



ENERGEX RECALL DAY

CUSTOMER PANEL AND FOCUS GROUPS

What Was Said Report

August 2024

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INTRODUCTION

OVERVIEW

Energex is the electricity distributor in South-East Queensland. The organisation manages the poles and wires and other electricity infrastructure, delivering electricity to more than 1.6 million residential homes and commercial and industrial businesses.

In 2023, Energex embarked upon engagement for its regulatory proposal and tariff structure statement to seek customer input into their 2025-2030 submission to the Australian Energy Regulator (AER).

The Voice of the Customer Panel was assembled in May 2023 and finished with a recall day in October 2023. The Panel was tasked with the following remit:

How should Energex plan for the new energy future, while providing affordable services that meet changing customer and community needs?

Energex also held a series of Customer Focus Groups throughout 2023 that brought together a range of customers to particularly hear different perspectives.

Across the two different engagement processes, the following was captured:



Energex recalled both the Panel and the focus group to an information session on the 31 July 2024 and a recall day on 4 August 2024. The purpose of these sessions was to share with the customers how the Panel's recommendations have been reflected in the Regulatory Proposal, and to further test thinking on a number of topics.

This report outlines the process of the recall sessions and summarises 'what was said' by the customers from the Voice of Customer Panel and the Customer Focus Group.

SESSION PURPOSE

The purpose of the Recall Day was:

- ◆ To hear a detailed update from the Energex team and where they would like more advice and direction from customers.
- ◆ To close the loop on the customer service performance measures conversation, given the panel's feedback they did not want a Customer Serve Incentive Scheme (CSIS). To confirm a set of customer service performance measures for inclusion in a public facing customer service performance scorecard.
- ◆ To discuss affordability of electricity and how Energex can provide better outcomes for customers.
- ◆ Managing population growth in South East Queensland and the impacts to Energex's distribution network, including propose future infrastructure planning.

PARTICIPANTS

- ◆ The recall sessions were held online.
- ◆ Out of the 35 original customer panel members who participated in the initial 5 panel sessions, 20 were present for the Recall Day.
- ◆ Out of the fourteen Customer Focus Group members who participated in the face-to-face engagement sessions held in 2023, eleven participants joined the Voice of the Customer Panel members for this panel.
- ◆ Additionally, 10 Energex employees were in attendance throughout the day, serving as presenters, subject matter experts, and observers. Two independent representatives were also present.

NAME	ORGANISATION	POSITION
Teresa Dyson	Energex	Board Director
Michael Dart	Energex	Chief Customer Officer
Guy Mutasa	Energex	Acting Manager Economic Regulation
Kenny Mizzi	Energex	Manager, Customer Advocacy
Amanda Allan	Energex	Principal Advisor, Stakeholder Engagement
Brent Sheriff	Energex	Manager, Customer Operations
Benson Heng	Energex	Manager, Network Investment Strategy
Russ Christ	Energex	Manager, Distribution Planning
Jimmy Patel	Energex	Manager, Sub-transmission Planning
Philippe Laspeyres	Energex	Acting Principal, Dist. Determination Specialist
Robyn Robinson	Reset Reference Group	Chair
Gavin Dufty	Reset Reference Group	Member
Neil Horrocks	Reset Reference Group	Member

WORKSHOP AGENDA

INFORMATION SESSION – 31 JULY 2024



TIME	AGENDA
6:15PM	Arrival
6:30PM	Welcome Introduction Welcome – Sharyn Scriven, Chief Information Officer and Vaughan Busby, Board Director Explain agenda and purpose Connecting - Say hello, meet new participants and share what is on your mind coming into this evening
6:55PM	Role of Energex Network Announce project team, explain difference in role.
7:00PM	Energex Regulatory Proposal 2025-30 Energex will provide an update on the Regulatory Proposal submitted to the Australian Energy Regulator (AER) in January 2024, and the next steps, including the new topics for discussion ahead of submitting the Revised Regulatory Proposal to the AER in December 2024. There will be an opportunity for small group discussions and a Q&A.
7:50PM	Next steps and final words
8:00PM	Close

DAY 1 – 4 AUGUST 2024



TIME	AGENDA
8:45AM	Arrival
9:00AM	Welcome Introduction Welcome - Michael Dart, Chief Customer Officer and Teresa Dyson, Board Member Connecting again - what are you still curious about?
9:30AM	Energex Network's Regulatory Proposal 2025-30 Detailed update including the Regulatory Proposal, small group discussions and a Q&A <ul style="list-style-type: none">♦ The key focus of this update is to go deeper into understanding the key drivers for the Regulatory Proposal and to look at how affordability for the customer is considered.
10:20AM	Affordability This is about being explicit with the bill impact. Small group discussions on affordability and how Energex is considering this in their Revised Regulatory proposal going forward. This will provide an opportunity for participants to react to what Energex is proposing, and actions and to think about the best advice we can provide to take this forward into the Revised Regulatory Proposal.
11:00AM	Morning tea
11:30AM	Customer Service Performance Measures Given the feedback from the Voice of the Customer Panel in 2023, that there should be no CSIS, we held small group discussions on how Energex is considering the feedback to explore what potential customer service performance measures are important to customers, for inclusion in a public facing customer service performance scorecard, and how this is considered in the proposal going forward and business as usual. Presentation from Brent Sheriff - Manager, Customer Operations
12:20PM	Lunch

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TIME	AGENDA
1:30PM	<p>Managing growth in South East Queensland</p> <p>Presentation of the plans for the proposed augmentation expenditure required in the 2025-30 period to address population growth and ensure a safe and secure electricity distribution network.</p> <p>Presentation by Benson Heng - Manager Network Investment Strategy</p> <p>Speakers:</p> <ul style="list-style-type: none"> ♦ Russ Christ, Manger Distribution Planning ♦ Jimmy Patel, Manager, Sub-transmission Planning ♦ Neil Horrocks, Reset Reference Group Member
2:45PM	<p>Afternoon tea</p>
3:00PM	<p>Managing growth – feedback</p> <p>Small group discussions on how Energex is planning for future growth and investment in the electricity network. We will consider any concerns you may have, questions it might raise for you and what else should Energex be thinking about.</p>
3:50PM	<p>Next steps and final words</p> <p>Hear a few final reflections from the participants and Energex.</p>
4:00PM	<p>Close</p>

INFORMATION SESSION OUTPUTS

REFLECTIONS

After the presentation at the information session, participants were invited to reflect individually and provide feedback on two key questions: “What top 2 things are standing out?” and “What 1 core question do you have?” The questions were responded to in the session and a Q&A response document was shared with the participants ahead of the full recall day.

The reflections that stood out to the participants are captured below:



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RECALL DAY OUTPUTS

ONE CORE QUESTION

Acting Manager of Economic Regulation, Guy Mutasa, presented an update on Energex's overall regulatory proposal at the information session and again at the beginning of day 1. The questions and answers were shared with the participants prior to the full day.

Participants shared one key question that they had after Guy's presentation.

What modelling has been done for different scenarios?

What if the Australian Energy Regulator changes your % investments?

Why do we need a "middleman" retailer, and what is the benefit of an Origin/AGL retailer? Why does Energex not absorb retail responsibilities?

What models have been examined to justify the investment?

Why don't we have Energex as a retailer?

How can we utilise stored energy better (and supply it to smooth demand) to reduce costs in the long term.

What communication is occurring between the generators and the retailers, and how are they ensuring that they have created the most affordable environment?

Can Energex be more accountable to customers rather than retailers.

ERGON retail electricity and only 1 retailer can compete. So why can't ENERGEX retail electricity with a basic service?

How is reliability of the network maintained while still containing costs for everyone fairly?

Why can't CPI be used instead of annual \$35?

How will the Olympics effect the energy grid - does it have the capacity now or do you need to spend lots of money to rebuild the grid for the games.

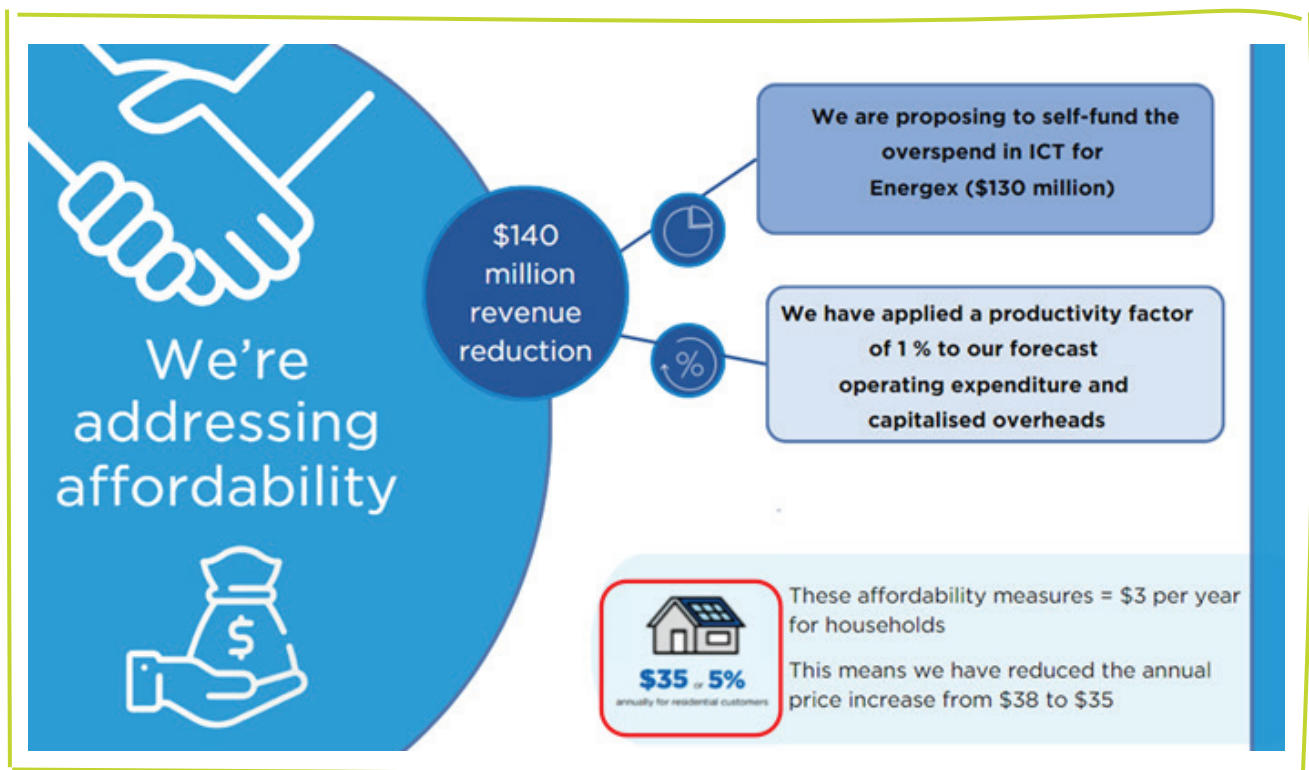
What future modelling has been conducted and what population levels have been considered for this future growth? How does the market intend to supply to this population in an affordable and sustainable manner?

Can the cost increase be made fair across the network e.g. for vulnerable customers.

What different scenarios have Energex examined to justify their budget?

FEEDBACK ON THE OPPORTUNITIES TO SUPPORT AFFORDABILITY

Participants engaged in small group discussions to provide feedback on how Energex is addressing affordability in its proposal. The session focused on customer reactions—what made them feel hopeful, surprised, or concerned—and gathered advice for informing the Revised Regulatory Proposal. A brief plenary followed to highlight key takeaways.



The participants' responses are captured below:



WHAT ARE YOU HOPEFUL ABOUT?

Better use of renewables in terms of storage that reduces future investments by Energex and uses created energy for efficiency to reduce costs.

Bringing costs down in the future based on the infrastructure development happening in the next 5 years.

Creatively examine different models to ensure increased reliability e.g. decentralised models.

Energex has anticipated network's expansion to meet the demands.

Energex will have infrastructure in place with the government's clear intentions and encouragement of consumers to live in apartment complexes.

Energex's focus on customers.

Hope they don't have load shedding to look good for Olympics.

Hopeful that Energex is doing as much as possible to cut costs to consumers. Highly regulated in all levels.

Improved battery storage capacity invested by Energex would allow for supply and

demand equalisation.

Prices would go down.

Reduce annual fee and do more.

That Energex are planning to keep costs affordable.

That Energex has a plan to manage their costs.

That Energex listens and makes changes.

That Energex will keep the grid 100% reliable.



WHAT ARE YOU SURPRISED BY?

\$35 increase is relatively cheaper considering the scale of investments that Energex makes. This indicates they have a good Business model for cost recovery.

Electric vehicles are more expensive and not cost viable for Energex for heavier vehicles.

Energex isn't converting their fleet to electric vehicles.

Energex percentage of costs compared to the final invoicing costs by the retailer.

Energex still provides power to the infrastructure of developers.

Energex was able to cap the fee and reduce it.

Energex's adjusting for overspending.

Future of recycling electric batteries.

How much population growth Energex has to contend with as well as electric vehicles etc.

Number of retailers in the market.

The cost increase is only \$35 per year (and not higher).

The difficulty and complexity of Energex task to submit proposal to the regulator.

The increase of prices expected.

The infrastructure freeze.



WHAT ARE YOU CONCERNED ABOUT?

2-way tariff structure - no incentives in solar excluding batteries that supply in low demand period. Requires a battery investment.

Budget inclusion of Olympics - keeping organised and customer costs down.

Complexity of electricity bills.

Electric vehicles in workplaces - charging impact whilst the employee at work.

Energex has very little control over the retailers to keep their costs in control.

Finance costs - If they are borrowing at commercial rates. Have other financial instruments been looked at? Bonds?

Guarantees of the supply to the consumer.

High-cost bills, working harder to get bills down.

Infrastructure for an apartment complex - should there be a sudden surge in EV vehicles.

Is there going to be enough power and infrastructure for the 2032 Olympics? Are the calculations correct?

Lack of control over what the retailers charge us (extra charges).

Managing saving.

Population growth- Have we got enough supply for the future demand.

Retailer is not held to the same scrutiny for affordability.

The public not being clearly advised in a way they understand about the changes, price increases and why they are necessary.

Vulnerable households - "user pays" is not necessarily fair for them.

Wind Turbines/Solar- More used - it still needs to be connected [sic] - How are you making sure there is efficient investment for generation and utilisation?



ANYTHING ELSE TO ADD?

Change language around "customers" now being "suppliers" to Energex (i.e. through solar generation).

Effect of microgrids - local renewable energy zones - on Energex's bottom line?

Forecasting for demand, does it build in redundancies for unforeseen costs. What is the scale of that compensation of risk? Interest rates, inflation etc.

How do we ensure that retailers pass any savings on to customers?

If affordability is an issue the Queensland government will just give us \$1000 on our bill.

Is it possible to instead of reviewing this process every 5 years to more often, OR making the process continual, OR issue oriented.

Withdraw from the regulator.

Is there an area within Energex focusing on cost-effective spending within the company?

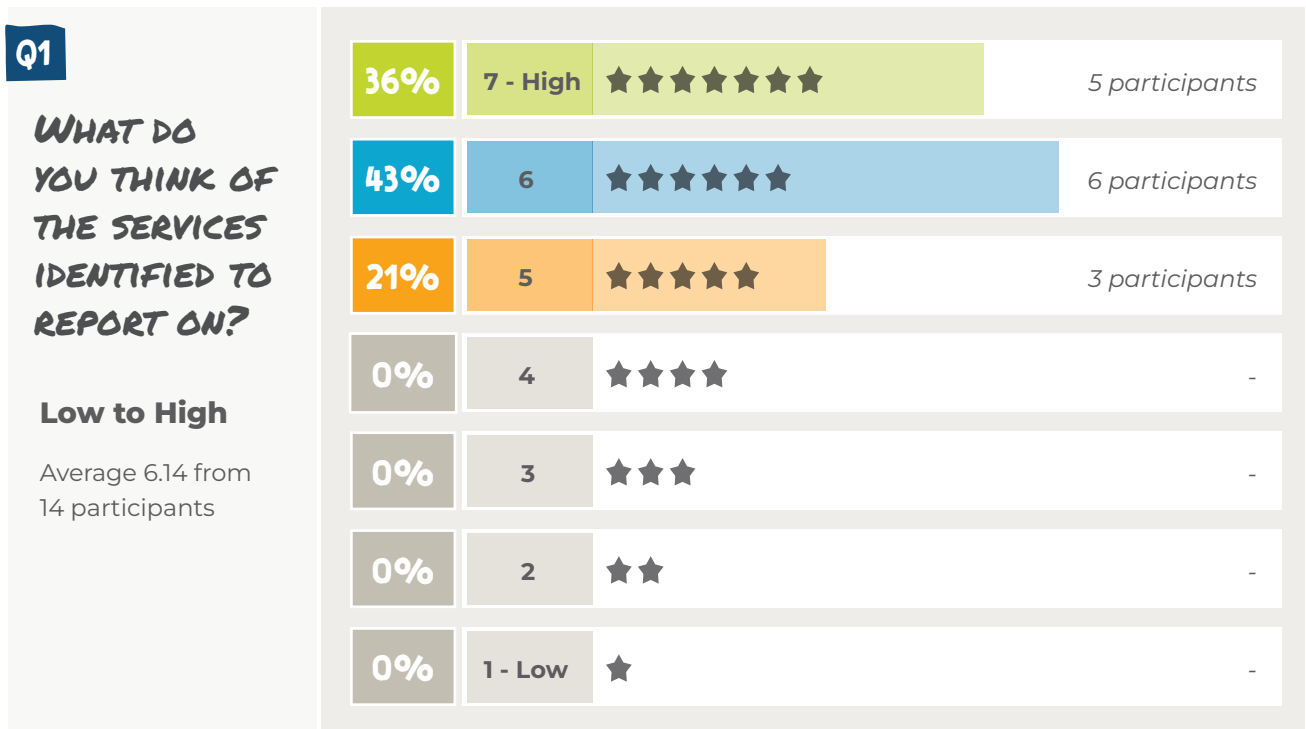
There should be a regulatory body which controls how much and how often retailers can increase bills, like how the rental market is controlled.

There's no independent scrutiny in controlling costs and efficiencies in Energex.

CUSTOMER SERVICE PERFORMANCE MEASURES REFLECTIONS

Given the feedback from the Voice of the Customer Panel in 2023, that there should be no CSIS, participants reviewed how Energex has incorporated their feedback, and discussed what customer service performance measures are important to customers for inclusion in a publicly available customer service performance scorecard. Following a presentation by Brent Sheriff, Manager Customer Operations, small group discussions were held to evaluate the identified measures, how these should be reported, and any gaps or new ideas.

The group's reflections and suggestions are shown below:



WHAT WOULD KEEP YOU AT, OR MOVE YOU TOWARDS 7 STARS?

Continue to the service that have been ongoing. And keep improving with time as things change.

Continued analysis of customer service to form basis of incremental improvements into the future.

Ensuring to maintain easy access to information and responsiveness to customer queries.

Informed more about experimental work.

Developing different avenues of connection (social media, calls, apps).

Be able to show the response times on embedded generator enquires and applications. This needs to be quicker.

Proof that actions reflect the service statements.

Better handling of complaints process.

More frequent customer engagement, excellent forward thinking. Get rid of coal fired power stations, and more concentration of renewables for core power.

There are gaps in the report and acknowledging these gaps would show that they are improving.

Maintain and constantly review on the current level of service and interaction with customers.

Maintain current standards for customer services.



HOW WOULD YOU LIKE THIS REPORTED AND SHARED WITH YOU?

Meeting the KPIs.

What type of complaints are being raised?

What actions are being taken to resolve the complaints?

Detailed annual report that lists out issues in customer service and the solutions initiated to resolve broader issues. Reporting could then be provided on web or portal or delivered on an interactive dashboard.

Depending on the circumstance - online or over the phone under standard operations. Major events may require alternate strategies (i.e. radio, television).

Emailed. Share more about the innovation Energen is making.

Frequent and up to date, using a tool with the ability to ask questions and get feedback and refinement for the resources.

Show how long it is taking to process all different application types (incl. embedded generator enquiries and applications).

In the annual report.

1) Website and App.

2) Email or SMS.

Included in their annual reports.

How many complaints have been filed.

Via social media, live TV, radio.

It isn't necessary to report improvements. If we can "feel" the benefit at the end of the day, then reporting it is not necessary.

SMS and via email services. Posted on Energen website.

MANAGING GROWTH

Participants explored how Energex is planning for future growth and investment amidst South East Queensland's growing population. Following a presentation by Benson Heng, Manager of Network Investment Strategy, participants broke into three small groups for a series of in-depth discussions with Energex subject matter experts and an independent subject matter expert from the Reset Reference Group. Each group engaged in three 15-minute rounds of questions and answers and dialogue. Speakers were moved on to each group of participants at the end of their 15 minutes. The guests subject matter experts were:

- ♦ Russ Christ, Manager of Distribution Planning
- ♦ Jimmy Patel, Manager of Sub-transmission Planning and
- ♦ Neil Horrocks from the independent Reset Reference Group.

After these discussions, participants were asked to reflect on their likes, wishes, and wonderings regarding Energex's plans for managing growth to ensure a safe and reliable electricity distribution network.



I LIKE THIS ASPECT...

Building sub stations in areas where there is major growth.

Considerations are being made for the increasing demand and preference towards green energy.

Considering growth beyond the Olympics.

Consumers - Given opportunity to give input.

Energex is investing in the growth of their own people.

Exploration of transitional / future energy usage (i.e. increased battery capacity in network).

Incorporating batteries in network.

Like that batteries would be included in substations as a standard. That Energex is well governed and regulated.

Managing growth, considering battery not just investing on wires and poles.

Prioritisation of safety and reliability of the network.

Thinking about renewables and storage of energy so it's not wasted.

Transparency in Energex activities.

We get to see where Energex is spending the money.



I WISH THAT YOU WOULD DO...

Advise customers how to reduce energy consumption and power bills, i.e. public education via social media, Live TV, SMS etc.

Clarification of relationship between Energex and the retailers.

Electricity prices would come down given the growth.

Energex should take over the retail role.

Find ways to incentivise installing solar/green energy at rental properties where the owners (who would incur the capital cost) would not get the benefit. This would be the biggest point that is stopping most houses to have solar panels on the roof - the fact that they don't live there to get the benefit of their investment.

Had given us more time to participate and discuss Energex's growth management plans.

If Energex could speed up the process of connections or fixing issues.

More investment in community battery storage.

Pressure on retailers and generators to reduce price.

Simplify the process from generation to consumer; that is, remove the multiple bodies the energy passes through before it can be consumed to reduce the overheads.

There was more government representation - all aspect (pricing, customer service).

There was more integration and investment on renewables.



I'M STILL WONDERING ABOUT...

Are consumer sentiments different right now given the electricity subsidies we have received?

Bringing forward infrastructure investment due to Olympics, could the investment be delayed?

Do we need retailers? Can we get rid of them? Are they really helping to keep prices down or they just more mouths to feed?

Does Energex have power to action the inputs provided by customers?

Electric vehicle charging stations.

Future of energy generation.

Future plans for electric vehicles.

Group feedback- in action given the constant changes in demand and supply.

How can we save money, particularly with the change to two-way tariffs?

How pricing is done for ancillary and third-party fees.

How will the Olympics be "green" and cost effective; and how demand and infrastructure will be managed (no information in costing for the 2025-2030 period)?

If Energex has considered electric vehicles to the grid in delaying demand growth.

If the whole process needs to be reconsidered given the demand and changing technology.

Is growth in electric vehicles and pressure on demand being borne by everyone?

Plans for disaster management.

The demand for electricity associated with apartment living and the increased density of existing neighbourhoods.

The impact of electric vehicles infrastructure demand (e.g. in apartment complexes).

What data bases or sources are considered when modelling and analysing data to determine pricing and figures?

What other options did Energex have to the capital expenditure program that weren't included, e.g. batteries.

Who is responsible for purchase and installation of the batteries, given the push for greener energy? Generator or retailer?

THE BIG SHIFT

In the final session of the day, participants were asked to reflect on something that had impacted their thinking or learning during the discussions. This reflection aimed to capture any significant shifts in perspective or understanding as a result of the day's activities.



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NEXT STEPS

The notes and feedback collected from this session will be reviewed and further integrated into Energex's Revised Regulatory Proposal. Participants will be invited back for a recall day on Sunday 13 October 2024.





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