Jemena Electricity Networks (Vic) Ltd

IT Investment Brief – Customer Education

Non-recurrent – New or expanded ICT capability, functions, and services

Jemena
bringing energy to life

Glossary

AI	Artificial Intelligence
Capex	Capital Expenditure
CER	Consumer Energy Resource
CSAT	Customer Satisfaction
CSIS	Customer Service Incentive Scheme
Current regulatory period	The period covering 1 July 2021 to 30 June 2026
CX	Customer Experience
EDPR	Electricity Distribution Price Review
ERG	Energy Reference Group
EV	Electric Vehicle
ICT	Information and Communications Technology
Jemena	Refers to the parent company of Jemena Electricity Network
JEN	Jemena Electricity Network
Next regulatory period	The period covering 1 July 2026 to 30 June 2031
NPV	Net Present Value
Opex	Operating Expenditure
RYxx	Regulatory year covering the 12 months to 30 June of year 20xx for years in the Next Regulatory Period. For example, RY25 covers 1 July 2024 to 30 June 2025
Totex	Total Expenditure

Customer Education

Objective	To develop and implement new and expanded Information Communications and Technology (ICT) capability to deliver integrated customer education programs that: • builds energy literacy. • builds customer capability to prepare for the energy transition. • enhances customer experience and the accessibility of information for everyone. • supports customers to take on a more active role in energy generation and management.		
Non-recurrent ICT sub-categorisation	☐ Maintaining existing services, functionalities, capability, and/or market benefits	☐ Complying with new/altered regulatory obligations/requirements	☒ New or expanded ICT capability, functions, and services
Background	With the digitisation of the energy network and current cost of living pressures, it is more critical than ever to invest in platforms and engagement programs that enable customers to take more control of their energy demands. As consumers take on a more active role in energy generation and consumption—through technologies such as smart meters, home energy management systems, rooftop solar, and battery storage—there is an increasing expectation for greater control, transparency, and personalisation in their energy services. **Replacing ageing technology** During the 2021-2026 Electricity Distribution Price Review (EDPR) process, there was considerable engagement with end-use customers to determine customer service expectations. This highlighted that in the Jemena Electricity Networks Vic Ltd. (JEN), customers expect digital self-serve channels and a seamless customer experience across all engagement channels. The engagement process also identified that there are shortcomings in the existing customer experience that are attributable to JEN's ICT systems (e.g. timely, accurate and detailed communications to customers are limited for some customer journeys as the ICT systems are not integrated; JEN's ability to respond quickly to evolving customer expectations is limited as the ICT systems are older and cannot be adapted simply; and there is limited information available in-language on the website as JEN does not have the technology to translate the information into languages other than English). During the latter part of the current regulatory period, the customer technology landscape which supports customer experience has changed, including replacement of disparate and ageing systems which had limited integration. Foundational capabilities were delivered in 2023 and will be expanded in 2025 – 2026 which will ensure that our customer interactions and services for connections, enquiries and customer's access to their own consumption data, are supported by cohesive, integrated, and streamlined end-to-end systems, processes, and capabilities, in line with customer expectations identified in the 2021-2026 customer engagement process. **Reducing customer barriers** JEN undertook an extensive price reset customer engagement program in 2023 and 2024 to understand the energy needs, preferences and priorities for customers for the next regulatory period. Through this engagement, customers identified that the existing ICT capability that provides customer communications and services no longer meet the needs and expectations of customers. Customers highlighted the lack of in-language information, difficulty finding information on the energy transition, and lack of education programs that can help build energy literacy and energy capability. This results in a difficult-to-navigate customer experience that lacks accessibility and creates barriers for customers to accessing our services or finding information. These expectations build on the expectations outlined in the 2021-2026 customer engagement. Customers' expectations are continuously increasing in line with technology advancements and customers expect a dedicated online portal that provides tailored information based on their expressed preferences, language, and needs. Customers also expect JEN to utilise		

	artificial intelligence (AI) technology to enhance our systems to drive tailored information that empower customers to make decisions about sustainable energy usage. To meet these expectations, we need to build on the recent enhancements to customer channels and touchpoints, and further integrate our customer applications and back-end customer knowledge management so that we can reduce customer barriers and provide customers with a seamless customer experience. Further, to empower customers to participate in the energy transition by connecting consumer energy resources (CERs), system enhancements will be required. **Building customer capability and energy literacy** Through the EDPR customer engagement program, customers told us they are increasingly concerned about the energy transition and find it difficult to engage with the energy system and understand how to access CERs or take control of their energy usage. As we face the energy transition, customers have told us we need to help build their energy capability and increase our ability to empower them and support their decision making into the future. Customers want us to make significant improvements to our customer education and customer communications in order to successfully meet the needs and expectations of JEN customers. This includes: • Increasing customer education through utilising the ICT platforms and helping to engage customers in their energy usage. • Developing integrated education programs to generate awareness of energy-saving tips, the energy supply chain, rooftop solar, energy-efficient appliances, pricing and tariffs, and understanding electricity bills. Customer education programs also need to be tailored and targeted to diverse customers and customers who face greater barriers to navigating their way through the energy system. This includes ensuring educational material developed is tailored for multicultural communities, First Nations communities, customers with disability, and seniors. For example, Jemena serves customers facing significant disadvantages in Victoria, particularly in areas like Hume City Council, which has rapidly growing migrant populations. This highlights the need for targeted support, including information delivered in-language to improve their understanding of the energy market and transition. Additionally, educational campaigns should reach customers with low literacy levels by providing the information they need in plain English. The importance of building customer capability and energy literacy is aligned with the position of Australian Energy Regulator (AER), which identified that consumer awareness, understanding and interest is vital for the energy transition.[1] The AER highlighted that clear messaging, accessible and relevant information and collaboration with stakeholders is key to building consumer acceptance and trust during the energy transition. As such, Jemena's strategic approach to preparing for the energy transition is underpinned by these themes and includes collaborating closely with local councils and energy stakeholders. This means a partnership approach will be taken to customer education programs, particularly with residential customers, to ensure frontline community service organisations and local councils have the tools and materials to jointly empower and educate customers.
Customer Importance	After more than 12 months of customer engagement, a research survey of 1,000 residential customers, and 210 hours' of engagement across 65 separate engagement events, generated consistent and significant high priority themes for JEN customers to: • Make energy more affordable in this cost-of-living crisis • increase the accessibility of our communications and enhance the customer experience, including information in-language and tailored information on energy.

[1] Australian Energy Regulator, Export limit guidance note, October 2024 - https://www.aer.gov.au/system/files/2024-10/Export%20Limits%20Guidance%20Note.pdf

	• develop a streamlined customer facing portal with tailored and targeted information to residential and business customers. • implement new customer education programs that empower customers and help inform decision making to drive electrification and engagement in energy. • collaborate and partner with local councils, community service providers and stakeholders to drive customer education. Through engagement and customer research, it was identified and agreed that the top topics that customers want tailored and targeted education programs on include: • energy-saving tips, the energy supply chain and energy-efficient appliances. • pricing, tariff structures and understanding electricity bills. • CERs and processes for uptake. • emergency planning and response to support network resilience. The research survey conducted by Sagacity Research of 1,000 residential customers confirmed that the priority areas identified during the customer engagement were important to customers. Over 70 per cent of survey respondents rated accessible and efficient communications as Important or Extremely Important, with 61 per cent and 55 per cent rating multi-lingual communications and an online portal as Important or Extremely Important, respectively. The customer importance of energy education is further reinforced by JEN's Energy Reference Group (ERG), whose first recommendation that JEN position itself as a "trusted information source for decision making", envisages JEN being a calm informed voice that can guide customers through contradictory advice available on the internet.[2] The ERG sees effective customer communication and education as critical to the energy transition, and JEN has a role to play in this. This will also support community resilience for major events by 'partnering with communities and local councils in emergency planning and response' outlined in the Victorian Government's Network Outage Review recommendations.[3] As noted above, increasing customer understanding and interest in the energy transition is critical. The AER highlights that it is important for customers to be able to access their energy usage and export limit performance, as well as information and insights about these, as it will support informed customer decision making and foster customer uptake and trust in the use of flexible export limits.
Key Considerations	This initiative strategically places JEN as a trusted source of information and advice for customers to play a more proactive role in building energy capability and energy literacy through education. By educating customers on energy, it will ultimately influence their behaviours to engage in their own energy usage and make informed decisions throughout the energy transition. In November 2024 JEN held additional customer engagement sessions to further test the proposed initiatives which have discretionary spend (Customer Deep Dive on Expenditure). At this session customers from the People's Panel and Customer Voice Groups discussed affordability and the residential component of this Customer Education initiative. Whilst customers indicated that affordability was now the number one priority for them, there was continued support for customer education related activities with the majority of customers indicating that they supported either Option 3 or 4 (as described below). **How costs were derived** For our recommended option (option 3), previous JEN internal customer experience projects were used as a reference to estimate costs, namely; "Customer Uplift Foundations", "Customer Experience Transform 2024" and "Customer Experience Transform 2025".

[2] Mosaic Lab, Energy Reference Group Consolidated Report, May 2024 - https://www.aer.gov.au/system/files/2024-06/EQL%20Reset%20Reference%20Group%20-%20Submission%20-%202025-30%20Electricity%20Determination%20-%20Energex%20%26%20Ergon%20-%20May%202024.pdf

3 www.energy.vic.gov.au/safety/network-outage-review

	These costs assume a blended team of internal and external resourcing, recognising that not all the required specialised capabilities are available internally. The resourcing profile assumes mostly internal resourcing, with external resourcing providing advanced technical skills across third-party software, including the Jemena Website, Communications platform (AWS Pinpoint and Confluent) and SAP Service Cloud and Customer Data Cloud. For SAP Service Cloud, Customer Data Cloud and Field Service Management, the related costs are classified as opex and for AWS Pinpoint, Confluent, SAP ERP and Customer Portal the corresponding costs are classified as capex. The capex opex ratios from the aforementioned projects were also considered when defining these costs. Ongoing recurrent-step opex covers an additional resource for providing ongoing support to our evolving customer-centric systems. The specialised, niche skills required to maintain the highly customised systems cannot be absorbed by the current team without compromising on the quality and efficiency of work. Ongoing recurrent-step opex costs also considers a dedicated on-the-ground customer education resource, who will deliver the education campaigns which will utilise the delivered ICT capabilities, and actively disseminate the content across traditional and social media channels.
Options	JEN has considered four options to deliver the capability articulated above: (1) Option 1 – Do Nothing (not recommended) (2) Option 2 – Essential Education (not recommended) (3) Option 3 – Education and Empowerment (recommended) (4) Option 4 – Education and Empowerment PLUS (not recommended) Options 2 through 4 were tabled as part of the Customer Deep Dive on Expenditure in November 2024. Customers attending this session were presented with scope and costs, for capabilities required to meet the expectations outlined through the residential customer engagement. The scope and costs presented below are inclusive of capabilities requested through the small business, large business and Council engagement. **Option 1: Do nothing** **Description** This option represents the option where JEN remains as-is, with no new ICT capability or delivery of integrated customer education programs. JEN would rely on the current set of ICT capabilities in the current regulatory period (2021 - 2026). **Benefits** By doing nothing, JEN would avoid incurring the costs and many of the risks outlined at Options 2, 3, and 4 below in relation to the proposed initiative. **Risks** Adopting a "do nothing" approach fails to meet customer needs or expectations and leaves key barriers unresolved in accessing information, preparing for the energy transition, and connecting with CERs. The risks of doing nothing are: • Widening knowledge gaps: without proactive communication, customers may struggle to keep up with changes in the energy market, leaving them at a disadvantage when making decisions about their energy usage, costs, and incentives. • Financial vulnerability: customers unaware of support programs or energy-saving measures could miss out on opportunities to lower bills or gain access to financial aid programs, increasing their financial stress.

- Disempowerment and marginalisation: a lack of accessible information can leave customers unaware of their rights, unable to get access to basic information or seek help, further excluding them from essential programs or services.
- Health and safety risks: customers may face safety concerns if not informed about the correct use and maintenance of new energy technologies, such as solar panels or battery systems. Vulnerable customers who restrict the use of heating/cooling to reduce energy bills may also face health risks.
- Erosion of trust: customers who feel unsupported may lose trust in Jemena, resulting in dissatisfaction.
- Worsening inequities: failing to provide targeted support to disadvantaged or marginalised communities, like those in Hume City Council area, can deepen social and economic disparities, leaving them disconnected from vital energy information.

Addressing these risks requires inclusive, in-language communication and tailored support to keep all customers informed, empowered, and engaged.

Further, failing to invest in technology platforms to assist customers connecting with CERs may result in increased operational costs to support processing the increased application complexity and volumes.

Summary

This option is not recommended as we do not consider it reflects good industry practice given the risks outlined above.

Option 2: Essential Education

Description

This initiative will develop new and expanded ICT capabilities to existing platforms that will:

- Provide information on CERs to enable customers to make informed decisions on sustainability and decarbonisation.
- Simplify and streamline the process for customers to participate in the energy transition.
- Increase the customer experience and accessibility of information to customers on their electricity service.

Specifically, the ICT capabilities that would be developed under this option are:

- Enhancement of the dedicated customer portal with energy and bill information
- Energy saving tips and sustainability information on the Jemena website.
- Energy education material on Jemena website.
- Two-way asynchronous web chat.
- Enhanced CER connection processes for solar and electric vehicles (EV).

As well as the capabilities detailed above, this option also includes a customer education resource. This education resource would be responsible for energy education content development for Jemena's digital channels, including the development of content and delivery of proactive communications to reach a larger diverse customer base. The education campaigns would be limited to plain English content and would be made available on Jemena's website.

This option will have a moderate impact on customers and their engagement with energy. It will take steps toward shifting Jemena from being passive on customer education to proactively becoming a trusted source of information and advice for customers through education.

Costs

JEN's costs for this option is outlined in the table below.

$2024	RY27	RY28	RY29	RY30	RY31
Total Capex	$770,000		$1,330,000	$1,027,500	$300,000
Non-recurrent Opex	$330,000		$570,000	$635,000	$200,000
Recurrent-step Opex	$615,000	$690,000	$678,000	$715,000	$672,500
Total Opex	$945,000	$690,000	$1,248,000	$1,350,000	$872,500
Totex	**$1,715,000**	**$690,000**	**$2,57,000**	**$2,377,500**	**$1,172,500**

The forecast of non-recurrent capex is $3,427,500, non-recurrent opex is $1,735,000, and recurrent opex is $3,400,000, with a total expenditure to deliver for this solution over the 2026-31 period of **$8,562,500.**

Benefits

The benefits of this option are drawn from the engagement with customers on the energy transition.

This results in:

- Facilitate the take up of CERs from large commercial and industrial customers, residential and small business customers.
- Meeting the increasing demand for electrification within JEN, customer demand for sustainable energy solutions, and therefore deliver both financial and Environmental Sustainability and Governance (ESG) benefits to customers.
- Ability to meet the customer experience and education expectations of our customers
- Decreased risk of customers disengaging with their energy usage and CERs**.**

Financial benefits for customers can also be identified in:

- Improvements in the supply chain. It is anticipated that the improvements to the solar and other CER connection processes will reduce touchpoints for electricians and solar installers. As the financial benefit of a reduction in effort will be different for each electrician or solar installer, a proxy effort benefit value has been developed. For each application, it is estimated that an average of one hour of time would be saved. The value to the electrician would be $100 per hour[4]. This would then be passed on to residential and small business customers through reduced project costs.
- Value to residential customers and electricians / solar installers from improvements and simplification of new and upgrading solar and CER connection applications. As the financial benefit of customer satisfaction will be different for each electrician or solar installer, a proxy customer satisfaction benefit value has been developed. For each application, it is estimated that a 0.5-point increase (on a 10-point satisfaction scale) in customer satisfaction would be achieved. A $100 per customer satisfaction point (or a $50 per 0.5 customer satisfaction points) represents a conservative estimate of contractor value saved through improved processes and communications**.**

The financial benefits forecast for this option applies to benefits derived from the solar and CER connections journey only. There is no overlap with value created under the Customer Service Incentive Scheme (CSIS), as the CSIS scheme is applicable to the basic connections journey, planned power interruptions journey and unplanned power interruption journey.

As this option does not include proactive education campaigns and is reliant on customer self-empowerment there is no forecast financial benefits for customers associated with energy consumption savings.

[4] Electrician cost is based on Google search July 2024 of average charge out rate for Melbourne electricians - and a range of $70 - $130 per hour.

The financial benefits for customers for this option are outlined in the table below:

$2024	RY27	RY28	RY29	RY30	RY31
Benefits	$0	$0	$0	$923,860	$940,700

Risks

Delivery risks for this option are related to:

- Reliance on customers to self-empower and drive their own education on the energy transition.
- Adequate and targeted change management activities to support the technical delivery and ensure process, symbology, templates and drafting standards are updated and adopted.

Summary

This option is not recommended as it does not meet the expectations outlined by customers through the price reset engagement.

Option 3: Education and Customer Empowerment

Description

Similar to option 2, this option will develop new and expanded ICT capabilities that will:

- Expand customer awareness on CERs to enable customers to make informed decisions on sustainability and decarbonisation.
- Simplify and streamline the process for customers to participate in the energy transition.
- Increase the customer experience and accessibility of information to customers on their electricity service.

Option 3 will deliver all of the ICT capabilities outlined in Option 2:

- Enhancement of the dedicated customer portal with energy and bill information.
- Energy saving tips and sustainability information on Jemena website.
- Energy education material on Jemena website.
- Two-way chat across multiple channels.
- Enhanced solar and electric vehicle (EV) connection processes.

Option 3 will deliver additional ICT capabilities that include:

- AI driven personalisation of insights provided on the customer portal. This enhancement will allow JEN to combine AI with customer journey decision points to support customers and energy retailers with personalised insight. The enhancement will prioritise data privacy, security, and adherence to strict AI ethics guidelines
- Enhancement of the customer portal to include personalised data on customers' export limits, as per the AER 'Export limit guidance note'[5].
- In-language personalisation on customer channels.
- Digital calculators to help customers understand bills, and the impacts of changes to tariffs and energy consumption on their bills.
- Renewables portal to support the understanding of CERs

This option also includes a dedicated on-the-ground customer education resource, who will deliver the following education campaigns which will utilise the delivered ICT capabilities, and actively disseminate the content across traditional and social media channels:

- Tailored material to multicultural and First Nations communities.
- Creation of tailored material of in-language content.
- Education programs on sustainability and bill saving.

[5] https://www.aer.gov.au/system/files/2024-10/Export%20Limits%20Guidance%20Note.pdf

- Partnering with local Councils and community organisations to deliver education campaigns.

This initiative will have a strong impact on customers and their engagement with energy. It will shift Jemena from being passive on customer education to proactively becoming a trusted source of information and advice for customers through education. By educating customers on energy topics, it will ultimately influence their behaviours to engage in their own energy usage and make informed decisions to drive electrification.

Costs

JEN's costs for this option is outlined in the table below.

$2024	RY27	RY28	RY29	RY30	RY31
Total Capex	$770,000		$2,170,000	$1,027,500	$300,000
Non-recurrent Opex	$330,000		$1,005,000	$635,000	$200,000
Recurrent-step Opex	$615,000	$690,000	$707,500	$715,000	$672,500
Total Opex	$945,000	$690,000	$1,712,500	$1,350,000	$872,500
Totex	**$1,715,000**	**$690,000**	**$3,882,500**	**$2,377,500**	**$1,172,500**

The forecast of non-recurrent capex is $4,267,500, non-recurrent opex is $2,170,000, and recurrent opex is $3,400,000 with a total expenditure to **$9,837,500** deliver for this solution over the 2026-31 period.

Benefits

The benefits of this option are drawn from the engagement with customers on the energy transition. This results in:

- Enhanced connection processes, and therefore an increased take up of CERs from large commercial and industrial customers, residential and small business customers.
- Increased energy capability and energy literacy of JEN customers, driving positive energy usage behaviours that will help customers save money.
- Meeting the increasing demand for electrification within JEN, customer demand for sustainable energy solutions, and therefore deliver both financial and ESG benefits to customers.
- Ability to meet the customer experience and education expectations of our customers.
- Decreased risk of customers disengaging with their energy usage and CERs.

Financial benefits can be identified in:

- Improvements in the supply chain. It is anticipated that the improvements to the solar and other CER connection processes will reduce touchpoints for electricians and solar installers. As the financial benefit of a reduction in effort will be different for each electrician or solar installer, a proxy effort benefit value has been developed. For each application, it is estimated that an average of one hour of time would be saved. The value to the electrician would be $100 per hour[6]. This would then be passed on to residential and small business customers through reduced project costs.
- Value to residential customers and electricians / solar installers from improvements and simplification of new and upgrading solar and CER connection applications. As the financial benefit of customer satisfaction will be different for each electrician or solar installer, a proxy customer satisfaction benefit value has been developed. For each application, it is estimated that a 0.5-point increase (on a 10-point satisfaction

[6] Electrician cost is based on Google search July 2024 of average charge out rate for Melbourne electricians - and a range of $70 - $130 per hour.

scale) in customer satisfaction would be achieved. A $100 per customer satisfaction point (or a $50 per 0.5 customer satisfaction points) represents a conservative estimate of contractor value saved through improved processes and communications.

- Empowerment of customers to save on their electricity bills. This would occur through household savings as a result of increased energy literacy empowering customers to make changes to their energy consumption, and these customers utilising the Vic Energy Compare website more effectively. It is forecast that the improved energy literacy and confidence to make proactive changes to reduce electricity bills, would benefit up to 4% of JEN's households per annum, at approximately $52 per annum in 2024 dollars[7]. This would be incremental each year as the education campaigns would reach new households.

The financial benefits forecast for this option applies to benefits derived from the solar and CER connections journey only. There is no overlap with value created under the Customer Service Incentive Scheme (CSIS), as the CSIS scheme is applicable to the basic connections journey, planned power interruptions journey and unplanned power interruption journey.

The financial benefits for customers for this option are outlined in the table below:

$2024	RY27	RY28	RY29	RY30	RY31
Benefits	$0	$843,180	$1,698,500	$3,489,820	$4,386,250

Risks

Delivery risks for this option are related to:

- Education program delivery and ensuring a coordinated and partnership approach with stakeholders to ensure consistent messaging.
- Adequate and targeted change management activities to support the technical delivery and ensure process, symbology, templates and drafting standards are updated and adopted.

Summary

This option is the recommended option as it increases the accessibility of our communications to customers and helps build customer capability and energy literacy through education. We consider this option reflects good industry practice given the benefits and risks outlined above.

Further, this option was one of two options supported at the Customer Deep Dive on Expenditure event. Of the two options, it is the lower cost option and therefore represents the most prudent expenditure.

Option 4: Education and Customer Empowerment PLUS

Description

Similar to option 3, this option will develop new and expanded ICT capabilities that will:

- Expand customer awareness on CERs to enable customers to make informed decisions on sustainability and decarbonisation.
- Simplify and streamline the process for customers to participate in the energy transition.
- Increase the customer experience and accessibility of information to customers on their electricity service.

[7] "Do Victoria's households leave less money on the table when they switch electricity retailers?", Bruce Mountain and Stephanie Rizio, VPEC Working Paper 1909, October 2019.

Option 4 will deliver all of the ICT capabilities outlined in Option 3:

- A dedicated customer portal with energy and bill information. This enhancement will allow JEN to combine AI with customer journey decision points to support customers and energy retailers with personalised insights.
- Enhancement of the customer portal to include personalised data on customers' export limits, as per the AER 'Export limit guidance note'.
- Energy saving tips and sustainability information on Jemena website.
- Energy education material on Jemena website.
- Two-way chat across multiple channels.
- Enhanced solar and electric vehicle (EV) connection processes.
- AI driven personalisation of insights provided on the customer portal.
- In-language personalisation on customer channels.
- Digital calculators to help customers understand bills, and the impacts of changes to tariffs and energy consumption on their bills.
- Renewables portal to support the understanding of consumer energy resources.

Option 4 does not deliver any additional ICT capabilities when compared to option 3. This option delivers the same customer education campaign capabilities in option 3, plus dedicated customer education and advocacy specialists who will deliver:

- Place based education programs across Jemena's network.
- Expanded use of in-language education content across social media and local media channels.
- Development of video based in-language resources.

This initiative will have a strong impact on customers and their engagement with energy. It will shift Jemena from being passive on customer education to proactively becoming a trusted source of information and advice for customers through education. By educating customers on energy topics, it will ultimately influence their behaviours to engage in their own energy usage and make informed decisions to drive electrification.

Costs

JEN's costs for this option is outlined in the table below.

$2024	RY27	RY28	RY29	RY30	RY31
Total Capex	$770,000		$2,170,000	$1,027,500	$300,000
Non-recurrent Opex	$330,000		$1,005,000	$635,000	$200,000
Recurrent-step Opex	$1,015,000	$1,090,000	$1,107,500	$1,115,000	$1,072,500
Total Opex	$1,345,000	$1,090,000	$2,112,500	$1,750,000	$1,272,500
Totex	**$2,115,000**	**$1,090,000**	**$4,282,500**	**$2,777,500**	**$1,572,500**

The forecast of non-recurrent capex is $4,267,500, non-recurrent opex is $2,170,000, and recurrent opex is $5,400,000, with a total expenditure to deliver for this solution over the 2026-31 period of **$11,837,500.**

Benefits

The benefits of this option are drawn from the engagement with customers on the energy transition.

This results in:

- Enhanced connection processes, and therefore an increased take up of CERs from large commercial and industrial customers, residential and small business customers.
- Increased energy capability and energy literacy of JEN customers, driving energy positive energy usage behaviours

- Meeting the increasing demand for electrification within JEN, customer demand for sustainable energy solutions, and therefore deliver both financial and ESG benefits to customers.
- Ability to meet the customer experience and education expectations of our customers.
- Decreased risk of customers disengaging with their energy usage and CERs.

The forecast financial benefits of option 4 are the same as option 3.

The financial benefits for customers for this option are outlined in the table below:

$2024	RY27	RY28	RY29	RY30	RY31
Benefits	$0	$843,180	$1,698,500	$3,489,820	$4,386,250

Risks

Delivery risks for this option are related to:

- Education program delivery and ensuring a coordinated and partnership approach with stakeholders to ensure consistent messaging.
- Adequate and targeted change management activities to support the technical delivery and ensure process, symbology, templates and drafting standards are updated and adopted.

Summary

Whilst this this option was one of two options supported at the Customer Deep Dive on Expenditure, it is not recommended as it does not represent prudent expenditure **and** does not provide the lowest sustainable costs. Furthermore, we do not feel it represents industry best practice.

Options Summary

The table below summarises the quantitative and qualitative differences between the analysed options.

$2024	Capex	Opex	Totex	NPV	Residual Risk
Option 1	Not applicable	Not applicable	Not applicable	Not applicable	High
Option 2	$3,427,500	$5,135,000	$8,562,500	(5,624)	Medium
Option 3	$4,267,500	$5,570,000	$9,837,500	328	Low
Option 4	$4,267,500	$7,570,000	$11,837,500	(708)	Low

What We Are Recommending

Jemena recommends option 3 as it increases the accessibility of our communications to customers and helps build customer capability and energy literacy through education. We consider this option reflects good industry practice given the benefits and risks outlined above. Furthermore, it represents a prudent investment.

Dependencies on other Investment Briefs

Not applicable.

Relationship to ICT Capital Forecast

The supporting modelling for this investment brief is contained in the following model**: JEN - IT Investment Brief - Customer Education - Costs and Benefits Analysis Model.**