



Attachment 1.1

Stakeholder Engagement

30 November 2023

PowerWater

Contents

Abbreviations	ii
Welcome from our Chief Executive Officer	iii
People’s Panel message	iv
Overview	v
Our engagement journey since January 2023	v
1. Our stakeholders	1
2. What we have heard since submission of our Proposal	3
2.1 Residential customers	4
2.2 Business customers	11
2.3 Energy partners	12
2.4 Other stakeholder groups	13
3. Transitioning to business-as-usual	15

Abbreviations

The following table provides a list of abbreviations and acronyms used throughout this document.

Term	Definition
AER	Australian Energy Regulator
DITT	Department of Industry, Tourism and Trade
DOEs	Dynamic Operating Envelopes
DTF	Department of Treasury and Finance
ICT	Information and Communications Technology
NT	Northern Territory
NTCOSS	Northern Territory Council of Social Services
OT	Operational Technology
Power and Water	Power and Water Corporation

Welcome from our Chief Executive Officer



I am proud to present an overview of Power and Water's engagement program.

Our engagement program has spanned more than 2 years over

multiple channels and included consultation with customers, the community, energy partners and government agencies. During that time, we have had some great conversations and received valuable feedback, which has helped shape and co-design our plans for the next regulatory period.

This is our second regulatory submission to the Australian Energy Regulator (**AER**). The uplift in engagement and strength of our relationship with our customers has been remarkable. It has been an outstanding effort by all involved and I am proud that our team was recognised by winning the [2023 Chief Minister's Award for Excellence in Customer Focused Workplace Practices and Service Delivery](#).

The next regulatory period will be an important one for Power and Water, and certainly for our customers. Costs of living are impacting families, businesses, and communities, while at the same time the network is under increasing pressure from a changing climate, ageing infrastructure, growing complexity and new technologies. We have heard directly from our customers, including our People's Panels, that we need to maintain affordability while also ensuring Territorians do not get left behind in the move towards greener energy and a sustainable future. These are just some of the challenges we have been discussing with our stakeholders.

I would like to express my gratitude to members of our People's Panels. They are our direct link with customers and the community and are a diverse and passionate group of people representing Alice Springs, Tennant Creek and the Darwin-Katherine area. Their views and experiences are an invaluable part of our planning process.

I have had the pleasure of being part of several People's Panel sessions, including the October 2023 forum with Alice Springs customers. Our Alice Springs Panel is an incredibly genuine, frank and passionate group and it was terrific to engage with them throughout the day and participate in a Q and A session.

From the session, I took away two key learnings. The first is that our customers want a deeper level of direct engagement with our staff and while we have shown we are listening, there is more we can do. The second is that our Panel members are proud of their position as Power and Water's trusted advisors and see themselves as having a role in sharing their experiences within their own communities. I welcome the members' enthusiasm and look forward to their future involvement in helping us meet the evolving needs of Territorians.

I would also like to thank all the many other stakeholders that have supported the business in developing this regulatory proposal. We are nearing the end of the current regulatory review process, but our dedication to deliver for our customers never stops. We are determined to maintain our connection to customers as we implement our plans and build on the community relationships and trust established.

Djuna Pollard

People's Panel message

After more than 2 years of meeting and engaging with Power and Water, we are almost at the end of the People's Panel process for the 2024-29 regulatory period. We, as customers, have enjoyed being able to connect with our community and have our say in the future of electricity in the Territory. We see ourselves as champions in the community who have the knowledge and opportunity to communicate with our peers about what Power and Water is trying to achieve and encourage support for these plans.

We have learned how power gets to our homes, the difference between Power and Water and electricity retailers, and gained many insights into what Power and Water are actually doing. We also appreciate the various opportunities to be the community voice and being able to provide Power and Water with a community perspective and feedback on plans through this newly established consultation body. It is hoped the process will continue and be extended to all aspects of Power and Water's operations. Both sides have grown across the educational journey and benefitted throughout the process.



Overview

Power and Water Corporation (**Power and Water**) is the essential service provider in the Northern Territory (**NT**), providing electricity, gas, water and sewerage services to households and businesses. Our purpose is making a difference to the lives of Territorians.

Our electricity services for the Darwin-Katherine, Tennant Creek and Alice Springs urban areas are regulated by the Australian Energy Regulator. The purpose of the regulatory framework is to help ensure consumers pay no more than necessary for safe and reliable energy, while supporting the energy transition to renewables. Genuine, high quality consumer engagement is essential to ensure our operations and services are driven by consumer preferences at a price that is affordable and efficient.

Every 5 years, the AER undertakes a review of our proposed plans for the network and decides on the allowed revenue to be collected from customers through our tariffs. Our next regulatory period is from 1 July 2024 to 30 June 2029 (**2024-29 regulatory period**).

Our vision is to contribute to the Northern Territory economy and continue serving our customers better. The AER sets expectations regarding how Power and Water should engage with our customers to ensure that our future plans meet customer preferences, this also contributes to our vision. This requires Power and Water to clearly demonstrate how it has captured, understood and listened to what customers want, and how this is reflected in proposed expenditure. The AER's framework for considering our customer engagement is set out in its [Better Resets Handbook](#).

Our engagement journey since January 2023

On 31 January 2023, we submitted our Regulatory Proposal (**Proposal**) to the AER, which sets out our proposed expenditure and revenues for the 2024-29 regulatory period. Stakeholders were invited to provide submissions towards our Proposal on areas of support or feedback for the AER's consideration when reviewing our Proposal. The stakeholder submissions for Power and Water's Proposal can be found on the [AER's website](#).

This document provides an overview of the engagement activities undertaken since January 2023 through to the submission of Power and Water's Revised Regulatory Proposal (**Revised Proposal**) on 30 November 2023. It summarises:

- The specific stakeholder cohorts we engaged and sought feedback from during the 2024-29 regulatory process.
- The stakeholder feedback themes received since submission of our Proposal in January 2023.
- Our plan for transitioning stakeholder engagement into business-as-usual in 2024 and onwards.

Since we submitted our Proposal in January, we have continued to consult, collaborate and engage with our customers and stakeholders on our proposed plans to ensure they meet the needs of Territorians now and into the future. Figure 1 summarises the engagement conducted since June 2021 in preparation for the milestones in the regulatory process for the 2024-29 regulatory control period.

Figure 1 Stakeholder engagement and regulatory milestones for the 2024-29 regulatory process

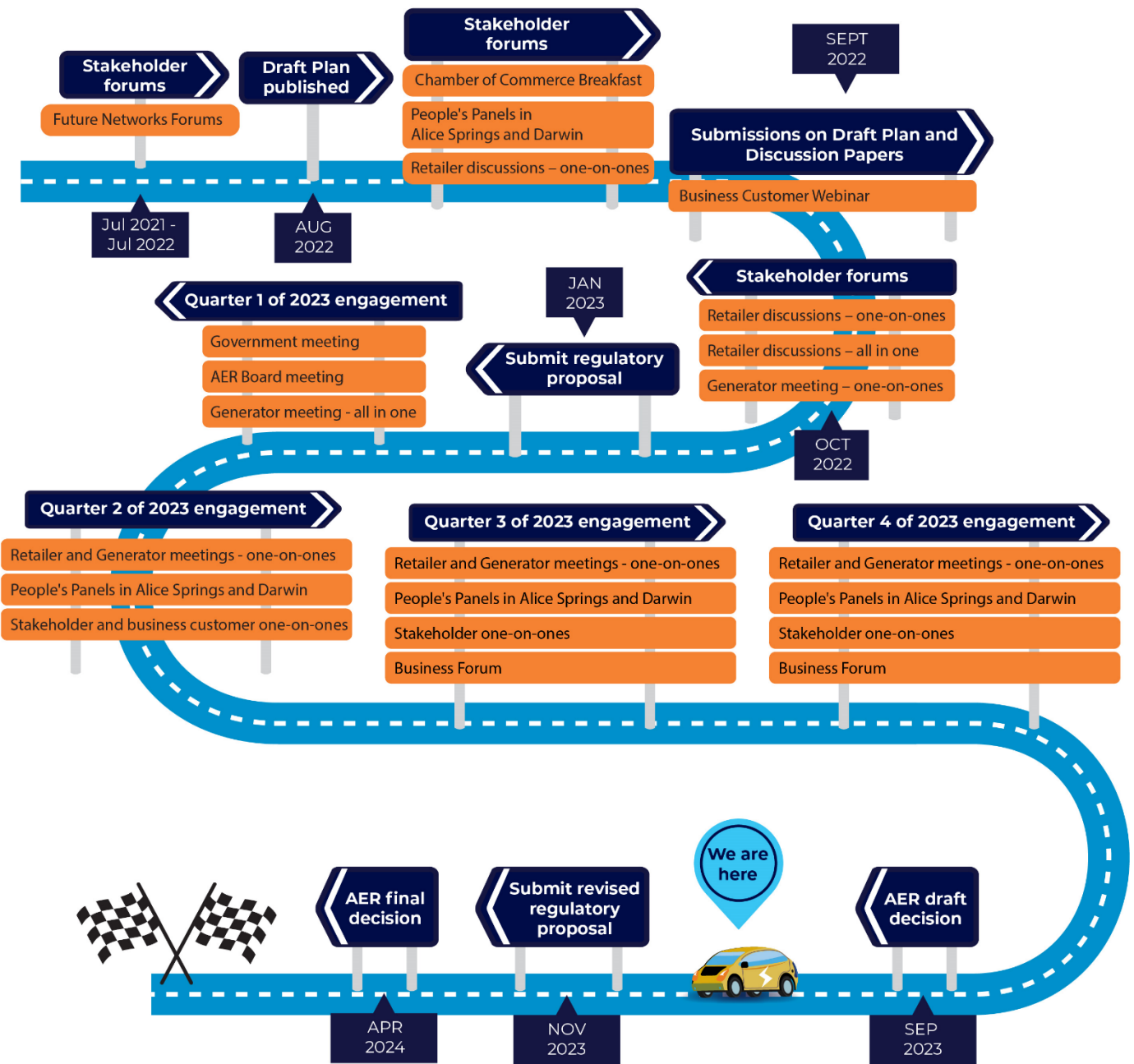


Table 1 provides a summary of the consultations undertaken in 2023, including the stakeholders engaged with and the topics discussed.

Table 1 Summary of our engagement with customers following submission of our Proposal in January 2023

Engagement phase and objective	Month	Consultation	Topics discussed
Q1: Finalising pre-submission engagement and informing on the highlights of the Proposal	January	<ul style="list-style-type: none"> 1-on-1 engagement with the Department of Treasury and Finance (DTF) 	<ul style="list-style-type: none"> Initial expenditure forecasts and revenue for the 2024-29 regulatory control period Metering revenue Proposed changes to tariff structures Indicative customer impacts
	February	<ul style="list-style-type: none"> Presentation to AER Board 	<ul style="list-style-type: none"> Overview of the Proposal including: <ul style="list-style-type: none"> How customer feedback has been incorporated into the plans to date Power and Water’s strategic priorities Proposed expenditure Proposed tariff modifications
	March	<ul style="list-style-type: none"> All-in-one session with generators – Territory Generation and EDL 	<ul style="list-style-type: none"> Strategic priorities in our Proposal Power and Water’s plans to deliver
Q2: Consult on focused issues and projects and key areas from AER feedback	April	<ul style="list-style-type: none"> 1-on-1 engagement with the Utilities Commission Presentation at the AER Public Forum 	<ul style="list-style-type: none"> Overview of our Proposal Strategic priorities and timelines
	May	<ul style="list-style-type: none"> Engagement with Power and Water’s People’s Panel 1-on-1 engagement with retailer – Rimfire Small-medium business customers 	<ul style="list-style-type: none"> Information and Communications Technology (ICT) investment program Future Networks program Single Site Consolidation project Contingent Projects Alternative Control Services.
	June	<ul style="list-style-type: none"> 1-on-1 engagement: <ul style="list-style-type: none"> Generators – Territory Generation and EDL Retailers – Jacana and Rimfire 	<ul style="list-style-type: none"> Overview of our Proposal Key areas of change, large expenditure areas, and contingent projects Proposed tariffs and metering

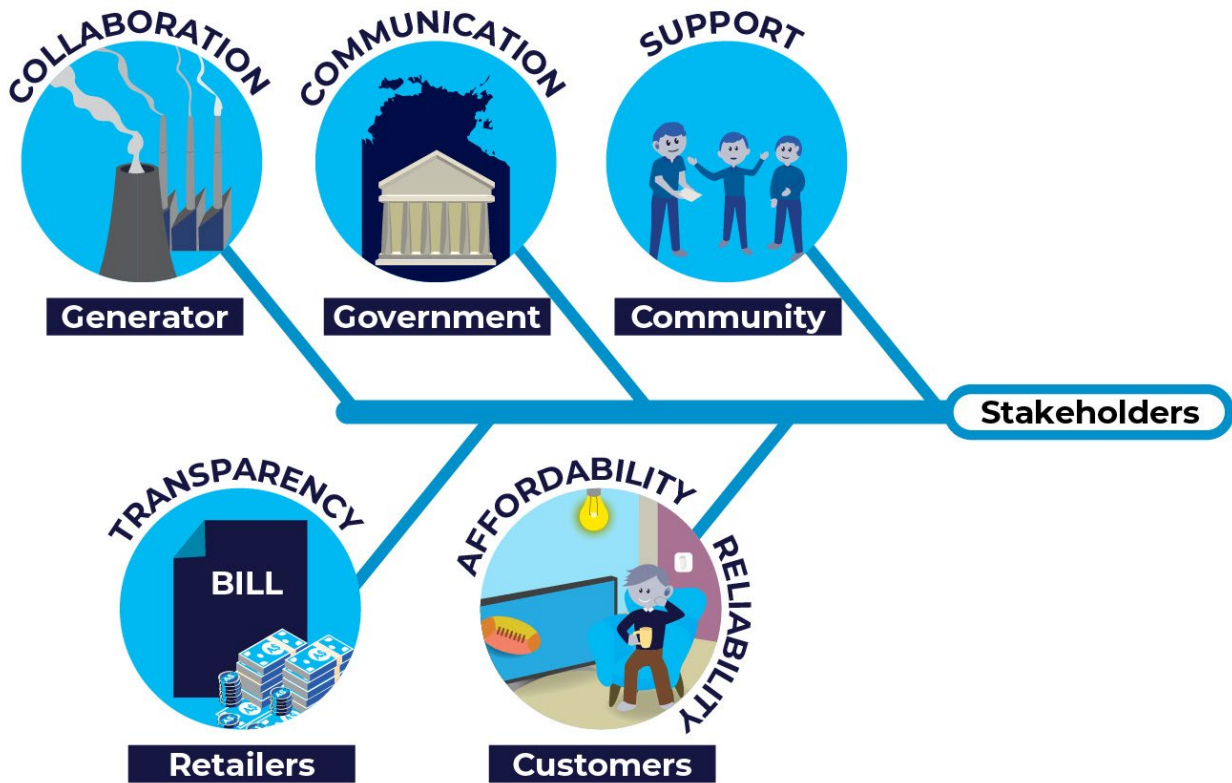
Engagement phase and objective	Month	Consultation	Topics discussed
		<ul style="list-style-type: none"> Residential customers – People’s Panel participants Small-medium business customers 	<ul style="list-style-type: none"> How we intend to respond to stakeholder feedback Future engagement and collaboration opportunities
Q3: Collaborate and Consult on revised approaches and how to respond to AER feedback	July	<ul style="list-style-type: none"> 1-on-1 engagement: <ul style="list-style-type: none"> Generators – EDL Retailers – Jacana and Rimfire Residential customers – new members for the People’s Panels Northern Territory Council of Social Services (NTCOSS) representative Business Forum 	<ul style="list-style-type: none"> Overview of the AER and the regulatory process (for new members of the People’s Panels) Key areas of change, large expenditure areas, and contingent projects Proposed tariffs and metering How we intend to respond to stakeholder feedback Future engagement and collaboration opportunities
	August	<ul style="list-style-type: none"> Engagement with Power and Water’s People’s Panel 1-on-1 engagement: <ul style="list-style-type: none"> NTCOSS representative 	<ul style="list-style-type: none"> A revisit of the status of the topics discussed in the May People’s Panel Status of smart meter rollout and improvement in data and analytic capabilities Customer experience strategy
	September	<ul style="list-style-type: none"> 1-on-1 engagement: <ul style="list-style-type: none"> Generators – Territory Generation 	<ul style="list-style-type: none"> Future Networks program including indicative costs and interaction with the updated Future Networks Strategy Minimum demand events and Dynamic Operating Envelopes (DOEs) Contingent project 2A – Unlocking of Solar Generation on the Darwin-Katherine Transmission Line <p>Process for Regulatory Investment Test</p>
Q4: Finalising engagement in preparation	October	<ul style="list-style-type: none"> Presentation at the AER Pre-determination conference Engagement with Power and Water’s People’s Panel 	<ul style="list-style-type: none"> The AER’s feedback and our proposed response in our RRP, including deep dives into: <ul style="list-style-type: none"> Future Networks, including DOEs, unlocking renewables

Engagement phase and objective	Month	Consultation	Topics discussed
for the Revised Regulatory Proposal, including refining directions based on stakeholder feedback.		<ul style="list-style-type: none"> • Business Forum • 1-on-1 engagement: <ul style="list-style-type: none"> – Retailers – Generators – NT Government departments 	<ul style="list-style-type: none"> and contingent projects (including Contingent Project 2B: Managing the transition to renewable energy in Darwin-Katherine) – ICT – Property – Pricing and Metering
	November	<ul style="list-style-type: none"> • 1-on-1 engagement: <ul style="list-style-type: none"> – NTCOSS representative – Retailers and Generators 	<ul style="list-style-type: none"> • High-level overview of the AER Draft Decision and how Power and Water will respond: <ul style="list-style-type: none"> – Contingent Projects • Future Networks
	December	<ul style="list-style-type: none"> • 1-on-1 engagement: <ul style="list-style-type: none"> – Retailers and Generators – NT Government departments <ul style="list-style-type: none"> – Department of Industry, Tourism and Trade and – Department of Treasury and Finance – Community stakeholders 	<ul style="list-style-type: none"> • High-level overview of Power and Water's Revised Regulatory Proposal • Next steps for engagement

1. Our stakeholders

We have undertaken an extensive engagement program in 2023 across the electricity supply chain. Figure 2 shows the categories of stakeholders and their areas of concern which were raised during consultation. We also heard sustainability as a recurring theme across engagement, especially as the NT transitions towards more renewable generation.

Figure 2 Power and Water's electricity stakeholders and their areas of concern



Energy partners (Generators and Retailers)

We have maintained a strong relationship with our energy partners across the electricity supply chain, including generators such as Territory Generation and EDL, and retailers such as Jacana Energy and Rimfire Energy. Following feedback received from stakeholder submissions and from People's Panel sessions to seek more regular consultation, we have established monthly or bi-monthly meetings with our energy partners. This is to ensure consistency in messaging and investigate opportunities for collaboration and co-design of solutions for the future of the electricity networks. We will continue to develop this relationship as we transition into the implementation phase of our plans.

Residential customers

Our electricity plans need to reflect the views and preferences of our customers now and into the future. The primary channel for engagement with our residential customers is through our People's Panels, who represent a diverse mix of customers from the Alice Springs, Tennant Creek, Katherine and Darwin areas.

Our People's Panels are an invaluable part of Power and Water's engagement activities, providing us genuine feedback, including testing and challenging our plans.¹

During 2023, we held 3 People's Panel sessions during May, August and October 2023 in Darwin and Alice Springs. We intend to continue to use our People's Panels as customer advocates following submission of our Revised Proposal. Going forward, we will explore the role of our People's Panel with the panellists including expanding its focus to encompass other Power and Water projects and proposals in development. We will also explore testing the objectives and priorities of our customer experience strategy. More information about this strategy is in section 3.

Business customers

We engaged with our business customers using several approaches including 1-on-1 sessions with our small to medium business customers and all-in-one forums with our larger business customers. The 1-on-1 sessions with small to medium business customers were held with NT businesses that expressed an interest in the impacts of the 2024-29 Proposal. We will continue to explore pathways to engage this sub-group of energy users to ensure they are informed and are provided an opportunity to be involved in the development of our plans.

Forums with our large energy users in the Territory were held in July and October 2023 to coincide with our residential customer People's Panels. We plan to reconvene this group on a quarterly basis throughout 2024 to provide a regular channel for feedback and collaboration.

Government and community stakeholders

Our future electricity plans are influenced by several internal and external factors, including government policy. During the development of our plans for the 2024-29 regulatory control period, we engaged in discussions with various government departments to assess how our plans could affect upcoming policy shifts and, conversely, how those policies might influence our plans. We re-established consultation with the Department of Industry, Tourism and Trade (**DITT**) following release of the AER's Draft Decision in October 2023. This was to ensure the NT Government was fully informed of the changes proposed in the Draft Decision and how we intended to respond in the Revised Proposal.

Additionally, one of the key feedback areas we heard from our customers was to ensure our vulnerable customers are supported and not adversely impacted by our plans. Over the course of engagement, we have developed a relationship with NTCOSS representative, Caitlin Perry, to discuss how our plans could impact vulnerable customers. Following submission of our Proposal, we re-engaged Caitlin on a quarterly basis to ensure the voice of this stakeholder cohort was captured and provided a platform to discuss areas of our plans relevant to vulnerable customers.

¹ Note: in the Northern Territory, an Electricity Pricing Order applies to all customers consuming less than 750 MWh per year, reducing the impact of changes in electricity prices on their retail bills. This applies to all of our residential customers and most business customers. When consulting with our residential customers on specific projects, we provided customers with a 'cost per customer' impact of projects rather than bill impacts to ensure costs were considered when explaining the benefits of investment.

2. What we have heard since submission of our Proposal

During the first quarter of 2023, we focused our engagement program on finalising our pre-submission engagement and reassessing the priorities and themes for post-Proposal submission consultation. We engaged with our stakeholders to provide a summary of the highlights of our Proposal and scope the opportunities for collaboration with our energy partners. We also explored opportunities to conduct research on the NT energy consumer landscape and other areas to inform and support future engagement. This is an ongoing area of investigation to improve our consultation process.

In the second quarter of 2023, we accelerated our engagement program to focus on specific issues and themes, including large expenditure programs that were highlighted in the [AER's March 2023 Issues Paper](#). As part of this, we continued to engage with our residential and small-to-medium business customers through our People's Panels and 1-on-1 engagement sessions respectively. We engaged our energy partners through targeted sessions, and other stakeholders via a range of channels.

During the final 2 quarters of 2023, we continued to refine and revise our forecasts in consultation with our stakeholders and in response to the AER's feedback. We focused on seeking customers' views on the large capex projects we were unable to engage on prior to the January submission. This included the single site consolidation project, and the operational technology (OT) capability uplift project. As we approach the start of the 2024-29 regulatory control period, we will begin to transition our engagement into business-as-usual to ensure we continue to grow and improve our vision for the future NT electricity networks.

Figure 3 Alice Springs October People's Panel



2.1 Residential customers

Our Peoples' Panels commenced in November 2021 and have been used to consult with our customers. We have held 5 People's Panel sessions since submission of the Proposal:

- **The May People's Panel** was in-person 1-day forums held over 2 weekends in Darwin and Alice Springs following the AER's initial feedback in its Issues Paper. This focused on presenting the key themes of our Proposal and testing the 'big issues' highlighted by the AER with customers to gather their feedback on how we should start to respond to these expenditure areas.
- **The August People's Panel** was held online and combined stakeholders from Alice Springs, Tennant Creek, Darwin and Katherine. Customers were provided an update on the direction of our plans including how we had begun to incorporate their suggestions from the May Panel into our finalised plans. This was the first Panel where we extended representation to include Tennant Creek and Katherine customers at the Alice Springs and Darwin Panel, respectively. Members were incorporated into the Panel following a series of targeted 1-on-1 sessions during July and August to provide them with information on our proposal and the electricity market.
- **The October Panel** was in-person 1-day forums held over 2 weekends in Darwin and Alice Springs following the release of the AER's Draft Decision. We re-tested the big ideas from the August Panel and reflected on the journey undertaken so far.

These sessions focused on the key aspects of our Proposal, particularly areas that may result in a material impact to customer bills or would benefit from stakeholder input on the direction of the project, its scope and how it may impact the broader electricity system. More information about these forums can be found [here](#).

The People's Panel role

During the October People's Panel, panellists at Darwin and Alice Springs were asked to define their role. The statements provided by panellists were then adapted into a consensus statement.

Alice Springs: *'A strategic voice representing and championing the views and opinions of customers across the Northern Territory. We have a role in advocating for the needs of customers and for Power and Water's regulatory priorities, we are a driver of change and we keep Power and Water accountable.'*

Darwin: *'An advocacy group both for Power and Water and the community, providing generational representation and a valued voice on Power and Water's plans for the future Northern Territory networks.'*

Tennant Creek: *'Keeping Power and Water accountable by ensuring no-one is being taken advantage of and the regulatory processes are being followed. We are learning about what customers are getting out of Power and Water's investments and how Power and Water ensures transparency with their plans.'*

As a highly engaged group of customers, we consider the People’s Panels as a key partner in the development of our 2024-29 plans for the energy networks. We intend to continue to use these groups as a key contributor to the direction of our plans across the business. The key feedback we heard during our 2023 People’s Panels were aligned to our 4 strategic priorities:

Table 2: Strategic priorities, corresponding feedback, and proposed response

Strategic priority	Stakeholder feedback	Our response
<p>Facilitating renewables</p>	<ul style="list-style-type: none"> • The facilitation of renewables in the NT during the next regulatory period is important to improve the energy landscape for future generations and provide affordable, reliable and environmentally friendly electricity to current energy users. • Power and Water should also consider progressing slower in its pace of investment to learn from other electricity networks and potentially take advantage of lower costs in the future and balance it with a need to make changes now to accommodate for a growing renewable electricity grid. • Customers also believe Power and Water should play a key role in providing information about renewable technologies to Territory – either through more information provided on the website or through direct community engagement. We should be seen as a business of trust and education on the electricity networks. 	<p>Our plans involve investment in facilitating both small-scale solar PV and large-scale renewables across the NT. This includes obtaining better data visibility on rooftop solar to curtail export to the grid at certain periods of the year. Power and Water have also proposed three contingent projects to assist with unlocking large-scale renewable generation: Contingent Project 1: Renewable Energy Hub, Contingent Project 2A: Unlocking large-scale renewables on the Darwin-Katherine Transmission Line and Contingent Project 2B: Managing the transition to renewable energy in Darwin-Katherine.</p> <p>Following feedback on our pace of investment in renewables from our customers and the AER in its Draft Decision, we are investigating how we can delay investment or invest over longer periods to gather learnings from other jurisdictions while lowering the cost impact on customers and ensuring the NT is still supported to grow its renewable future.</p> <p>We believe that the solution to improving how customers develop their understanding on the future of renewables is to co-design this process with our People’s Panels. We intend to investigate this process with our Panel following submission of our Revised Regulatory Proposal. We are also</p>

Strategic priority	Stakeholder feedback	Our response
<p>Uplifting our systems and people</p>	<ul style="list-style-type: none"> Investing in internal systems and people is important to ensure Power and Water can better serve its customers. Customers understand that the investment in uplifting capabilities through our Technology and Future Networks expenditure has linkages with other investments within the business. For example, investment in the OT uplift project will also have flow-on effects to the future networks program. Customers also want Power and Water to be accessible within the community and through different communication channels such as via phone, on the website or at local events. However, panellists preference face-to-face where possible. 	<p>undertaking a website refresh to improve the accessibility of information for our customers and stakeholders.</p> <p>We appreciate our customers' support and understanding of our ICT investments, and their enablement of our renewable energy projects.</p> <p>We will continue to provide face-to-face support as an option to our customers and investigate pathways with our People's Panels to improve visibility of Power and Water within the community. We commenced a trial of pop-up shops within the local community of Alice Springs in September 2023 which will be extended to Katherine in February 2024, Tennant Creek in May 2024 and Darwin in August 2024. This provides another platform for customers to ask questions and provide direct feedback.</p>
<p>Managing health of network</p>	<ul style="list-style-type: none"> Customers understood the change in approach to address replacement by investing in improving internal planning and visibility capabilities. Many panellists wanted to be kept informed of how this investment continues to develop following AER feedback. Power and Water should be ensuring there is continuous investment and oversight into Information Communication Technology (ICT) systems to ensure the health and security of the networks. 	<p>The People's Panel will continue to be educated and uplifted on Power and Water operations, including our future investment plans.</p> <p>We understand that customers are seeking Power and Water to provide more accessible information on the Power and Water website, therefore our plan is to improve the digital experience for customers and have a dedicated webpage for our Panel.</p> <p>We believe investment in our ICT systems will have a flow-on effect across our network, including getting continuous visibility over the network assets to be able to</p>

Strategic priority	Stakeholder feedback	Our response
		<p>understand when they require replacement. As part of our Operating Model program, we are looking at improving the consistency of our systems and data to continuously uplift our systems.</p>
<p>Improving utilisation</p>	<ul style="list-style-type: none"> • While price signals can be beneficial to influence usage of the network, customers believed that it would only be effective if people were informed and communication about these price signals was widely provided. • Customers believed that any changes to prices charged directly to customers will need to consider the impacts on vulnerable customers. • Smart meters should be rolled out at a faster pace than the initial proposal to allow for better retailer choice and enable the unlocking of renewables on the network. 	<p>In the NT, over 90% of our energy customers are protected by the Electricity Pricing Order. We have introduced price signals to better manage how customers use the network. We will endeavour to work with our energy partners to provide community education around optimal times to use our network.</p> <p>We will continue to utilise our partnerships and relationships with relevant organisations (such as NTCOSS) and consult with our customers about education and support options for our vulnerable customers.</p> <p>Following the feedback from our customers, we are in the process of investigating how we could implement an accelerated smart meter roll-out which would finalise the replacement of all meters in the NT by 30 June 2029.</p>

2.1.1 May People's Panel

The May People's Panel was the first People's Panel for 2023 and fourth engagement session with our representative group of residential customers for the 2024-29 regulatory control period. It followed the release of the AER's Issues Paper in April which provided preliminary feedback on our expenditure. This Panel was attended in-person with a smaller group of participants, approximately 6 people at each Panel, to capture some of the 'quieter' voices on the Panels. It focused on providing customers with a summary of what was included in the Proposal, discussing the AER's initial feedback to our Proposal and consulting on large expenditure categories or key areas of change including our:

- ICT investment program
- Future Networks program
- Single Site Consolidation project
- Alternative Control Services.

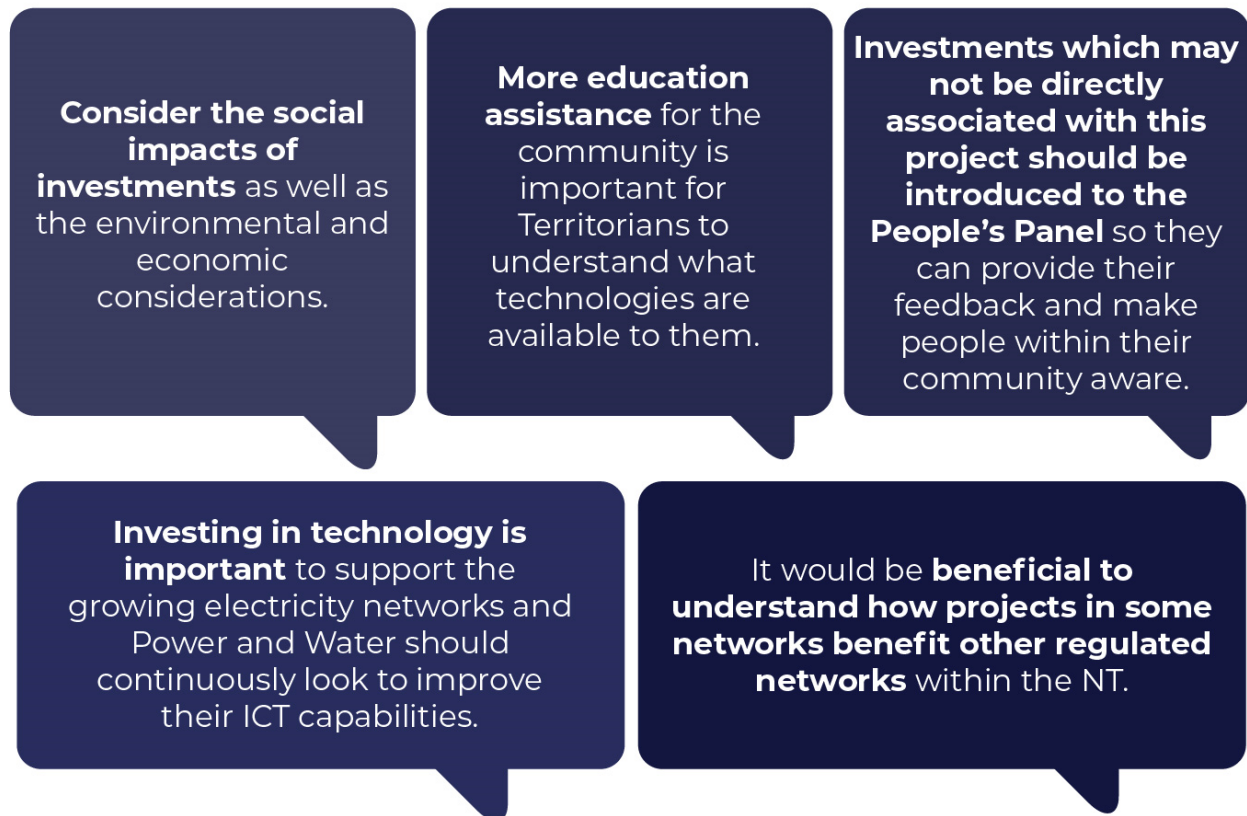
A summary of the outcomes and feedback can be found on our [website](#). Key feedback themes included:



At the end of the session, we asked for feedback from the Panels to improve the structure of the sessions. Customers indicated they wanted more regular updates from Power and Water on the direction of the plans for the 2024-29 regulatory control period. One participant proposed hosting a combined online session with both Panels in the middle of 2023 to be presented an update on key areas of the Proposal and provide an opportunity for further feedback to input into the finalised plans.

2.1.2 August People's Panel

The August People's Panel was a combined online session with a total of approximately 18 participants across the Darwin and Alice Springs Panels and representation from all 3 regulated networks. This Panel reflected on the feedback from the prior Panel and received an update on some of the key areas in the Proposal first introduced at the May Panel (as well as introducing some other projects and concepts). A summary of the outcomes and feedback is on our [website](#). Key feedback themes included:

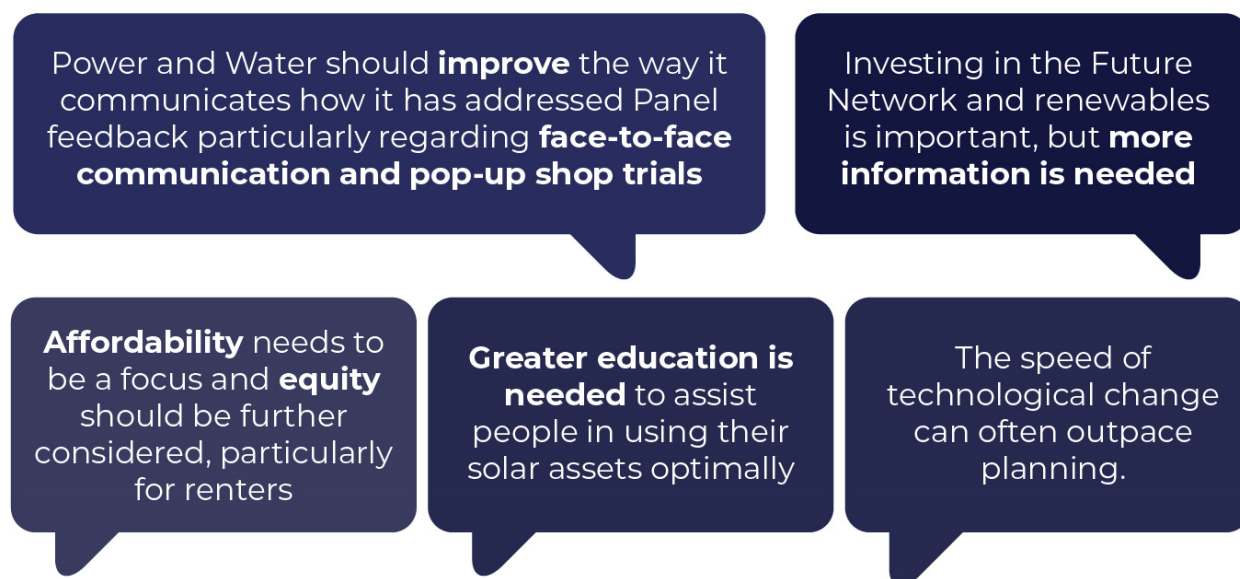


At the conclusion of the session, customers suggested online sessions should be avoided for future Panels mainly due to technical difficulties experienced. Additional feedback included improving information on the website and to make pre-reading material available to Panel members to provide better informed feedback. This feedback was introduced for the October People's Panel and Power and Water will continue to pursue opportunities to improve accessibility of information for the wider community through its website and other means.

2.1.3 October People's Panel

A sixth Panel, and final for 2023, was held in October in-person over 2 weekends in Alice Springs and Darwin with approximately 9-10 participants at each Panel. This session focused on the main areas of the AER's Draft Decision and gathering customer views on how we should respond in our Revised Proposal. We also invited panellists to develop a definition of the role of the People's Panel and reflect on the learnings and impacts of this group across Power and Water's plans. Unfortunately, our Tennant Creek panellists were unable to attend on the day so we undertook online 1-on-1 sessions afterwards to ensure the views on plans for our third regulatory network were captured. Similarly, we re-engaged with our Alice Springs panellists following the People's Panels to capture their views on pursuing an accelerated meter replacement.

A summary of the outcomes and feedback is on our [website](#). Key feedback themes included:



During the October Panel, we re-introduced a parking lot to capture issues and ideas for discussion during the session and for Power and Water to consider afterwards. The Alice Springs Panel re-emphasised their interest in Power and Water to host pop-up shops in public spaces for customers to ask queries and give feedback. We mentioned that our first pop-up shops were held in Alice Springs in August this year, which will be rolled out to other networks over the next year. At both Alice Springs and Darwin, panellists were interested in understanding how we are supporting costs for unregulated customers and enabling renewable energy in remote locations. Additionally, there was a shared consensus that Power and Water should be accountable for the expenditure it spends and needs to provide greater education around renewables such as solar. These are concepts we will endeavour to explore further at future Panel sessions.

2.2 Business customers

Power and Water has approximately 11,400 business connections across its 3 regulated electricity networks. These customers represent approximately 47% of total revenue and 59% of total energy usage across our customer base. Our business customers are segmented into small-medium and large business customers based on the threshold of 750MWh energy consumption.

The needs of this cohort may be different to residential customers, however all customers share a similar preference to be provided with affordable and reliable electricity.

2.2.1 Small-medium business customers

Our small-medium business customers want to understand our proposed plans so they can change their electricity usage and make decisions to reduce their power bill. Energy and electricity systems are difficult concepts and it is challenging for many small business owners to actively participate in consultation or be kept informed of major changes due to time pressures. We will continue to find more ways to engage with this customer cohort in ways which enable them to contribute to building a future electricity network that best supports them.

In recognition of these challenges and to support more effective and targeted engagement for this customer group:

- We conducted a series of 1-on-1 consultations with our small-medium business customers during May to June 2023 to present our initial plans and discuss proposed changes to our tariff structures
- Following the release of the AER's Draft Decision, we provided a summary of the major changes to this customer group and provided an opportunity for further engagement following the submission of our Revised Proposal.

Through these sessions, customers showed interest in understanding how they can reduce their energy consumption and take advantage of energy efficiency measures. Additionally, many wanted to be provided information about how they can best utilise renewable electricity during peak times of the network.

2.2.2 Large business customers

Our large energy users contribute towards approximately 31% of total energy usage and 21% of our revenue, and therefore are key stakeholders in the development of our future electricity plans. Following consultation with these customers towards the end of 2022, we held 2 business forums with some of the largest users in the Territory in July and October 2023. The purpose of these sessions was to inform them on how their feedback had been reflected in our Proposal and consult on how to respond to the AER's feedback in its Draft Decision.

We heard from these customers that energy security and reliability, and transparency and efficiency of expenditure is important to them. Participants recognised that Power and Water's investments can have a significant impact on how these stakeholders conduct business and invest in renewables in the future. This means it is important that these customers maintain regular engagement with Power and Water.

During the October Forum, we reflected on the feedback received from the AER on our pricing proposal, renewable program, metering roll-out and contingent projects. This included introducing the newly developed 'Contingent Project 2B – Managing network challenges' which would support the transition to a renewable energy future. . Customers showed strong support for the purpose of this project to improve

system strength which is something many customers at the Forum identified as a pain point for future electricity markets.

Participants also showed interest in our renewable investments and how we are looking to address system strength and reliability issues, especially to prevent load shedding and outages. One customer expressed concern regarding the need to ensure increased renewable connections do not adversely impact security and stability of the networks. Another user also questioned whether renewable investments and contingent projects should be paid by the consumer themselves or another authority rather than the entire energy customer base. Additionally, many showed strong support towards pursuing an accelerated roll-out of smart meters and its benefits to solar uptake. The changes to the pricing structures, including the rejection of tariff 7 which would apply to the largest energy users in the Territory, were noted and discussed as relevant to improving security of the grid.

We appreciate these stakeholders taking the time to be involved in our regulatory process and intend to continue consultation following submission of our Revised Regulatory Proposal – either through focused 1-on-1 consultations or in similar forums on a quarterly basis.

2.3 Energy partners

Our Proposal recognised that the development and delivery of solutions to future energy issues would benefit from discussion and collaboration with our energy partners. Through submissions to the AER and during regular consultations, our energy partners have re-emphasised their interest to partner on developing and pursuing low-cost, reliable solutions for Territorians. During the second half of the year, we heard interest from these stakeholders to collaborate on customer-facing aspects and the importance of open communication about how to smoothly implement the proposed changes to the network.

Leading up to submission of our Revised Proposal, we undertook a series of regular 1-on-1 sessions with our energy partners. We used ad hoc meetings throughout the year and monthly consultations from July to November to conduct deep dives into topics that would benefit from stakeholder feedback and contribution. This included deep dives into our ICT program, single site consolidation proposal, metering, pricing, future networks program and contingent projects.

Energy partner submissions

We also heard feedback from the NT's largest generator, Territory Generation, and largest retailer, Jacana Energy, through their submissions to the AER. Following these submissions, we undertook consultation sessions with Territory Generation and Jacana Energy to discuss their feedback. The Territory Generation submission included requests for more information and consultation about specific projects included in our Proposal and support for several projects such as the introduction of DOEs. We addressed these comments by providing consultations on these projects and, where needed, consulted experts within Power and Water to provide additional information. Similarly, Jacana Energy sought further information and consultation on several projects including the single site consolidation and several operating expenditure step change. These stakeholders also expressed interest in further collaboration opportunities being explored. Power and Water appreciates this feedback and prioritised transparency with its energy partners across 2023 to ensure they were informed and consulted on material changes in a timely manner and with the opportunity for feedback.

Contingent projects

Contingent projects are proposed investments in our 3 regulated networks where there is uncertainty associated with investment timing, scope or funding. In June, we consulted on our suite of proposed contingent projects – Renewable Energy Hub, Unlocking solar generation on the Darwin Katherine Transmission line, Holtze-Kowandi land development, Middle Arm commercial development and Contingent Project 5: Wishart commercial development.

Contingent projects are not included in our capital expenditure proposal, rather they are signalled as potential (likely) investments that may need to be made during the period. All contingent projects are subject to further regulatory review before proceeding with investment. More information about contingent projects can be found in the main submission and relevant capex attachments.

Due to the nature and uncertainty of these projects, we only provided a high-level overview of these projects when meeting with these stakeholders. We advised our energy partners that, if an approved project is triggered in the 2024-29 regulatory control period, a consultation process will commence. This would allow for a more collaborative and informed approach with our energy partners on the development of these projects. There was interest from our energy partners for further engagement and information on these projects due to the relationship with their activities and future plans.

Future Networks

In July, we met with our energy partners to discuss our Future Networks Strategy and how we have changed our approach since submitting our Proposal. Many proponents expressed support for these projects and a desire to be involved in the investment and, in some cases, build some of the infrastructure required to deliver the activities in our [Future Networks Strategy](#). Additionally, there was interest in how a dynamic operating envelope could improve customer system optimisation, system stability and the relationship with other programs being undertaken. We recognise these projects impact stakeholders across the energy supply chain and will be consulting with our stakeholders through formalised frameworks as we develop these projects in future.

Draft Decision themes

Following the release of the AER's Draft Decision in September 2023, we presented some of the themes of the feedback relevant to these stakeholders. This included the AER's suggestion to investigate an accelerated smart meter roll-out to replace all meters by 2029 instead of the initial proposed finalisation in 2034. Our retailers and generators demonstrated strong support for this accelerated roll-out, noting the benefits offered to customers and showing interest to be involved in facilitation of this acceleration. One retailer also reaffirmed their support at the AER's pre-determination conference in October 2023. Additionally, there was interest in being involved in the development of contingent projects, in particular the contingent projects that relate to the upgrade of the Darwin-Katherine transmission line and improvement of system strength.

2.4 Other stakeholder groups

We have sought to engage with stakeholders outside our key stakeholder groups to ensure we capture the voices across our stakeholder spectrum. This included consultation with representatives from the NTCOSS, the Utilities Commission and other organisations.

Various stakeholders have expressed the importance of supporting vulnerable customers throughout the energy transition. We have developed a strong relationship with a NTCOSS representative who has spoken

with the People's Panel about energy efficiency and shows a keen interest in unpacking proposed investments that could impact vulnerable customers. This includes our smart meter roll-out, hardship policies, the whole of the NT energy system and how Power and Water is involved in improving energy efficiency. We have been undertaking quarterly updates to present NTCOSS an update on some of these areas and a regular opportunity to ask questions.

At the final update for the year, we presented our proposed plans to pursue a smart meter roll-out program based on stakeholder feedback since release of the Draft Decision. There was general support however this was seen as contingent on having effective, generous and readily accessible hardship provisions in place to support vulnerable customers with the 2 cent per day increase to accelerate the program. The plan for how the NT will further decarbonise the grid away from traditional power sources, like oil and gas, after 2030 was also seen as important to discuss and plan for during the 2024-2029 regulatory period. Additionally, partnerships and external support were raised as potential levers to accelerate some of Power and Water's programs including potentially pursuing Australian Government funding to upgrade the transmission network. This feedback has been important to ensure the perspective of our vulnerable customers is not forgotten as we develop our plans. We will continue to build this relationship and explore further avenues for capturing this important voice.

Prior to adopting the National Electricity Law in 2015, the Utilities Commission was the jurisdictional regulator for the entire electricity networks in the NT. Since Power and Water became regulated by the AER, the Utilities Commission now has responsibility for unregulated networks. Given its important role in the electricity system in the NT, we held an engagement session in April 2023 to provide a summary of our Proposal. Its primary interest was related to how Power and Water planned to implement the reforms proposed, the connection of renewables, and engagement of stakeholders.

We have repeatedly attempted to re-engage younger stakeholders through our People's Panels and at existing channels of engagement at schools. However, we faced barriers to achieving this engagement and will continue to explore pathways to involve our youth as we progress to the implementation of our plans.

3. Transitioning to business-as-usual

We welcome the AER's feedback that Power and Water has demonstrated an improvement in its consultation practices with customers and stakeholders, and will seek to further improve our engagement.

Our consultation process with customers and stakeholders for the regulatory reset process assists in informing Power and Water's approach to ongoing engagement. There are several areas where our regulatory engagement with residential customers, through the People's Panel, is assisting in informing engagement going forward. One area where Power and Water are committed to incorporating customer preferences into our business-as-usual operations is our trial of pop-up shop fronts.

During several People's Panel sessions in Alice Springs, participants demonstrated a strong preference for face-to-face interaction with our staff. Commencing in September 2023, Power and Water trialled several pop-up shop fronts in Alice Springs, offering customers a more personalised and interactive opportunity to meet and connect with our team. We are planning to conduct quarterly pop-up events throughout the major NT shopping centres including Alice Springs, Darwin, Katherine, and Tennant Creek on a quarterly basis.

Power and Water has extended invitations to both Jacana Energy and Rimfire Energy NT to participate in this initiative and collaborate on the pop-up events. Their involvement is a valuable opportunity for our customers and, where appropriate, allows their enquiries to be addressed directly by relevant retailers. Overall, this approach enhances our education opportunities for our customers.

In recognition of the key role the People's Panel played as part of the regulatory reset, we are in the process of transitioning these representative groups to have a broader role. For example, we may consider discussing water issues with this group, leveraging off what they believe their role is. Therefore, we have changed their name to encompass this expanded responsibility to be 'Power and Water's People's Panel'.

Additionally, we have commenced work on our customer experience strategy. Portable Australia Pty Ltd (Portable) have been awarded Power and Water's tender to develop an enhanced customer experience strategy.

Portable will explore customer requirements, expectations, and industry best practices to devise a tailored strategy that aligns with Power and Water's objectives. The approach laid out by Portable encompasses extensive customer research, a design-driven methodology that places customers at the core, and a strategy formulated in collaboration with internal staff and external customers.

The project officially commenced on October 2nd, with a target completion date for the strategy, implementation and associated roadmap of June 2024.

Contact,

Australia: 1800 245 092

Overseas: +61 8 8923 4681

powerwater.com.au

PowerWater