

SMALL AND MEDIUM BUSINESS CUSTOMER FORUM

JEMENA ELECTRICITY NETWORKS

What was said report

June 2024

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INTRODUCTION

OVERVIEW

On 9 May 2023 Jemena Electricity Networks (Jemena) hosted a briefing session for registered small and medium business customers. The purpose of the briefing was to raise the customers' awareness about Jemena's consultation sessions as part of its Regulatory Price Reset 2026 – 32.

Jemena representatives explained that Jemena is keen to capture customer views as small and medium business customers for its **Regulatory Price Reset for 2026-31**, highlighting that these customers would have the opportunity to:

- be involved in engagement activities
- shape the five-year regulatory price reset proposal
- provide feedback and input on their energy priorities, preferences and challenges
- shape the future of the network.

Two consultation sessions were then held on Tuesday morning 14 May 2024 and one on Thursday afternoon 16 May 2024. While attendance at both forums was small, the depth of conversation and breadth of customer questions were valued.

CONSULTATION PURPOSE

The session gave participants an opportunity to share their views about topics of interest including:

- Affordability
- Pricing equity
- Network reliability and resilience

PARTICIPANTS

Representatives from small and medium businesses.

SPEAKERS

Jemena representatives included:

- Matt Serpell – Program Director
- Johan Ng – Commercial Manager

The presentation covered:

- The Megatrends impacting electricity distribution including:
 - Decentralisation
 - Digitisation
 - Decarbonisation
 - Electrification
 - Rise of Energy storage
- The themes emerging from the survey about customer challenges & priorities included:
 - Pricing and energy bills
 - Best reliability and sustainability
 - Transitioning to renewable energy & reducing gas
 - Impact of power outages
- Review of pricing and equity – tariffs and how Jemena charges
- What it takes to run an electricity network
- How bills are currently calculated
- Pricing principles to protect customers
- Using electricity during peak and off-peak times
- Jemena's small and medium business tariffs

INFORMATION SESSION AGENDA

TIME	AGENDA
9.30am	Welcome, process and connecting
	Jemena host welcome – Johan Ng – Commercial Manager
	Introduction to Jemena and the price reset approach
	Megatrends impacting electricity distribution
	Pricing and equity – tariffs and how Jemena charge
	Electrification and the energy transition
	Network outages
	Getting ready for the forum
10.30am	Close

WORKSHOP AGENDA

TIME	AGENDA
2.00pm	Welcome, process and connecting
2.15pm	Jemena host welcome and overview – Johan Ng – Commercial Manager
2.30pm	Pricing & Equity <ul style="list-style-type: none">○ As a small business, what is most important to you when it comes to network pricing and tariff structures?○ What other considerations does Jemena need to consider when it comes to network pricing and tariff structures?
3.00pm	Electrification & Energy Transition <ul style="list-style-type: none">○ As a business customer what do you want Jemena to understand about your electricity needs?○ How could Jemena best support you during the energy transition?
3.30pm	Network Outages – resilience & reliability <ul style="list-style-type: none">○ What are the impacts of network outages that you want Jemena to be aware of?○ What factors do you want Jemena to consider when it comes to network planned and unplanned outages?
3.55pm	Reflections
4.00pm	Close

RESULTS

KEY FINDINGS

The consultation sessions with small and medium business customers revealed several critical insights into their concerns and priorities regarding Jemena's Regulatory Price Reset 2026-32.

Key findings include:

- **Importance of pricing and tariff structures:** Businesses emphasised the need for transparent and fair pricing structures. They expressed concerns about the return on investment for solar arrays and batteries, the cost-effectiveness of electric vehicles, and the impact of energy prices on their operational expenditure.
- **Energy affordability and savings:** Participants highlighted the importance of reducing non-negotiable expenses such as electricity and gas. They stressed the need for cost-saving measures and better government support for renewable energy investments, particularly for sole business owners.
- **Network reliability and resilience:** The reliability of the electricity network emerged as a significant concern. Businesses underscored the importance of having advanced notice for planned outages and effective communication during unplanned outages. They also pointed out the necessity of human connection in scheduling and managing disruptions so that they can plan and adapt their operations.
- **Support for renewable energy transition:** There was strong interest in transitioning to renewable energy sources and the role Jemena could play in facilitating this transition. Businesses expressed a need for collaboration on balancing the grid using privately owned solar and battery setups.
- **Impact of network outages:** The impact of both planned and unplanned outages on business operations was a recurring theme. Businesses appreciated the reduction in outages over the years but called for improved notification systems and contingency plans to mitigate the impacts of power disruptions on their business.
- **Customer engagement and feedback:** The sessions demonstrated the value of customer engagement, with participants appreciating the opportunity to share their views and influence Jemena's regulatory proposals. There was a clear demand for continued dialogue and more engagement activities to ensure customer priorities are reflected in future plans.

DETAILED FINDINGS

TOP OF MIND

At the start of the workshop, participants shared what was top of mind for them coming into the session. Responses included:

- Allowing everyone to have the opportunity to present their views
- How my investment in solar array & battery gives me the best return on investment
- Interested on feedback from our customers
- Keen to understand customer challenges more
- Making sure we capture everyone's views
- Nothing specific but very open minded to know the views.

INSIGHTS FROM DISCUSSIONS

After Jemena’s information presentations, participants responded to the following questions about pricing and tariffs:

- As a small business, what is most important to you when it comes to network pricing and tariff structures?
- What other considerations does Jemena need to consider when it comes to network pricing and tariff structures?

Participant responses are captured in the table below:

QUESTION	RESPONSES
As a small business, what is most important to you when it comes to pricing?	A wholesaler for automotive components, with 2 warehouses. Transporting equipment internationally, all electrified. Have installed a solar array and battery, reduces our consumption on the grid. 2nd generation solar array. Want to ensure our investment will pay off, or whether we need to increase storage. 6-8 staff, all active, using computers, in the store etc.

Experiment - EV vs ICE driving from Melbourne to Sydney and back (BMW test?) - ICE vehicle was more cost effective.

Is there a way that Jemena could work with customers with a battery and solar set up (using privately owned equipment) to balance the grid?

I run a micro arts organisation, an arts space (old Coles), energy is a huge cost and out of our control, doubled in the last year, but understand a lot of things are out of Jemena's control.

Most important thing for us is how much we can save on our non-negotiables (electricity, gas). Need to see the price change and come down

Our usage of power is limited, 3 staff. Use power for lighting and heating.

Wanting people to advocate on our behalf about reducing our consumption, e.g. in a giant building.

What other considerations does Jemena need to consider when it comes to pricing?

Considering changing our fleet to electric vehicles, factoring in the current cost of fuel vs lower cost of running EVs, charging during the day etc. Unsure of whether to make the investment if running costs increase in future.

Does the distribution cost change that much when the costs to businesses increase? Could bills to business be broken down differently? even a 5% saving can be huge.

Hydrogen - will this become part of the mix?

I'd like to add solar panels but government won't support it because I'm a sole business owner (no employees).

Tariffs and how they work for us as customers.

After Jemena's information presentations, participants responded to the following question about **electrification**

- As a business customer what do you want Jemena to understand about your electricity needs?

Participant responses are captured in the table below:

QUESTION	
As a business customer what do you want Jemena to understand about your electricity needs?	Cooking with gas is quicker, higher heat, tastes better. Wondering if this will affect our business if we have to move to electricity?
	Experiment - EV vs ICE driving from Melbourne to Sydney and back (BMW test?) - ICE vehicle was more cost effective.
	If there are breaks in distribution, it affects everyone. We host other microbusinesses and if the power goes out, they will just blame us, not Jemena.
	Is there a way that Jemena could work with customers with a battery and solar set up (using privately owned equipment) to balance the grid?
	Our gas system is running non-stop, for over 25 years, and it's still working. Can't say the same with electricity. Cooking - will food taste the same when we can't get the same temperatures.
	Our systems are all aged in Melbourne, we're being pushed to use more electricity but can the system handle more.
	Timing of outages (with upgrades happening on the street), including road closures. Human connection is really important - e.g. after talking to one of the workers they were able to schedule work on a Mon on a day we're usually closed.
When there's no power there's no business.	

After Jemena’s information presentations, participants responded to the following questions about **network resilience & reliability**:

- What are the impacts of network outages that you want Jemena to be aware of?
- What factors do you want Jemena to consider when it comes to network planned and unplanned outages?

Participant responses are captured in the table below:

QUESTION	RESPONSE
<p>What are the impacts of network outages that you want Jemena to be aware of?</p>	<p>Good to see the graph showing the trend to less outages over the years, a sign of relief actually that you might be able to handle more (electrification of the system).</p> <p>I've been getting messages about an upcoming outage, we can work around. It's the unplanned that we can't know about, but we've never held Jemena responsible. Positive feedback.</p> <p>I have experienced these, in the middle of a client session (blow wave, colour). You have to improvise. Having notice makes a difference, I can move clients around. But others will just lose business if the power's out.</p> <p>One of the reasons we put a battery in is to have uninterrupted supply. Part of the Tesla Powerwall is the capacity to set how much you have in storage, ideally 80/20 split.</p> <p>Our appliances need electricity when there is an outage is there an app, we can use that can be personalised to notify us personally when power is coming back on to notify our customers when we will be back on the grid also, we have transformers that blow up sometimes which affect us also is this take along time to fix and if so how long usually.</p> <p>We did run a gig (electric music) and the power went out 10mins before, but it was back on in 40mins.</p>

QUESTION	RESPONSE
<p>What factors do you want Jemena to consider when it comes to network planned and unplanned outages?</p>	<p>A planned outage with a good forecast (duration) would be great. Longer than 36hrs would cause problems, we'd need to consider putting in another battery.</p>
	<p>Been so interesting, I've learned a lot about the whole system, thinking more about how we use electricity but also about what's in and out of our control.</p>
	<p>(Cost vs reliability) - Don't think there needs to be a trade-off. If Jemena can source money from the government instead of chasing small business.</p>
	<p>Learned a lot about the structure and how power comes before getting to our shop.</p>
	<p>Really informative, a lot of questions posed, been productive overall. Hope Jemena can take these away and think about them.</p>
<p>Prepare the grid for sustainable use by upgrading power lines to handle solar and wind integration into the grid and prevent overloading invest in underground powerlines to prevent downed powerlines and fire damage.</p>	

NEXT STEPS

Participants from small and medium businesses were advised they would be contacted in August 2024 with an update from Jemena about is draft regulatory proposal.

PLEASE NOTE:

This report has been prepared by MosaicLab on behalf of and for the exclusive use of Jemena Electricity Networks. The sole purpose of this report is to provide Jemena with materials produced at the small and medium business forums during May 2024.

This report has been prepared in accordance with the scope of services set out by Jemena. In preparing this report, MosaicLab has relied upon the information provided by the participants at the forum. Jemena can choose to share and distribute this report as they see fit. MosaicLab accepts no liability or responsibility whatsoever for or in respect of any use of or reliance upon this report by any third party.

MosaicLab is a Victorian-based consultancy that specialises in community and stakeholder engagement, facilitation, negotiation, strategic planning and coaching.



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