
Submission to the Australian Energy Regulator's Draft Decision and Endeavour Energy's Revised Regulatory Proposal

*Endeavour Energy Electricity Distribution Determination
1 July 2024 to 30 June 2029*

Consumer Challenge Panel (CCP) Sub-Panel CCP26

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Recognition of Country

CCP26 recognises the indigenous cultures from across Australia, including the nations upon whose land the Endeavour Energy electricity network is built. The stewardship of country over many millennia is recognised with gratitude. We pay respects to elders past, present and emerging.

Note re Confidentiality.

To the best of our knowledge, this submission does not contain any confidential information.

Executive Summary

Since lodging its Regulatory Proposal Endeavour Energy (Endeavour) has continued to engage meaningfully with its customers. Endeavour has carefully listened to the diversity of its customer base, with the shared hearing of senior staff and Board members being well honed and intensifying as the phases of their engagement program developed. The Revised Regulatory Proposal (Revised Proposal) *“largely accepts the AER’s draft decision.”*¹ CCP26 observes that all substantial aspects of the Draft Decision have been accepted by Endeavour.

Endeavour’s Revised Proposal demonstrates that it has responded to customer preferences, particularly in respect of cost-of-living pressures that have been a dominant and continuing theme throughout the engagement process, and which escalated in the later stages. Endeavour did this by electing to only adjust its forecast expenditure to account for the latest available information and unit costs where this resulted in a forecast that is equal to or less than the AER’s Draft Decision. Further, despite the Draft Decision not accepting Endeavour’s initial proposal for an Innovation Fund which had the support of its customers, Endeavour is proposing to absorb the cost of its \$5 million Innovation Fund through offsetting efficiencies.

Endeavour’s ongoing, careful listening and considered responsiveness was a highlight of their engagement. CCP26 considers the Endeavour Revised Proposal to be an exceptional document that reflects an outstanding engagement intent and communicates clearly in ‘plain English.’

The Early Signal Pathway process, in its first application² has been very effective for the Endeavour regulatory process, and the intent of the Better Resets Handbook well applied with consumers receiving a responsive and constructive outcome.

Based on input from consumers, the Regulatory Reference Group’s advice and our own observations of the Endeavour engagement process, we consider that Endeavour’s Revised Proposal is capable of acceptance and will serve Endeavour’s customers well."

1. Background

The role of the Consumer Challenge Panel (**CCP**) is to advise the AER on the effectiveness of network businesses’ engagement activities with their customers and how this is reflected in the development of the proposals, and whether regulatory proposals are in the long-term interests of consumers.

The CCP sub-panel 26 (**CCP26**) was appointed in November 2021.

The CCP26 observed a selection of Endeavour’s engagement activities conducted post-lodgement, these are summarised in Appendix 2.

We have been guided by the expectations set out in the AER’s *Better Resets Handbook – Towards Consumer Centric Network Proposals* (**Better Resets Handbook**).

The Handbook also outlines the option of an “early signal pathway³” (ESP) described as:

“To further encourage the development of high-quality regulatory proposals through genuine engagement, this Handbook introduces a new process – the early signal pathway. This offers an alternative process for networks to engage with us, allowing them to get earlier formal feedback

¹ From CEO forward to Revised Revenue Proposal

² Essential Energy and Endeavour were the first network businesses selected to formally apply the Early Signal Pathway approach

³ <https://www.aer.gov.au/system/files/Better%20Reset%20Handbook%20-%20December%202021.pdf> – page 5

on aspects of their regulatory proposal – such as at the issues paper stage, in exchange for certain commitments.”

A further important aspect of the ESP process is the option for a “targeted review”, described as follows in the Handbook.

“If a business satisfies the capital expenditure expectations, we anticipate a targeted review of the capital expenditure proposal. This means a focus on select outstanding issues that are likely to be on projects and programs:

- that are driving the forecast*
- have strategic significance in the proposal*
- that relate to a change from business-as-usual practices*
- that are a new category or program of works”*

Endeavour, along with Essential Energy were the first two businesses selected to undertake the ESP approach.

As required by the ESP process, CCP26 has provided two progress reports, a conclusions and an assurance report during the engagement phases of regulatory proposal development.

2. Context

In our response to the Regulatory Proposal and AER Issues Paper, we summarised a number of contextual matters that have been pertinent in the development of the regulatory proposal. These factors remain relevant and are not repeated here. Each of the NSW and ACT distribution network business have also referred to these contextual matters.

There are two more factors that warrant mention as additional contextual matters particularly relevant to the development of the Revised Proposal.

1. Affordability concerns have become more pronounced and can be summarised with reference to the AER’s Default Market Offer⁴ (DMO) decision that was released on 25th May 2023 for the twelve months July 2023 to June 2024.

The AER summarised the decision as

“From 1 July 2023 residential customers on standard retail plans will see price increases of 20.8% to 23.9% without controlled load, depending on their region, and between 19.6% to 24.9% with controlled load, depending on their region.”

While not all energy bills will rise by the full amount allowed by the DMO, many will. Energy affordability and cost of living concerns were raised in all post-lodgement engagement processes.

2. On 30th August the AEMC released their Final Report of the Review of The Regulatory Framework for Metering Services.⁵ The first recommendation of the review states:
“The Commission recommends a target of universal uptake of smart meters by 2030 in NEM jurisdictions. Distribution network service providers (DNSPs) would develop

⁴ [AER releases final determination for 2023–24 Default Market Offer | Australian Energy Regulator \(AER\)](#)

⁵ https://www.aemc.gov.au/sites/default/files/2023-08/emo0040 - metering_review - final_report.pdf

an annual schedule to retire legacy accumulation and manually read meters. Retailers would then be responsible for installing smart meters at these sites over the five-year acceleration period.”

The accelerated installation of smart meters with a 2030 target date impacts all electricity distribution businesses and their customers.

3. Endeavour post-lodgement engagement

After lodging their Regulatory Proposal, Endeavour added a 5th phase to their engagement; ‘Confirm.’ The intention to conduct this additional phase of engagement was developed later in 2022 in response to increasing concern about cost-of-living pressures, including energy cost pressures for households and business. The ‘Confirm’ phase recognised that initial consultation on some topics took place at least 18 months before proposal lodgement (and 30 months before the Final Decision) and that consumer perspectives may have changed, particularly regarding affordability concerns.

The confirm phase included five different activities:

- Customer Panel – wave 4. This included active involvement from CEO and senior? Endeavour staff.
- Focused stakeholder discussions
- Regular (monthly) Regulatory Reference Group meetings and discussions
- Retailer engagement with a Retailer Reference Group
- Monitoring ongoing responses through the Your Say website

Customer Panel – wave 4

On 7th June 2023, the Customer Panel was reactivated with a 2-hour online session conducted by SEC-Newgate. The objectives of the ‘wave 4’ session were presented as:

- *“Form the principal consumer engagement of the Confirm phase designed to facilitate dialogue and segue to BAU engagement.*
- *Loop back to customers – updating our Panel on where our Proposal landed (what changed and why)*
- *Check in with customers on their experience of and current views on affordability in a worse economic climate (another point in time perspective)*
- *Sense check on how the proposal meets the preferences and long term interests of customers.*
- *Obtain consumer views on the proposed transition tariff.*
- *Formally capture feedback through a short Qualtrix survey*
- *Invite participants to register their interest in an ongoing panel.”*

There were 69 Customer Panel members from the initial 89 who participated in waves 1-3 of engagement, who returned and participated in wave 4. The participants for the first 3 ‘waves’ *“were recruited to reflect the demographics and diverse experiences of Endeavour Energy’s end-user small customer base, divided into three regions to ensure an appropriate geographic representation across Endeavour Energy’s network area.”*⁶ Wave 4 participants likely reflected the initial customer diversity.

⁶ This description taken from the SEC Newgate Final report of waves 1-3, attachment to initial revenue proposal, January 2023.

Focused stakeholder discussions

While CCP26 did not observe any of the targeted discussions, the reports came back to the Regulatory Reference Group meetings that we were able to observe. The reports indicated that these discussions were very constructive and helpful for Endeavour. For example, discussions with the Western Sydney Regional Organisation of Councils were clearly presented to the Regulatory Reference Group, both by a Regulatory Reference Group member and Endeavour staff.

Regular Regulatory Reference Group meetings and discussions

Regulatory Reference Group meetings continued monthly through 2023 and included detailed discussions and debate about aspects of the Revised Proposal, with regard to targeted review topics, being:

- Capex: examining the investment timing and demand forecasts related to Endeavour's proposed projects and programs for the Western Sydney Aerotropolis
- Capex: a high-level assessment of DER-related and resilience-related capex and cyber ICT.
- Opex – step change: the 'Network visibility' step change (\$14.2 million)
- Opex – step change: 'Solar Soak / Off-Peak conversion' step change (\$5.8 million).

One of the more detailed discussions was about cyber security and the appropriate level of cyber security, and whether consumers were best served by paying more in the shorter term and less in the longer term, or less now and more in the longer term. These discussions were not heavily guided, rather they were free flowing and considered discussions with no predetermined outcome.

Engagement with Retailer Reference Group

CCP26 did not observe any meetings of the Retailer Reference Group post lodgement, but again were able to hear reports from these discussion as presented to the Regulatory Reference Group and through information provided to tariff focussed discussion.

Monitoring ongoing responses through the Your Say website

Full access to the Your Say website was provided to the CCP26. The website was actively used throughout the engagement process and was a key mechanism for transparency of decisions making. All presentations, minutes of Regulatory Reference Group meetings and engagement reports were posted to this website. It was widely promoted at all engagement events as the central source of information for customers about all aspects of the reset.

4. Revised Regulatory Proposal

In its November 2023 Revised Proposal Endeavour has accepted the AER Draft Decision revenue allowance and updated the various 'models' with the most recent data. This has resulted in a revenue requirement of \$5,201.8m (smoothed), for the 5 years of the regulatory period, marginally above the Draft Decision of \$5.148.6m (smoothed). The minor variations are largely due to higher return on capital and depreciation rates, which are outside of Endeavour's control.

Table 3.1 from the Revised Proposal is included as appendix 1 to this submission as it provides a clear summary of the post-lodgement engagement undertaken by Endeavour in the 'Confirm' phase, and clearly demonstrates that Endeavour listened closely to consumer feedback and responded to every topic considered. We consider this table to be an excellent indicator of a high-quality Revised Proposal

5. CCP26 Observations.

CCP26 considers the Endeavour Revised Proposal to be an exceptional document that reflects an outstanding engagement intent for the duration of their engagement about the initial and then revised proposals. Endeavour's ongoing, careful listening and considered responsiveness was a highlight of their engagement. We have formed this opinion for the following reasons:

1. The 'Confirm' phase that was implemented post-lodgement was the right thing to do. In this phase, Endeavour re-checked earlier advice with their customers, acutely aware of the substantial cost-of-living impacts on household and business budgets.
2. Customers said that cost-of-living / cost of energy was of significant concern. The Endeavour Revised Proposal is replete with descriptions of actions taken in response to affordability pressures, it is a major thread through the whole document. The following provides a sample of these responses:
 - a. *"Ordinarily, we would adjust our forecast expenditure to account for the latest available information and unit costs. However, we have only done so in this Revised Proposal where this results in a forecast that is equal to or lower than the AER's draft decision (page 13)*
 - b. *In addition, we have not made changes of a discretionary nature that would put further upward pressure on electricity bills when affordability remains a central concern of customers. (page 13)*
 - c. *We are making new technology for public lighting more affordable, while also delivering significant energy savings to local councils. (page 26)*
 - d. *Consistent with our commitment to providing a value for money service to customers, we have not sought to include these additional anticipated step changes in this Revised Proposal. (page 36)*
 - e. *Our Revised Proposal ... recovers Type 5 & 6 metering costs from all customers as an SCS rather than an ACS. This change, coupled with a reduction in a revised metering revenue, results in lower metering prices". (Page 50)⁷*
3. Customer Panel members stayed actively engaged, and many want to continue their involvement. 69 of 89 wave 1 participants returned for wave 4, many months later. This reflects a highly engaged and interested group of customers and, we observe, a group of people who believe that they are being taken seriously.
4. The SEC-Newgate report for the Wave 4 Customer Panel reported that: *"96% of the 69 wave 4 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.*
5. The same SEC-Newgate report reported that
 - *100% of participants rated their overall experience of the Endeavour Energy Customer Panel over the last year as excellent (75%) or good (25%).*

⁷ All quotes taken from Endeavor Energy Revised Revenue Proposal: [Endeavour Energy - Revised Proposal - 0.01 Revised Regulatory Proposal - November 2023 | Australian Energy Regulator \(AER\)](#)

- *68 of the 69 participants were keen to stay involved in Endeavour Energy's future Customer Panel.* – SEC-Newgate wave 4 report.

The results are remarkable, and both demonstrate that the engagement process was authentic and that participants enjoyed being a part of the process.

6. We also reflect that the Regulatory Reference Group provided high value, thoughtful challenge throughout the engagement process.

7. In the CEO Foreward to the Revised Proposal, Guy Chalkley writes:

“Customers have also urged us to support them through the recent volatility in electricity markets and broader cost-of-living and cost-of-doing-business pressures by delivering an affordable energy transition. In keeping with our responsibility to our customers, we faithfully heeded these priorities in our Proposal.”

This quote reflects the commitment that has produced the results summarised above.

8. There is no evidence of the ‘play the regulator for every cent’ attitude that has been observed in regulatory processes by some businesses in the past. Rather, Endeavour says *“This Revised Proposal largely accepts the AER’s draft decision and updates it for the latest available information”*⁸ and they are focused on getting on with the job of improving the network for their customers and doing so in as cost-effective manner as possible.
9. The AER asked for supporting information to shorten the transition period for cost reflective tariffs to 12 months from 24 months. Endeavour responded by checking transition pricing with the Customer Forum, exploring in further detail with retailers and discussion with the Regulatory Reference Group. The AER Tariff Structures Statement decision has been accepted, with Endeavour providing further information requested by the AER regarding the ‘export charge and reward’ tariff, pricing for green hydrogen producers and embedded network tariff.
10. The proposed Innovation Fund was not accepted by the AER. The Regulatory Reference Group supported the value of innovation and Endeavour has decided to fund innovation from its approved revenue allowance and to continue to refine the approach to innovation with consumers as part of its business as usual (BaU) engagement.

The Revised Proposal presented by Endeavour provides a clear example of a high quality and strongly consumer responsive document.

Based on input from consumers, the Regulatory Reference Group’s advice and our own observations of the Endeavour engagement process, we consider that Endeavour’s Revised Proposal is capable of acceptance and will serve Endeavour’s customers well."

CCP26 has also been advised that Endeavour is well advanced in recruiting for their BaU engagement group. This group will meet regularly with Endeavour to debate and provide feedback on the issues of concern to consumers and Endeavour.

⁸ Quoted from Revised Revenue Proposal, CEO Foreward, paragraph 7

The CCP26 sub-panel completes our role with the Endeavour regulatory process satisfied that the engagement process has been high quality, becoming more robust and focussed over the full period of the engagement. It is noted that CCP26 had some concerns about the extent to which Endeavour was implementing their co-designed engagement plan in the earlier months of engagement. This was discussed in the first ESP 'check in' between Endeavour, AER and CCP26 and concerns were promptly resolved.

We also observe that the Early Signal Pathway process has been very effective for the Endeavour regulatory process, and the intent of the Handbook well applied with consumers receiving a responsive and constructive outcome.

6. NSW/ACT Systemic observations

The importance of ongoing engagement

The Better Resets Handbook notes the importance of ongoing engagement, stating:

“...consumer engagement should be a continuous business-as-usual process, not a one-off process only undertaken in preparing for regulatory proposals. Consumers should not have to wait for a once-in-5-year regulatory proposal to be heard.”

The NSW/ACT resets have highlighted the particular importance of ongoing engagement in a period of rapid economic, political and environmental change. Endeavour Energy explains:

“As part of good practice engagement we also see value in continuously engagement with our customer to understand their preferences and values. Doing so over time provides additional insight in surfacing preferences that are subject to change compared to those that remain constant in a changing environment.”⁹

Ongoing engagement is likely to deliver considerable benefits to the AER's regulatory processes. As well as the benefits of longitudinal customer insights, ongoing engagement is also likely to reduce the volume of bespoke reset-related engagement activities that are needed to adequately inform regulatory proposals. To further embed ongoing engagement in the whole regulatory cycle, the CCP26 recommends the AER adds an additional criterion to access the Early Signals Pathway process requiring evidence of a robust, transparent, and co-designed ongoing engagement program that will inform the regulatory proposal.

Application of the Better Resets Handbook

The NSW and ACT electricity distribution regulatory proposals were the first developed in full, using the Better Resets Handbook as a basis. There were also two of the four businesses that were accepted onto the Early Signals Pathway process, Endeavour Energy and Essential Energy, the first businesses to apply this process. Our observation is that the Handbook has provided a useful guide, and that the ESP process has been beneficial for the participating businesses and their customers.

Review of both the application of the Handbook and early Signal Pathways will be important and should occur in the near future so that initial learnings are captured and applied for future regulatory processes.

⁹ Endeavour Energy, Revised Proposal, p24

One clear benefit of the Early Signal Pathway has been for open discussion between the AER, Businesses and their consumer reference groups and the CCP subpanel, well before the lodgement of regulatory proposals. This has occurred through "progress reports" and associated "check-ins." With engagement programs commencing two or more years before lodgement, CCP26 recommends that "check-ins" similar to those occurring effectively through the Early Signal Pathway process should now be part of all resets, to keep all parties informed about progress, future plans and to foster a 'no surprises' approach to regulatory practice.

Network Resilience Guidance Note

The AER's *Network Resilience Guidance Note* has provided useful guidance for the CCP to assess the NSW/ACT DNSPs' resilience engagement. The priority given to the following areas in the Guidance Note has proven particularly valuable: the central focus on decision-making under uncertain extreme weather events (particularly high cost/low probability events); the need to collaborate with other responsible entities involved in disaster management; and the need to work collaboratively with affected communities as well as the wider customer base. The Guidance Note also clearly links engagement expectations to the Better Resets Handbook.

However, we continue to observe confusion about the term "Network Resilience". This was exacerbated in the NSW/ACT Draft Decisions which, in a number of cases, saw the AER approve certain resilience expenditure because it met reliability criteria.

We suggest that the AER consider adopting more specific language such as "Climate Adaptation" to better capture the AER's regulatory intent.

Regulatory Flexibility

Uncertainty has been a dominant theme in the regulatory proposals and revised proposals for the NSW and ACT electricity distribution network businesses for this reset. The dual impacts of the unfolding once-in-a-generation energy transition, and growing evidence of impacts of accelerated climate change on electricity network infrastructure exacerbate the business-as-usual challenge of preparing detailed business plans 6 or 7 years into the future. Network businesses are facing risks associated with issues such as:

- the inability to forecast with confidence the rate of take up of consumer energy resources including electric vehicles to 2030 and beyond and the implications for electricity demand and network services,
- the nature and impact of government interventions in energy markets and environmental legislative approaches,
- climate change resulting in more frequent and different threats to network resilience and reliability.

Examples of network business's proposed regulatory responses to these changing and unpredictable circumstances include:

- Evoenergy contemplating a contingent project (\$100–150 million) 'that would be triggered where evidence emerges that the speed of the energy transition, in particular the uptake of EVs and electrification, is greater than assumed in the capex forecasts put forward in this regulatory proposal, where this consequently requires us to undertake a material program of works during the regulatory period'.¹⁰

¹⁰ Evoenergy, Evoenergy Regulatory Proposal, January 2023, p56

- Essential Energy proposing an untested new cost pass-through event to accommodate as-yet unquantified outcomes arising from a Coronial inquiry into bushfires in NSW¹¹.

Essential Energy has further expanded on the uncertainty challenges facing network businesses in its Revised Proposal¹², and concludes that *‘Essential Energy believes that the current regulatory framework is not agile or flexible enough to effectively meet these challenges. The current framework of five-yearly resets, and over-reliance on prescribed pass through events, is overly cumbersome and not nimble enough to keep up with climate and technological changes and shifting customer and stakeholder expectations’*.

It is not only the network businesses that are expressing such views. Customer and stakeholder groups have made similar observations, noting the risk that uncertainty poses for customers as well as network businesses:

- The Ausgrid Reset Customer Panel (RCP) makes similar observations in its discussion on ‘Re-openers’. The RCP states *‘we believe that there is a limited but important case for ‘re-openers’ in key areas within the current 5 year regulatory cycles over and above the operation of the cost pass through regime.’*¹³
- In its Panel Report supporting Evoenergy’s Revised Proposal, the Evoenergy Deep Dive Panel commented *‘The current regulatory cycle (5 years) seems too long given the fast pace of change in energy. Suggest shorter regulatory timeframes or midpoint reviews to adjust spending and investment and to respond to emerging technologies and risks such as changing consumer behaviour’*¹⁴

CCP26 has sympathy for these views. Given the consistency of advice from a breadth of sources, we consider that the AER should commit to examining opportunities for greater regulatory flexibility in this time of uncertainty as a matter of priority.

¹¹ Essential Energy, *6.04 Nominated Pass-Through Event, November 2023*, p. 3



¹² Essential Energy, *2024-29 Revised Regulatory Proposal, November 2023*, p32




¹³ Ausgrid Reset Customer Panel, *RCP Report on Ausgrid Revised Proposal, November 2023* p52

¹⁴ Communications Link, *Evoenergy Deep Dive Panel Report, November 2023*, p3

Appendix 1: Endeavour summary of Post Lodgement engagement topics and responses

Table 3-1 Summary of Endeavour Energy 2024-29 'Confirm' phase engagement findings and response

Key Findings	What we heard	How we have responded
 <p>Affordability and value for money</p>	<ul style="list-style-type: none"> The majority of customers and stakeholders considered our January 2023 Proposal reflected their priorities and preferred outcomes. Most customers and stakeholders had growing concerns about cost-of-living pressures. Some stakeholders raised general efficiency concerns in response to our January 2023 Proposal¹¹. 	<ul style="list-style-type: none"> We have continued to adopt a constrained approach to investment in the delivery of priority customer services, tightly managing the costs we can control to keep our contribution to customer bills as low as possible despite rising external pressures driving up our costs including interest rates. Since the lodgement of our January 2023 Proposal, we have quantified additional SOCI implementation related expenditure, emissions reduction and CER hosting spend. We also continue to experience significant cost increases on augmentation projects due to the global economic downturn and further step changes to our operating costs are likely with ongoing regulatory changes. However, we remain committed to absorbing and managing these cost pressures within the AER's draft decision allowance given rising affordability concerns.
 <p>Tariffs</p>	<ul style="list-style-type: none"> Two thirds of Customer Panel participants would prefer a 12-month transition rather than a 24-month transition to cost-reflective tariffs. This was driven by a desire to save money sooner rather than later. Most customers were keen to be provided with more information on how they could change their consumption to benefit from cost-reflective tariffs. Several stakeholders made submissions to our January 2023 Proposal questioning the evidence base supporting the newly proposed export and embedded network tariffs and the potential impacts these tariffs could have on customers¹². For EVs, Evie Networks¹³ raised concerns with the impacts 'traditional' network tariffs will have on the EV sector. 	<ul style="list-style-type: none"> We are working with retailers to transition customers with smart meters to cost reflective tariffs, and we will support this change by conducting the transition over a 12-month period to help customers understand their energy usage and adjust their behaviour to take advantage of cost reflective tariffs and by working with retailers to understand what educational support customers need to make a smooth transition to cost reflective tariffs. This represents a change to our January 2023 Proposal for a 24-month transition period. We are proposing new tariffs for emerging technologies and embedded networks to provide cost-reflective price signals to customers in accordance with the pricing objectives of the Rules to support informed decision-making and equitable cost recovery. After careful consideration, we have made targeted adjustments to our proposed embedded network tariff to better reflect the potential benefits they offer Endeavour Energy customers. We also will investigate trialling an EV specific controlled load tariff over the 2024-29 period.

 <p>Keeping customers at the centre of our decision making</p>	<ul style="list-style-type: none"> Several stakeholders remain focused on embedding our improved engagement approach into business-as-usual activities. 	<ul style="list-style-type: none"> Our increased commitment to customer and stakeholder engagement is being adopted as part of our business-as-usual approach. Plans are in place to review the learnings from this regulatory engagement period and to embed the structures, processes and channels required to ensure high quality engagement sits at the core of what we do. We have also pursued better engagement across all sectors of the energy industry as one of the original signatories to The Energy Charter, committing to work collaboratively to achieve better customer outcomes. Endeavour Energy has actively contributed to Energy Charter #BetterTogether Teams which this year resulted in 2,000 fewer customers being disconnected; helped to rebuild trust across CALD communities by engaging in-language and in-community; and partnered with other signatories to build a community of practice that promotes deeper understanding and improved responses to customer and community engagement.
 <p>Smart cities and communities (streetlighting / councils)</p>	<ul style="list-style-type: none"> Following positive engagement and broad acceptance of our Public Lighting Pricing methodology and outcomes in advance of our January 2023 Proposal we received additional feedback via submissions to our Proposal from Western Sydney Regional Organisation of Councils (WSROC) and Wollondilly Council¹⁴. These submissions highlighted several concerns with Public Lighting pricing across the NEM and provided benchmarking analysis of Endeavour Energy's propose prices. Councils also remain interested in rapidly transitioning to more energy efficient public lighting. 	<ul style="list-style-type: none"> Prior to the AER's draft decision we submitted revised, and materially lower, public lighting prices in response to the additional feedback we received. We have otherwise maintained our underlying assumptions with respect to failure rates, cleaning cycles and asset lives where these are supported by data and industry standards. We are making new technology for public lighting more affordable, while also delivering significant energy savings to local councils. We have updated our Public Lighting Modelling approach to simplify it so that new technologies can be transparently priced and more quickly introduced over the course of a regulatory period.
 <p>Metering Services</p>	<ul style="list-style-type: none"> Some stakeholders, including the AER and RRG, expressed concerns that an accelerated metering transition could result in exponentially increasing prices for our legacy metering services. This outcome would disproportionately affect vulnerable customers who would be late adopters of smart meters as they may not be able to afford potential site rectification costs, live in remote areas or do not control their household energy decisions (e.g., public housing). 	<ul style="list-style-type: none"> The AER's draft decision maintains an ACS classification of Type 5 & 6 Metering Services as the AEMC's metering review was finalised in parallel to their draft decision. While the AER has taken steps to address these concerns in its draft decision we remain of the view that a re-classification to SCS would better do so. We therefore propose to re-classify Type 5 & 6 Metering Services as SCS for 2024-29.

Appendix 2 – CCP26 observations of Endeavour’s post lodgement engagement

Activity	Date	Format	Hours	Observer(s)
Observed Engagement Post Lodgement				
Regulatory Reference Group	20/4/2023	Online	2 hours	Mark Henley
Check in with Endeavour	26/5/2023	Online	½ hour	Mark Henley
Consumer Panel – wave 4	7/6/2023	Online	2 hours	Mark Henley
Regulatory Reference Group	28/6/2023	Online	1 hour	Mark Henley