

Broad and Wide Stakeholder Engagement

CitiPower, Powercor and United Energy
Youth Customer Summary Report

December 2022

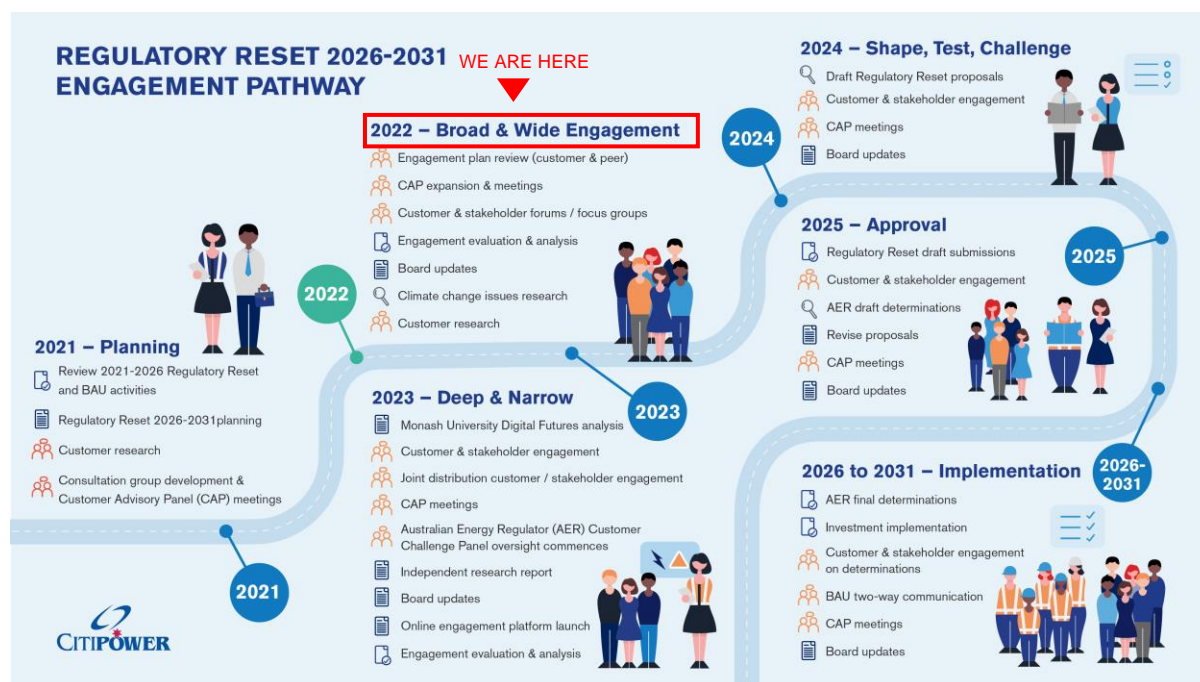


Introduction

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 customers, prior to engaging on more specific topics in the next stages of developing the Proposal.

The below diagram explains the full Proposal Program. 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 reset proposal to ensure it genuinely reflected the needs and preferences of all 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 within multiple industries including Utilities.

Forethought's 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. They partner 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 expertise across both Utilities and Research/Engagement capability to design and facilitate engagement forums and objectively report back on the needs and preferences of customers across the network.

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, Powercor and United Energy's genuine commitment to develop a proposal that is anchored in customer needs and preferences for the immediate and longer-term future of the network.

This program sought to achieve the objectives set out below.

2026-2031 Regulatory Reset Objective

Develop a regulatory reset proposal for the 2026-2031 period that aligns with the needs and preferences of the Powercor 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

Consideration was given to recruit participants from a diverse cross-section of the three networks. This ensured that we had representation across age, gender, geography, and socio-economic status, however this report focuses on the engagement of 18–25-year-olds (Youth). 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.

Participation

Customer Group	Engagement	Consultation Date & Time	Number of Attendees
Youth, 18 – 25-year-old customers	Online	11th October 6.00 pm – 7:30pm (90mins)	Total: 10 1 x CitiPower customer 5 x Powercor customers 4 x United Energy customers

Recruitment

The process of recruiting participants was chosen to attract a diverse group of customers to participate. Our recruitment process included 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.

Compensation

As consultations were held over a lengthy timeframe (1.5 hours), participants were compensated for time spent (\$100).

Methodology

The Youth consultation commenced with a scene setting exercise where the session purpose and agenda was introduced, to help customers understand the context for discussion. This also included an overview of the themes to be discussed, which were:

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

Prior to discussing these themes, the facilitator asked questions that focused on:

- The role of energy in customers' everyday life
- Understanding current knowledge of distributors and the electricity supply chain

This was supported by Forethought sharing information about the roles and responsibilities of the distributor within the electricity supply chain to support an informed conversation.

These four themes¹ were explored in more detail to understand what was important to customers and 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. They were also asked to ideate what they wanted from their distributor to focus on in relation to that specific theme area.

To support the discussion, information about the four themes were selected purposely as a means of educating customers. Care was taken to ensure that information was presented in an easy-to-understand manner and that the format 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 topics were most important to them.

The last stage was for customers to fill out a feedback survey to support Forethought, CitiPower, Powercor and United Energy 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.

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.

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, Powercor and United Energy 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 Youth discussion, a large amount of information was shared with customers relating to the four 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 Victoria¹¹

Evaluation

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

Location/ customer group	Overall satisfaction (Out of 5)	Customer comments
Youth	4.3	"I believe there was enough information, and it was well presented, so not too much to fault." - Residential Customer

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>.

Customer Perspective on Engagement Themes

This 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 to focus on.

There were two themes identified as the most importance:

1. Reliability and Resilience
2. Energy Transformation

When considering Reliability and Resilience, customers were mindful of how reliant they had become on electricity in their day-to-day lives. Examples included streaming services (e.g., Netflix), internet, as well as increased heating and cooling usage as a result of working and studying from home. Although not all customers had experienced outages, there was a desire to maintain a reliable network that had minimal outages, in order to minimise disruptions to life and productivity. To understand more information about customer needs on Reliability and Resilience, please refer to page 10.

On the topic of Energy Transformation, importance was placed on the environment and sustainability. Customers believed that renewable energy sources were the way forward and they shared ideas to help support the transition to a renewable future. To understand more information about customer needs on Energy Transformation, please refer to page 11.

The sentiment that underpinned some customers' priorities and concerns

Youth customers were eager for information so that they could thoroughly participate in the conversation and ensure that their responses were informed. This was reflected in their engaged dispositions and their considered questions.

This cohort were passionately interested in contributing to the process of solving challenges, concerns and issues raised, particularly as they pertained to the needs of society today and into the future.

Customer Perspective on Affordability and Equity

Introduction

Affordability and equity were important themes to the Youth cohort. We learned that Youth customers prioritised the following areas:

- Reducing electricity bills
- Geographical equity regarding bills
- Equity in accessing renewables
- Geographic equity regarding reliability

Customer priorities and concerns

Reducing electricity bills

Electricity was generally thought to be expensive for this cohort as many of them had recently moved out of home or were living in shared accommodation on low incomes. This cohort were also concerned about vulnerable customers such as those with disabilities or unable to work. Within this context, there was a general desire for actions that could reduce the electricity bill.

In order to solve for bill reductions, customers shared ideas such as subsidies and means-tested pricing (i.e., pricing according to income). They also suggested an extension of hardship and payment programs used by energy retailers to prevent financial strain.

In addition, customers also expressed interest in obtaining information to track usage so that they could manage their bills. Apps were shared as an example to help with reducing electricity bill costs. This information was felt to support customers to change their usage behaviour and use electricity more effectively and efficiently.

Geographic equity regarding bills

When sharing information about Affordability and Equity, some customers felt it was unfair that Powercor customers paid more for their electricity bill. Examples given by customers included referencing that CitiPower customers had higher incomes and questioning why Powercor had the highest distribution charges (based on the Residential Victorian Default Offer) across all networks. Whilst there was an understanding that the Powercor network could be more expensive to maintain, some customers felt it would be better to distribute these costs equally across all Victorians and remove the geographic pricing inequity.

Equity in accessing renewables

Solar panels were felt to be beneficial in reducing the costs of the energy bill. Beyond simply having solar, they felt it was also important that customers were educated on how and when to use solar economically to reduce their bill.

Customers were aware that renters did not have the same access to solar and were keen to overcome this. They shared ideas such as government grants and rebates to support renters and lower-income households have the same access (and benefits) to technology, such as solar.

Geographical equity regarding reliability

The concept of geographic equity interested customers, with many wanting to have access to more information. 'I didn't understand that there were different types of energy quality...I'd like more information on this.'

One customer from the Mornington Peninsula reported having experienced a significant outage that lasted for five days. They noticed however that in their area, some houses appeared unaffected (or less affected). This inequity was confusing, and they were keen to have access to information which might explain why this would occur.

Customer questions to solve for

When reflecting on the affordability and equity conversation, Forethought reviewed customer preferences and phrased the key questions and concerns to support priority focus. Across the most important issues, the following questions and statements were developed:

Reducing electricity bills

- How might I get better visibility about my usage and costs so I can reduce my electricity bill?
- How can you support lower income customers to be able to afford electricity?

Geographic bill inequity regarding bills

- Can you even out the costs so that there is bill equity across all customers regardless of where they live?

Equity in accessing renewables

- Can you make the system fairer so everyone can access the benefits that come with renewable energy (e.g., solar)?

Geographic equity regarding reliability

- How can you ensure an equitable level of electricity supply across all geographies?

Customer Perspective on Reliability and Resilience

Introduction

There were mixed experiences with the reliability of electricity across the customer cohort. Whilst this did not represent a large pain point for them, it was expected that reliability remain consistent especially in the context of how much they relied on electricity.

Customer priorities for reliability and resilience were as follows:

- Proactivity to mitigate the impacts of outages

Concerns and priorities

Proactivity to mitigate the impacts of outages

Outages impacted customers differently and for customers who had not experienced significant outages themselves, empathy was typically shown for others in more disadvantageous situations.

Regardless of the service experienced, customers required electricity ongoing and when there was an outage in 'times when you really need it', it increased the salience of the outage.

To mitigate these impacts, proactive, informed communication and repair was wanted to restore electricity supply, which had typically been experienced by customers.

Impacts of outages shared by customers included:

- Fresh food going off and families needing to repurchase food
- Relatives with heart machines needing electricity to contact doctors in case of an emergency
- Universities without back up power have lost research and highly endangered fish, and marine species have perished due to not having back up supply
- Businesses in rural country towns have had to close due to poor reliability
- Missing assignment deadlines and being unable to work from home

Customer questions to solve for

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

Proactivity to mitigate the impacts of outages

- How can you continue to deliver a reliable electricity supply?
- How can you continue to share proactive communications to minimise customer impacts of outages?
- How can you deliver a resilient network to prevent disruptions?

Customer Perspective on Energy Transformation

Introduction

Customers were very interested in the future of electricity and saw the move to renewables to be the way forward. When discussing energy transformation, the following topics were important:

- Supporting the transition to a renewable future
- Further information about the transition

Customer priorities and concerns

Supporting the transition to a renewable future

Customers were aware that electricity demand would increase in the future and that renewable fuel sources would adequately meet this demand. This was a key component of a belief system that mainly related to sustainability for this Youth cohort.

One sustainable solution included solar panels, where the Youth cohort held strong beliefs that solar 'should be compulsory on all new (home) builds'. This would provide advantages in the ability to reduce electricity bills and enable equal access to technology. This group also felt that new homes should be more energy efficient to reduce usage.

Further information about the transition

Customers were keen for more information about the energy transition. They wanted to understand more about the specifics of what was being done or what the network was doing to support equity in a renewable future.

Without a clear understanding of the details about what the future of electricity supply would look like, customers were eager for more information and communication to be better informed, especially if it impacted their personal decisions i.e., purchasing a new home. The questions raised included:

- How can I make decision about when to switch to electric?
- Is buying an electrical vehicle in the future going to a sound investment?

Customer questions to solve for

Priorities and needs were heard and summarised into questions. These will serve as a set of guiding questions to inform the next stages in identifying the top priorities for future investment and improvement:

Support the transition to a renewable future

- How can customers access future technology that supports our planet and a sustainable transition?

Further information about the transition

- What information do I need to know about the energy future to make informed decisions?

Customer Perspective on Customer Experience

Introduction

When discussing customer experience, the priority topics included:

- Communication
- High level of customer service

Customer priorities and concerns

Communication

In consideration of customer experience, communication was believed to be the area where the network needed to focus the most attention. Examples span across most themes as communication was critical with regards to:

- Reliability and resilience: informing customers of outage restoration
- Energy transformation: helping customers be informed about the energy transition

Examples of ways to communicate with customers included text messages and social media where 'usability and functionality' also required consideration.

High level of customer service

Regarding service, there was a high level of service expected from distributors.

Customers wanted clear, reliable, prompt communication aligned to their needs, and issues to be resolved with the first query.

When communication involved outages, it was expected there would be sufficient warning for planned outages, 'responsiveness for any issues,' and prompt communication for unplanned outages.

Customer questions to solve for

Taking customer experience into consideration, we summarised the following points to further explore and address in informing investment priorities:

Communication

- Can you make sure that I have sufficient warning of planned outages?
- Can you use the channels I use when you communicate with me (e.g., text and social media)?
- Can you ensure that functionality and usability are considered in communication with me?

High level of customer service

- When I have a problem, can you respond with a resolution on the first contact?

