **22** Retailer meetings
- **1** New Technology Provider Forum
- **1** Joint Network Workshop

In total, we undertook 111 hours of engagement across these channels.

Our Engagement Outcomes

Customer Webinar and Survey

Since the completion of Phase 4 of our customer and stakeholder engagement program in late 2022, the cost of living has increased significantly for our customers and suppliers across our network. We therefore wanted to re-test whether these increasing cost pressures have changed our customers' level of support for the new investments we outlined in our Regulatory Proposal relating to resilience and our network of the future. These investments were discussed extensively in earlier phases of our engagement program and include expenditure on investments such as composite poles, community resilience, real-time monitoring of the network, and dynamic assets.

We invited our customers who participated in Phases 1-4 of our engagement program to a one-hour online webinar which took place on 18 October 2023. The purpose of the webinar was to provide customers with the outcomes from the AER Draft Decision, any changes to elements within our Proposal, as well as updated estimated bill impacts. A total of 233 Essential Energy customers joined the webinar.

We also provided customers with a chance to submit questions during the webinar, and we had time to answer a small number during the webinar. Any unanswered questions were published (in summary form) with answers on our Essential Engagement website within 24 hours following the webinar. A recording of the webinar was also provided on our Essential Engagement website within two hours of the webinar ending.

Following the webinar, customers were then asked to complete a short survey by 22 October 2023 to indicate whether they still supported the investments targeting resilience and future network outcomes.

A total of 252 customers completed the survey, with 96% of these customers indicating their support for these investments. Reasons for their support varied, but the most commonly stated reasons were that it is needed, seems to be fair/well-reasoned/balanced, and that the costs are reasonable/acceptable.

"I think the proposals are a balanced and sensible way to work towards providing sustainable and reliable energy, without compromising service or having to drastically increase bills. I think the mix is right and Essential Energy have been honest and transparent around what is important to them and what they are able to achieve in the timeframe."
Survey respondent

"This proposal seems to strike a good balance of incremental improvement and maintaining costs."
Survey respondent

As customer support for our proposed resilience and network of the future investments remains significantly high, our Revised Proposal reflects this ongoing support as outlined in more detail in Chapter 4.

Engagement Outcomes – Customer Webinar	Revised Proposal response
> 96% of customers supported or strongly supported the Resilience and Network of the Future investments outlined in our Proposal.	> No changes to investments targeting resilience and network of the future outcomes from January 2023 Proposal.

Pricing

Since we submitted the Regulatory Proposal in January 2023, we have continued to engage with customers and stakeholders on our pricing structures following the completion of extensive engagement in Phases 1-4. Phase 5 engagement has occurred through:

- 2x Essential People's Panel meetings
- Customer Webinar
- Meetings with retailers in May and October
- Discussions through the SCC and PCC
- New Technology Providers Forum
- Meetings with customers including battery and generator project proponents, stakeholders and customer advocates

We have also incorporated the preliminary findings of our current small customer trials, which are due to be completed by the end of the June 2024. We partnered with two retailers to trial bill and behavioural impacts of several different tariffs, including our Sun Soaker Two-Way tariff. We also undertook an information-only trial to help understand if information alone can influence customer behaviour. More information on these trials is provided in our Tariff Structure Explanatory Statement (TSES).

Engagement Outcomes - Pricing	Revised Proposal response
> kW export charge is harder for customers to understand and respond to than kWh export charge. > kWh export charge easier to adopt in retailer billing systems. > kWh charge supports consistent consumer behaviour and is fairer. > kW charge better reflects true costs of exports on network. > Retailers should be responsible for developing customer-friendly pricing, not networks.	> Export charges for residential and small business customers on the sun soaker two-way tariff will now be in kWh.
> Moving to two export bands from three export bands is simpler for customers to understand. > Multiple export bands will be difficult to adopt/unlikely to be passed on in retailer billing systems.	> Export charges will now comprise two bands – one free band and one priced band.
> It is simpler for customers with meter changes to transition immediately onto the Sun Soaker Two-way tariff instead of moving onto our Time of Use Tariff for only a few years.	> The Sun Soaker Two-Way tariff from 1 July 2024 will now be assigned to: • Smart meter customers who opt-in

> Simpler tariff assignment changes are easier for retailers to implement. > A 12-month grace period for customers with a forced meter change could allow customers time to understand their energy use prior to being assigned onto the Sun Soaker Two-Way tariff. > A 12-month grace period for customers with a forced meter change would delay customer receiving benefits of moving from the flat rate tariff to the Sun Soaker Two-Way tariff.	• Newly connecting customers • Customers with meter changes The export and rebate price will be set at zero for all Sun Soaker customers until 1 July 2025. There will be no grace periods for customers. > All other smart meter customers on our Time of Use tariff will be assigned onto the Sun Soaker Two-Way tariff once our new billing system is in place – likely 1 July 2028 – as proposed in the Regulatory Proposal.
> Essential Energy should engage with low-voltage (LV) large business customers as soon as possible, despite the introduction of an export price still being several years away for these customers, to allow business to incorporate this price into their investment decisions.	> We will now be undertaking targeted engagement with LV large business customers before the start of the 2024-29 regulatory period.
> The inclusion of energy consumption and demand charges in battery tariffs can affect battery commercials and disincentivise multiple daily battery cycling. > Battery tariff should apply to hybrid customers (those with onsite generation and storage). > The Network Access Charge risked making small-scale batteries uneconomic.	> Energy consumption charges have now been removed from the battery tariffs. > Battery tariffs will now apply to hybrid customers for large low voltage and high voltage connections. > The Network Access Charge has now been lowered to align with the small business tariffs for a new small low-voltage battery tariff.
> Any adjustments to the network access charge required to improve cost reflectivity should be implemented within the first year instead of over several years.	> We will now fully align the Small Business Anytime tariff network access charge with other Small Business tariffs in 2024-25.

Small Customer Sun Soaker Tariff and Export Price

Our January 2023 Proposal included the new Sun Soaker Two-Way Tariff for our small customers – our residential and small business customers. The Sun Soaker Two-Way Tariff includes peak and off-peak prices for consuming energy from the network, depending on the time of day, as well as a charge for customers who are exporting onto the network during 10am-3pm each day and a rebate for customers who are exporting onto the network during 5pm-8pm.

This Sun Soaker Tariff was extensively discussed in Phases 1-4 of our engagement program. The purpose of Phase 5 engagement on the Sun Soaker Two-Way Tariff has been to further understand any refinements we should make in our Revised Proposal to the Two-Way tariff design and our plans for when this tariff will be assigned to customers.

The design of the export charge

Kilowatt hour (kWh) or kilowatt (kW) export charge

The majority of retailers we engaged with in May 2023 thought moving from a kilowatt (kW) export charge to a kilowatt hour (kWh) export charge would be simpler for customers to understand and would be easier adopted into their billing systems. Some retailers also expressed a preference for all networks to align on this charge.

The AER's Draft Decision suggested that we consider expressing our export charge in kWh rather than kW in our Revised Proposal.

At our retailer meetings in October 2023, two retailers expressed their preference to maintain the kW export charge while all other retailers maintained their preference for us to move to a kWh export charge.

Our Essential People's Panel members also preferred moving to a kWh charge for small customers, citing fairness due to concerns that solar customers could be penalised for a whole month even if they only exported a large number of kilowatts on one day, simply because they were not home. This also meant that it could limit customer behaviour changes, as once a maximum amount was reached, there was no incentive to reduce below this maximum for the remainder of the month.

Participants in our New Technology Providers forum generally supported moving to a kWh as they believed that it would be easier for retailers to work with, for solar installers to communicate to customers, and for customers to understand.

> *"I think this is fairer to everybody. It is easy to explain to those who maybe aren't as familiar with their usage."*
> **New Technology Providers Forum participant**

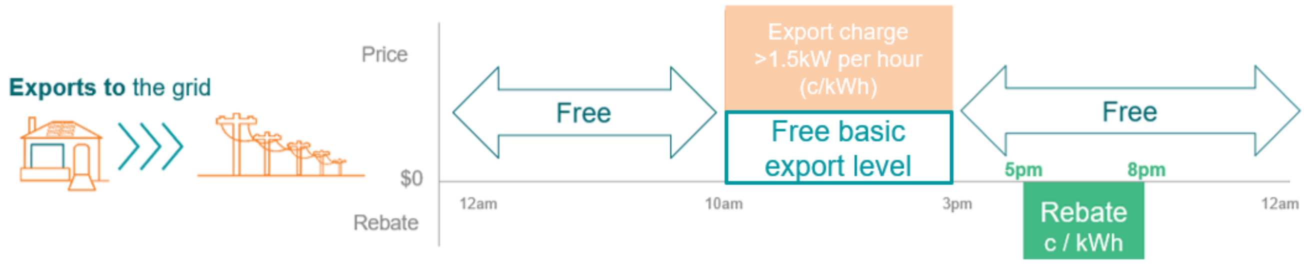
Our SCC and PCC generally supported our proposed approach to move to a kWh export charge, however we acknowledge that a small number of stakeholders expressed their concerns about this change. Their main reason for this concern is that a kW charge more accurately reflects the export costs to the network, and it is thought by these stakeholders that it should be the responsibility of the retailers to design pricing that is easier for customers to understand rather than the responsibility of networks.

Export bands

The preliminary findings of our tariff trials have also observed limited customer and network benefits from having three export bands (one free band and two stepped charges) compared to two export bands (one free band and one export band). Some retailers also expressed in May 2023 that having two bands would be simpler to pass through, while all retailers supported a move to two bands in the October 2023 meetings. Most of our Essential People's Panel members also thought moving to two bands would be simpler and easier for customers to understand and respond to. No concerns were raised by the SCC or PCC about moving to two bands.

As outlined in our TSS, we have adopted the majority position to adopt a kilowatt hour export charge as well as move to two export bands for our Sun Soaker Two-Way Tariff.

Figure 1: Sun Soaker Tariff Export Price



When customers should be assigned onto the Sun Soaker Two-Way Tariff

We also engaged with customers and stakeholders on the timing for moving customers onto the Sun Soaker Two-Way Tariff. In line with the National Electricity Rules, networks are unable to set an export price for customers prior to 1 July 2025 unless they opt-in. Therefore, the approach outlined in our January 2023 Proposal, which we consulted on in Phase 4 of our engagement program, enabled existing smart meter customers to opt-in to the new Sun Soaker Two-Way Tariff from 1 July 2024, with those with new connections or meter alterations being placed onto the Two-Way Tariff from 1 July 2025, and then all other existing smart meter customers from 2028.

However, during our May 2023 meetings with retailers, it was highlighted that customers with new connections or meter alterations before 2025 would be transitioned onto our Time of Use tariff before then being moved onto the Sun Soaker Two-Way only a few years later, which could result in undue complexity and a poor experience for these customers.

We then developed a simpler approach, which involves moving customers with new connections or meter changes onto the Sun Soaker Two-Way Tariff along with those smart meter customers who opt-in from 1 July 2024, but the export price for all these customers would be set at zero until 1 July 2025.

"It would be quite a big admin burden if you had the ToU in the middle of the transition."
Essential People's Panel member

We engaged with the SCC, PCC and Essential People's Panel to test this simpler approach, and it was supported by participants as they felt it aligned better with the pricing principles that our customers developed, including being easier to understand and less likely to result in bill shock. Retailers also supported this new approach when we presented it to them in our October 2023 meetings.

We also tested whether there should be a 12-month grace period for customers who have a forced meter change, as this was suggested by one of our retailers to allow for customers to understand their energy profile. However, the Essential People's Panel found that, given our customer bill impact modelling showed an overall benefit to more than 97% customers moving from a flat rate tariff to the Sun Soaker, this grace period was not in the best interests of these customers.

"I prefer they go straight to Sun Soaker – it is better but it just needs education. If they waited 12 months the customer might forget why there is a change when it happens. That could be more confusing for customers if you wait."
Essential People's Panel member

Closing the loop on the Sun Soaker Two-Way with customers

At the October customer webinar, we shared with customers these changes to the export charge and the customer assignment timeline. The purpose of this engagement was to close the loop with these customers on these changes, given the significant level of interest in this topic. We also restated our commitment to undertaking a customer awareness campaign prior to the introduction of our export price on 1 July 2025 given customers had, during earlier engagement phases, advised us that we would need to do this.

More information on our small customer Sun Soaker Two-Way tariff, including bill impacts, can be found in our TSS.

Low-Voltage Large Business Export Price

Our January 2023 Proposal included the introduction of an export price and rebate for our large business customers on the low-voltage network following the implementation of our new billing system, which is expected in around 2028. This export price is similar to the small customer export price; it includes a charge for these customers who are exporting onto the network during 10am-3pm each day while providing a rebate for customers who are exporting onto the network during 5pm-8pm. Given the energy profile of these customers, the charge will remain in kilowatts, but the export charge will also only have two bands – one band in addition to the free export band.

The introduction of the export price was discussed with the PCC prior to its inclusion in the January 2023 Proposal. We did commit to doing further engagement after completing modelling on the bill impacts of an export price for these large customers. We did not receive any feedback from the AER in their Issues Paper or their Draft Decision, nor were any concerns raised relating to this topic in public submissions. More information on bill impacts can be found in our TSES which shows that these are immaterial for customers of this scale. In a sample of 1,211 customers who would receive an export charge, the average impact on the customer's total bill was just 0.75%.

We are taking on board feedback from PCC members that, despite the relatively low bill impacts and that it is still some time away from being introduced, we should communicate these changes earlier to allow these businesses to be informed when making their investment decisions. We will therefore be undertaking targeted educational engagement with these customers prior to the commencement of the 2024-29 regulatory period.

Stand-Alone Battery Tariffs

During Phase 5, we have undertaken further engagement on our approach to pricing for our battery and hybrid customers. These tariffs relate specifically to customers who install large-scale or small-scale stand-alone batteries onto our network, with hybrid customers defined as those customers who have both onsite storage and onsite generation but no other consumption loads. These tariffs will not apply to households and businesses who may have a battery installed on their premise.

We acknowledge that this is an area which is growing fast, both in terms of project proponents and activity, and as such we have expanded the number of customers, industry partners and project proponents that we have been engaging with as part of our Phase 5 engagement. This has helped us further refine our approach to these tariffs from what we included in our January 2023 Proposal. We also recognise the benefits delivered to our network and our customers from having more network-connected batteries.

We have been engaging with various project proponents on these battery tariffs throughout Phase 5 to inform our pricing approach in our Revised Proposal. We also discussed these tariffs with retailers during our meetings in May and October 2023. We also kept the PCC updated on our approach.

At our New Technology Providers Forum, we shared how we have responded to feedback from new technology providers as well as the AER's Draft Decision, including the removal of energy consumption charges and the development of a small-scale battery tariff. However, we acknowledge that we have not accepted all of the feedback we received, such as the removal of Demand Charges. Some participants also expressed concerns about our removal of the rebate for customers located on the High-Voltage network. These issues are explored in further detail in our TSS.

We have identified the need to continue engaging with these stakeholders over the next regulatory period, given the evolving nature of this industry in terms of size and maturity, changing regulatory settings, and growing understanding of how these technologies can participate on our network to benefit all customers.

Small Business Network Access Charge

Since the January 2023 Proposal, we have identified a further adjustment to make to our tariff structures. Aligning the Small Business Anytime tariff Network Access Charge with other small business tariffs will improve the cost reflectivity of our tariffs. Given this will result in a substantive increase for these customers, we engaged with retailers and the PCC on the optimal way to introduce this change. While retailer opinion was mixed, the PCC agreed it was better to introduce this change in the first year, rather than over several years.

Metering

Metering costs became a new area of focus for our Phase 5 engagement following the completion of the AEMC's *Review of the regulatory framework for metering services* and the AER's encouragement to engage with customers about the reclassification of legacy metering services as Standard Control Services in its Draft Decision.

We engaged with the Essential People's Panel to decide our approach to applying legacy metering costs. Most People's Panel members felt spreading the costs across all Essential Energy customers was fair, given the lack of choice many customers have over their type of meter and because all customers benefit from 100% smart meter penetration. The People's Panel therefore thought it is fairest if the associated costs with legacy meters are applied to everyone. The SCC applied this feedback into its considerations and supported our proposed approach to move legacy metering services into Standard Control Services, and for these costs to be applied as an averaged annual percentage increase on each customer's access charge. Noting that subsequent to this discussion, the final metering guidance from the AER limited recovery to standard control customers on the low voltage network – this has meant that we needed to apply these costs as a flat increase on each customer's access charge, in order to have a fairer outcome.

We shared our estimated average bill impacts of this changed approach with customers at the customer webinar. The purpose of this engagement was to raise customer awareness about the smart meter rollout and to share the bill impacts so that customers could consider this context in their survey responses.

Engagement Outcomes – Metering	Revised Proposal response
> Legacy metering costs should be spread across our customers because: • High smart meter penetration will benefit all customers • Customers do not have full control over what type of meter they have.	> Legacy metering services costs will now be moved to Standard Control Services.

Customer Service Incentive Scheme

Throughout Phases 1-4 of our engagement program, we had engaged extensively on which customer service measures should be included under the Customer Service Incentive Scheme (CSIS). Customers chose the following three measures and weightings:

- Estimated time to restore an unplanned outage – 50%
- Average time to resolve customer complaints – 30%
- Customer ease – 20%

At the time of submitting our Proposal, the customer ease measure was to be based on two sub-measures:

- A quarterly survey 'customer ease' score (10%); and
- Contact Centre post-interaction survey 'customer ease' score (10%).

However, this year we have made some changes to how we survey our customers. Instead of using a quarterly survey process, we are now using a more timely, rolling survey. Given this change, we wanted to engage on whether this should still be included as part of the CSIS measure. As the new survey was only implemented in September 2023, there is limited data history available to establish a reliable baseline for setting a target for this measure.

While the People's Panel were supportive of the improvements made to our Survey process, there were mixed opinions on how many months survey data was required to set the baseline. Most EPP members favoured using the Contact Centre post-interaction survey as the sole Customer Ease measure in the CSIS. The SCC highlighted the importance of keeping the metrics stable across regulatory periods and noted that we should avoid constant change so the metrics could be of value to customers and to the business.

Based on what we heard from our Essential People's Panel and SCC participants, we have amended our CSIS design to keep the customer ease weighting at 20% and have based it entirely on the Contact Centre post-interaction survey.

We engaged with the SCC on how we set the targets for each measure and also shared these targets with customers at the October Customer Webinar. We agree with the SCC's suggestion to continue to share our progress on our customer service incentive measures with our Essential People's Panel, seeking feedback on our approach during the regulatory period. This will help set us up for future regulatory periods. More information on our approach to CSIS can be found in Chapter 6.

Engagement Outcomes – Customer Service Incentive Scheme	Revised Proposal response
> Mixed views on how much data is required to set CSIS measure target. > Therefore, the Contact Centre post-interaction survey should form the sole Customer Ease CSIS measure and the weighting can remain at 20%.	> The Customer Ease measure will remain at 20% of our CSIS but will now be based only on the Contact Centre post-interaction survey. > We commit to regularly sharing our CSIS performance with the Essential People's Panel.

> Our ongoing performance against CSIS measures should be shared throughout the 2024-29 regulatory period with the Essential People's Panel.	

Stand-Alone Power Systems

Throughout Phases 1-4 of our engagement program, customers have indicated strong support our investment in Stand-Alone Power Systems for rural and remote customers. This support was re-tested in Phase 5 as part of our Customer Webinar and Customer Survey, with 96% of customers voting in support of SAPS as part of a suite of resilience and future network investments.

We focused our Phase 5 engagement to inform revisions to our Connection Policy relevant to SAPS customers, specifically related to the circumstances where customers should be required to pay for upgrades to their SAPS.

Our engagement partner, Woolcott Research and Engagement conducted in-depth interviews with eight customers who we have identified as potential SAPS customers. These customers have participated in previous research on SAPS that we conducted in 2022 and therefore had some understanding of SAPS.

Customers were asked if they thought whether sizing a SAPS to accommodate a 100% increase in their energy consumption, without customer contribution was appropriate. Customers had suggested that they would be comfortable with a 20-30% threshold before having to contribute, so thought having this level would be excessive but it was acceptable to allow for future growth. We have reflected on this feedback and note that we also need to ensure SAPS connected customers are no worse off than if they had a standard grid connection. So we have adjusted the growth contribution threshold to a 50% level but with scope for different thresholds depending what is negotiated with the customer in the SAPS connection agreement, reflecting their specific requirements.

"If they put something at the start that wasn't fit for purpose, no but if they increase their usage then yes. If they make a big change, add a manufacturing plant or a big farm, yeah they should contribute."
SAPS interview participant

"Don't just give everyone double not knowing if they will ever need that in the future. The upfront costs would be too high. Just give them the capacity to expand the system in the future if needed. But if you are stuck with it then you would want more 50-100%."
SAPS interview participant

When asked what would be fair when an additional customer wants to join an existing SAPS with already multiple customers on the same SAPS, most customers thought that the new customer should pay for the upgrades required for them to join the SAPS and the existing customers should keep the thresholds agreed at the beginning.

"It is not really fair for the existing customers if the new person doesn't have to pay. The existing customers already had to pay to get onto the poles and wires in the first place. They have had the poles put onto their place all those years ago. For example, my parents had to pay exorbitant amounts to get the power to our place. The new customer hasn't had to pay anything yet. They should pay."
SAPS interview participant

Engagement Outcomes – Stand-Alone Power Systems	Revised Proposal response
> Essential Energy could size SAPS to accommodate up to a 100% increase in a customer's energy consumption, but most customers generally thought this was a lot more than they would need; the threshold means upgrades to SAPS to accommodate an increase in consumption above this level should be funded by the customer.	> Our connection policy now outlines that SAPS will be sized to accommodate additional energy use in subsequent years, to a 50% threshold above current average usage or as negotiated with the customer. If SAPS augmentation is required to

> For SAPS supplying multiple customers, a newly connecting customer should pay for upgrades so that existing customers' thresholds are not affected.	accommodate an increase in consumption above this threshold it will need to be funded by the customer. > Our connection policy now outlines that a customer connecting to an existing multi-customer SAPS will need to fund any augmentation to the SAPS so that existing customers' capacity is not reduced.

NSW Electricity Infrastructure Roadmap

Since the January 2023 Proposal, we have undertaken engagement with stakeholders and our Essential People's Panel on how to recover the costs from the NSW Electricity Infrastructure Roadmap ("NSW Roadmap"). The NSW Government has legislated that the NSW Consumer Trustee will propose these costs, which the AER will then review and approve independently, and they will be recovered via NSW distribution network charges. Essential Energy will not absorb any of the NSW Roadmap cost recovery – we will pass these funds directly to the NSW Government.

The 2023-24 financial year was the first year that any NSW Roadmap costs needed to be recovered. The NSW Government allowed each network to determine how best to recover these costs. In the lead-up to determining our 2023-24 prices, we undertook engagement with SCC and PCC members on how to recover the $27.3M that has been set by the AER for 2023-24. We did not reach consensus among these stakeholders about the fairest approach for customers prior to needing to submit this year's pricing proposal. We therefore allocated the costs in 2023-24 by applying a percentage increase across all customer groups, but committed to undertaking further engagement with our customers to determine an agreed and consistent approach to adopt in future years.

We then engaged on this topic at our September 2023 Essential People's Panel meeting. In the lead-up to the meeting, the NSW Government indicated it would be working with the NSW distribution businesses on guiding principles for how best to recover Roadmap contributions through their tariff structures, in response to Recommendation 14 of the independent *Electricity Supply and Reliability Check Up* report. Our Essential People's Panel members developed some principles of their own to follow when determining our cost recovery approach and suggested that, to ensure equity, the cost impacts would ideally be spread across all customer types relatively evenly.

Essential People's Panel Principles for NSW Roadmap cost recovery

Everyone will benefit from the move to net zero, including future generations, so everyone should pay a proportion.

Those who consume more should pay more.

Those who profit from electricity consumption should pay relatively more than those who don't.

Any customer type having a much higher percentage bill increase than the others should be avoided.

Customers experiencing vulnerability should be protected from big energy price increases.

We also shared some potential options for cost recovery which were a mixture of roadmap costs being spread across consumption, network access charges, and demand charges. We also presented bill impacts of each option for all of our different customer classes. Ultimately participants wanted to see an allocation where large customers pay more, and where households were more protected. We are currently working with the NSW Government and the other NSW networks on principles for recovering Roadmap costs. We will ensure that throughout this process, we advocate the feedback we have received from our customers and stakeholders. We are also awaiting the NSW Government's review of the NSW Roadmap's exemptions framework.

Public Lighting

Engagement Outcomes – Public Lighting	Revised Proposal response
> Engagement with councils through this process has been transparent and resulted in better understanding about public lighting. > Some stakeholders have suggested Essential Energy should commit to a timeframe for implementing smart lighting controls. > Essential Energy's prices for public lighting services are too high.	> We will continue engagement with councils on public lighting. > We are continuing to work with Southern Lights and Bathurst Regional Council during our smart lighting trial to inform the development of a business case. > Pricing for traffic control, night patrol and Category V are now reduced, resulting an average 11% reduction in public lighting network charges compared to FY24.

Since the submission of our Proposal in January 2023, we held an online meeting in May 2023 and a two-day face-to-face Public Lighting Forum in August 2023 which was attended by 20 Councils, two Joint Organisation representatives and two Southern Lights consultants. The Public Lighting Forum allowed for constructive engagement and provided clarity and increased transparency to all parties. We have also held a number of meetings with representatives from Southern Lights prior to and following the AER Draft Decision in October 2023.

This engagement has resulted in several important adjustments to our public lighting model that have been factored into our Revised Proposal. While there remain elements of the Revised Proposal where we have not reached an agreed position with all parties, we have made some significant changes to reflect feedback from our public lighting stakeholders and the AER. This has resulted in a Revised Proposal which offers the average customer a real reduction of 11 per cent on their public lighting network charges, compared to prices in FY24. We will continue engagement with local councils on public lighting.

Future Engagement

We look forward to hearing from our stakeholders and customers about our Revised Proposal. We encourage any interested parties to make a submission to the AER. We will consider any feedback raised in this process and will continue to engage with AER to inform their Final Determination. Following the AER's Final Determination we will share our approved plans for 2024-29 with our customers and stakeholders.

As we have outlined above, we will also be undertaking further engagement with both our small customers and our large customers on the LV network to inform them about our tariffs containing export prices. We will also engage on tariffs that could be trialled for EV charging and trialling Flexible Connection Agreements before we introduce them across our network within the next three years.

We will also continue our engagement with our stakeholders and customers as we implement our plans for 2024-29. The engagement we have undertaken to develop our January 2023 Proposal and our Revised Proposal has been incredibly informative and has allowed us to focus on what is truly important for our customers. We want this to continue.

We will continue to meet regularly with our Essential People's Panel each year, where we will engage on how we are implementing our 2024-29 plans and report on how we are tracking. This will set us up for developing our plans for the next regulatory period and beyond. We will also expand the role of our Customer Advocacy Group to now include engaging with us about our implementation planning and progress.

We believe an ongoing business-as-usual approach to customer and stakeholder engagement on our plans for the regulatory period is becoming increasingly important and necessary in order to build customer trust in an environment that is proving to be incredibly dynamic.