

December 2023

Victorian Electricity Distributors Tariff Structure Statement

Stakeholder Workshop 2 Summary Report

Contents

1	Summary	4
1.1	Introduction	4
1.2	Background.....	4
1.3	Summary of key themes	4
2	Workshop process	15
3	Feedback	19
3.1	Feedback on tariff options	19
4	Next steps	31
	Appendix A – Victorian DNSPs TSS Stakeholder Workshop 2 agenda	32
	Appendix B – Victorian DNSPs TSS Stakeholder Workshop 2 presentation slides	33
	Appendix C – Workshop 2 participant feedback survey	68
	Appendix D – Workshop 2 participant feedback survey findings summary	71
	Distribution details.....	71
	Survey findings.....	71

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Quality control

Document: Victorian DNSPs Workshop 2 Report - Final

Version: V3.0

Date: 20 December 2023

File: Victorian DNSPs Workshop 2 Report - Final

List of tables

<i>Table 1-1: Level of support for key elements of the Victorian DNSPs proposal</i>	5
<i>Table 2-1: Workshop 2 topics of discussion</i>	16
<i>Table 2-2: The Rose, Bud and Thorn facilitation approach</i>	17
<i>Table 2-3: Questions for consideration</i>	17
<i>Table 3-1: Stakeholder feedback on the residential TOU tariff structure</i>	20
<i>Table 3-2: Stakeholder feedback on CER</i>	24
<i>Table 3-3: Stakeholder feedback on the proposed pricing objectives</i>	28
<i>Table 4-1: Describing the workshop venue</i>	71
<i>Table 4-2: Getting to the workshop venue</i>	72
<i>Table 4-3: Quality of morning tea catering</i>	72
<i>Table 4-4: Communication in the lead up to Workshop 2</i>	73

List of figures

<i>Figure 2-1: Workshop welcome address by Renate Vogt</i>	16
<i>Figure 2-2: Workshop 2 venue layout</i>	17
<i>Figure 2-3: Participants providing feedback at a workstation</i>	18
<i>Figure 3-1: Current and proposed residential TOU tariff structure</i>	19
<i>Figure 3-2: Options for tariff assignment</i>	22
<i>Figure 3-3: Victorian DNSPs preferred option for CER tariff assignment</i>	23
<i>Figure 3-4: Proposed pricing objectives</i>	26
<i>Figure 4-1: Participant satisfaction with the workshop facilitation and workstation group work activities</i>	74
<i>Figure 4-2: Participant satisfaction with opportunities to provide feedback and have robust discussions</i>	75

Acronyms

AER	Australian Energy Regulator	NSW	New South Wales
BEL	Basic Export Level	ROI	Return on Investment
CER	Consumer Energy Resources	SMS	Short Message Service
DNSP	Distribution Network Service Provider	TOU	Time of Use
EDPR	Electricity Distribution Price Review	TSS	Tariff Structure Statement
EV	Electric vehicle	V2G	Vehicle to Grid
		VPP	Virtual Power Plant

1 Summary

1.1 Introduction

bd infrastructure was engaged in July 2023 by Victoria's five electricity Distribution Network Service Providers (DNSPs) – AusNet, CitiPower, Jemena, Powercor and United Energy – to design and facilitate three stakeholder workshops, to facilitate the development of each DNSP's Tariff Structure Statement (TSS) that will be submitted to the Australian Energy Regulator (AER).

This report outlines the process undertaken for the second TSS workshop held on Thursday 16 November 2023 and the main themes that arose from the discussion. The third and final workshop is scheduled for Tuesday 16 April 2024.



1.2 Background

The DNSPs are required to submit a TSS to the AER as part of their Electricity Distribution Price Review (EDPR) process. The Victorian DNSPs must lodge their proposals with the AER by 31 January 2025 to cover the next five-year regulatory control period which commences on 1 July 2026.

Each network will develop their own pricing structures and will submit their own TSS to the AER for approval. However, given the Victorian DNSPs all face the same regulatory requirements and similar challenges, and presently have the same small customer tariff structures, they are jointly engaging in the development of their next round of TSS proposals for the next regulatory control period.

1.3 Summary of key themes

The workshop covered four topics:

- Residential Time of Use (TOU) Structure
- Residential Time of Use (TOU) Assignment Options
- Consumer Energy Resources (CER) Structure, and
- Pricing objectives.

Table 1-1 presents a summary of the high-level themes that arose the four topics discussion along with suggested topics to consider for Workshop 3. These are unpacked further in Section 3.

Table 1-1: Level of support for key elements of the Victorian DNSPs proposal

Victorian DNSPs proposal element	Level of support amongst stakeholders	Selected verbatim quotes
Residential TOU Tariff Structure		
<p>Inclusion of a solar soak period</p> <p><i>Stakeholders generally expressed support for the inclusion of a solar soak period.</i></p>	<p>Generally, most stakeholders who provided feedback on a possible solar soak period supported its inclusion in the TOU tariff structure. Offering ‘carrots’ is seen as better than implementing ‘sticks’ to effect intended behaviour changes amongst electricity users and doing so could help encourage equitable and efficient electricity usage. A few stakeholders also expressed some support for not having a gap between the solar soak and evening peak period (which is proposed to run from 4-10pm).</p> <p>However, it was noted that the ‘devil is in the detail’ and the Victorian DNSPs should further consider the:</p> <ul style="list-style-type: none"> • overall percentage of electricity users that are estimated to have and use solar energy by 2026 • overall length of the solar soak period (i.e. should it be for six hours) • pricing of tariffs during the evening peak period and how they compare to the value of the solar soak period. 	<p><i>Solar soak good idea. Carrot better than stick.</i></p> <p><i>Solar sponge may be a good opportunity for equity and efficient use - as long as evening tariffs are not pushed too high.</i></p>
<p>Shifting the peak period from 3-9pm to 4-10pm</p> <p><i>Most stakeholders expressed support for shifting the peak period, although there were differing views on its proposed length and expected finishing time.</i></p>	<p>Support for the Victorian DNSPs proposal to shift the peak period from 3-9pm to 4-10pm was mixed. Most stakeholders generally supported the Victorian DNSPs to push back the peak period’s starting time from 3pm to 4pm. However, most of the stakeholders who commented specifically on the timing suggested the proposed 10pm finish time was too late and that 9pm was a more suitable time. Key reasons for this include:</p> <ul style="list-style-type: none"> • 10pm being too late for families to prepare and eat dinner and avoid using electricity during the proposed peak period • a need to have a narrower peak period to effect the intended behaviour changes • being “punitive for families who can’t react” to changes the introduction of a peak period would encourage. 	<p><i>Peak end too late - 4-9[pm].</i></p> <p><i>Shifting the peak from 3-9 to 4-10 makes sense from a load profile perspective, but I expect a fair bit of pushback from customers because 10 pm finish would be considered too late by many to enable loads to be shifted after peak period. A lot of customers do not have appliances with timers (or know how to operate the timers if they do). This pushback could be ameliorated with some appropriate education (e.g. that longer period means lower price differential so full shifting less critical; or that appliance started at (say) 9.30 will still be running when lower price period kicks in at 10), but I'd still expect some pushback. At the same time, I wouldn't expect there to be a significant consumer impact pricewise.</i></p>

Victorian DNSPs proposal element	Level of support amongst stakeholders	Selected verbatim quotes
<p>Seasonality of the tariff structure</p> <p><i>Stakeholders generally supported keeping tariffs the same throughout the year and not adjusting for seasonality.</i></p>	<p>Amongst stakeholders, there was stronger support for maintaining the same rates and time every day of the year and not making changes based on the time of the year (e.g. daylight savings). However, a few suggested introducing seasonal prices would be suitable:</p> <ul style="list-style-type: none"> • if it were deemed as being “necessary” • to help manage winter gas peaking prices. • If reasonable timing and pricing were to be introduced, stakeholders expressed concerns over the: <ul style="list-style-type: none"> • ability of appliance timers to switch their operating teams based on favourable time periods • complexity of managing the different pricing periods/ times/ costs • not being reflective of network needs which might not result in reduced network costs. 	<p><i>Keep solar soak across all months - no seasonality.</i></p> <p><i>Happy with the 7-day continuity tariff design and keeping same 12 months - may need flexibility over time as gas load come on it will be very winter peaking.</i></p> <p><i>Q- how do appliance timers operate switching b/w AEST + DST?</i></p>
<p>Contingent triggers to change the tariff structure</p> <p><i>Generally, and for differing reasons, most stakeholders were opposed to contingent triggers although a few did express support.</i></p>	<p>Overall, support for the potential introduction of contingent triggers was mixed but there were more stakeholders who expressed opposition than those who are supportive. Key reasons why stakeholders are against contingent triggers include:</p> <ul style="list-style-type: none"> • being “too complex” to introduce • the change to introduce them would have substantial impacts • change being imposed on all electricity users. • Reasons why other stakeholders might support their introduction include: <ul style="list-style-type: none"> • if the number of scenarios whereby contingent triggers are required can be restricted it should help make them simpler to understand • their being “ok if necessary” • responding to rapid changes in the electricity market/ sector changes and the use of different technologies and energy sources <p>If they are to be introduced, stakeholders noted that contingent triggers would:</p> <ul style="list-style-type: none"> • require further consideration and analysis • require a “high bar to justify any change” • need to be clearly communicated to relevant stakeholders. 	<p><i>Contingent triggers - needs high bar to justify any change (+ change substantial).</i></p> <p><i>YES to contingencies triggers! Things are changing quickly. For each tariff period threshold data should be determined to function as a trigger for a review of a defined change (to price differential and/or time period). This makes the tariffs adaptable to either technological change – e.g. growth in batteries or EVs, electrification of gas loads – or unexpectedly effective price signals.</i></p>

Victorian DNSPs proposal element	Level of support amongst stakeholders	Selected verbatim quotes
<p>Further information for Workshop 3 in April 2024</p>	<p>Areas/ topics where stakeholders noted that further information would be beneficial, and could be considered in Workshop 3, include:</p> <ul style="list-style-type: none"> • seeking government support for the proposed tariff structure • undertaking and presenting some modelling of the proposed tariff structure changes and their potential benefits and impacts on electricity users and comparing these to alternate models • better understanding the work networks are doing to manage demand • alternative approaches other than tariffs that can encourage behaviour changes and help electricity users shift loads. <p>Stakeholders strongly support the Victorian DNSPs (and other stakeholders) conducting further engagement and providing additional education information to different stakeholders. Key reasons for this include:</p> <ul style="list-style-type: none"> • promoting price reductions to customers as it is advantageous for them to know about • customers requiring information to be able to consider making behaviour change(s) • a suggestion to share the TOU tariff structure diagram used in Workshop 2 more broadly as “it is very clear” • ensuring a clear and consistent communications approach • the need for retailers to undertake their own engagement with their customers and potentially update their operating processes and systems. 	<p><i>Some modelling of price impacts of proposed vs alternate vs existing tariffs on different types of household and business usage profiles (e.g., using AusNet’s load profile typologies for residential customers) would be a useful discussion starter to explore impacts on cross-subsidisation and areas of attention for transition strategies and any government assistance to vulnerable customers.</i></p> <p><i>Benefit of reduction in price for customer - for engagement customer this is advantageous. But need customer to be educated on this.</i></p> <p><i>THIRD FORUM - strategy on education for customers. Without this customer behaviours won't change. i.e. customer not knowing what tariffs they're on.</i></p>
<p>Residential TOU tariff assignment</p>		
<p>Support for Option 1 (TOU transition)</p> <p><i>Amongst the few stakeholders who provided direct feedback on Option 1, there was strong support.</i></p>	<p>Seven stakeholders expressed direct support for Option 1 with one opposing it on the basis of providing education. Reasons for support include:</p> <ul style="list-style-type: none"> • enabling time for retailers to prepare for the transition and updating of marketing and communications materials • ensuring that there is no opt-out • personal preference 	<p><i>The transition tariff [(Option 1)] would reduce price shock, and is my preferred option if the additional complexity does not cause significant problems – but only if modelling shows price shocks will be an issue. If price impacts will be mostly minor then it is probably not necessary.</i></p>

Victorian DNSPs proposal element	Level of support amongst stakeholders	Selected verbatim quotes
	<ul style="list-style-type: none"> reducing price shock (if modelling shows price impacts are not minor). 	
<p>Support for Option 2 (Immediate TOU)</p> <p><i>A higher number of stakeholders expressed direct support for Option 2 than they did for Option 1. Reasons for support varied but some further clarifications may be required.</i></p>	<p>19 stakeholders provided expressed direct support for Option 2. Reasons for support include:</p> <ul style="list-style-type: none"> expressing general support because it would be simpler for customers because its simpler to transition everyone on the one date suggesting there is enough time to prepare for the 1 July 2026 reassignment date because it allows customers time to adapt and save money to purchase and use their own battery and/or solar products because the fixed date will allow for standardised/ uniform communications. <p>Four stakeholders noted questions of clarification or potential caveats including:</p> <ul style="list-style-type: none"> how a mandatory reassignment might punish families despite other advantages (not specified) expressing support for Option 2 but wanting further analysis to be conducted in terms of customer bills and who might be impacted how it might result in complex retail contracts. 	<p><i>Option 2 allows customers time to adapt and save the money required for battery/solar.</i></p> <p><i>Education and warning/messaging is crucial for option 2 to succeed.</i></p>
<p>Opt-out to a flat tariff</p> <p><i>Limited information was received from stakeholders directly in relation to an option to opt-out to a flat tariff. Amongst the few who did provide feedback, support was mixed with their reasons varying.</i></p>	<p>Stakeholder feedback on a potential option to opt out to a flat tariff was limited but mixed. Most did not explain their reasons for their preference but there was some feedback around:</p> <ul style="list-style-type: none"> why the Victorian government directs people to flat tariffs the role of retailers in planning their tariffs. considering the flat tariff option for low-income electricity users. 	<p><i>Option to have opt out supported.</i></p> <p><i>No need for flat tariff option. Leave to retailers.</i></p>

Victorian DNSPs proposal element	Level of support amongst stakeholders	Selected verbatim quotes
<p>Further information for Workshop 3 in April 2024</p>	<p>Areas/ topics where stakeholders noted that further information would be beneficial, and could be considered in Workshop 3, include:</p> <ul style="list-style-type: none"> presenting further background information on how and why the two options have been considered undertaking further analysis and modelling of the two Options in terms of costs and impacts to different types of customers considering the role of government around the TOU transition (whether it is Option 1 or 2) presenting updates on how awareness and communications strategies are to be developed and implemented 	<p><i>Modelling of price impacts on different types of customer load profiles/typologies should show impact of transition compared to no transition – among other things, this would demonstrate whether the transitional approach makes a material difference for customers or not.</i></p> <p><i>For third forum - what is the communications/ awareness plan?</i></p>
<p>Opt-in two-way tariff</p>		
<p>Opt-in two-way tariff</p> <p><i>While most stakeholders were not opposed to the concept of a CER tariff, a key concern for stakeholders is the inclusion of an export charge period between 10am and 4pm. By contrast, some were concerned that the two-way opt-in tariff might widen the cost burden gap between solar and non-solar customers, and some wanted the tariff with export charges to be mandatory for solar customers.</i></p> <p><i>Some assumed that most solar and customers would opt into the tariff, while others assumed that only a limited number of customers would opt in.</i></p>	<p>While a few stakeholders indicated their support for an opt-in two-way tariff, most were not supportive of the tariff design. Key concerns include:</p> <ul style="list-style-type: none"> the inclusion of an export charge with key concerns about export charges listed in the row below. export charges should be mandatory (a minority view) differences in costs for solar and non-solar customers (particularly if solar households respond to the proposed tariff's price signals) whether a Basic Export Level (BEL) is required for an opt-in tariff a need for clarity on whether it is a government direction/ priority there being a "limited market" the complexity involved in calculating best offers. <p>A few stakeholders noted an opt-in two-way tariff would only be good for "defined customers" or a "limited market".</p>	<p><i>Orgs were worried about cost transfer b/w solar + non-solar customers. How do we keep track of cross subsidy if there's no reward... especially if solar households do respond to signals. They will pay even less, and non-solar will pay more.</i></p> <p><i>What's the point of BEL if it's opt in?</i></p> <p><i>Is opt-in really the DBs' preference for export tariffs? [Victorian DNSPs] should be advocating for and stating clearly a preference for a mandatory two-way tariff and explain why, even if also proposing an opt-in option in order to comply with Vic Government policy. This is a poor choice by Vic Government and needs to be challenged.</i></p> <p><i>Done right, this should benefit everyone. If it makes some high levels of solar export unviable, so be it, if these cannot be used they are not needed. There is no entitlement to export as much as you like.</i></p> <p><i>If they are the right times, they are the right times. Customers capacity to change behaviour is limited either way. It's not a huge change.</i></p>

Having a midday export charge and a midday solar soak

Stakeholders generally expressed were against the introduction of a midday export charge. However, there was stronger support for the solar soak period concept.

Generally, stakeholders expressed their support against the introduction of a midday export charge with a preference for 'carrots' rather than 'sticks' to encourage behaviour change.

Key reasons for this include:

- being unclear over why an export charge is required as part of the tariff
- the complexity of being able to determine the "best offer calculation"
- being unclear over what is the 'right' level for setting export charges
- being able to constrain solar more efficiently through technology
- the charge negatively affecting solar customers
- the need for more analysis and information to be provided
- the impacts to non-solar users/ households if solar households respond to the tariff's price signals as the Victorian DNSPs would like them to do so
- negatively impacting customers "who generally want to do the right thing."

Stakeholders who commented directly on the solar soak period were generally supportive of the concept suggesting that it:

- offers simplicity 12 months of the year
- is well aligned with the peak period
- is better to offer 'carrots' rather than 'sticks'
- is good not to have a gap in time between the solar soak and export reward periods.

However, some questions were raised on:

- the "devil in the detail"
- whether the term 'solar soak' is clear terminology
- the impacts to solar and non-solar users
- how much electricity load would be shifted to the middle of the day during winter and whether a weaker solar soak winter period would be required
- whether a solar soak period could be considered without also offering a peak/ export reward period
- the anticipated uptake of solar by 2026 amongst Victorian households.

A few stakeholders expressed direct support for export charges. Key reasons for doing so include:

No need for export charge as a signal, when you can constrain more effectively + efficiently through technology.

Export reward with no export charge.

Pairing export charge with solar soak and export reward with peak is perfect.

Solar sponge may be a good opportunity for equity and efficient use - as long as evening tariffs are not pushed too high.

Victorian DNSPs proposal element	Level of support amongst stakeholders	Selected verbatim quotes
	<ul style="list-style-type: none"> making additional tools and supports available to customers if there are benefits for customers pairing an export charge with a solar soak period/ export charge period being a good combination. developing export charges to bring customers to a new export limit. <p>One stakeholder suggested the Victorian DNSPs should provide electricity generation data to enable further analysis of the export charge.</p>	
<p>Having an evening export rebate</p> <p><i>Stakeholders expressed strong support for an evening export rebate.</i></p>	<p>Generally, stakeholders expressed strong support for an evening export reward/ rebate period. However, some stakeholders questioned of why it would be offered until 10pm while one noted that “not everyone can shift load.”</p> <p>Reasons for support include:</p> <ul style="list-style-type: none"> general support a desire not to see the export reward period taken away or lost for electricity users that it is a “necessary move” and the rebate should “be based on [a] threshold that reflects the point beyond which exports don’t have a net benefit to all customers” 	<p><i>Keep export reward.</i></p> <p><i>Export network reward is good carrot. But only till 9pm.</i></p>
<p>Seasonality in two-way tariff</p> <p><i>Slightly more stakeholders directly support seasonality although there are mixed views and the overall number of feedback comments made directly in relation to seasonality was low.</i></p>	<p>While there were mixed views, there were more stakeholders who provided feedback against seasonality than in support of it. Key reasons against seasonality include:</p> <ul style="list-style-type: none"> general opposition wanting to keep pricing simple and easy to understand it makes it harder for retailers to implement and monitor A few stakeholders indicated they might support seasonality: if it is kept simple and when considering export charges because it might be more important for export charges than usage tariffs because it may paradoxically be easier to communicate” retailers and aggregators are well placed to respond to different price signals. 	<p><i>Seasonal pricing is more difficult to keep track of and tougher for retailers to implement</i></p> <p><i>Seasonal pricing might be more important for export charges than usage tariffs. Export charges are probably more likely to incentivise changes to export patterns (e.g. it will make a stronger RoI [(Return on Investment)] case for batteries) than usage charges to usage, so if less daytime curtailment/more evening feed-in is useful in winter the rates should change accordingly.</i></p>

Victorian DNSPs proposal element	Level of support amongst stakeholders	Selected verbatim quotes
<p>Introducing a ‘shoulder’ between the export charge and export reward periods</p> <p><i>More stakeholders are against a ‘shoulder’ being introduced although there are varying views as to why. This can be considered further in Workshop 3.</i></p>	<p>Most stakeholders expressed support against the introduction of an export shoulder. Key reasons include:</p> <ul style="list-style-type: none"> • general opposition • wanting to keep the opt-in two-way tariff as simple as possible • shortening the time periods either side of the shoulder period would increase the differences between export charge and export reward prices offered. <p>One stakeholder suggested an export shoulder should be considered further without providing additional information why while another noted the ability of retailers to potentially build new product.</p>	<p><i>Having a shoulder would make the periods either side shorter and thus the price differential greater. Putting them together is simpler and consistent with TOU tariff.</i></p> <p><i>Introducing shoulder will be more complex. Retailers may build products for simplicity anyway.</i></p>
<p>Adapting the same structure for community batteries</p> <p><i>Limited stakeholder feedback was received specifically in relation to community feedback. This could be explored further in Workshop 3.</i></p>	<p>Very limited feedback was provided by stakeholders in relation to adapting the same opt-in two-way tariff structure for community batteries. However, one stakeholder noted “some batteries would require better functionality”. However, more generally in relation to technology, stakeholders suggested:</p> <ul style="list-style-type: none"> • improvement in technologies and appliances will be required • the benefits and impacts/ losses of various technologies including batteries and virtual power plans (VPPs) will be required • technology could be used to constrain exports rather than having an export charge • the ability for widely used V2G (vehicle to grid) services is likely to be around three years away • price signals could be distributed through SMS messages or a live app. 	<p><i>Consider using tech to constrain exports rather than charge.</i></p> <p><i>Signals to customers’ needs to be active through live app or SMS.</i></p>

Victorian DNSPs proposal element	Level of support amongst stakeholders	Selected verbatim quotes
<p>Further information for Workshop 3 in April 2024</p>	<p>Areas/ topics where stakeholders noted that further information would be beneficial, and could be considered in Workshop 3, include:</p> <ul style="list-style-type: none"> • providing more information on how a Basic Export Level (BEL) and Export Long-Run Marginal Cost (Export LRMC) would be calculated and applied by the different DNSPs • exploring export charges and export rewards and the potential values, benefits and impacts of each • further exploring the seasonality concept to understand why it might be required and provide more background information • adapting the opt-in tow-way tariff structure for community batteries. 	
<p>Pricing objectives</p>		
<p>Fit for purpose</p> <p><i>Generally, stakeholders suggested the pricing objectives were fit for purpose but specific suggestions for change and/or updates should be considered by the Victorian DNSPs.</i></p>	<p>Generally, stakeholders indicated their support for the proposed pricing objectives. Aside from expressing general support, specific reasons for this include:</p> <ul style="list-style-type: none"> • the wording and descriptions being clear to understand • they work well together as a set of three • they are limited to three objectives when previously there were five • they would likely be supported by electricity customers. <p>Other stakeholders provided specific updates to the ordering, naming and descriptions of the invoices. Some specific suggestions include:</p> <ul style="list-style-type: none"> • removing the concept of equity from the 'Efficient' objective • managing the "tension" between the 'Simple' and 'Efficient' objectives • including an objective labelled 'Education' • renaming the 'Adaptable' objective to 'Compatible' • the need for tariffs to be understood by stakeholders who are being consulted about the tariff design and assignment and how this is reflected through efficiency and equity. 	<p><i>Support pricing objectives -> most customers would agree to these.</i></p> <p><i>Easily understood by whom? Retailers, not necessarily consumers.</i></p> <p><i>The efficiency principle should mention sharing costs fairly as well as incentivising desirable energy usage patterns (I would use a term like 'energy usage profile/pattern' instead of 'customer behaviour' just to emphasise that it's about how the energy is used, not how the customer behaves.</i></p>

Victorian DNSPs proposal element	Level of support amongst stakeholders	Selected verbatim quotes
	<ul style="list-style-type: none"> updating the 'Efficient' objective to focus on both sharing of costs and incentivising desirable energy usage patterns. <p>Mixed feedback was received on whether the objectives should be equally or differently weighted. One indicated this should be done by the Victorian DNSPs if required.</p> <p>Three stakeholders raised questions asking whom the objectives would be fit for purpose for and enquiring about the role of retailers.</p>	
<p>Support for the energy transition and alignment to a Net Zero future</p> <p><i>Slightly more stakeholders suggested the objectives don't support the energy transition and alignment to a Net Zero future. However, feedback on this topic was limited and should be explored further in Workshop 3.</i></p>	<p>Limited feedback was provided by stakeholders specifically about how the pricing objectives might support the energy transition and align to a Net Zero future. Although a few indicated support, most stakeholders who provided feedback were against. The main reasons against include:</p> <ul style="list-style-type: none"> stakeholders having concerns around how implementing an export charge would contribute to Net Zero while enforcing an export limit the need for adaptability given expected future uncertainties with the energy transition. 	<p><i>Re the question about whether the objectives support the energy transition and align to a Net Zero future: if tariffs enable the true value of energy generation and load to be conveyed through the system, then they will do so.</i></p>
<p>Further information for Workshop 3 in April 2024</p>	<p>Areas/ topics where stakeholders noted that further information would be beneficial, and could be considered in Workshop 3, include:</p> <ul style="list-style-type: none"> better explaining how the proposed tariff changes align with the principles the need for customers to have an improved understanding of tariffs how tariffs might need to adapt during the upcoming regulatory period. how the proposed objectives will support the energy transition and align to a Net Zero future <p>Given limited feedback was received on how the objectives support the energy transition and align to a Net Zero future, this could be explored further in Workshop 3.</p>	<p><i>Tariffs should be able to be explained to customers who want to understand them, but don't need to be overly simple or particularly readily understandable without explanation. Ultimately customers need to understand their retail tariff, not the network tariff. Most customers don't, and don't need to, know their network tariff.</i></p>

2 Workshop process

2.1 Workshop details

Workshop details	
Date	Thursday 16 November 2023
Time	10:00 – 13:00
Location	Powercor office 40 Market Street Melbourne Victoria 3000
Facilitator	Rachel Fox – Principal, Engagement and Social Impact, bd infrastructure
Presenters	<ol style="list-style-type: none"> 1. Renate Vogt - General Manager Regulation, CitiPower, Powercor and United Energy 2. Edwin Chan – Pricing Manager, AusNet 3. Mark de Villiers – Head of Regulatory Finance, Modelling and Pricing, CitiPower, Powercor and United Energy 4. Sandeep Kumar – Head of Regulatory Analysis, Pricing and Strategy
DNSP representatives	<ol style="list-style-type: none"> 1. Edwin Chan – Pricing Manager, AusNet 2. Sonja Lekovic – Regulatory Policy Manager, AusNet 3. May Maung – Strategy Lead, AusNet 4. Charlotte Eddy – General Manager Regulation and Policy (Distribution), AusNet 5. Michaela Jackson, Engagement Specialist, AusNet 6. Renate Vogt – General Manager Regulation, CitiPower, Powercor and United Energy 7. Mark de Villiers – Head of Regulatory Finance, Modelling and Pricing, CitiPower, Powercor and United Energy 8. Kaitlin Pisani – Project Support Regulation, CitiPower, Powercor and United Energy 9. Kate Jdanova, Pricing Manager, CitiPower, Powercor and United Energy 10. Sandeep Kumar – Group Manager Regulatory Analysis, Pricing and Strategy, Jemena
Attendees	50 people attended the workshop* from the following organisations:
	<ul style="list-style-type: none"> • 1circle Pty Ltd • ACEnergy • AGL • Alinta Energy • Ampol • AusNet Tariffs Panel • Australian Energy Regulator • CitiPower, Powercor and United Energy Customer Advisory Panel • Clean Energy Council • Department of Energy, Environment and Climate Action • Electric Vehicle Council • Energy Consumers Australia • EnergyAustralia • Forethought • Globird Energy • Momentum • Origin Energy • Ovo Energy • Red Energy • Self-employed energy consultant • Victorian Council of Social Services • Yarra Energy Foundation

* Feedback on the workstation activities was provided in writing by a further two people who were unable to attend the workshop in person.

2.2 Workshop structure

2.2.1 Welcome and introductions

The introductions, Acknowledgement of Country address and housekeeping arrangements were made by the bd infrastructure facilitator, Rachel Fox. Renate Vogt, General Manager Regulation at CitiPower, Powercor and United Energy welcomed everyone to the workshop, thanked participants for their attendance and participation and commented on how the electricity sector has changed in recent years due to government policies, the uptake of renewable energy sources and Consumer Energy Resources (CER) and how this change is expected to continue in coming years.



Figure 2-1: Workshop welcome address by Renate Vogt

2.2.2 Presentations

The workshop covered four main topics of discussion which were presented at the start of the workshop by members of the DNSP team as listed in Table 2-1.

Table 2-1: Workshop 2 topics of discussion

Topic #	Topic	Introduced by
1	Residential Time of Use (TOU) Structure	Mark de Villiers
2	Residential Time of Use (TOU) Assignment Options	Mark de Villiers
3	Consumer Energy Resources (CER) Structure	Sandeep Kumar
4	Pricing objectives	Edwin Chan

Following a presentation and question and answer session on each topic, participants were assigned to workstations to discuss the topics in small groups. Participants were at one workstation for topics 1 and 2 and then mixed up and allocated to different workstations to discuss topics 3 and 4. (see Figure 2-3).



Figure 2-2: Workshop 2 venue layout

2.2.3 Group discussion

At each workstation, a DNSP representative guided discussions using the 'Rose, Bud and Thorn' facilitation approach described in Table 2-2 below. Participants provided written feedback using post-it notes.

Table 2-2: The Rose, Bud and Thorn facilitation approach

Rose	Bud	Thorn
What was good, motivating, exciting, or otherwise positive about the topic?	What ideas do you have about the topic? What has potential but could be enhanced?	What was bad, frustrating, or otherwise negative about the topic?

For each topic, questions for consideration were presented to stakeholders as shown in Table 2-3.

Table 2-3: Questions for consideration

Topic	Questions for consideration
Residential Time of Use (TOU) structure	<ul style="list-style-type: none"> • Do the solar soak and peak periods make sense? • Is the shift from 3-9pm to 4-10pm okay for existing TOU customers? • Should there be no solar soak in non-summer months? • Should there be a lower peak rate in autumn/ spring? • Should there be any contingent triggers¹ to change the tariff structure? • Is any further information required for the third forum?

¹ Contingent triggers are triggers for automatic tariff structure changes within a regulatory period which are specified in the tariff structure statement. The AER sets a high bar for a distributor to justify the need for a contingent trigger.

Topic	Questions for consideration
Time of Use (TOU) Assignment Options	<ul style="list-style-type: none"> • Which transition is preferable or is there another option? • How would retailers respond to each option? • Should there be the option to opt out to a flat tariff? • What further information is required in the third forum?
Consumer Energy Resources (CER) structure	<ul style="list-style-type: none"> • Who could benefit from this? Who could be negatively affected? • Do the solar soak, peak, and export charge/reward periods make sense? • Can customers accommodate the switch from 3-9pm to 4-10pm? • Should there be seasonal pricing?
Pricing objectives	<ul style="list-style-type: none"> • Are the updated pricing principles fit for purpose? • Do the objectives support the energy transition and align to a Net Zero future?



Figure 2-3: Participants providing feedback at a workstation

3 Feedback

3.1 Feedback on tariff options

3.1.1 Residential Time of Use (TOU) tariff structure

What the Victorian DNSPs are proposing

The Victorian DNSPs are proposing to change the current residential Time of Use (TOU) tariff structure as shown in Figure 3-1::

- include a solar soak period from 10am to 4pm (the solar soak rate would be very low to encourage energy consumption during the peak solar export period)
- push back the peak period by one hour from 4pm to 10pm (instead of 3pm to 9pm)

The following would be kept the same:

- same rates and times every day of the year
- all times in local time
- no export charges.

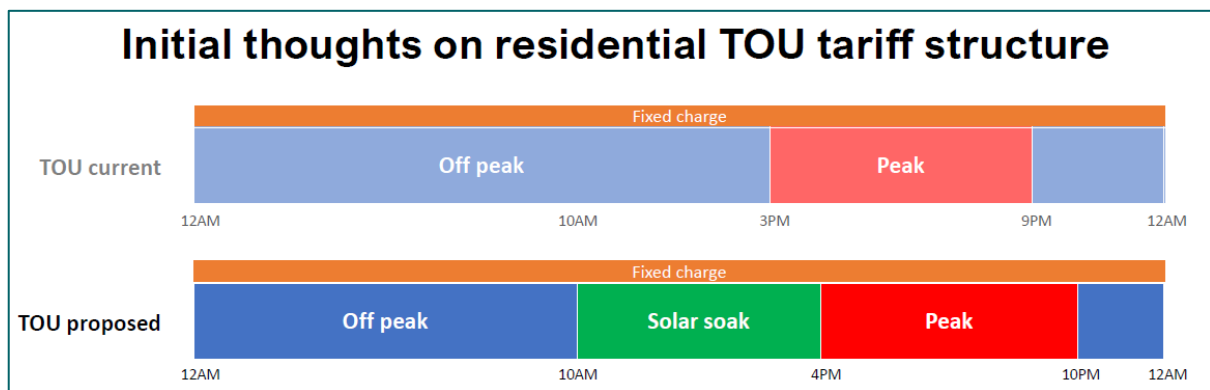


Figure 3-1: Current and proposed residential TOU tariff structure

Feedback from stakeholders

Feedback from stakeholders has been analysed with key themes, points and selected verbatim quotes presented in Table 3-1.

Table 3-3

Table 3-1: Stakeholder feedback on the residential TOU tariff structure

Theme	Key points	Selected verbatim quotes
Roses (Areas of support for the proposed pricing objectives)		
Introduction of a solar soak period	<ul style="list-style-type: none"> Where possible, it's better to incentivise positive behaviour through a solar soak change than charging customers for undesired behaviours through an export charge. Any proposed solar soak period should be the same all year round to ensure consistency. Simplicity is important. 	<p><i>Solar soak good idea. Carrot better than stick.</i></p> <p><i>Solar sponge may be a good opportunity for equity and efficient use - as long as evening tariffs are not pushed too high.</i></p> <p><i>Simple enough but definitely no more complex.</i></p>
Timing of the export reward period	<ul style="list-style-type: none"> Strong support existed for keeping an export reward (solar soak) period the same throughout the year. Some support was expressed for the proposed time change shift from 4-10pm. The proposed solar soak time period needs to be clearly communicated to key stakeholders. 	<p><i>Keep solar soak consistent all year.</i></p> <p><i>Proposed time bands make sense but needs to be communicated clearly.</i></p> <p><i>Shift to 4pm - 10pm in TOU is positive.</i></p> <p><i>Structure not changing through the year.</i></p>
Introducing contingent triggers	<ul style="list-style-type: none"> Two stakeholders directly expressed their support for the introduction of contingent triggers to allow changes to tariff structures and peak period/solar soak time period based on latest available household energy data during the regulatory period (However, it should be noted that the overall majority of stakeholders who provided feedback on contingent triggers were opposed to their introduction as shown in the 'Thorns' category below). 	<p><i>YES to contingencies triggers! Things are changing quickly. For each tariff period threshold data should be determined to function as a trigger for a review of a defined change (to price differential and/or time period). This makes the tariffs adaptable to either technological change – e.g. growth in batteries or EVs, electrification of gas loads – or unexpectedly effective price signals.</i></p>
Buds (Areas of support where change(s) might be required)		
Customer engagement	<ul style="list-style-type: none"> Consider undertaking additional customer/ consumer engagement to better understand tariff impacts and their levels of understanding. Consider how the potential tariff would likely impact both solar and non-solar customers. Consider how clear the solar soak language being used is for customers. Consider additional analysis and modelling. Consider how tariffs and key phrases/terms are labelled to avoid the use of jargon. 	<p><i>Assumptions on consumer responses to tariffs are based on structures so far. Sharper/ more attractive signals may improve engagement.</i></p> <p><i>See customer impact to determine if tariff is reasonable.</i></p> <p><i>Would be good to understand the impact on cross subsidy b/w non-solar to solar if sponge becomes mandatory (including sponge w/o peak).</i></p> <p><i>Is solar soak clear terminology?</i></p> <p><i>Some modelling of price impacts of proposed vs existing tariffs on different types of household and business usage profiles (e.g., using AusNet's load profile typologies for residential customers) would be a useful discussion starter to explore impacts on cross-subsidisation and areas of attention for transition strategies and any government assistance to vulnerable customers.</i></p>

Theme	Key points	Selected verbatim quotes
Timing of the peak period	<ul style="list-style-type: none"> Consider potential implications of changing the peak period time for people who cannot easily change their electricity device usage patterns. Consider the likely times people are still awake and likely to use appliances. Should a solar soak period be introduced now given the current uptake of households with solar and/or expected to have it by 2026. 	<p><i>Shifting the peak from 3-9 to 4-10 makes sense from a load profile perspective, but I expect a fair bit of pushback from customers because 10 pm finish would be considered too late by many to enable loads to be shifted after peak period. A lot of customers do not have appliances with timers (or know how to operate the timers if they do). This pushback could be ameliorated with some appropriate education (e.g. that longer period means lower price differential so full shifting less critical; or that appliance started at (say) 9.30 will still be running when lower price period kicks in at 10), but I'd still expect some pushback. At the same time, I wouldn't expect there to be a significant consumer impact pricewise.</i></p> <p><i>Does solar soak make sense for now - solar customer i.e., by 2026 only 30% on solar.</i></p>
Thorns (Aspects that are not supported or approved of by stakeholders)		
Managing the electricity grid and other infrastructure	<ul style="list-style-type: none"> Consider how customers use electricity and their flexibility to change consumption patterns. Consider the level of understanding of customers to be aware of different prices (including incentives and penalties) and to respond to these if they wish to. Consider how daylight savings time changes will be managed and reported to consumers. 	<p><i>That only a third of customers have moved usage outside peak hours might show that customers figured out that it wouldn't make a difference because they were on flat tariffs; but it might also show that it's very difficult for customers to change their usage because ultimately, we mostly use energy when we need it, and those needs are often not so flexible.</i></p> <p><i>That 77% of customers on flat tariffs believe there are cheaper times of day to use electricity shows that people can understand it and that even in the absence of a targeted campaign the message is getting out there. And that people are never going to really understand their tariffs en masse.</i></p> <p><i>Can the industry manage daylight savings peak of 4-9[pm].</i></p>
Contingency triggers	<ul style="list-style-type: none"> Consider not introducing contingency triggers. While some stakeholders just expressed their general opposition, others flagged specific concerns that contingent triggers: <ul style="list-style-type: none"> might impose charges on all users will require "very careful consideration and analysis" will require "substantial change" if they are to be introduced will require clear rules as to when they might be utilised/ implemented. 	<p><i>No there should not be contingent triggers.</i></p> <p><i>Contingency needs very careful consideration and analysis.</i></p> <p><i>Contingent triggers - needs high bar to justify any change (+ change substantial).</i></p> <p><i>Need to be clear definitions + rules for contingency triggers.</i></p>

Theme	Key points	Selected verbatim quotes
Timing of peak period	<ul style="list-style-type: none"> Stakeholders expressed different views on when the peak period should start and finish if introduced. Stakeholders suggested that introducing different seasonal charges would make it confusing to understand. 	<p><i>Why does peak period finish at 10pm? Does it need to be 6 hrs?</i></p> <p><i>Peak should be no later than 9pm.</i></p> <p><i>No seasonality = simplicity.</i></p> <p><i>Some structure all year round is not reflective of network needs (and therefore may not 'effectively' reduce network costs).</i></p>
Introduction of export charges	<ul style="list-style-type: none"> Consider providing support(s) to customers that are unable to easily make changes and/or purchase new devices/ technologies. 	<p><i>Needs to be support for customers that can't/don't have capacity to switch load.</i></p>
Customer's ability to respond to changes	<ul style="list-style-type: none"> Consider what customer behaviours tariff charges are trying to change. Consider the communication and education work that retailers will need to undertake. Consider other behavioural change mechanisms. 	<p><i>We don't know what behaviours we actually want this to change.</i></p> <p><i>Retailer will need to undertake comms with customers, change product, ask consent etc if ToU changes. Also updated billing inputs.</i></p> <p><i>Barriers to customers shifting loads is good to know and to keep in mind. We need to develop ways to orchestrate load shifting without requiring overt behaviour change.</i></p>

3.1.2 Residential Time of Use (TOU) assignment options

What the Victorian DNSPs are proposing

The Victorian DNSPs are considering getting all Victorian residential customers on the proposed TOU tariff structure outlined in Figure 3-1: above. To do this, they are considering two different TOU assignment options including a transition to a TOU tariff (Option 1) or reassigning everyone on one date (Option 2), shown in Figure 3-2.

<p>Option 1: Transition TOU tariff</p> <ul style="list-style-type: none"> All flat tariff customers are moved onto a transition TOU tariff Each year over four years, the rates are moved further apart until in the fourth year the transition tariff is the same as the full TOU tariff 	<p>Option 2: Reassign everyone on one date</p> <ul style="list-style-type: none"> Need to work closely with the Vic Govt and retailers around logistics and messaging Need sufficient time after the AER determination to implement → implementation date may need to be later than 1 July 2026
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Figure 3-2: Options for tariff assignment

In making this proposal to put all Victorian residential customers onto the TOU tariff, the Victorian DNSPs have considered the following:

- more efficient tariffs supporting affordability and equity (see Principles in Section 2.4.4)
- a greater focus on supporting Net Zero
- providing all customers with opportunity to benefit from the energy transition
- ensuring that some customers, particularly vulnerable customers, are not left behind
- the widening gap between flat tariff and TOU tariff rates as per our TSSs
- many customers do not know if they are on a TOU or flat retail tariff structure
- enabling more customers to respond to TOU price signals through education campaigns/ programs.

3.1.3 Consumer Energy Resources (CER) structure

What the Victorian DNSPs are proposing

In relation to Consumer Energy Resources (CER), the Victorian DNSPs proposing an opt-in two-way tariff as shown in Figure 3-3. The preferred option would:

- use the proposed TOU tariff structure for residential customers as a base
- include an export charge period between 10am and 4pm and an export reward period between 4pm and 10pm.

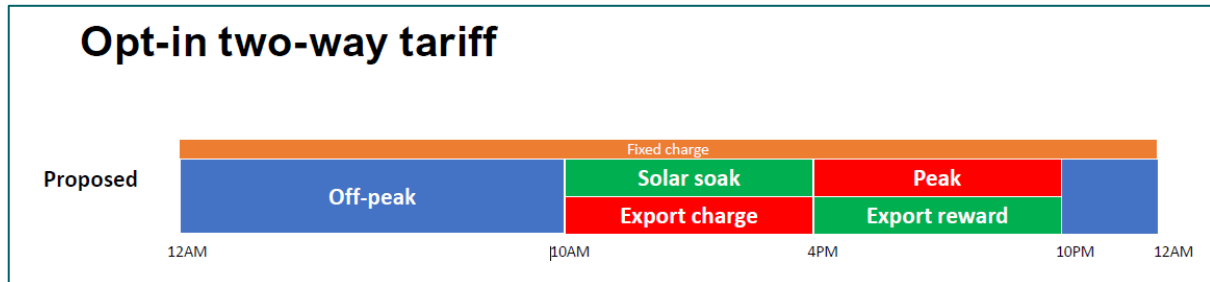


Figure 3-3: Victorian DNSPs preferred option for CER tariff assignment

A community battery tariff, with a pricing structure similar to the opt-in two-way tariff (shown in Figure 3-3), would also be introduced. This would apply to:

- those customers with battery installations at low voltage with certain size limitations, after agreement by the relevant network that the battery is in an area where it will have a positive grid impact.
- DNSP-owned batteries.

Feedback from stakeholders

Feedback from stakeholders has been analysed with key themes, points and selected verbatim quotes presented in

Table 3-3Table 3-2.

Table 3-2: Stakeholder feedback on CER

Theme	Key points	Selected verbatim quotes
Roses (Areas of support for the proposed pricing objectives)		
General support for the opt-in two-way tariff	<ul style="list-style-type: none"> Support was expressed for the tariff changes proposed by the Victorian DNSPs. 	<p><i>Love the concept. True reward for customers shifting usage generation.</i></p> <p><i>Done right, this should benefit everyone. If it makes some high levels of solar export unviable, so be it, if these cannot be used they are not needed. There is no entitlement to export as much as you like.</i></p>
Introducing a 'shoulder' into the tariff	<ul style="list-style-type: none"> Some stakeholders expressed support for the introduction of a 'shoulder' while others did not support it. Pairing solar soaks with export rewards is a sensible suggestion. 	<p><i>Having a shoulder would make the periods either side shorter and thus the price differential greater. Putting them together is simpler and consistent with TOU tariff.</i></p> <p><i>No shoulder needed.</i></p> <p><i>Pairing export charge with solar soak and export reward with peak is perfect.</i></p>
Benefits for customers with CER products	<ul style="list-style-type: none"> Some customers will benefit from the proposed tariff and having CER products (such as batteries). Community battery and Virtual Power Plant (VPP) owners will benefit from the proposed tariff structure. Ongoing improvements in technologies (e.g., batteries) will be required. 	<p><i>2 way good for very limited market.</i></p> <p><i>Community battery and VPP operators stand to gain from efficient two-way tariffs that encourage operation to benefit the network.</i></p> <p><i>This tariff structure is excellent for battery business case</i></p>
Buds (Areas of support where change(s) might be required)		
Seasonal pricing	<ul style="list-style-type: none"> Consider whether rates should be different in summer and winter seasons. Consider how well-placed retailers are to respond to price signals through the use of seasonal pricing. Seasonal pricing can make it more complex for retailers to manage. 	<p><i>Seasonal pricing might be more important for export charges than usage tariffs. Export charges are probably more likely to incentivise changes to export patterns (e.g. it will make a stronger RoI [(Return on Investment)] case for batteries) than usage charges to usage, so if less daytime curtailment/more evening feed-in is useful in winter the rates should change accordingly.</i></p> <p><i>Retailers/aggregators and storage operators are well placed to respond to price signals -> seasonal pricing should be considered.</i></p> <p><i>Seasonal pricing is more difficult to keep track of and tougher for retailers to implement.</i></p>
Timing of the peak period	<ul style="list-style-type: none"> Additional consideration needs to be given to the peak time period. Some stakeholders suggest it should be earlier while others suggest later. 	<p><i>3-9 [pm] changed to 4-10pm is harder to be flexible in usage.</i></p> <p><i>Peak should be earlier 4-9pm.</i></p> <p><i>Export charge time too late at 4pm?</i></p>

Theme	Key points	Selected verbatim quotes
Communicating the tariff structure and charges	<ul style="list-style-type: none"> Consider how changes are communicated to different stakeholders and why it is important. Retailers value simplicity in the products they offer to their customers. Consider using simplified language with no jargon when explaining complex concepts to different stakeholder groups (some with limited knowledge). 	<p><i>Less jargon. Use low/med/high cost instead of "off peak" etc.</i></p> <p><i>Seasonal pricing may paradoxically be easier to communicate.</i></p> <p><i>Introducing shoulder will be more complex. Retailers may build products for simplicity anyway.</i></p>
Thorns (Aspects that are not supported or approved of by stakeholders)		
Export charges	<ul style="list-style-type: none"> Export charges will impact customers who generate excess energy and want to feed it into the electricity grid. Question of why people/ households feeding energy into community batteries should incur costs for doing so. Taking measures to constrain supply should be considered above export charges. Consider the extent to which the solar soak will incentivise behaviour change around when solar energy is fed back into the grid. 	<p><i>Export charge seen as a negative for customers generally want to do the right thing.</i></p> <p><i>If you are contributing to community battery why should you be charged?</i></p>
Current technology	<ul style="list-style-type: none"> Consider the ability of current technologies to allow for flexible load control and dispatch. Consider the extent to which different tariffs (or elements of them) apply to certain technologies. Consider expected improvements in technologies over the duration of the next regulatory reset period. 	<p><i>Not all batteries are flexible.</i></p> <p><i>Shoulder charge not required for batteries. They are programmable.</i></p> <p><i>Different tariffs for storage (VPPs, Community batteries) and households.</i></p>
Fairness for solar and non-solar customers	<ul style="list-style-type: none"> Consider the extent to which non-solar households will be financially impacted by the proposed tariff changes. Consider alternative measures to support non-solar and/or battery properties. 	<p><i>Orgs were worried about cost transfer b/w solar + non-solar customers. How do we keep track of cross subsidy if there's no reward... especially if solar households do respond to signals. They will pay even less, and non solar will pay more.</i></p>
Consistency with other networks	<ul style="list-style-type: none"> Consider how any proposed CER tariff changes align with tariffs in other jurisdictions. 	<p><i>Is not consistent with NSW networks and contradicts principle of consistency</i></p>

3.1.4 Pricing objectives

What the Victorian DNSPs are proposing

The Victorian DNSPs are proposing to reduce the number of pricing objectives from five to three, with different descriptions. Currently, the pricing objectives are:

- **Simplicity:** Network prices should be readily understood by customers, retailers and stakeholders.
- **Economic Efficiency:** Customers face the correct price signals so that their consumption decisions reduce total network costs.
- **Adaptability:** Network pricing design should be capable of being applied to future network configurations and technologies.
- **Affordability:** Access to network services should be affordable, including for vulnerable customers.

- Equity: Each customer should pay a fair share of network costs.

The three proposed new pricing objectives are shown in Figure 3-4.

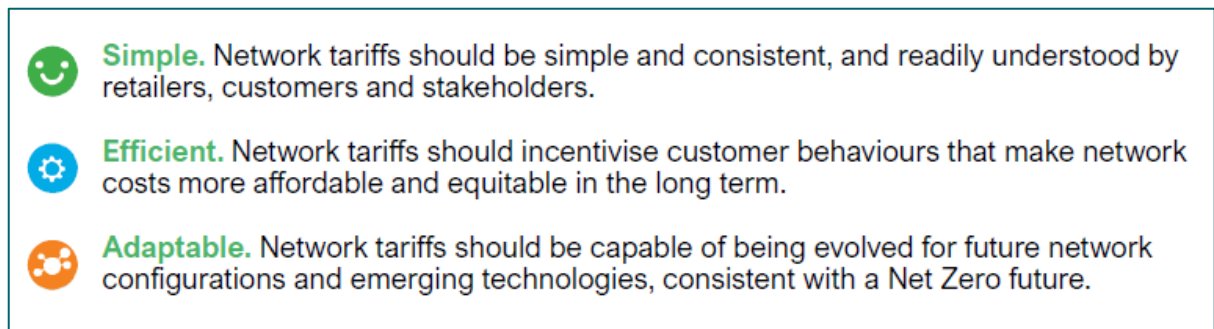


Figure 3-4: Proposed pricing objectives

Feedback from stakeholders

Feedback from stakeholders has been analysed with key themes, points and selected verbatim quotes presented in

Table 3-3.

Table 3-3: Stakeholder feedback on the proposed pricing objectives

Theme	Key points	Selected verbatim quotes
Roses (Areas of support for the proposed pricing objectives)		
Support for proposed principles	<ul style="list-style-type: none"> There is some general support for the proposed pricing objectives (14 stakeholders suggested the proposed pricing objectives were fit for purpose although it should be noted that not all stakeholders provided feedback on whether they were fit for purpose or not. Furthermore, stakeholders were not asked to vote on the extent to why they like or support the proposed pricing objectives). The 'Simple' objective needs to be understood within context. Some stakeholders suggested that customers would likely agree with the proposed objectives. 	<p><i>Yes. Updated objectives are fit for purpose.</i></p> <p><i>Support pricing objectives -> most customers would agree to these.</i></p> <p><i>Agree with simple - as simple as it can be in the energy transition.</i></p>
Simplicity is important.	<ul style="list-style-type: none"> Objectives should be limited to a maximum of three. The language and wording used should be plain English and easy to understand. Given the complexity and uncertainty of the transition to Net Zero, adaptability is required and remains important. 	<p><i>I particularly like how you have rolled efficiency, equity, and affordability into the one because they are different aspects of this same broader principle.</i></p> <p><i>Great to simplify principles. I believe these are generally fit for purpose.</i></p> <p><i>Uncertainty with the energy transition requires adaptability.</i></p>
Weighting of objectives	<ul style="list-style-type: none"> Some stakeholders expressed support for evenly weighting the pricing objectives. Some stakeholders expressed support for weighting one objective over another. 	<p><i>Objectives need to be evenly weighted.</i></p> <p><i>Agreed "simple" very important. Should be weighted heavily.</i></p>
Number of objectives	<ul style="list-style-type: none"> Some stakeholders suggested that there should be a total of three objectives rather than five. 	<p><i>Agree should have no more than 3 objectives.</i></p> <p><i>3 objectives is good (better than 5).</i></p>
Buds (Areas of support where change(s) might be required)		
Naming of objectives	<ul style="list-style-type: none"> Specific suggestions include changing: <ul style="list-style-type: none"> 'Simple' to 'Simple as possible' 'Efficient' to 'Efficient and Fair' 'Adaptable' to 'Compatible' Efficient should include export rewards without penalties. The definition of the 'Equitable' objective should be changed. 	<p><i>Communication more important than simplicity.</i></p> <p><i>"Equitable" needs detailed definition.</i></p>
Ordering of objectives	<ul style="list-style-type: none"> Consider the order in which the pricing objectives are currently listed. 'Efficient' should be considered as the first pricing objective. Customers need to be considered in terms of the objectives and how they are ordered. 	<p><i>1. Efficient</i></p> <p><i>2. Adaptable</i></p> <p><i>3. Simple</i></p> <p><i>Consistency maybe more important than simplicity for retailers. But both needed for consumers.</i></p>

Theme	Key points	Selected verbatim quotes
Understanding tariffs	<ul style="list-style-type: none"> • Different stakeholders suggested the level of understanding of tariffs amongst different stakeholders is important while for some it's not that important. • Objectives and tariffs need to be understood by different stakeholders. • Customers need to be able to understand tariffs. 	<p><i>Tariffs should be able to be explained to customers who want to understand them, but don't need to be overly simple or particularly readily understandable without explanation. Ultimately customers need to understand their retail tariff, not the network tariff. Most customers don't, and don't need to, know their network tariff.</i></p> <p><i>Tariffs do need to be understandable to stakeholders who are being consulted about tariff design and assignment. This should include being able to demonstrate how tariffs reflect costs, and how they promote efficiency and equity.</i></p> <p><i>I'm a bit cautious about equivalising the degree to which different stakeholders need to readily understand tariffs.</i></p>
Consideration of alternative mechanisms	<ul style="list-style-type: none"> • It is important to understand that tariffs are not the only mechanism for influencing behaviour change. 	<p><i>There are other ways to incentivise changes in behaviour.</i></p>
Suitability for retailers	<ul style="list-style-type: none"> • Consider that whatever pricing objectives and tariffs that are introduced, retailers need to be able to understand and work with them. • 	<p><i>Primarily, retailers must be able to work with tariffs (though I'd push back against claims that anything not totally basic is too hard).</i></p>
Thorns (Aspects that are not supported or approved of by stakeholders)		
Considering fairness and equity	<ul style="list-style-type: none"> • The pricing objectives still require further work before they can be finalised. • Consider how 'fairness' and 'equity' are considered in the objectives. • Equity includes the ability to respond to complex signals so it should not be included under 'Efficient' • Additional research is required into the principles. 	<p><i>The efficiency principle should mention sharing costs fairly as well as incentivising desirable energy usage patterns (I would use a term like 'energy usage profile/pattern' instead of 'customer behaviour' just to emphasise that it's about how the energy is used, not how the customer behaves.</i></p> <p><i>Equitable doesn't just mean 'cost reflective' - also means giving equal access to services in a way that's fair e.g. city customers cross subsidise country - but is it equitable to charge country people much higher costs?</i></p>
Changing customer behaviours	<ul style="list-style-type: none"> • Consider what customer behaviours we want to change and why. • It is important to note that there are other broader issues that need to be considered. 	<p><i>What behaviours do we want consumers to change? Do we really want dinner @ 5pm?</i></p> <p><i>This is facilitated by these objectives but also depends on broader issues such as if the reg framework also enables these values to be conveyed, and the diligence to which networks design tariffs, determine how long 'long run' is, and appropriately identify and distinguish beaten marginal and residual costs.</i></p>

Theme	Key points	Selected verbatim quotes
Achieving Net Zero targets	<ul style="list-style-type: none"> Consider the role that tariffs play to enable electricity to be generated and fed through the distribution system. Consider how much renewable energy is generated and used within the grid. 	<p><i>Re. the question about whether the objectives support the energy transition and align to a Net Zero future: if tariffs enable the true value of energy generation and load to be conveyed through the system, then they will do so.</i></p> <p><i>It's not Net Zero if encouraging customers to use in solar soak but also enforce an export limit therefore reducing % of renewable energy in grid?</i></p>

3.2 Participant feedback survey

Following the workshop, participants were emailed an online participant feedback survey (see Appendix D) and asked to complete it. A total of 18 participants completed the survey which focused on four key areas of feedback including:

- Venue and catering
- Communication
- Workshop coordination
- Final comments or questions.

Overall, the feedback from respondents was positive:

- 95 per cent suggested it was 'Very comfortable' (67 per cent) or 'Somewhat comfortable' (28 per cent)
- 95 per cent suggested the Workshop 2 venue was 'Very easy to get to' (67 per cent) or 'Easy to get to' (28 per cent)
- 100 per cent suggested they had been communicated with 'Very clearly' (72 per cent) or 'Clearly' (28 per cent) prior to the workshop

No improvements required. Maintain current levels of communications.

- 100 per cent 'Strongly agree' (67 per cent) or 'Agree' (33 per cent) that they were satisfied with the way the workshop was facilitated
- 92 per cent 'Strongly agree' (67 per cent) or 'Agree' (25 per cent) that they were satisfied with the way their facilitator handled the workstation group work exercises and encouraged all participants to provide their feedback and insights.
- 100 per cent 'Strongly agree' (58 per cent) or 'Agree' (42 per cent) that they were satisfied that different insights and views were put forward by different stakeholders for consideration.
- One participant noted that the workstation numbers provided on participant name badges could be improved.

The numbering for the exercises was not clearly explained.

A summary of findings is presented in Appendix E.

4 Next steps

Following the completion of Workshop 2, bd infrastructure and the Victorian DNSPs will work together to:

- Ensure workshop participants are sent the Workshop 2 Summary Report and invited to attend Workshop 3.
- Provide additional information on the four key topics in Workshop 3 based on feedback received in Workshop 2 including:
 - Residential TOU tariff structure and
 - Residential TOU tariff assignment
 - CER structure
 - Pricing objectives
- Ensure feedback from Workshop 2 participants provided in the feedback survey is considered in the design of Workshop 3.

Workshop 3 will also be an in-person event and will occur on Tuesday 16 April 2024 between 10:00 and 13:00 at Jemena's head office located at Level 16, 567 Collins Street, Melbourne, VIC 3000.

Appendix A – Victorian DNSPs TSS Stakeholder Workshop 2 agenda

Date	16 November 2023	Time	10:00-13:00
Venue	Powercor, 40 Market Street, Melbourne		
Facilitator	Rachel Fox, bd infrastructure		

Time	Item	Presenters
10:00	Welcome	<ul style="list-style-type: none"> Facilitator Rene Vogt, Executive General Manager, Powercor
10:15	Icebreaker	Facilitator
10:30	Presentations and questions <ul style="list-style-type: none"> Updates to pricing principles Time of Use tariff structure and assignment options CER tariff structure and assignment options 	<ul style="list-style-type: none"> Edwin Chan, AusNet Mark De Villiers, CitiPower/Powercor/United Energy Luisa Hall, Jemena
11:20	Break	
11:30	Interactive feedback sessions <ul style="list-style-type: none"> Residential Time of Use tariff structure Residential Time of Use tariff assignment CER tariff structure Pricing principles 	All participants
12:35	Key themes and takeaways	All participants
12:50	Final comments and next steps	Mark de Villiers, CitiPower/Powercor/United Energy
13:00	Close	

Appendix B – Victorian DNSPs TSS Stakeholder Workshop 2 presentation slides

Victorian distributor network tariff second forum

Powering Victoria Together

AusNet


CITIPOWER


Powercor
AUSTRALIA


Jemena
bringing energy to life

united
energy 

“We acknowledge the Traditional Owners of the land on which we operate and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.”



Today's agenda

Time	Item	Presenters
10:05	Welcome remarks	Rene Vogt, Executive General Manager, Powercor
10:15	Icebreaker	Rachel Fox
10:30	Presentations and questions <ul style="list-style-type: none">• Updates to pricing principles• Time of Use tariff structure and assignment• CER tariff structure and assignment	Edwin Chan, AusNet Mark De Villiers, CUP Luisa Hall, Jemena
11:20	Break	
11:30	Interactive feedback sessions <ul style="list-style-type: none">• Pricing principles• Time of Use tariff structure• Time of Use tariff assignment• CER tariff structure	All participants
12:35	Key themes and take-aways	All participants
12:50	Final reflections	Mark De Villiers, CUP
13:00	Close	

Safety and Housekeeping

- **Evacuation**
- **Bathrooms**
- **Thank you for turning your phones to silent during the workshop**



Renate Vogt

General Manager Regulation

CitiPower, Powercor and United Energy

AusNet



Icebreaker

AusNet



Topic 1

Revisiting pricing objectives

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Summary of what we heard

- Tariffs design should be:
 - simple for customers and retailer staff to understand
 - standardised for retailers to reduce complexity and costs relating to implementation and to build up critical mass for take up.
- Network costs to be carefully balance to reflect the type of services consumed by customers, and to meet the current and future investment of the electricity network.
- Tariffs needs to be technology agnostic while being supportive and complementary to existing and future consumer energy resources (CER).
- Pricing objectives should be aligned with the Net Zero and emissions reduction objectives.
- Need to be affordable, especially to protect customers who might be vulnerable or those that face other affordability challenges.
- Customer awareness and understanding of tariffs is crucial to behavioural change.

Current pricing objectives

-  **Simplicity.** Network prices should be readily understood by customers, retailers and stakeholders.
-  **Economic Efficiency.** Customers face the correct price signals so that their consumption decisions reduce total network costs.
-  **Adaptability.** Network pricing design should be capable of being applied to future network configurations and technologies.
-  **Affordability.** Access to network services should be affordable, including for vulnerable customers.
-  **Equity.** Each customer should pay a fair share of network costs.

Proposed pricing objectives



Simple. Network tariffs should be simple and consistent, and readily understood by retailers, customers and stakeholders.



Efficient. Network tariffs should incentivise customer behaviours that make network costs more affordable and equitable in the long term.



Adaptable. Network tariffs should be capable of being evolved for future network configurations and emerging technologies, consistent with a Net Zero future.

Questions for consideration

- Are the updated pricing objectives fit for purpose?
- Do the objectives support the energy transition and align to a Net Zero future?

Examples of objectives in action



Simple.

Customers should be able to easily understand tariff structures and supporting explanatory materials. Explanatory materials should be readily available.



Efficient.

Tariff structures provide incentive for customers to move usage from peaky evenings to middle of the day, reducing pressure on networks during evening peak (making networks ***more affordable over time***) and reducing cross subsidies (***improving equity***).



Adaptable.

Adapting the time of use tariff to add a solar soak period, to create new incentives to move usage to middle of the day to absorb increasing rooftop solar exports.

Topic 2a

Residential time of use (TOU) tariff structure

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Research shows customer understanding of their tariffs is low, with tariffs not driving behaviour

Customers are not across what tariff structures they are on

- Many households are unaware of their tariffs, whether they are on a time-of-use or single rate tariff, or what time the electricity price changes if they are on time-of-use tariffs
- In one study, 77% of customers who were on a single rate tariff believed there are times of day when cheaper to use electricity

Most have not actively shifted their behaviour in response to tariffs

- When asked about energy-saving behaviours, less than a third of customers listed moving usage outside of peak hours
- “Comfort, health and safety” was most respondents' primary household value for participants in one study
- ***Our smart meter analysis confirms this pattern***

These results are from AusNet's Customer Segmentation research study and CitiPower, Powercor and United Energy's Future Home Demand report



Relevant considerations

- **Tariff alignment** across the five distributors is still important to many stakeholders
- **Simplicity** is still important but needs to be balanced with **efficiency** and **supporting net zero**
- **Customer research** indicates that many customers don't know whether they are on a TOU or flat retail tariff
- Broad support for a **solar soak** discount to be included in the residential TOU tariff
- Victorian government expects **export charges** to be opt-in

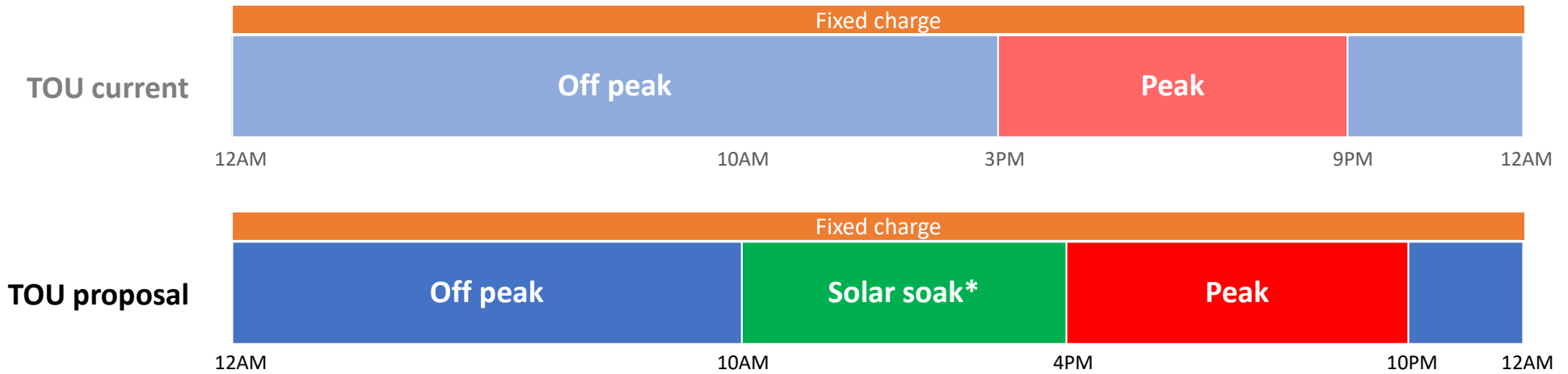
What we have done

- Analysed residential half-hourly import (consumption) and export data for each network from 1 July 2022 to 30 June 2023
- Identified the ideal **solar soak** and **peak** periods based on:
 - residential customer net demand* profile
 - peak demand times at zone substations

**Net demand is defined as imports less exports*



Initial thoughts on residential TOU tariff structure

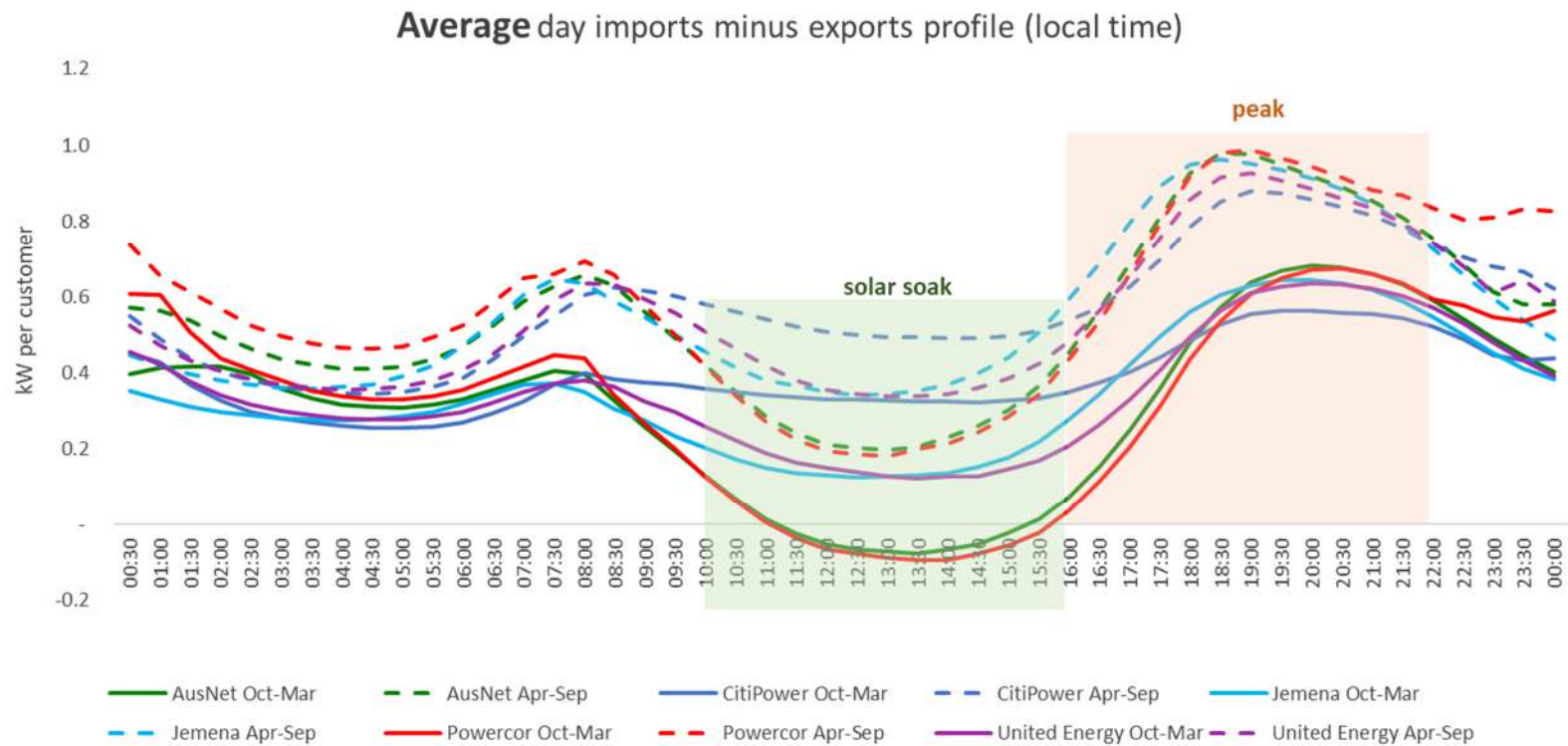


Propose to keep the same

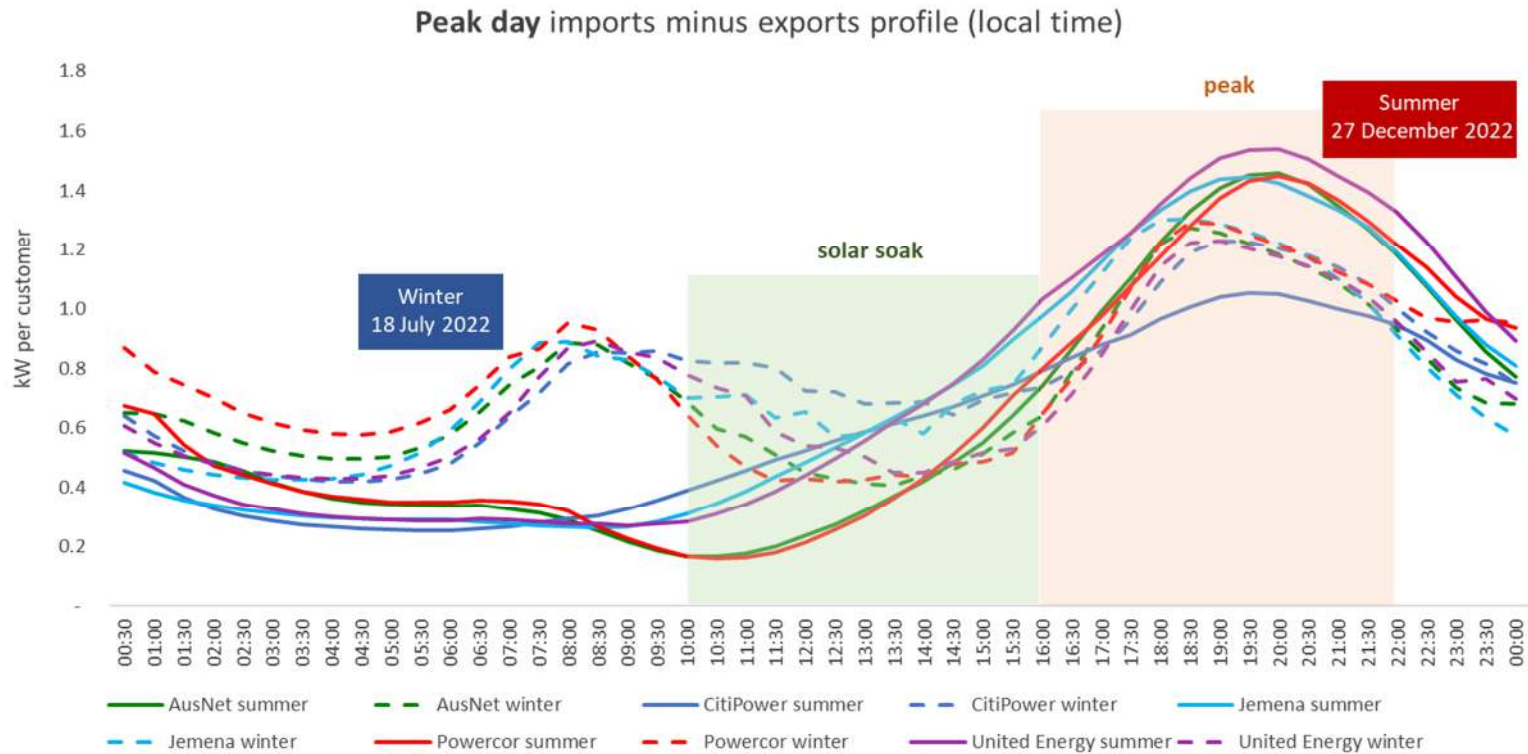
- same rates and times every day of the year
- all times in local time
- no export charges

**Solar soak is a very low rate to encourage energy consumption during the peak solar export period*

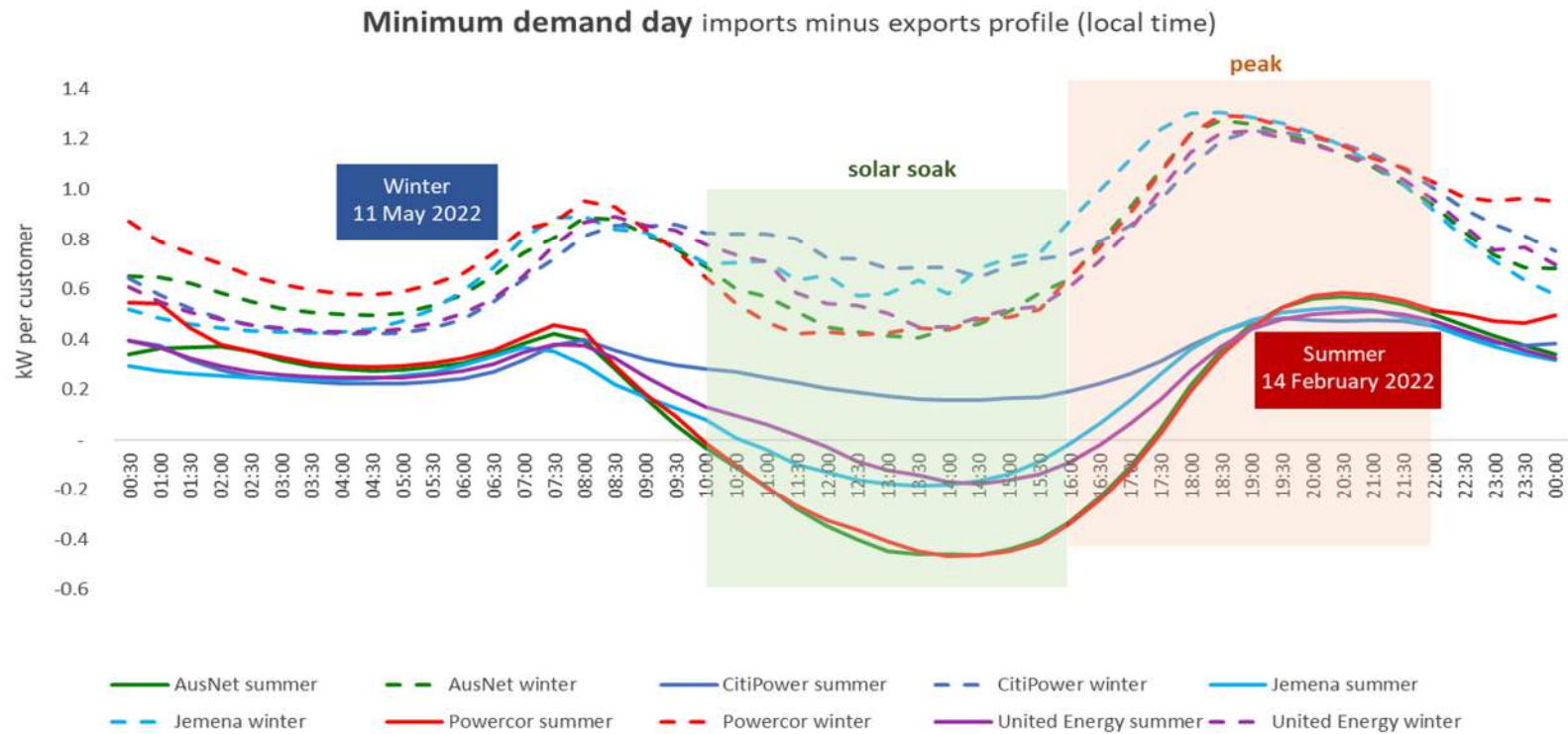
Average Oct-Mar profile is roughly one hour later than Apr-Sep profile due to daylight saving



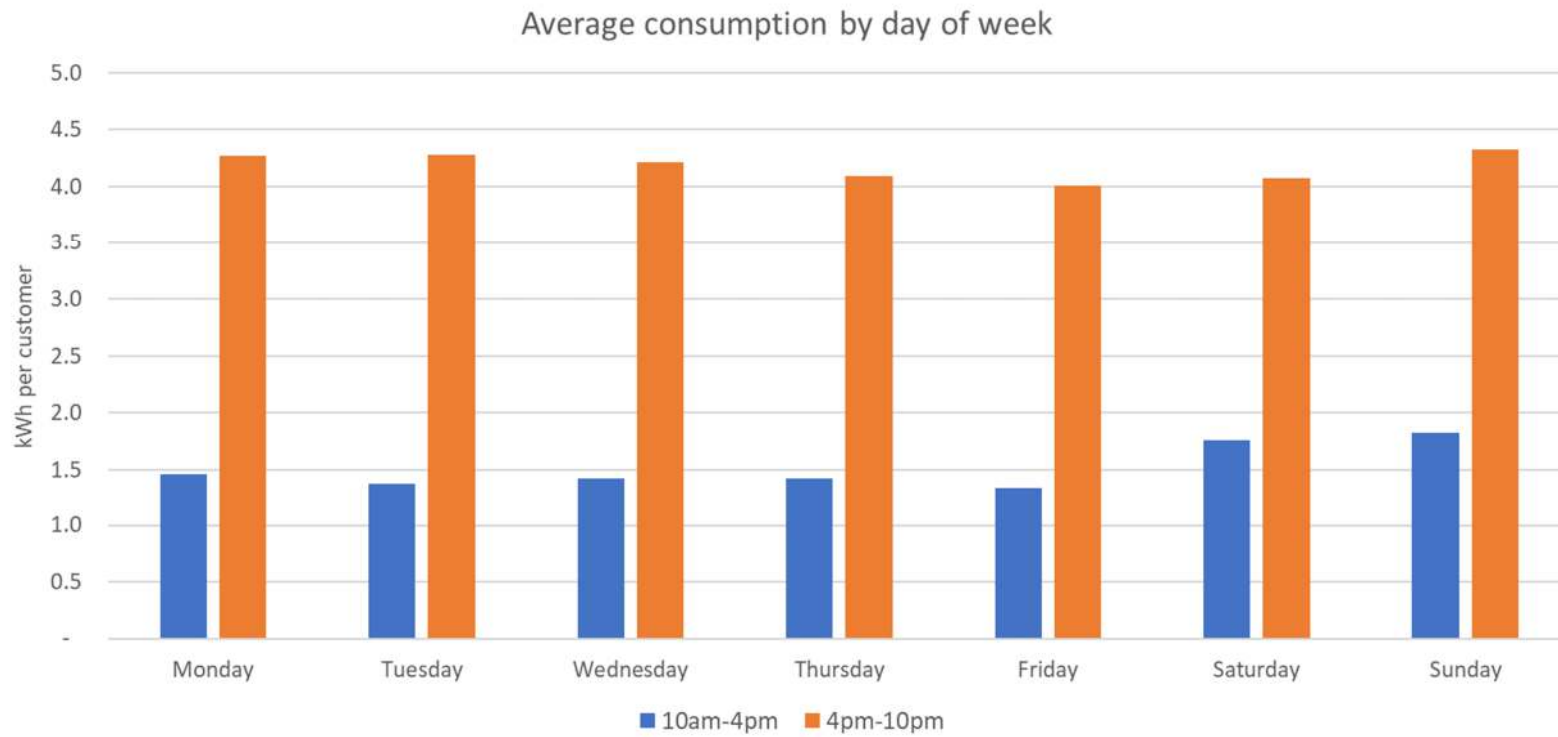
Winter peak will increase with electrification → need to signal winter peak



Could have solar soak prices from 10am to 4pm from September to April or every month of the year

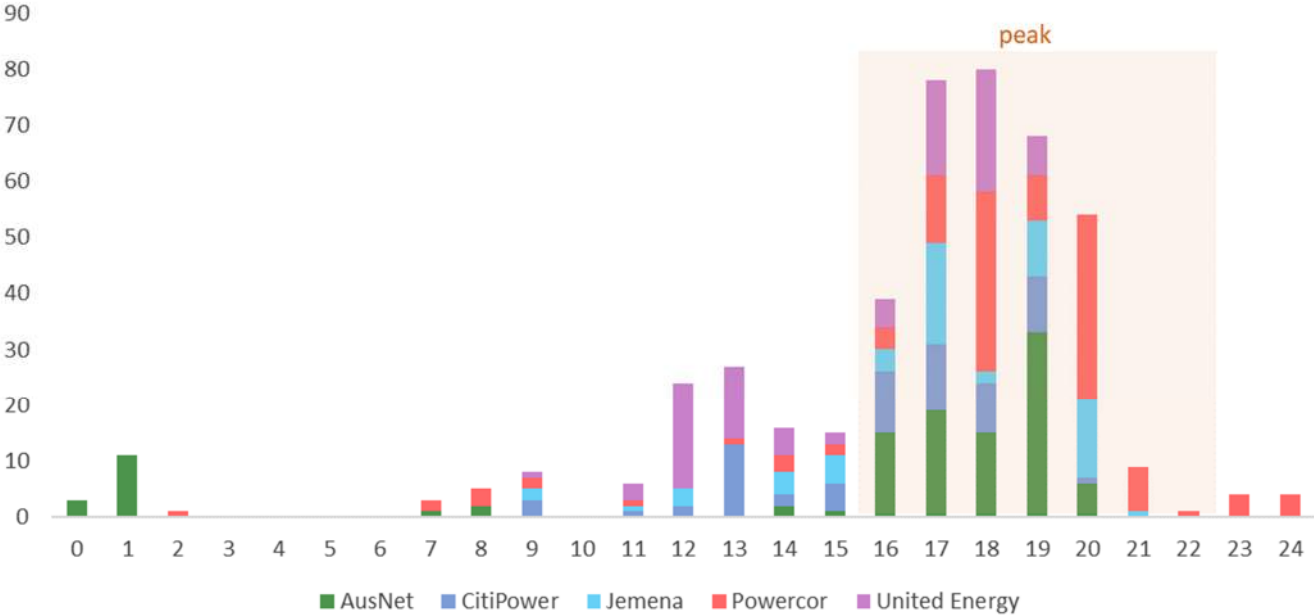


There should be the same pricing each day of week

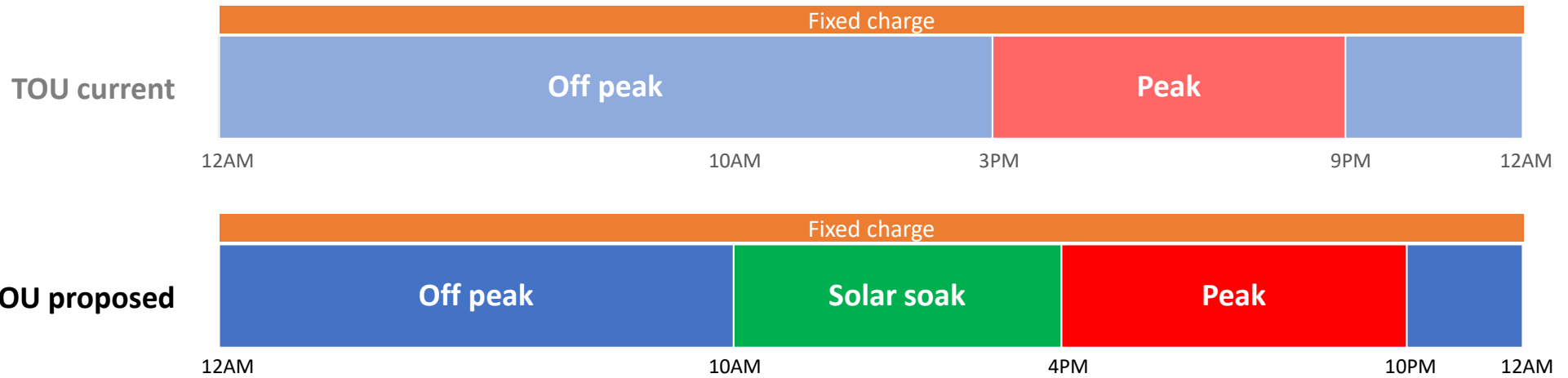


Zone substation maximum demand is a little earlier than residential profile due to commercial load

Zone substation frequency of maximum demand by hour (local time)



Initial thoughts on residential TOU tariff structure



Propose to keep the same

- same rates and times every day of the year
- all times in local time
- no export charges

Questions for consideration

- Do the solar soak and peak periods make sense?
- Is the shift from 3-9pm to 4-10pm okay for existing TOU customers?
- Should there be no solar soak in non-summer months?
- Should there be a lower peak rate in autumn/spring?
- Should there be any contingent triggers to change the tariff structure?
- Is any further information required for the third forum?

Topic 2b

Residential TOU tariff assignment

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Relevant considerations

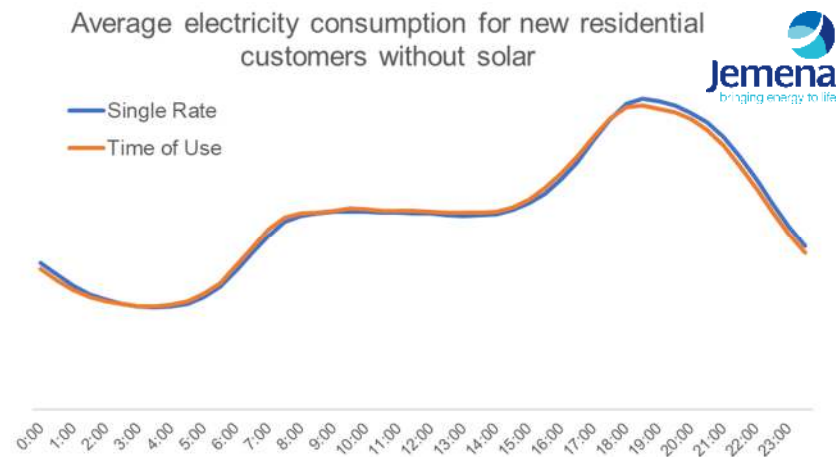
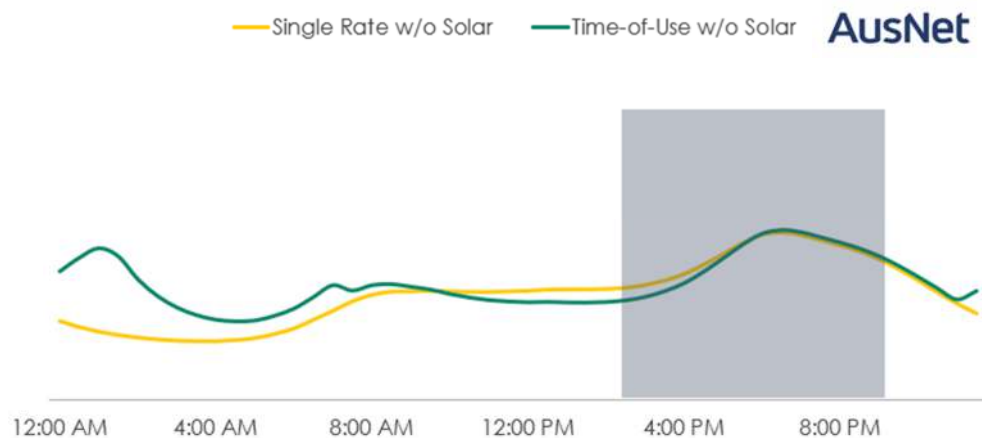
- More **efficient** tariffs supporting **affordability** and **equity**
- A greater focus on **supporting net zero**
- Proving all customers with opportunity to **benefit from the energy transition**
- Ensuring that some customers, particularly vulnerable customers, are **not left behind**
- The **widening gap** between flat tariff and TOU tariff rates as per our TSSs
- Many customers don't know if they are on a TOU or flat retail tariff structure

What we have done

- Examined whether **TOU customers** have displayed different behaviour
- Examined how customers have responded to a **solar soak trial**
- Examined how **EV owners** have responded to TOU tariffs
- Forecast what proportion of residential customers will be on the TOU tariff by mid 2026
- Identified two options for moving customers onto the TOU tariff over 2026 to 2031



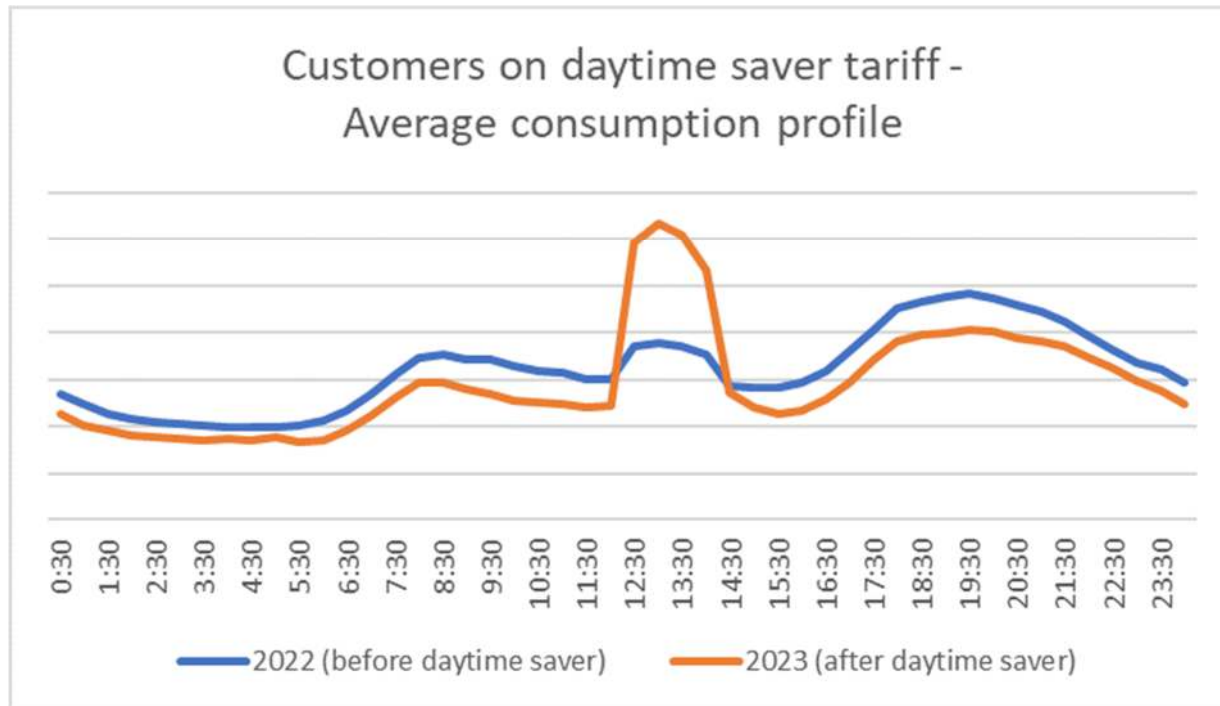
Overall response to TOU price signals has been small



Proportion of energy consumed in peak period

New connections w/o solar	CitiPower	Powercor	United Energy
Assigned to flat tariff	31.9%	33.7%	33.2%
Assigned to TOU tariff	31.3%	33.2%	32.6%
Difference	0.6%	0.5%	0.6%

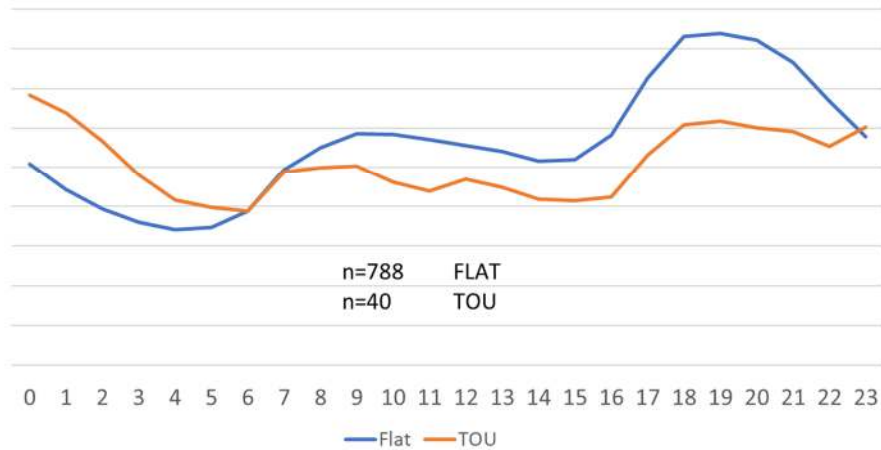
Customers who retailers have opted into a solar soak trial network tariff have responded strongly



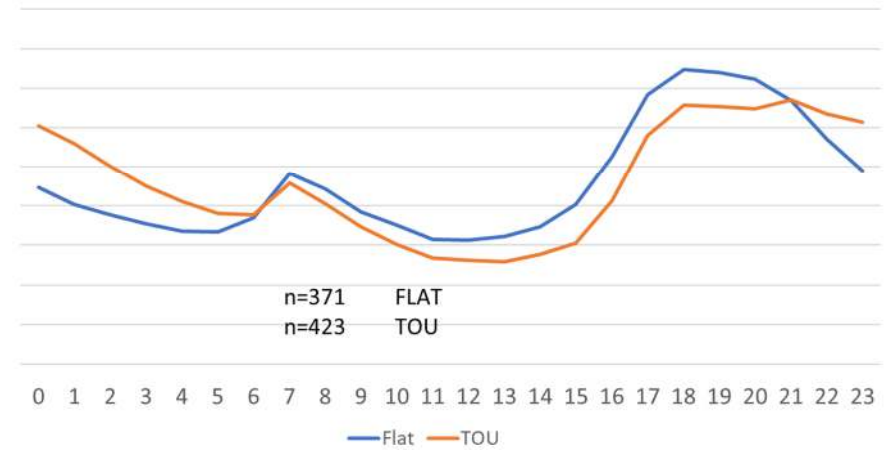
These are early adopters → most customers are not expected to exhibit such strong behaviour change

EV customers with a 7kW+ charger are responding to TOU tariffs

Average hourly consumption profile with no solar
June - Aug 2023



Average hourly consumption profile with solar
June - Aug 2023

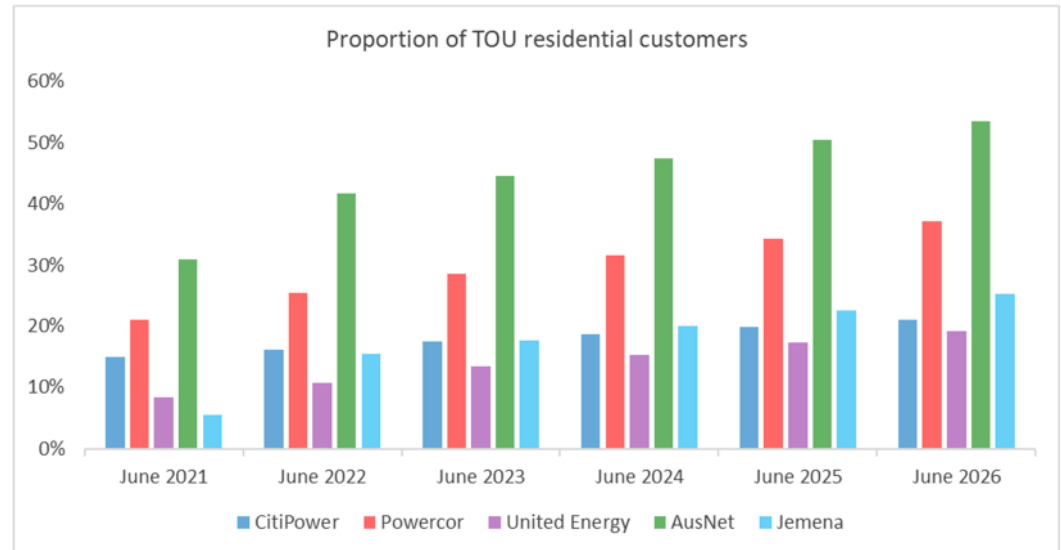


These are early adopters → most customers are not expected to exhibit such strong behaviour change

Tariff assignment in this regulatory period

- From 1 July 2021 the following customers assigned to the TOU tariff:
 - customers on a legacy time-of-use tariff
 - new connections
 - new solar connections
 - three -phase upgrades
 - households with a fast EV charger.
- Any customer can opt out of the TOU tariff to a single rate tariff except customers with fast EV chargers
- Any customer can opt into the TOU tariff

Actual /forecast proportion of Victorian households on the TOU tariff



Our initial thinking on TOU assignment

- TOU tariffs provide an opportunity for customers to reduce their electricity costs and future network costs
- The energy transition is moving quickly, and we cannot let tariffs fall behind
- However, many customers don't know their retail tariff structure and most customers haven't responded to TOU price signals to reduce their electricity costs
- By contrast engaged customers show a strong response to TOU price signals
- With some education there is the potential for more customers to response to TOU price signals
- Messaging would be much easier if everyone faced similar price signals
 - Electricity is cheaper from 10am to 4pm
 - Electricity is more expensive from 4pm to 10pm
- Our initial thinking is to get all Victorian residential customers onto the proposed TOU tariff structure with no opt out to a flat tariff (some retailers may still offer a flat retail tariff)



Options for tariff assignment

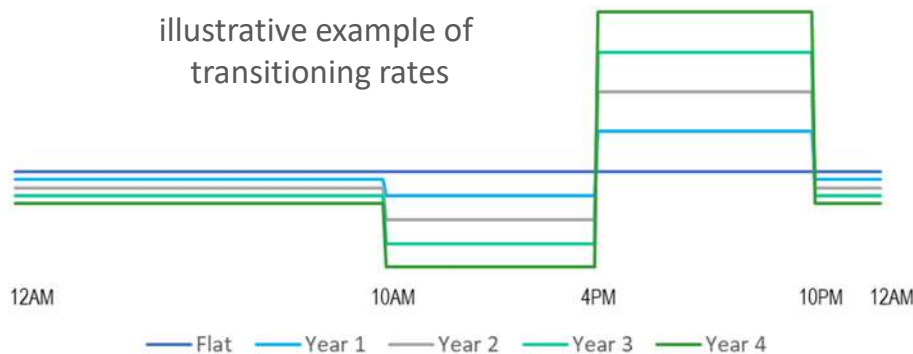
Option 1: Transition TOU tariff

- All flat tariff customers are moved onto a transition TOU tariff
- Each year over four years, the rates are moved further apart until in the fourth year the transition tariff is the same as the full TOU tariff

Option 2: Reassign everyone on one date

- Need to work closely with the Vic Govt and retailers around logistics and messaging
- Need sufficient time after the AER determination to implement → implementation date may need to be later than 1 July 2026

illustrative example of
transitioning rates



Questions for consideration

- Which transition is preferable or is there another option?
- How would retailers respond to each option?
- Should there be the option to opt out to a flat tariff?
- What further information is required in the third forum?

Topic 3

CER integration tariffs and assignment options

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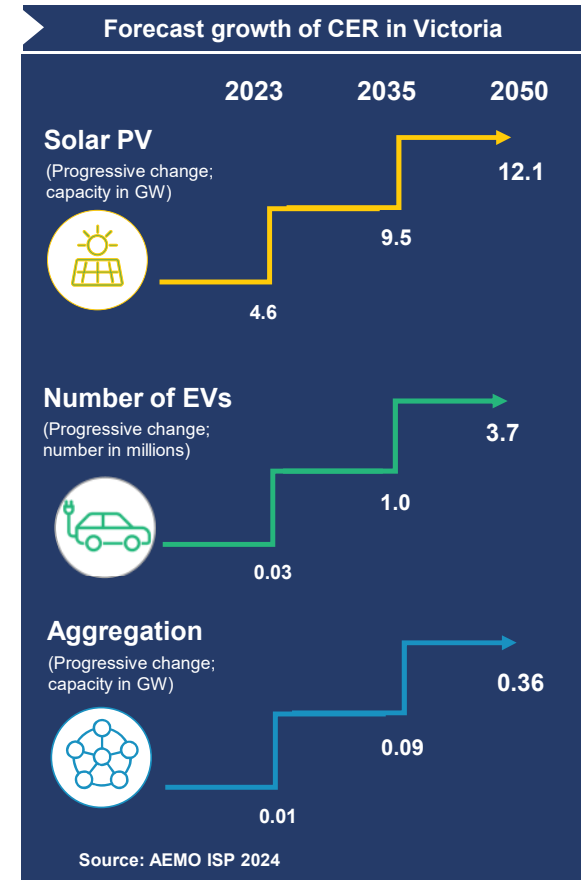

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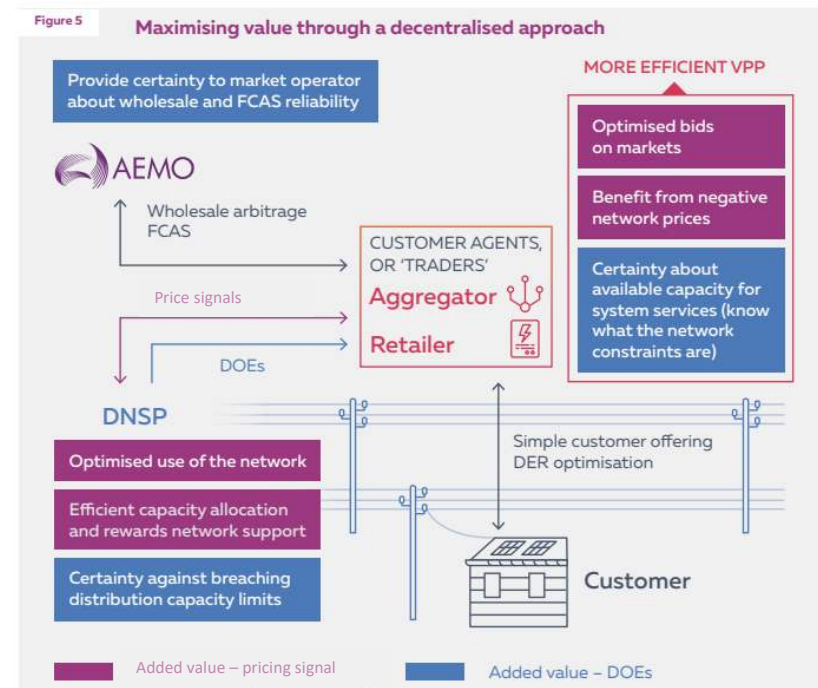
Possible impact of CERs on networks

- **CER capacity** is expected to **significantly increase** by 2035
- **Poorly integrated CER** may **raise costs for all customers** by requiring network augmentation, through increasing peak demand or through minimum demand compromising grid stability
- **Minimum demand** issues could also cause **mandatory shut-off of exports** through emergency backstop mechanisms, or load shedding



Role of tariffs to incentivise exports and self-consumption

- Customers have shown subdued response to Time of Use tariffs, but early adopters of CER tech tend to be more price-aware, and some do respond to price signals.
- Over time, technology will take over responding to price signals. The role of cost-reflective tariffs will only increase as this trend continues.
- Large customers with CER (e.g. VPP controllers, community battery owners) do respond to price signals, so it's important to give them the correct ones.



Our preferred options for CER tariffs

- For residential customers, adding a **solar soak period** to **Time of Use** tariffs as in Topic 2
- For residential customers, an **opt-in two-way tariff**, that can include a charge in the peak solar export period and a reward in the evening peak period, plus a solar soak period
- A **community battery tariff**, with a pricing structure similar to the opt-in two-way tariff.

Customer bill impacts of preferred transition options will be covered in workshop 3

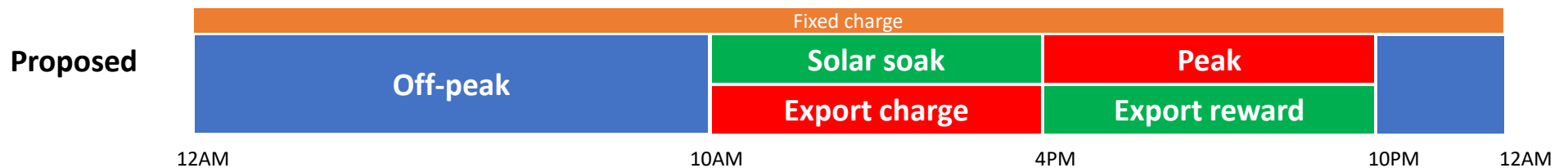


Our preferred options for CER tariff assignment

- The **opt-in two-way tariff** will apply only to those customers/retailers who request it, who can opt out.
- Community battery tariffs will apply to those customers with battery installations at low voltage with certain size limitations, after agreement by the relevant network that the battery is in an area where the battery will have a positive grid impact.
- Community battery tariff will also apply to DNSP-owned batteries.



Opt-in two-way tariff



Rule requirements:

- In setting an export tariff, each distributor will be required to set its own **Basic Export Level (BEL)**, the amount which any customer can export without being charged
- The export tariff must be based on the **Export Long-Run Marginal Cost (Export LRMC)**.
- Each network will determine its BEL and Export LRMC individually.

Questions for consideration:

- Who could benefit from this? Who could be negatively affected?
- Do the solar soak, peak, and export charge/reward periods make sense?
- Can customers accommodate the switch from 3-9 PM to 4-10 PM?
- Do customers need a “shoulder” between the export charge and export reward periods?
- Should there be seasonal pricing?

Appendix C – Workshop 2 participant feedback survey

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Victorian Tariffs Structure Statement Workshop 2 Feedback Survey

Welcome

Thank you for taking the time to provide feedback on the second Victorian Electricity Distributors Tariff Structure Statement (TSS) workshop held at Powercor's head office in Melbourne on Thursday 16 November 2023.

We appreciate you taking up to 5 minutes to provide your feedback and suggestions for improvement.

If you have any questions, please email Engagement@bdinfrastructure.com.

Venue and catering

1. How would you describe the workshop venue?
 - Very comfortable
 - Somewhat comfortable
 - Okay
 - Uncomfortable
 - Very uncomfortable

2. Please indicate how easy or difficult it was for you to get the workshop venue?
 - Very easy to get to

- Easy to get to
 - Neither easy nor hard to get to
 - Hard to get to
 - Very hard to get to
3. How did you find the morning tea catering to be at the workshop venue?
- Very appetising
 - Appetising
 - Okay
 - Unappetising
 - Very unappetising

Communication

4. How did you find the clarity of the pre-reading pack sent to you via email?
- The information was great
 - The information was good
 - The information was okay
 - The information wasn't great
 - The information was really bad
5. Are there any communication improvements you would suggest ahead of the second workshop on Thursday 16 November?
- (Open text – up to 50/100 words)

Workshop coordination

6. On a scale of 1 to 5, where 1 is 'Strongly disagree' and 5 is 'Strongly agree' to what extent do you agree or disagree with the following statements?
- I am satisfied with the way the workshop was facilitated
 - I am satisfied with the way the workstation groupwork exercises were designed and delivered
 - I am satisfied with the way my table facilitator handled the workstation groupwork exercises and encouraged all participants to provide their feedback and insights
7. On a scale of 1 to 5, where 1 is 'Strongly disagree' and 5 is 'Strongly agree' to what extent do you agree or disagree with the following statements?
- I am satisfied that the Victorian distribution businesses responded to feedback provided in Workshop 1 (10 August 2023)
 - I am satisfied that I was provided with sufficient opportunities to share my feedback and insights.
 - I am satisfied that my feedback and insights were listened to by the table facilitator and others in the room.

- I am satisfied that different insights and views were put forward by different stakeholders for consideration.
- I am satisfied that the quality of discussions were robust.

Final comments

8. Do you have any final comments or questions about the workshop and how it was delivered?

(Open text – up to 50/100 words)

Thank you

Thank you for taking the time to provide your feedback and comments. If you have any further questions, please email Engagement@bdinfrastructure.com.

We look forward to seeing you again in person at the second workshop on Thursday 16 November. Additional information, including venue details, will be emailed to you shortly and the workshop calendar invite will be updated.

Appendix D – Workshop 2 participant feedback survey findings summary

Distribution details

- The online survey was developed and distributed on Survey Monkey.
- Workshop 2 participants were given the option of scanning the survey’s dedicated QR code or entering the URL onto their phones at the conclusion of the workshop.
- A follow up email was sent to workshop participants on Tuesday 21 November 2023.
- The survey was closed on Wednesday 22 November 2023 for analysis and reporting.
- The survey was completed by a total of 18 respondents.

Survey findings

Venue and catering

Comfort of venue

18 respondents provided a response when asked to describe the comfort level of the workshop venue. Overall, 95 per cent suggested it was ‘Very comfortable’ (67 per cent) or ‘Somewhat comfortable’ (28 per cent) as shown in Table 4-1. The remaining 6 per cent of respondents suggested the workshop venue was ‘Okay’ while no respondents indicated it was ‘Uncomfortable’ or ‘Very uncomfortable.’

Table 4-1: Describing the workshop venue

Response option	Number of responses	Percentage of responses*
Very comfortable	12	67%
Somewhat comfortable	5	28%
Okay	1	6%
Uncomfortable	0	0%
Very uncomfortable	0	0%
Total	18	100%

* Percentages may add to greater than 100% due to rounding.

Source: Victorian Tariffs Structure Statement Workshop 2 Feedback Survey, Q1: How would you describe the workshop venue? Data downloaded from Survey Monkey on 22 November 2023.

The numbers are similar to the Workshop 1 venue feedback where 94 per cent of respondents indicated that the venue was ‘Very comfortable’ (87 per cent) or ‘Somewhat comfortable’ (7 per cent) with the remainder indicating the venue was ‘Okay’ (7 per cent). No respondents indicated the Workshop 1 venue was ‘Uncomfortable’ or ‘Very uncomfortable.’

Getting to the workshop venue

Of the 18 respondents who provided feedback when asked how easy or difficult it was for them to get to the workshop venue, 67 per cent suggested it was 'Very easy to get to' as shown in Table 4-2. This represents a 20 per cent increase in the number of respondents who suggested the Workshop 1 venue was 'Very easy to get to' (47 per cent) who were asked the same question. For the Workshop 2 venue, there were fewer respondents who suggested it was 'Easy to get to' (28 per cent) compared to the Workshop 1 venue (47 per cent) while there were similar numbers of respondents who suggested the Workshop 2 venue (6 per cent) and Workshop 1 venue (7 per cent) were 'Neither easy nor hard to get to.'

Like the feedback to the Workshop 1 survey, no respondents indicated the Workshop 2 venue was 'Hard to get to' or 'Very hard to get to.'

Table 4-2: Getting to the workshop venue

Response option	Number of responses	Percentage of responses*
Very easy to get to	12	67%
Easy to get to	5	28%
Neither easy nor hard to get to	1	6%
Hard to get to	0	0%
Very hard to get to	0	0%
Total	18	100%

Percentages may add to greater than 100% due to rounding.

Source: Victorian Tariffs Structure Statement Workshop 2 Feedback Survey, Q2: Please indicate how easy or difficult it was for you to get the workshop venue? Data downloaded from Survey Monkey on 22 November 2023.

Morning tea catering

18 respondents provided feedback on how they found the morning tea catering to be at the workshop venue. The highest number of respondents suggested it was 'Appetising' (39 per cent) followed by 'Very appetising' (33 per cent) as shown in Table 4-3. The remainder suggested the morning tea catering was 'Okay' (28 per cent).

Table 4-3: Quality of morning tea catering

Response option	Number of responses	Percentage of responses
Very appetising	6	33%
Appetising	7	39%
Okay	5	28%
Unappetising	0	0%
Very unappetising	0	0%
Total	18	100%

Source: Victorian Tariffs Structure Statement Workshop 2 Feedback Survey, Q3: How did you find the morning tea catering to be at the workshop venue? Data downloaded from Survey Monkey on 22 November 2023.

These results differ quite substantially to the feedback provided by respondents on the Workshop 1 survey when asked the same question. No respondents indicated the Workshop 1 morning tea was 'Very appetising' and fewer suggested it was 'Appetising' (27 per cent). The remainder suggested it was 'Okay' (73 per cent).

Communication

Pre-workshop communication

18 respondents provided feedback on the clarity of communication they had received in the lead up to Workshop 2. All suggested that the communication had been 'Very clear' (72 per cent) or 'Clear' (28 per cent) as shown in Table 4-4.

Table 4-4: Communication in the lead up to Workshop 2

Response option	Number of responses	Percentage of responses
Yes, very clearly	13	72%
Yes, clearly	5	28%
It was okay	0	0%
No, not very clearly	0	0%
No, not clearly at all	0	0%
Total	18	100%

Source: Victorian Tariffs Structure Statement Workshop 2 Feedback Survey, Q4 Did we communicate with you clearly in the lead up to the event? Data downloaded from Survey Monkey on 22 November 2023.

Compared to the Workshop 1 Feedback Survey, there has been a significant improvement in respondent feedback. Ahead of Workshop 1, 33 per cent of respondents (a reduction of 39 per cent) indicated that communication they had received had been 'Very clear' while a higher number indicated it had been 'Clear' (60 per cent compared to 28 per cent for Workshop 2) while 7 per cent of respondents suggested the communication was 'Okay'.

Communication improvements for Workshop 3

When asked if there are any communication improvements that they would suggest ahead of the third workshop on Tuesday 16 April 2024, three qualitative comments were made. Two of the comments were related to communication and focused on:

- The provision of electronic copies of workshop materials and outputs following the workshops.
Electronic copies of materials post workshop and summary of information gathered at workshop would be very useful to socialise within our own businesses.
- Expressing thanks and encouraging current levels of communications to be maintained.
No improvements required. Maintain current levels of communications.

One respondent made a comment unrelated to communications.

No water in plastic bottles. Glasses are fine. Thanks for a great workshop.

Clarity of pre-reading pack

In the Workshop 1 Feedback Survey, respondents were asked to rate the clarity of the pre-reading pack. 40 per cent suggested 'The information was great', 53 per cent suggested 'The information was good' and 7 per cent suggested 'The information was okay.' A similar question was not included in the Workshop 2 Feedback Survey because no pre-reading pack was prepared and distributed.

Following Workshop 2, respondents were also not asked to suggest the extent to which they engaged with a pre-reading pack as this was not provided.

Workshop coordination

Satisfaction with table facilitators and the groupwork exercises

Overall, satisfaction levels were high amongst respondents in relation to how the workshop and workstation groupwork exercises were facilitated as shown in Figure 4-1. Workshop 2 differed to Workshop 1 in that there

were no table facilitators recording feedback and instead participants were asked to write down their own comments on post-it notes during the groupwork activities at two different workstations.

In terms of how the overall workshop was facilitated, 100 per cent of respondents either 'Strongly agree' (67 per cent) or 'Agree' (33 per cent) that they were satisfied with the way the workshop was facilitated. This represents an improvement on the Workshop 1 feedback where only 55 per cent of respondents 'Strongly agreed', 36 per cent 'Agreed' while the remaining 9 per cent were 'Neutral' in terms of their feedback.

When asked to indicate their satisfaction with the way workstation groupwork exercises were designed and delivered, 100 per cent of respondents either 'Strongly agree' (25 per cent) or 'Agree' (75 per cent) that they were satisfied.

For Workshop 1, 91 per cent of respondents either 'Strongly Agree' (27 per cent) or 'Agree' (64 per cent) that they were satisfied with the way the small table groupwork exercises were designed and delivered while 9 per cent were 'Neutral.'

When asked to indicate their satisfaction with the way their facilitator handled the workstation groupwork exercises and encouraged all participants to provide their feedback and insights, around two-thirds of respondents suggested they 'Strongly agree' that they were satisfied. This is a significant increase on the 27 per cent of Workshop 1 respondents who suggested they 'Strongly agree' with the way their facilitator handled the groupwork exercises and encouraged all participants to provide feedback. For Workshop 2, there were fewer respondents who suggested they were 'Neutral' (8 per cent compared to 27 per cent) and there were no respondents who suggested they 'Disagree' that they were satisfied (9 per cent of respondents did for Workshop 1).

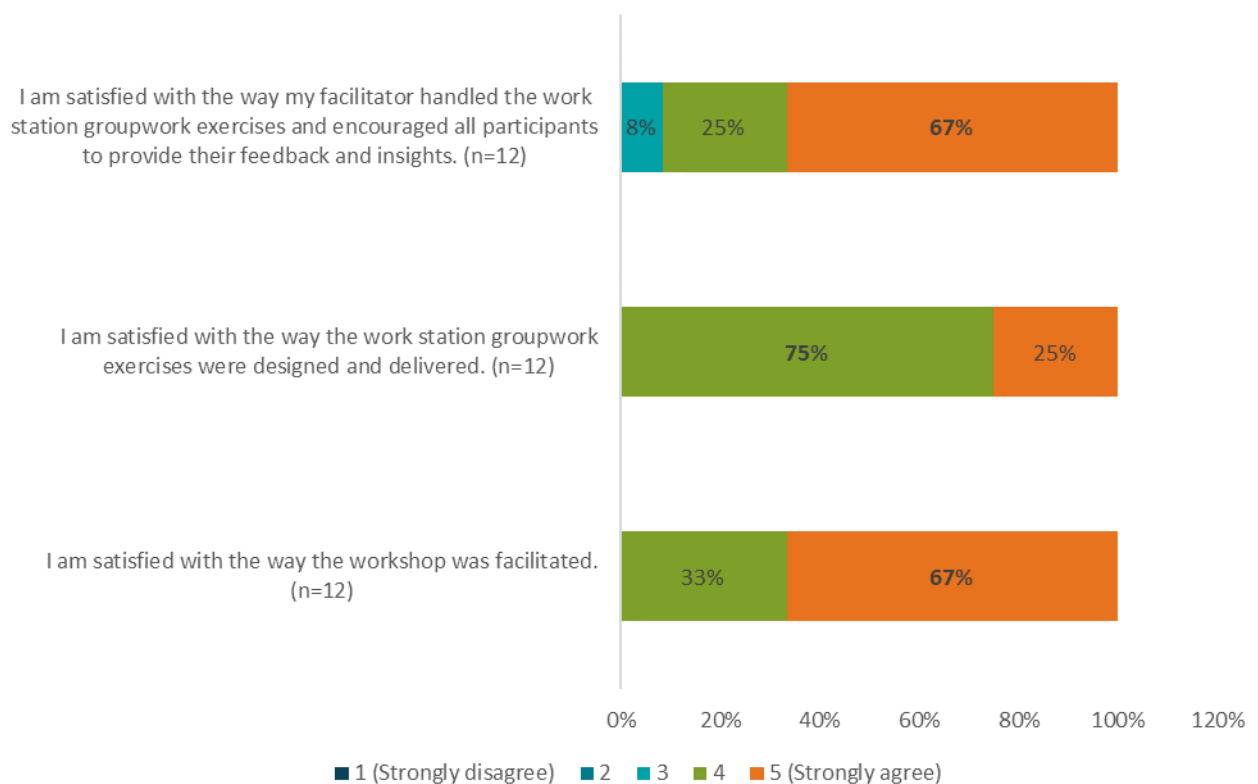


Figure 4-1: Participant satisfaction with the workshop facilitation and workstation group work activities

Source: Victorian Tariffs Structure Statement Workshop 2 Feedback Survey, Q6: On a scale of 1 to 5, where 1 is 'Strongly disagree' and 5 is 'Strongly agree' to what extent do you agree or disagree with the following statements? Data downloaded from Survey Monkey on 22 November 2023.

Satisfaction with opportunities to provide feedback and have robust discussions

Compared to Workshop 1, a higher number of respondents 'Strongly agree' that they were satisfied that the quality of discussions were robust (67 per cent compared to 55 per cent). In addition, fewer respondents suggested they were 'Neutral' (8 per cent compared to 18 per cent).

For both Workshop 1 and Workshop 2, 100 per cent of respondents suggested they 'Strongly agree' or 'Agree' that they were satisfied that different insights and views were put forward by different stakeholders for consideration. However, for Workshop 2 a higher number of respondents suggested they 'Strongly agree' with the statement (58 per cent compared to 45 per cent) as shown in *Figure 4-2*.

In terms of how satisfied respondents were that their feedback and insights were listened to by the facilitators and others in the room, 100 per cent of Workshop 2 respondents suggested they 'Strongly agree' (58 per cent) or 'Agree' (42 per cent). For Workshop 1, a similar number suggested 'Strongly agree' (55 per cent) but there were fewer who suggested 'Agree' (36 per cent) and 9 per cent suggested they were 'Neutral.'

For Workshop 2, 100 per cent of respondents suggested they 'Strongly agree' (75 per cent) or 'Agree' (25 per cent) that they were satisfied that they were provided with sufficient opportunities to shared their feedback and insights. Similarly, for Workshop 1, there were 100 per cent of respondents who 'Strongly agree' or 'Disagree' when asked to respond to the same statement. However, 20 per cent fewer respondents indicated they were 'Strongly agree.'

Participants were asked one additional question than they were in the Workshop 1 Feedback Survey. When asked to indicate whether they were satisfied that the Victorian distribution businesses, 84 per cent of respondents suggested they 'Strongly agree' (42 per cent) or 'Agree' (42 per cent) that they were satisfied that the Victorian DNSPs responded to feedback provided in Workshop 1. The remaining 17 per cent were 'Neutral.'

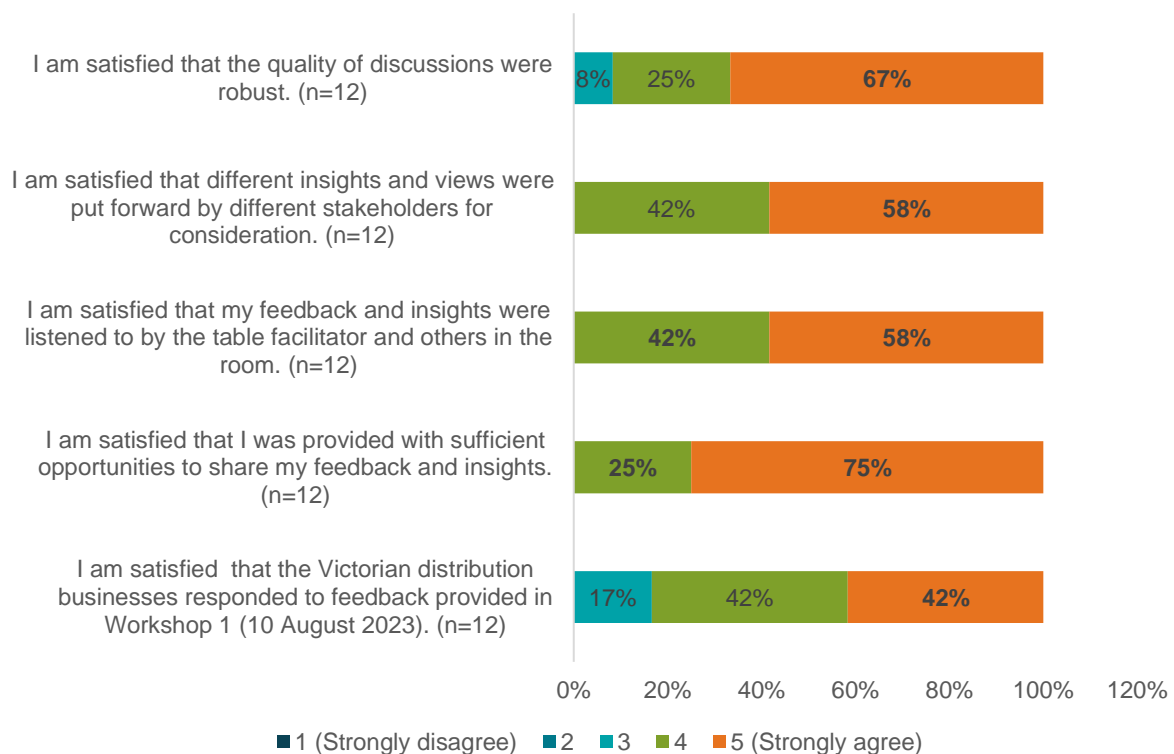


Figure 4-2: Participant satisfaction with opportunities to provide feedback and have robust discussions

* Percentages may add to greater than 100% due to rounding.

Source: Victorian Tariffs Structure Statement Workshop 2 Feedback Survey, Q7: On a scale of 1 to 5, where 1 is 'Strongly disagree' and 5 is 'Strongly agree' to what extent do you agree or disagree with the following statements? Data downloaded from Survey Monkey on 22 November 2023.

Final comments or questions

Two qualitative comments were provided by respondents. One commented on how well the workshop had been delivered while the other suggested the workstation numbers assigned to participants on their name badges could have been clearer.

Well run session.

The numbering for the exercises was not clearly explained.