Jemena Electricity Network

Pricing Reset Recommendations

Panel Report

April 2024

Remit

Our challenge

Jemena
bringing energy to life

How should Jemena prepare for a sustainable energy future while meeting customer and community needs today?

Introduction

Jemena's People Panel was formed to represent customers from across Jemena's network and to help Jemena understand how they can prepare for a sustainable energy future, while meeting customer and community needs today.

The People's Panel is a diverse selection of Jemena's customers, incorporating all walks of life - cultural diversity, age, gender and geographic location.

The People's Panel spent 5 Saturdays together over 6 months, learning about the role Jemena plays in the electricity supply network. The Panel were assisting Jemena with their 5-year regulatory proposal for the period 2026 - 2031, as part of their requirement to the Australian Energy Regulator.

The Panel has formed 16 recommendations that you will find within this report.

We incorporated feedback from 6 customer voice groups, first nations, multicultural, mental health, disability, seniors and young people.

The Australian Energy Regulator will review our recommendations as part of Jemena's submission.

Jemena should consider to the maximum extent possible, the following recommendations on their 2026 – 2031 electricity distribution regulatory price reset

Recommendation 1

Heading:	**Equitable and Fair Tariff Reform**
Description:	Implement a tariff structure that is fair for different types of consumers e.g. solar (with or without battery) vs non solar. Tariff structure to be as follows to make it fair based on your usage and supply capability. **Consumption Charges**: (applies to everyone) ● Supply Charge - 3 tiers of supply charge based on how much you use during the day, e.g. low, medium, high consumption ● Consumption Rate - 3 tariffs of consumption, Off Peak, Solar Soak, Peak **Feed In Credit** (reward for feeding in solar): ● Daytime solar soak reduced Credits ● Nighttime peak time higher feed in Credit (benefits battery owners) **Export Tariff**: opt in charge for users to export to the grid, this gives access to higher feed in credits.
Rationale:	● To ensure inclusivity and financial benefits for different consumer groups, i.e. socio-economic backgrounds. ● Incentives everyone to tailor their consumption behaviour to suit their requirements Vs cost savings ● Balances the load/generation on the grid reducing over generation during the day meaning lesser requirement to augment the grid to support over generation.

	• Encourages continued sustainable energy adoption and practices (solar, battery and consumer behaviour). • Incentives generators (solar owners) to take on in home battery systems to get better feed in rates. • Tiered supply charges make it fairer for different consumers, e.g. lower consumption means lower supply charge, whereas currently it is a single supply charge for all

Recommendation 2

Heading:	**Corporate responsibility - addressing sustainability/carbon footprint**
Description:	Jemena to commit and continually improve on its environmental practices and continuously reduce its impact on the environment. Jemena to undertake and investigate improvements to its own operations (e.g. electrified fleet vehicles, office spaces to use solar), to reduce the impact on the environment. Currently implemented equipment to be replaced with sustainable options once they reach the end of their life cycle (e.g. wooden or concrete poles) Jemena to clearly communicate their net-zero plan and carbon offset strategies to customers and the public.
Rationale:	There should be long term commitments toward environmental targets to ensure a sustainable future. Communication and transparency with customers builds trust and overall satisfaction with Jemena's business practices. By implementing new technologies or sustainable options in their practice, Jemena can further reduce its impact on the environment without putting the cost on customers.

Recommendation 3

Heading:	**Network Reliability**
Description:	Jemena needs to prioritise investing in reliability by assessing, building, and maintaining the network to meet changes in operating conditions and withstand network failures.
Rationale:	It is important to invest in network infrastructure with a focus on: ● Improving and maintaining service standards and customer experience ● Reduced frequency in power outages ● Continue to invest in upgrading the network's ability to "self-heal" ● Flexibility to accommodate network growth and demand

Recommendation 4

Heading:	**Network Resilience**
Description:	Jemena needs to prioritise investing in network resilience so it can withstand and recover from the effects of a natural hazard or disaster.
Rationale:	It is important to invest in network infrastructure with a focus on: ● Replacing and upgrading fragile assets ● Using technology to better predict, manage and respond to significant outages ● Minimise impact on the customer ● Develop, maintain and implement a Resilience Strategy.

Recommendation 5

Heading:	**Digitisation and automation to increase economic efficiency**
Description:	Innovation to achieve greater efficiency with a lower network cost recouped over time Use digitisation and automation technology (AI programs) Using advanced monitoring equipment for determining replacement/upgrading of wires Upgrade & reconfigure network i.e. to increase & decrease voltage
Rationale:	• make smarter decisions based on factual parameters (consumer usage, distribution factors) • monitor the network to rationalise the distribution to maintain the network stability • generate efficiency to reduce cost (such as cost of upgrading network) ***** Drive efficiencies and reduce costs associated with network upgrades by adopting digital technologies and automated processes. • long term savings through less maintenance of assets and less operational manual inputs

Recommendation 6

Heading:	**Enable storage by distributors**
Description:	Research and develop options and alternatives for energy storage with the intention of installation. Advocate to regulators and governments to allow network businesses to own and operate batteries. Collaboration with Victorian Government and peer Victorian electricity distribution businesses to share learning and develop common standards. Standardising battery connection arrangements using a simplified model to minimise costs and accelerate distribution. Utilising mobile storage to react to major events and provide network support where needed on a short-term or temporary basis.
Rationale:	• Batteries act as a communal backup for severe weather events and also for damage to infrastructure, and enhance maintenance downtime. • To reduce grid instability, promote efficient use of electricity during peak times, and allow customers to utilise electricity flexibly without being affected by the export charge. • To improve grid stability by removing over supply issues and remove the need for the export tariffs • Large scale storage is more commercially viable and environmentally feasible than individual household/business batteries • Help combat the disruption of solar export across the grid. • Jemena could possibly use this stored energy to offset operational costs e.g. charge EV trucks, offices etc. (This may cause problems as power is generated by customers.) • Jemena could also pull data from existing case studies or other implementations of communal batteries to further justify use-cases that we haven't thought of yet. May even refer to other countries who have a different rule set to us, and analyse the pros/cons of the situation.

Recommendation 7

Heading:	**Customer Education**
Description:	● Provide customers with tailored information to guide their decisions about energy usage and investments to reduce their costs and use renewable energy, for example ○ How time-of-use tariffs affect bills, and strategies to benefit from this ○ Benefits of investing in rooftop solar, batteries, and EVs ○ Impact of appliances on bills and sustainability ● Ensure information is easy to access, understood by *all* customers, relevant and practical. Particularly important to communicate through diverse channels and media to reach customers with different abilities.
Rationale:	● Influence customer behaviour and investment decisions that would contribute to the grid stability with minimal upgrade to the grid infrastructure. ● Empowering customers to engage in behaviour and decision-making that increases sustainable energy usage and is cost saving. ● Promote transparency and understanding in billing and costs relative to customer usage and energy sources.

Recommendation 8

Heading:	**Jemena to maximise green energy within their focus**
Description:	Jemena to research and investigate solutions: ● to uptake more green energy from: ○ Customer Energy Resource (CER) ○ Green energy generators ● to create an ideal grid that is more conducive to solar uptake and distribution
Rationale:	Reduce carbon footprint and promote sustainability. Support the growing push/options for green energy. Current network setup is not ideal to uptake more CER.

Recommendation 9

Heading:	**Collaboration to ensure efficiency**
Description:	Widen collaboration (sharing of ideas and information, getting advice, discussing strategy and implementation) with various groups/stakeholders within their areas of expertise, allowing a streamline in effort, time, and cost expended.
Rationale:	To collaborate on recommendations in line with respective parties' expertise to seek cost effective and sustainable outcomes for best practice. • Collaborating with peer energy distribution businesses to ensure investments in infrastructure and technological advancements being implemented are most beneficial • Collaboration with energy groups, councils, on sustainability approaches and implementation • Collaboration with retailers and end users on consumer experience and expectations The above would reduce duplication of effort, share cost benefit across the industry, and encourage joint investment in technology and sustainability practices.

Recommendation 10

Heading:	**Incentivise battery take-up**
Description:	• Encourage investment in batteries to help offset the increasing amount of solar being generated by more and more households. • Enable incentives to support battery uptake (such as rebates, lower tariffs etc.) to allow Jemena to better manage solar soaking. • Redistribute the stored energy during nighttime peak across the network, providing lower tariffs for all customers (both solar and non-solar). This makes the distribution more efficient and cost effective for everybody (including Jemena).
Rationale:	• Reduce grid stress and prepare for future increase of solar implementations. • Trigger enablement of new systems which are needed to manage a new era of upcoming technologies which are inevitably required. • Benefit ALL customers by redistributing excess stored energy.

Recommendation 11

Heading:	**Long-term sustainable operation of Jemena's grid and network**
Description:	Jemena to commit to environmentally sustainable operations of the company. Using technology and sustainable alternatives for the management and development of the grid infrastructure that would: ● Be cost effective in maintaining the future network. ● Provide long-term savings to Jemena and its customers. ● Be adaptable and scalable for future needs*. ● Reduce Jemena's overall carbon footprint. *This recommendation should not impact network resilience or reliability.* **This recommendation has been developed initially for the '2026-2031' period, it recognises that there will be changes in technology etc that will impact sustainability choices in the future.*
Rationale:	● Prioritise environmental sustainability. ● Achieve carbon reduction targets. ● Ensure affordability while meeting ethical and community expectations.

Recommendation 12

Heading:	**Preparing for Electric Vehicle charging increase**
Description:	Jemena to plan and monitor the use of EV. Use the data to encourage EV charging station providers to install publicly available charging within the Jemena network area. Align goals with projected EV demand. Support industry partners in increasing the number of EV chargers, enabling an operating model that minimises negative impacts on the grid and customer costs. Develop and communicate clear guidelines to EV charging customers (e.g. how to use, when to use, charger locations). Collaborating with councils to optimise EV charging solutions (e.g. EV car spaces and location selections).
Rationale:	Publicly available chargers would allow people to charge their vehicles during the daytime, contributing to grid stability to solar soak periods. Public places could include train stations, shopping centres and hospitals; anywhere people leave their cars for long periods of time during the day. Communicating clear guidelines to customers ensures they know the best way to utilise EV charging.

Recommendation 13

Heading:	**Transparency in Tariff Structures to allow consumer choice**
Description:	• Provide clarity of tariff structures (relevant times/prices) to assist consumers in making informed decisions that align with their energy needs and preferences against the offered tariff structures • Achieve better understanding of the different advantages/disadvantages of various tariff structures for solar and non-solar customers
Rationale:	• Understanding of different tariff structures available ensuring customers can choose one that best suits their needs (potentially by working with retailer during sign up etc) • Ensuring that tariff information is accessible and understandable to everyone.

Recommendation 14

Heading:	**Jemena to champion renewable energy in new developments & housing estates**
Description:	Jemena to champion the use of renewables (solar) and energy storage (batteries) in new building developments and housing estates. Jemena to encourage the use of renewables and energy storage where possible to help reduce network and customer costs.
Rationale:	Installing energy storage from the start reduces cost of acquisition. Future proofing building for renewables whilst reducing distributor network costs. Reduces ongoing costs for all customers on the network.

Recommendation 15

Heading:	**Efficient and accessible communication from Jemena to customers**
Description:	• Increase access to special needs customers with accommodations for advocates or a proxy as point of contact. • Accessible and varied channels of communication to ease customer access • Timeliness of communication • Transparent and clear information • Make Jemena more approachable to customers through two-way communication • Continuous development focused on improved communication.
Rationale:	• Increase public understanding of information from Jemena and reduce confusion • Improve customer service and satisfaction • Reduce anxiety and uncertainty of customers

Recommendation 16

Heading:	**Ongoing service excellence to Jemena customers**
Description:	Ensuring ongoing service standards to its customers in the delivery of Jemena's services across the board. Ensure Jemena's excellence at all levels, benchmarked with its peers (other distributors), the regulatory body and its customers. Service excellence focused on KPIs that's transparent, monitored, tracked and communicated publicly. Ongoing improvement through implementation of latest technology. Provide opportunities for feedback, and perform internal reviews, to identify opportunities of improvement to service standards.
Rationale:	• Improve Jemena's reputation and standing • Improve customer satisfaction across the board • Ensure Jemena is held accountable and maintains customer interest at heart.