



Broad and Wide Stakeholder Engagement

CitiPower Summary Report

December 2022





Image above: Residential customer, South Melbourne consultation

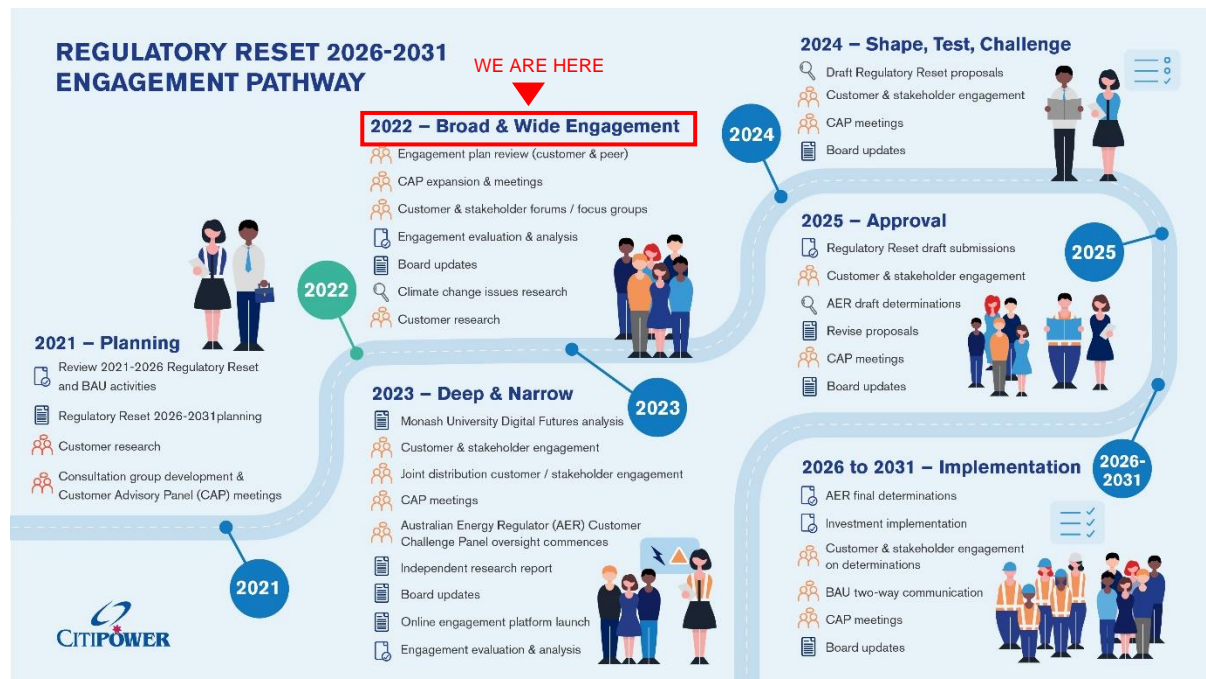
Introduction

Introduction

Regulatory Reset Proposal Program

To support the development of the Regulatory Reset Proposal, a Foundational Program of Community Engagement was conducted to identify what was important to CitiPower customers prior to engaging on more specific topics in the next stages of developing the Proposal.

The below diagram explains the full Engagement Program prior to submission to the Australian Energy Regulator (AER). We are currently at '2022 - Broad & Wide Engagement'.



Broad & Wide Engagement

A broad and wide program of community engagement was essential to the development of the regulatory proposal to ensure it genuinely reflected the needs and preferences of all network customers.

This program was developed to ensure that all customer voices could be heard across the network. This included customers of varying geographies, age groups, socio-economic status, as well as those from ethnic, linguistic and culturally diverse backgrounds.

Forethought's Involvement

Forethought is a Marketing, Analytics and Strategy organisation with teams that specialise in Research and Engagement, as well as a team that specialises in the Utilities industry.

Forethought experience in the energy industry involves conducting customer and stakeholder research and engagement with organisations across the full value chain including electricity generation, distribution, transmission and retail services. Forethought partners with clients to provide an independent customer voice, ensuring that the customer is always at the forefront of organisational decision making.

Forethought was selected for this program based on their industry knowledge in the Utilities industry and their Research/Engagement capability to design and facilitate engagement forums and objectively report back on the needs and preferences of customers across the network.



Consultations were attended by a range of senior executives and stakeholders at CitiPower. The image above, from left to right shows: Renate Vogt, General Manager Regulation; Joanne Pafumi, General Manager Corporate Affairs; Scott Russell, General Manager, Strategy and Customer Group; Megan Willcox, Head of Regulatory Performance and Analysis.

Objectives & Methodology

Objectives & Methodology

The Broad & Wide Engagement program is the foundational engagement program in the development of the 2026-2031 Regulatory Reset Proposal. This reflects CitiPower's genuine commitment to develop a Proposal anchored in customer needs and preferences for the immediate and longer-term future of the network.

This program sought to achieve the following objectives.

Regulatory Reset Objective

Develop a Regulatory Reset Proposal for the 2026-2031 period that aligns with the needs and preferences of the CitiPower customer base.

Engagement Objectives

- Identify and understand customers' current needs and preferences for the immediate and longer-term
- Understand how customers' unmet needs could be met through investment or divestment in our network
- Identify the key themes and areas that customers prioritise investment in

Approach

Who

Forums were attended by CitiPower senior executives and supporting team to listen and help answer questions of customers without biasing or leading the conversation. At the South Melbourne face-to-face consultation, the following CitiPower team attended:

1. General Manager Regulation	6. Head of Regulatory Performance & Analysis
2. General Manager Corporate Affairs	7. Head of Regulatory Policy & Compliance
3. General Manager Strategy & Customer Group	8. Head of Network Performance & Management
4. Strategy, Programs & Change Manager	9. Regulatory Financial Analyst
5. Project Coordinator	

Consideration was given to recruit participants from a diverse cross-section of the community. This ensured that we had representation across age gender, geography and socio-economic status. Furthermore, participants were varied in their engagement levels with the electricity industry to ensure that all consumers were represented in this conversation, not just interested and engaged customers.

Forethought also conducted digital forums with participants aged 18-25 (Youth) and worked alongside the LOTE Agency to facilitate culturally and linguistically diverse (CALD) communities across the Indian, Arabic and Chinese people, who resided within the CitiPower network. Separate forums were held for these individuals to support specific cultural and demographic needs, and an online approach was implemented to support an ease of attending the session. The findings from these sessions are referenced in a separate report.

Participation

Customer Group	Engagement	Consultation Date & Time	Number of Attendees
South Melbourne	Face-to-face	17 October 5:30pm – 9.00pm (3.5 hours)	24 customers

Recruitment

There were three main channels used to recruit participants. These were chosen to ensure that every possible avenue was utilised to attract a diverse group of customers to participate. Our recruitment process included:

1. Working with our field partner panel, Askable
 - Askable is a platform who hosts over 135,000 participants on their panel and leverages social media to promote attendance at market research forums and engagement sessions.
2. The invite was also extended to engaged individuals including council members and community organisations. These invites were sent to stakeholders whose information was supplied by CitiPower. Furthermore, each invite was encouraged to be extended to other interested parties if the recipient desired.
3. Social media was also used to share the consultation details and access to a link to sign up for this consultation.
 - CitiPower shared social media posts to further promote the consultations to the general public across the network.
4. There were no exclusions to attendance which meant that anyone who was interested and willing to participate were invited to participate.

Compensation & Local Charity Donation

As consultations were held over a lengthy timeframe (3.5 hours), participants were compensated accordingly (\$250).

In addition to the individual compensation payment, CitiPower also shortlisted local charities. At the conclusion of each session, the relevant customer groups were afforded the opportunity to complete a short survey during which they were asked to nominate their preferred charity. A donation of \$10 was donated for to the most preferred charity (overall) on behalf every customer who attended the consultations.

A total of \$250 was donated to the Smith Family for the CitiPower engagement program.

Session Methodology

Each session commenced with an introduction conducted by Forethought and scene setting undertaken by representatives from CitiPower to inform customers about the context of the session and areas for discussion.

The four themes for discussion included:

- Affordability and Equity
- Energy Transformation
- Customer Experience
- Reliability and Resilience

In smaller working groups (~8 – 11 customers and council members), these four themes¹ were explored in more detail to understand what was important to customers. These smaller working

¹ The four themes of focus were developed by a Meta-analysis of CitiPower, Powercor and United Energy Customer Insights to understand what overarching areas were important to customers.

groups ensured that everyone had an opportunity to discuss and share their feedback which would not have been possible in a larger forum.

Within each discussion, customers were asked about their electricity needs and preferences today and into the future; and were also asked to ideate what they wanted CitiPower to focus on in relation to that specific theme area.

In instances where customers had queries or required further context and/or detail about the theme, further information was provided (this was general information about electricity, selected purposely to educate without biasing the participants). Care was taken to ensure that information was presented in an easy-to-understand language and format and did not bias customers' views. Publicly sourced data and network data were used in these information packs. Facilitators moderated these conversations to allow the information to be shared, whilst ensuring that the main discussion involved all customers sharing their feedback and ideas.

After covering all themes, customers voted on which discussion topic was most important to them, and then shared ideas for how CitiPower could best include customer views going forward.

The last stage involved customers filling out a feedback survey to support Forethought and CitiPower in adjusting the engagement methodology where necessary to support the most effective consultation in future forums.

Following the consultations, Forethought undertook various reporting workshops and internal quality checks to align on the customer themes and preferences that are reported on within this document.

IAP2 Spectrum

The level of customer participation in this program was intentional and is highlighted in our depiction of the IAP2 Spectrum shown below. Within this consultation, customers were involved in shaping the direction of focus for CitiPower by discussing a wide range of issues, and then voting on the area they thought was most important.

IAP2 Spectrum of Public Participation²

	Inform	Consult	Involve	Collaborate	Empower
Public Participation Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives, and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.

Methodology Refinements³

In the South Melbourne discussion, a large amount of information was shared with customers relating to the themes (affordability and equity, energy transformation, customer experience and reliability and resilience). However, we observed that this could be overwhelming for participants and limited the discussion time. A key learning was that in subsequent consultations, the information provided needs to be reduced and shared as needed throughout the conversation.

² IAP2, 2018, IAP2 Spectrum of Public Participation, accessed 22 November 2022, https://iap2.org.au/wp-content/uploads/2020/01/2018_IAP2_Spectrum.pdf

³ Methodology refinements was made to all engagements across the CitiPower, Powercor and United Energy consultations, and not specific to this network.

Engagement Context

During the period of consultation, there were various unprecedented events occurring in the lives of customers and across the broader electricity industry. We hypothesise these events had an impact on the needs and preferences of customers.

At the time of engagement, the following events occurred or continued to occur:

- Well-publicised cyber-attacks on Optus (22/9/22⁴) and Medibank (12/10/22⁵)
- Federal Government budget release that announced that “Electricity and gas will rise sharply as the cost is passed on to households, the budget said, with power bills set to rise 20 per cent in the second half of 2022 and a further 30 per cent in 2023-24.”⁶
- Severe rainfall and flooding across Victoria from 11 October 2022 ⁷
- War in the Ukraine with the Russian invasion impacting Australian energy prices⁸
- Media reports of “the annual inflation rate in Australia climbed to 7.3% in Q3 of 2022 from 6.1% in Q2, above market forecasts of 7.0%. This was the highest since Q2 1990”.⁹
- In July - September 2022, all living cost indexes rose¹⁰. This included:
 1. Mortgage interest
 2. Food and non-alcoholic beverages
 3. Housing – including rents, utilities and other housing
 4. Furnishings, household equipment and services
 5. Remaining contributors (i.e., alcohol, tobacco, clothing, footwear, transport, communication, recreation, education, insurance and financial services)
- Victorian Government Election campaigns in late 2022 including the announcement to re-establish the State Electricity Commission of Victoria ¹¹

⁴ ASIC, 2022, *Guidance for consumers impacted by the Optus data breach*, accessed 8 November 2022, <https://asic.gov.au/about-asic/news-centre/news-items/guidance-for-consumers-impacted-by-the-optus-data-breach/#:~:text=On%2022%20September%202022%2C%20Optus,numbers%2C%20may%20have%20been%20exposed.>

⁵ Krester. A, Smith. P, 25 October 2022, *Minister preps for Medibank hack fallout*, Australian Financial Review, accessed 8 November 2022, <https://www.afr.com/companies/financial-services/medibank-says-more-customers-hit-by-cyberattack-20221025-p5bsl9>.

⁶ Mizen. R, 25 October 2022, *Labour’s power prices promise dead: energy costs to spike 56pc*, accessed 8 November 2022, <https://www.afr.com/politics/federal/labor-s-power-prices-promise-dead-energy-costs-to-spike-56pc-20221024-p5bscz#:~:text=Electricity%20and%20gas%20will%20rise.per%20cent%20in%202023%2D24.>

⁷ Abbott. L, Ilanbey. S, Schelle. C, 11 October 2022, *People in flood risk areas told to prepare for up to 72 hours of isolation as heavy rains loom*, The Age, accessed 8 November 2022, <https://www.theage.com.au/national/victoria/calm-before-the-storm-victoria-prepares-for-more-floods-20221011-p5botc.html>.

⁸ Mercer. D, 26 February 2022, *Russian invasion of Ukraine drives up energy costs and Australians will feel the pain*, ABC News, accessed 8 November 2022, <https://www.abc.net.au/news/2022-02-26/russia-invasion-of-ukraine-to-drive-up-energy-costs-for-all/100861246>.

⁹ Trading Economics, September 2022, *Australian Inflation Rate*, accessed 8 November 2022, <https://tradingeconomics.com/australia/inflation-cpi>.

¹⁰ Australian Bureau of Statistics, September 2022, *Selected Living Cost Indexes Australia*, accessed 8 November 2022, <https://www.abs.gov.au/statistics/economy/price-indexes-and-inflation/selected-living-cost-indexes-australia/latest-release>.

¹¹ ABC News, November 2022, *Victorian state election campaign officially begins with promises on V/Line and water bills*, accessed 8 November, <https://www.abc.net.au/news/2022-11-02/victorian-state-election-first-day-of-campaign/101607624>.

Evaluation

At the conclusion of the consultation, customers were asked to fill in a feedback survey to support refinement of the engagement process. The results for the CitiPower consultation are below.

Location/ customer group	Overall satisfaction (Out of 5)	Customer comments
South Melbourne	4.4	"Engaging session, ran quickly." - Residential Customer "Good session with involvement from CitiPower staff." - Residential Customer



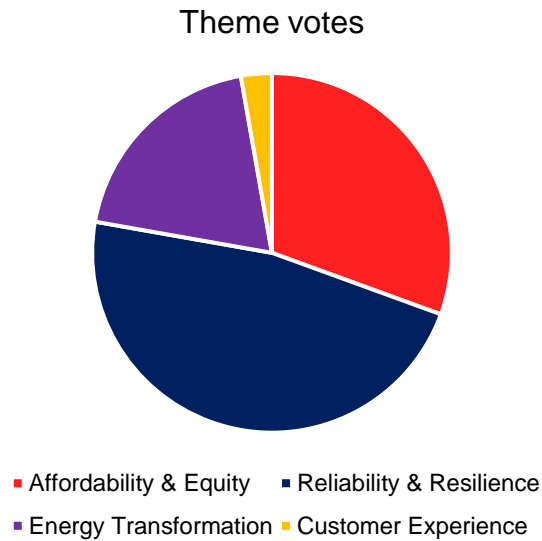
Image above: Residential customer, South Melbourne consultation

Customer Perspectives on Engagement Themes

Customer Perspective on Engagement Themes

Each consultation required customers to discuss four specific themes. At the conclusion of the discussion, customers were invited to vote on what they felt to be the most important topic for CitiPower to focus on.

At an overall level, the most important topic was planning for Reliability & Resilience.



Specifically, customers were concerned about always keeping the lights on. The main concern appeared to be about the increase in natural disasters and a desire for the network to be able to plan for these events as much as possible to prevent (or at least minimise) disruption to customers' lives. However, many were also concerned about the security of electricity availability and would like CitiPower to help educate the public on usage to ensure, particularly during peak times, that there was sufficient energy to supply all. To understand more information about customer needs on Reliability & Resilience, please refer to page 13.

Customer Perspective on Affordability and Equity

Introduction

In discussions relating to the affordability and equity of electricity supply, we learned that customers prioritised the following areas for future investment:

- Ensuring equal access and reliability for all customers
- Stability of electricity prices
- Improving the transparency of electricity supply charges

Customer priorities and concerns

Equal access and reliability to all customers

In terms of equity, or as customers understood it “equal access to and value from their electricity service and supply,” ensuring everyone could access the full value of their electricity service was a priority. Examples of this that were raised included:

- Equal levels of service and access to reliable supply in both rural and urban areas
- Equal benefits from upgrades to technology and renewables such as solar and electric vehicle (EV) infrastructure. For some customers living in apartment buildings, they mentioned restrictions to both access and choice due to being within an embedded network

Stability of electricity prices

The cost of electricity bills was a concern for customers, particularly in the context of:

- How electricity prices added to the overall cost of living
- How costs would be influenced by inflation and other external shocks such as the war in Ukraine
- How costs would be influenced by changes in energy supply and new technologies such as more renewables and electrification

Whilst they believed that electricity prices would continue to rise in the short term, they were still concerned about price stability in the long term. This was a shared concern for all customers.

These concerns about price instability meant customers wanted more transparency and clarity around price rises so that they could plan for the future with more certainty. They expressed an awareness that many customers, such as those who were financially vulnerable, would be even more affected by price instability than they were, and this influenced the salience of these issues.

Improving the transparency of electricity supply charges

Some customers found it difficult to define what value meant in the context of their electricity bill. Many customers believed that more transparency regarding pricing was important.

The sentiment that underpinned some customers’ priorities and concerns

Customers’ priorities and concerns regarding affordability and equity reflected a need for a level of stability and certainty to help them plan their lives. The importance they placed on achieving equity for all customers showed that they were also thinking beyond their individual needs and considering the welfare and needs of the wider society and the State.

Customer questions to solve for:

These questions will guide us in developing the next stage of the Regulatory Reset Proposal and help CitiPower identify the top priorities to refine, address and solve for in future investment and improvement:

Stability of electricity prices

- How can you ensure my prices are stable in the future even as more investment is made into the network?

Equal access and reliability to all customers

- How do you ensure equal access to reliable energy supply and new technologies for customers across different localities and socio-economic backgrounds?

Improving the transparency of electricity supply charges

- How can you make it easier for me to understand what I am paying for?

Customer Perspective on Reliability and Resilience

Introduction

Customers were aware of factors that may adversely affect reliability and resilience of the network. Though they had not experienced these threats directly, and had experienced good overall reliability, they wanted a network response that was preventative and proactive to ensure that changing climatic conditions and events were properly planned for. They prioritised the following preventative measures:

- Future proofing the network to ensure resilience against extreme weather and potential disruptions caused by transition to more renewables
- Measures to ensure reliability of electricity supply at times of peak demand

Customer priorities and concerns

Future proofing to ensure resilience against extreme weather and potential disruptions caused by increased penetration of renewables

Storms and heatwaves were a concern for customers. They were also aware these events could lead to, or be compounded by, floods or bushfires, posing a significant ongoing threat to resilience of power supply, even for areas not directly impacted. For this reason, customers prioritised taking preventative measures against vulnerable assets and electricity supply chains to ensure that when such an event did occur, there was sufficient contingency'...plan or plans in place when an emergency arises.'

Some customers expressed concern about how the transition to renewables (particularly greater rooftop solar) might affect reliability if not managed smoothly. If, for example, individual household supply and storage were not properly integrated with the grid, or if importing and exporting affected a consistent supply. For this reason, they wanted prioritisation of a reliable supply during a transition to renewable energy.

Measures to ensure reliability of electricity supply at times of peak demand

Customers expressed some concern about 'supply and demand' as they felt it was possible to 'run out' of electricity at certain times if the network was affected by extreme weather or high demand. For this reason, customers were interested in exploring and investing in localised storage solutions like batteries that could be relied on if there was additional demand on the network, but not the requisite supply. They also suggested better engineering responses to network strain at times of high demand. Aside from technical solutions, and maintaining assets to improve reliability, customers suggested other measures, such as changing usage behaviour at times when there was higher demand, thereby ensuring a more stable supply at all times. An example suggested by customers was further education on the way their usage impacted reliability.

The sentiment that underpinned some customers' priorities and concerns

Customers' concerns about reliability ultimately show they were forward thinking, realistic, responsible and practical. While their concerns were not shaped by experiences of or perceptions of immediate threats to their own reliable electricity, they did believe that networks would face significant challenges in the future, and they might be directly affected. Therefore, they did prioritise investing to maintain reliability, and were conscious of their individual roles in affecting the network through their usage habits and levels. Finally, their awareness of the changing needs of an evolving society in the way it will influence changing electricity needs shaped their attitudes and concerns.

Customer questions to solve for

Taking customers' reliability concerns into consideration, we summarised the following points to further explore and address in informing investment priorities:

Future proofing to ensure resilience against extreme weather and potential disruptions caused by transition to more renewables

- How can you be as proactive and preventative as possible to make sure I am not negatively impacted by extreme weather and floods or bushfires?
- How can you make sure that my power is still reliable as we introduce more renewables onto the network?

Measures to ensure reliability of electricity supply at times of higher demand

- How can you make sure that my electricity is reliable, even on days of peak demand?

Customer Perspective on Energy Transformation

Introduction

Customers wanted investments that would “future proof” their network as much as possible. In their view, this meant a world class electricity network integrating renewable energy and new technologies such as EV’s and batteries. It also meant ensuring a stable and reliable supply able to support changing societal and climatic conditions like a growing population and extreme weather events. Features of the energy transformation customers identified as most important were:

- Greater EV charging infrastructure
- Higher penetration of renewables on the network
- Managing quality and price of service in the transition

Customers’ priorities and concerns

Greater EV charging infrastructure

Customers saw EVs as integral to the future of society and therefore felt that having the adequate infrastructure in place was important. Greater charging stations would mean that EVs would be integrated more successfully into society and help to make them accessible for all, particularly as many customers said that the poor driving range of EVs due to lack of charging stations was a barrier to them being successfully adopted by consumers.

Higher penetration of renewables on the network

Solar was seen as a major part of customers’ energy future, and for this reason customers prioritised investment in making solar more widespread and available. An example of ways customers felt solar could be better integrated was through greater subsidisation to households, particularly those that were financially vulnerable and could not afford the upfront cost.

Managing quality and price of service in the transition

Whilst there was an expectation CitiPower would lead the energy transformation to the future network they imagined, customers had questions about how this would be achieved, and ‘how fast can CitiPower keep up with the changes required?’ while also:

- Maintaining the same level of reliability and not impacting price considerably
- Avoiding disruption to their electricity supply
- Ensuring a manageable pace of infrastructural development and investment

For example, they wanted to ensure that the transition to solar and EVs was managed in a way that gave consumers time to adjust their homes and usage and to manage the individual cost associated with upgrading to solar and EVs.

There existed differing opinions about the speed and pace of change, which reflected customers’ concerns about affordability of short-term up-front investment required by individuals, as well as the importance they placed on a robust supporting infrastructure. For example, the pace of transition to renewables was a point where some opinions differed, as younger people tended to want a faster transition to renewables, whilst older people tended to have a more conservative approach, favouring a slower transition. Their differing points of view were based on levels of emotional investment in green energy, and levels of prioritisation about staging a return on investment.

The sentiment that underpinned customers’ priorities and concerns

Customers’ expectations and needs regarding the Energy Transformation highlighted the importance they placed on a modern network to support their individual and household needs moving into the future. They showed an inclusive spirit in considering the interconnectedness of the wider society in the importance they placed on equity for all.

Customer questions to solve for

Taking customers' energy transformation concerns into consideration, we summarised the following points to further explore and address in informing investment priorities:

Greater EV charging infrastructure

- How can you make it easier for me to adopt an EV by ensuring that there is adequate charging infrastructure?

Higher penetration of renewables on the network

- How can you support more renewables on the network without compromising affordability and reliability?

Communication and education about the energy transition and CitiPower's role in the transition

- How can we ensure that clear directions and communication about roles within the energy transformation support customers to make decisions and changes in way that best suits them?

Managing quality and price of service in the transition

- How can we manage the energy transformation in a way that ensures a quality electricity supply and service and a manageable pace of investment from both government, networks and consumers?

Customer Perspective on Customer Experience

Introduction

Customers expressed their expectations, priorities, and needs with regards to customer experience as follows. They wanted:

- Availability and diversity of communication channels such that customers could access service and information as they wish
- Accessibility for people with vision or hearing impairments, differing abilities and education levels, culturally and linguistically diverse and elderly people
- Fast response times and prioritisation of needs and urgency
- Aesthetics of network such as ensuring the visual harmony between distribution infrastructure and surrounds

Customer priorities and concerns

Availability and diversity of channels such that customers can access service as they wish

In terms of communication received from CitiPower, customers wanted communications and notifications that were timely and clear so they could plan and stay updated, particularly with regards to outages.

Customers also wanted communications via diverse channels of preference, for example, text messages for outage notifications, emails or letters about meter installation, and online chat available for inquiries where they wanted immediate advice.

Accessibility for all customers

Customers cared about wanting service and communication 'quality and equity standard to all...', and expected CitiPower to invest in ensuring that the needs of the following cohorts were met across all experiences and through all channels:

- Hearing and vision impaired
- CALD
- Vulnerable communities
- Elderly
- Those without access to internet/phone

Fast response times and prioritisation of needs and urgency

Customers wanted faster response times to outages, faults or other important service requests. Whilst rapid response was a priority, customers also wanted emphasis on ensuring that CitiPower prioritised customers (particularly vulnerable customers) requests and outages most urgent and addressed them first.

Aesthetics of network, poles and wires

Customers placed high importance on aesthetics; having a network with infrastructure that was not only efficient, but non-intrusive to environmental surrounds. They cited the example of murals painted on infrastructure and thoughtfully designed integration of assets into public spaces as examples.

The sentiment that underpinned some customers' priorities and concerns

Customers' expectations and needs regarding their customer experience reflected the value they placed on efficiency and convenience. The importance they placed on accessibility showed their awareness of the diverse needs of all customers, and their commitment to ensuring that no one was excluded from the full value of their electricity service.

Customer questions to solve for

Customers' top priorities, needs and expectations relating to customer experience were heard and summarised into the following points which will serve as a set of guiding questions to inform the next stage of our consultation, helping to identify the top priorities for future investment and improvement:

Availability and diversity of channels such that customers can access service as they wish

- How do we ensure customers know how and where to access and contact CitiPower when they need to via their preferred channel?

Accessibility for all customers

- How do we ensure all customers, regardless of their circumstance can access in a way that they understand?
- How do we ensure that we communicate outages and other services that may disrupt supply in a way that allows customers to plan ahead?

Fast response times and prioritisation of needs and urgency

- How do we ensure that we prioritise responses to the most urgent issues first and provide transparency around this process?

Aesthetics of network, poles and wires

- How do we ensure that consideration is given to the surrounding environment when designing electricity infrastructure so that it is visually pleasing?

