Trade-Off Evaluations Report

Produced for United Energy

June 2024

united energy

Forethought Outcomes

Contents

Item	Page
1. Background	3
2. Program Overview	7
2.1 Overall Objectives and Approach	7
2.2 Qualitative Methodology	11
2.3 Quantitative Methodology	17
3. Executive Summary	23
4. Insights Deep Dive	29
4.1 Network Resilience	29
4.2 Supporting Additional Solar Power	33
4.3 Electrification	37
4.4 Sustainability	41
4.5 Community Resilience	45
4.6 Customers Experiencing Vulnerability	49
4.7 Reliability	53
5. Discussion	57
6. Appendix	63

1. Background

Introduction

Regulatory reset proposal program

To support the development of the regulatory reset proposal, a foundational program of community engagement was conducted in 2022 and the early part of 2023. This broad and wide engagement program identified the key needs and preferences of customers and identified three themes:

1. Affordability and equity
2. Reliability, resilience, and safety
3. Energy transition

The network is now at the 'Test and Optimise' stage, which seeks to understand the trade-offs being made between discretionary initiatives.

These discretionary initiatives have been developed by United Energy and built from earlier engagements (since 2022) solving for the needs and preferences of the community.

Following a detailed examination of the community feedback, the insights will feed into the subsequent phases of the 2026-2031 regulatory reset proposal development.

Image above: James Walker - General Manager, Service Delivery.

Involvement of Forethought®

Forethought is an independent marketing, analytics and strategy organisation, with teams that specialise in research and engagement within multiple industries, including Energy.

Forethought has significant experience in the energy industry, including conducting customer and stakeholder research and engagement with organisations across the full value chain, including electricity generation, distribution, transmission and retail services. It 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 expertise across utilities, as well as research and engagement capability to independently design and facilitate engagement forums and objectively report back on the needs and preferences of customers across the network.

Image above: Angelica D'Amelio - Senior Consultant from **Forethought**.

Engagement Context

Potential influences prior to and within the consultation period were events that took place in both the lives of customers and within the wider electricity sector. We hypothesise these events impacted customers' preferences and perceptions.

Some customers referenced several of these events throughout the discussions at the roundtable:

2023

- Continued cost of living increases for Victorians announced in July 2023 with over a million households hit with power bill increases of up to $361 a year.[1]
- The State Electricity Commission was reinstated in October 2023 and is set to lead Victoria's renewable energy transition across the next 10 years.[2]
- 117 councils around Australia declared their regions in states of climate emergency in response to global climate change impacts and commitments to restore a safe climate by transforming the economy to net zero emissions.[3]
- War in Ukraine with the Russian invasion impacting Australian energy prices.[4]
- Gas prices were expected to increase considerably as the updated Gas Substitution Road Map forecasted decreasing production and pressure to switch to electricity.[5]

2024

- Severe storms across Powercor and United Energy networks on 13th February 2024, and October 2020 that resulted in a significant number of customers off supply.[6,7]
- The Essential Services Commission decided to reduce the base rate for solar feed-in tariffs by 32%, to 3.3 cents a kilowatt hour.[8]
- Victoria's gas distribution networks could no longer provide rebates or incentives to purchase new gas appliances, following the plan from the Gas Substitution Roadmap Update in December 2023.[9]
- Most Victorians would consider replacing a few gas appliances while just 52% said they would consider disconnecting from gas completely. Meanwhile, almost 90% are using gas appliances and supply gaps continue to increase. Rebates under the Victorian Electric Upgrades program began at the start of 2024 to help houses move away from gas.[10]

Note: References are reflected in the appendix

2.1
Program Overview
Overall Objectives and Approach

Objectives

Organisational objective
Develop a regulatory reset proposal that aligns with the needs and preferences of a diverse range of customers.

Program overview
This program engaged with residential and small-medium business (SMB) customers both qualitatively and quantitively to understand the trade-offs being made between proposed discretionary initiatives.

The discretionary initiatives tested in this program have 3-4 proposed improvement levels with an additional cost associated with each level. These costs would impact the average annual energy bill for residential and SMB customers.

Trade-Off Evaluation Program objectives
Engagement with a range of residential and SMB customers across United Energy to:

- Understand the trade-offs customers make between their willingness to pay for discretionary initiatives and the respective outcomes of service level improvements
- Support United Energy in refining investments being built into their regulatory proposal based on customer preferences

IAP2 spectrum
Customer participation was intentionally high, falling under 'Involve' in the IAP2 Spectrum as we wanted to understand their initiative improvement level preferences and explore their reasonings behind decisions.

Image above: Renate Vogt – General Manager, Regulation.

Approach Summary

Below is an overview of the program developed to achieve the program objectives. This includes a series of qualitative focus groups, one mass engagement forum, and a quantitative online survey

Qualitative Engagement

Approach:

Pre-education boards*
(April 22nd – May 5th)
n = 62

Mass forum (in-person)
(May 4th 2024)
n = 32
(n = 26 residential, n = 6 SMB)
CPPALUE Stakeholders
CAP were invited to observe

Focus groups x 3
(April 29th – May 1st, 2024)
n = 30
CPPALUE Stakeholders

Methodology:
Qualitative, deliberative

Engagement length:
3 x 2-hour Focus groups (2 x in-person and 1 x online)
1 x 8-hour Mass forum (in-person)

Location:
Face-to-face and online

Participation**

Residential	Business
n = 56	n = 6

Quantitative Program

Quantitative survey
(incl. pre-education section*)
(April 26th – May 17th)
n = 521

Methodology:
Menu-based choice model

Survey length:
15mins

Location:
Online

Participation**

Residential	Business
n = 413	n = 108

*See appendix for further detail on pre-education components
** Recruited via market research panel

Overview of Proposed Discretionary Initiatives

The following initiatives are considered ‘discretionary’ by the network. This means they must demonstrate customer support when seeking approval from the Australian Energy Regulator for investment in improvements. They have been built on the back of earlier community engagements.

Initiative and description	Option Overview*
Network resilience Targeted network hardening to reduce the likelihood of high-risk townships being off supply for extended periods using tie-lines and deployable generation units	1.Service reduction – no investment 2.Medium service improvement - moderate investment 3.Large service improvement – highest investment
Supporting additional solar power Allow residential customers and business to export more excess energy produced from small scale energy generation units	1.Service maintenance – no investment 2.Medium service improvement - moderate Investment 3.Larger service improvement – high Investment 4.Largest service improvement – highest investment
Electrification Initiatives designed to reduce forecast carbon emissions over 2026-31, including: replacing petrol vehicles with electric vehicles across the network’s fleet, reducing greenhouse gas emissions, and installing solar panels and battery storage at each network depot	1.Service reduction – slight investment 2.Medium service improvement - moderate Investment 3.Large service improvement – highest Investment
Sustainability Stability and customer experience of EV integration	1.Service maintenance – no investment 2.Medium service improvement - moderate investment 3.Large service improvement – highest investment
Community resilience Provision of community support before, during, and after an extreme weather event	1.Service maintenance – no investment 2.Medium service improvement - moderate investment 3.Large service improvement – highest investment
Customers experiencing vulnerability Initiatives designed to alleviate the burden on customers experiencing vulnerability due to energy poverty. The package includes community outreach programs, web-based resources, energy advisory services, First Nations programs and enhanced outage notification service for vulnerable and life support customers.	1.Service maintenance – no investment 2.Medium service improvement - moderate investment 3.Large service improvement – highest investment
Reliability Improving the annual minutes off supply experienced by the average customer	1.Service reduction – negative investment / rebate 2.Service maintenance – no investment 3.Service improvement – highest investment

*See Appendix for full summary

2.2
Program Overview
Qualitative Methodology

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Forethought® Outcomes

Qualitative Overview

Qualitative engagement objectives

The qualitative engagement sought to achieve the following objectives.

Engagement with a range of residential and SMB customers across the United Energy network to:

- Understand customer perceptions and attitudes towards outlined discretionary initiatives, their willingness to pay for various service level improvements and the reasons behind their preferences to support Powercor in refining investments built into the regulatory proposal

How it will be used to determine results:
To provide essential context and highlight additional considerations to inform a comprehensive understanding of preferences.

Approach
The deliberative approach is useful in understanding the "why", gaining in-depth insights into the reasons behind participant preferences, and capturing detailed nuances and motivations.

The mass forum and two focus groups were attended by both residential and SMB United Energy customers. Prior to these, all participants had engaged in an online education board to help them develop an understanding of the energy industry context as well as the regulatory process. This allowed participants to have a more informed conversation in the forum, a key element to the deliberative approach utilised.

United Energy representatives also attended these engagements to listen and help answer questions from the participants without biasing or leading the conversation. The following staff attended the forum and/or focus groups:

- Renate Vogt – General Manager, Regulation
- James Walker – General Manager, Service Delivery
- Brent Cleeve – Head of Regulatory Policy and Compliance
- May Liao – Regulatory Financial Analyst

Additionally, the forum was also attended by members of United Energy's Customer Advisory Panel (CAP) who were invited to attend in a viewing-only capacity.

Recruitment
There were two methods used to recruit participants for this program.

1. **Panel:** Participants were recruited through an external qualitative panel partner. This was chosen to ensure that a diverse range of customers were able to participate in this program.
2. **Social media:** Social media was also used to share the consultation details and provide access to a link to sign up for this consultation.

Qualitative Participant Overview

Judgement sample of United Energy customers
A qualitative judgement sampling design was utilised in order to maximise differences and obtain the preferences and needs of a range of United Energy customers.

Participants engaged qualitatively were reflective of the United Energy customer base

Key Demographics

Residential customers (n = 56)

Gender

Male: n = 29

Female: n = 27

Age

18 - 34: n = 15

35 - 49: n = 23

50+: n = 18

SMB customers (n = 6)

Gender*

Female: n = 5

Age*

35 - 49: n = 2

50+: n = 3

Other Characteristics

The Qualitative sample had a mix of:

- Employment Status
- Household status
- Household income
- Renters vs Owners
- Culturally and Linguistically Diverse (CALD) individuals

A proportion of customers engaged fell into the following categories:

- Vulnerable customers
- Customer impacted by extreme weather event
- Solar owners
- Electric vehicle (EV) owners

Note: *One SMB participant's demographic information was unknown, so SMB demographic results may not sum to 100%.

Qualitative Pre-Education Board Overview

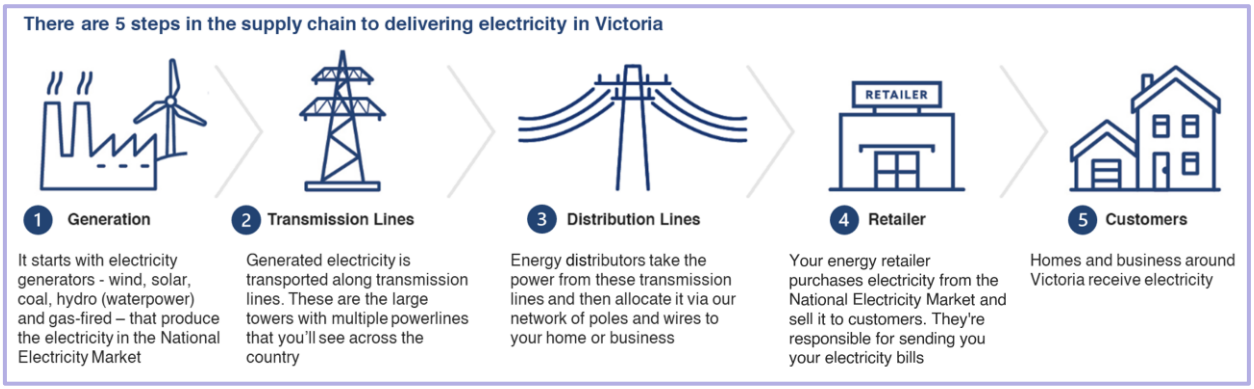
Prior to attending a forum or focus group, all qualitative participants provided the opportunity to engage in an online pre-education board to help develop an understanding of the energy industry and regulatory process. This allowed participants to have an informed conversation and detailed discussion at their allocated engagement.

The pre-education board was open from the 22nd of April to the 5th of May, with participants committing 45 minutes each day for 3 days.

Day 1
The pre-education boards began with an introduction to the energy industry, providing participants with an overview of general energy terminology including:

- Overview of the energy supply chain
- The role of the energy distributors
- Inspecting your energy bill
- Exploring the energy transition
- Understanding the regulatory reset
- Examining electricity charges

Participants completed activities after each topic. For example, a grouping exercise to match bill terms to its definition after completing reading energy bill terminology



Example Qualitative Board Reading Task for Participants (Day 1)

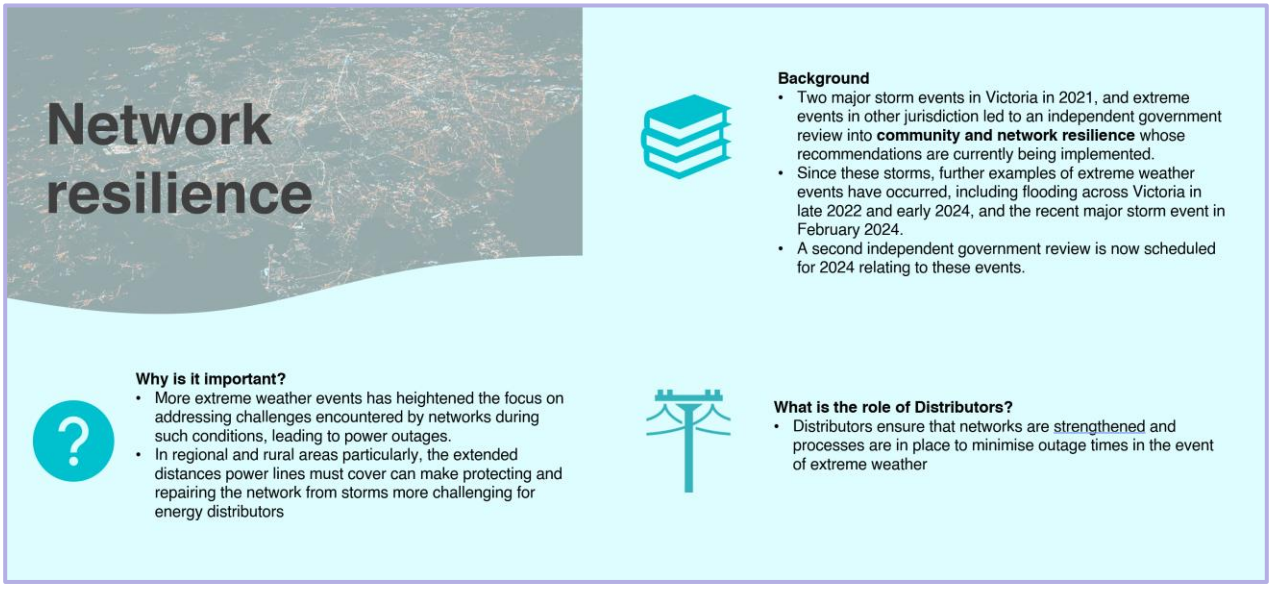
Qualitative Pre-Education Board Overview cont.

Day 2 and 3
The following days were focused on the relevant discretionary initiatives per network to be discussed with future engagements.
For each initiative, the following was presented to the participants:

- Background context – i.e. Recent major events impacting that initiative
- An explanation of the role of the distributor in relation to the initiative
- An explanation of the importance of the initiative
- Key terminology surrounding the initiative
- A breakdown of the initiative and how the distributor could implement changes

After each initiative, a comprehension check activity was conducted involving questions relevant to each initiative, allowing participants to reflect on their learnings and foster further engagement with the content.

At the end of each day, participants were able to ask questions and queries in an open response box for moderators to respond to throughout the engagement period.



Example Qualitative Board Reading Task for Participants (Day 2)

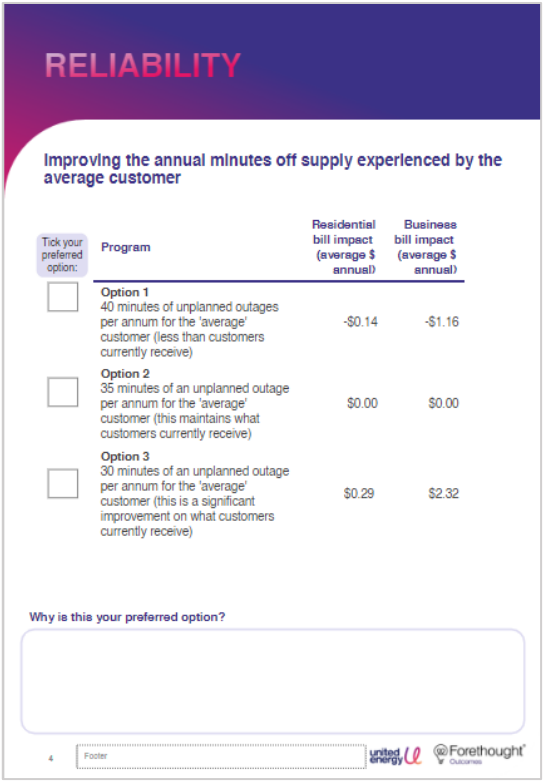
Mass Forum and Focus Groups Methodology Overview

Each session began with an introduction conducted by **Forethought** and a scene setting undertaken by United Energy representatives to inform customers about the context and purpose of the discussion. The representatives also gave a short education session about discretionary versus compliance initiatives, the value stacking concept, and average bill increases.

The discretionary initiatives were showcased individually to participants, providing insights into the improvement option levels of each, its development rationale, and addressing any questions from participants. This ensured everyone had a clear understanding of the initiative before the discussion.

Each participant was required to complete a booklet containing a page on each of the eight initiatives. An example of this activity is referenced on the right.

Participant booklet sample page



RELIABILITY

Improving the annual minutes off supply experienced by the average customer

Tick your preferred option:	Program	Residential bill impact (average $ annual)	Business bill impact (average $ annual)
☐	**Option 1** 40 minutes of unplanned outages per annum for the 'average' customer (less than customers currently receive)	-$0.14	-$1.16
☐	**Option 2** 35 minutes of an unplanned outage per annum for the 'average' customer (this maintains what customers currently receive)	$0.00	$0.00
☐	**Option 3** 30 minutes of an unplanned outage per annum for the 'average' customer (this is a significant improvement on what customers currently receive)	$0.29	$2.32

Why is this your preferred option?

4 Footer

The page included a description of the initiative and each option, and the price associated at an annual residential and business bill impact level. Participants were directed to choose which improvement level option they would be most willing to pay for and articulate ‘why’ in their booklets.

To gain a deeper understanding of customer preferences and considerations, a group discussion was held on which options they chose per initiative and their reasons why. These discussions were carefully facilitated to ensure that all participants had equal opportunity to express their perspectives and provide feedback.

Mass Forum and Focus Groups Methodology Overview cont.

After the discussions of each individual initiative, participants were asked to reflect on their responses and conversations, select which improvement level option they were willing to pay for, and calculate their total discretionary bill impact. Participants also had to rank the initiatives from:

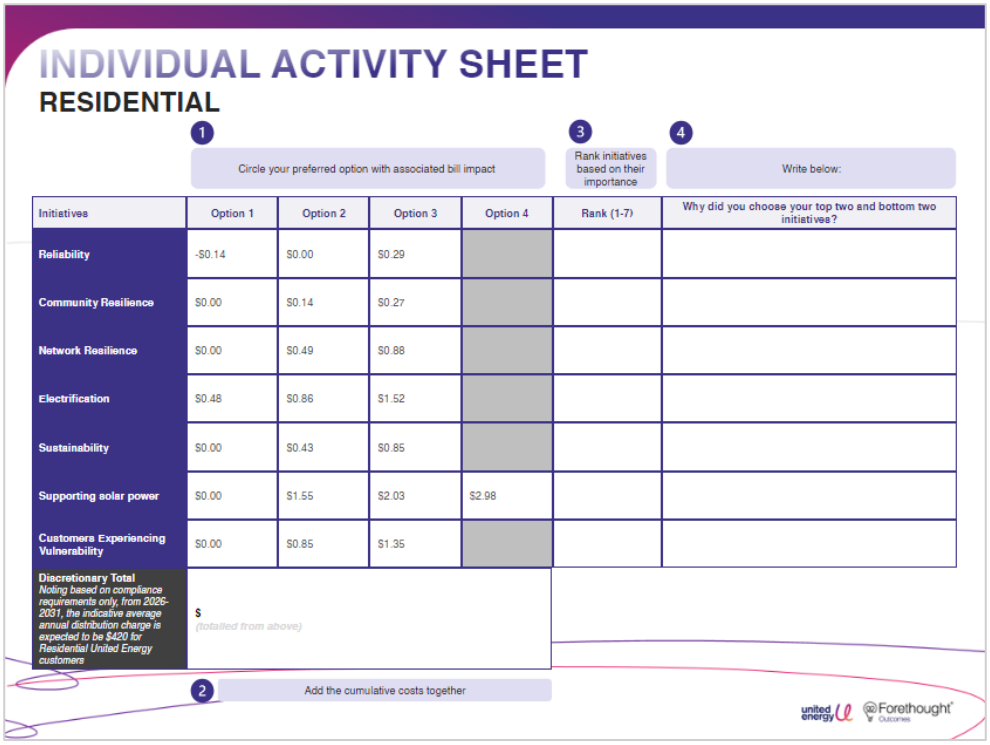
- what was most important to,
- what was least important to invest in.

Participants then added a rationale on why they gave those rankings.

This was completed in their booklets on the page shown below.

The session was concluded with a group discussion on the participants' two most and two least important initiatives and their reasons why. Facilitators played a crucial role in moderating these conversations, allowing for the dissemination of information to help find a consensus where possible and identify differences across the group.

Participant booklet sample page



INDIVIDUAL ACTIVITY SHEET

RESIDENTIAL

1 Circle your preferred option with associated bill impact

3 Rank initiatives based on their importance

4 Write below:

Initiatives	Option 1	Option 2	Option 3	Option 4	Rank (1-7)	Why did you choose your top two and bottom two initiatives?
Reliability	-$0.14	$0.00	$0.29			
Community Resilience	$0.00	$0.14	$0.27			
Network Resilience	$0.00	$0.49	$0.88			
Electrification	$0.48	$0.86	$1.52			
Sustainability	$0.00	$0.43	$0.85			
Supporting solar power	$0.00	$1.55	$2.03	$2.98		
Customers Experiencing Vulnerability	$0.00	$0.85	$1.35			
Discretionary Total *Noting based on compliance requirements only, from 2026-2031, the indicative average annual distribution charge is expected to be $420 for Residential United Energy customers*	$ *(totalled from above)*					

2 Add the cumulative costs together

Image above: Participants from the mass engagement forum in groups.

Image above: Participant from the mass engagement forum.

2.3
Program Overview
Quantitative Methodology

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Forethought Outcomes

Quantitative Overview

Quantitative objectives

The quantitative program sought to achieve the following objective:

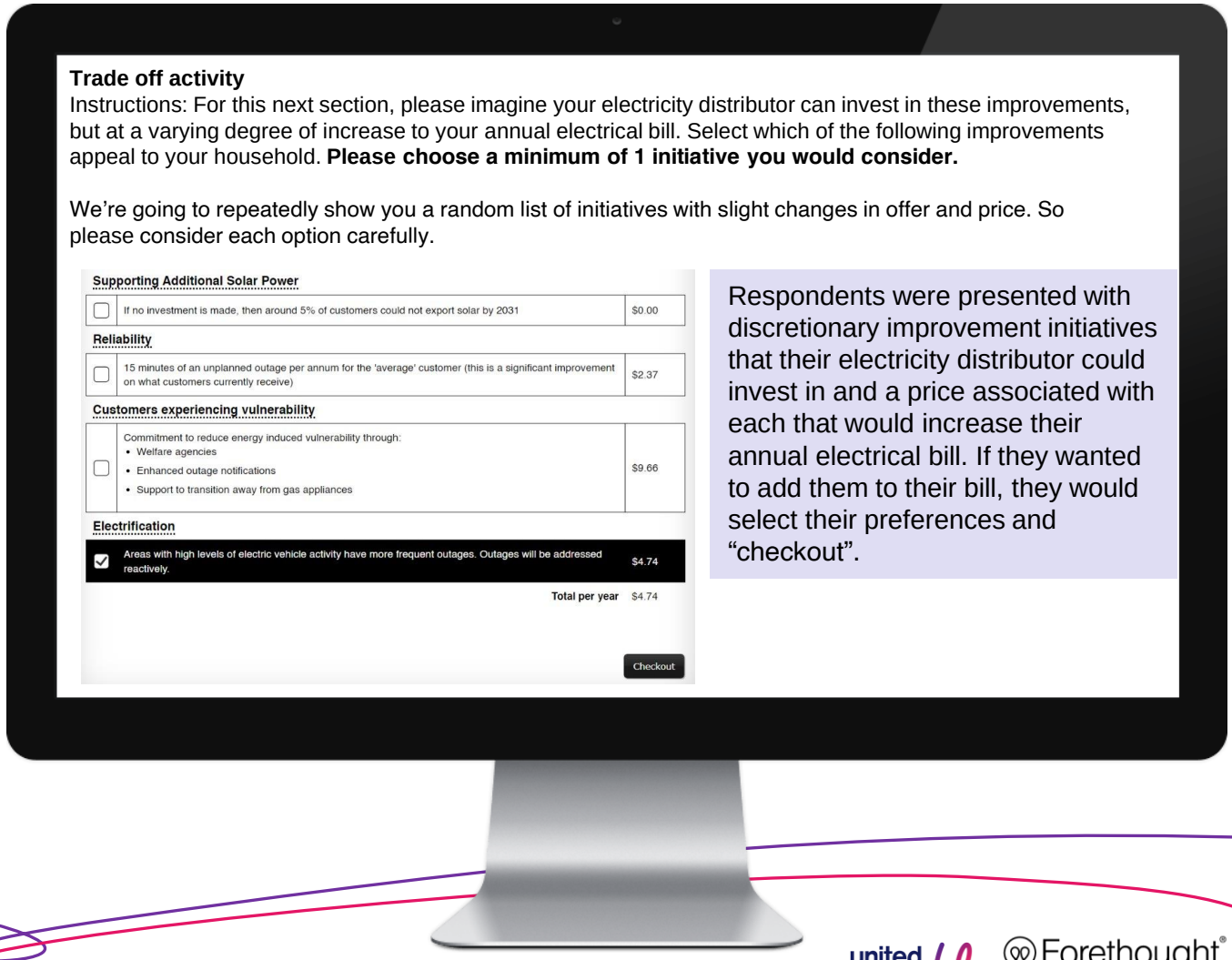
- Quantitatively prioritise the appeal and adoption likelihood of discretionary initiatives for United Energy.

How it has been used to determine results: Quantitative modelling is the most robust analysis to determine willingness to pay for proposed initiatives, and therefore is used to determine final preferences.

Approach

The Menu-based Choice Modelling methodology is a robust analysis that determines the willingness to pay for proposed initiatives and is therefore used to determine consumer preferences.

Menu-based Choice Modelling helps to understand decision-making processes by presenting participants with a set of choices (or a "menu") from which they select their preferred options. This method is particularly useful for determining the willingness to pay for different features or levels of a product or service.



Respondents were presented with discretionary improvement initiatives that their electricity distributor could invest in and a price associated with each that would increase their annual electrical bill. If they wanted to add them to their bill, they would select their preferences and "checkout".

Quantitative Participant Overview

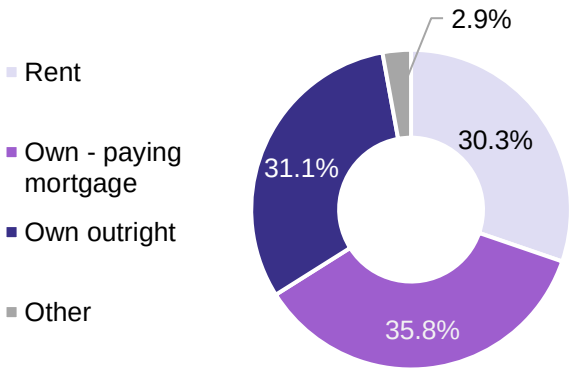
Below is an overview of the weighted residential participation.

Residential Sample (n = 413)

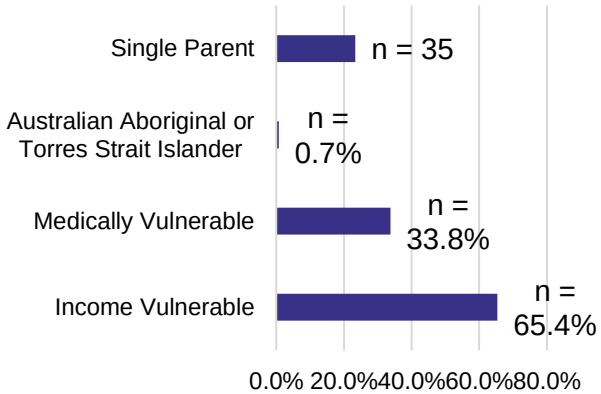
Gender		Age	
Male	50.3%	18 – 34 years	29.0%
Female	49.7%	35 – 49 years	28.9%
		50+ years	42.1%

Electric Vehicle Owner		Solar Panel Owner		Experienced an extreme weather event?	
Yes	6.5%	Yes	27.4%	Yes	34.9%
No – considering within 5 years	42.0%	No	72.6%	No	65.1%
No – not considering	51.5%				

Rent / Own (n = 408)



Vulnerable Customers (n = 137)*



Note: *indicates that vulnerable customers could be in multiple categories, so the results may not sum to 137.

Quantitative Participant Overview cont.

Below is an overview of the SMB participation:

Small-Medium Business Sample (n = 108)

Gender		Age	
Male	56.5%	18 – 34 years	25.9%
Female	43.5%	35 – 49 years	36.1%
		50+ years	38.0%

Industry (n = 106)	
Education and Training	13.2%
Retail Trade	13.2%
Manufacturing	8.5%
Professional, Scientific and Technical Services	8.5%
Accommodation and Food Services	7.5%
Administrative and Support Services	6.6%
Health Care and Social Assistance	6.6%
Financial and Insurance Services	5.7%
Construction	4.7%
Wholesale Trade	4.7%
Arts and Recreation Services	3.8%
Information Media and Telecommunications	3.8%
Other	13.2%

Business Revenue (n = 94)	
Less than $50,000	7.4%
$50,000 - $200,000	13.8%
$200,001 - $500,000	8.5%
$500,001 - $750,000	11.7%
$750,001 - $2,000,000	19.1%
$2,000,001 - $5,000,000	12.8%
$5,000,001 - $10,000,000	14.9%
$10,000,001 - $20,000,000	6.4%
$20,000,001 - $25,000,000	3.2%
$25,000,001 or more	2.1%

Quantitative Participant Overview cont.

Small-Medium Business Sample (n = 108)

Electric Vehicle Owner		Solar Panel Owner		Experienced an extreme weather event?	
Yes	3.7%	Yes	28.7%	Yes	37.0%
No – considering within 5 years	52.8%	No	71.3%	No	63.0%
No – not considering	43.5%				

Recruitment
The following elements are an overview of the program data collection process.

Recruitment source
Recruitment for this program was sourced by an external panel.

Addressable market
Respondents were 18+ Victorians in the United Energy network who were either the main or joint decision-makers for household or SMB.

Fieldwork dates
Qualitative data was collected overthe 26th of April 2024 – 17th of May 2024.

Weighting approach
The weighting information was used to ensure that the overall sample is demographically weighted to ABS statistics in Victoria. The weight, age and gender are weighted first if needed (and state, but this is not applicable here).

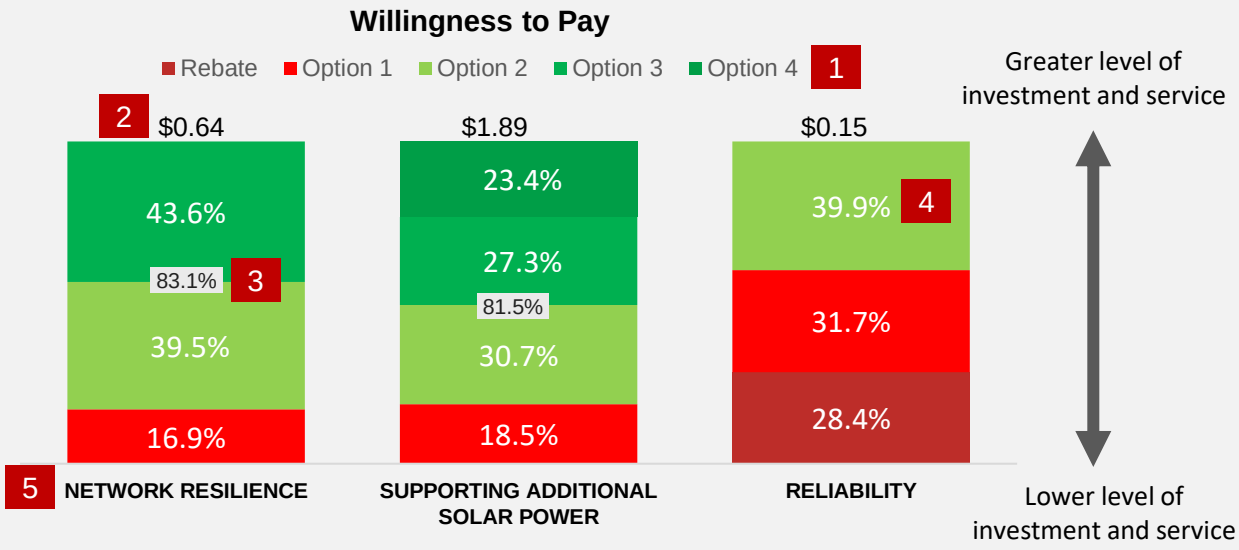
Once this demographic weight was applied, we confirmed that the other demographic variables such as area, income etc. were closely aligned with the targets and within acceptable parameters. SMB sample was unweighted due to low sample.

To ensure data integrity, our panel partner employs a system of checks including the use of CleanID. CleanID is an industry leading fraud and duplication detection system built to analyse and identify device-level attributes to eliminate known data threats in real time. This solution forms an integral part of our ongoing commitment to providing efficient, reliable, and high-quality data.

How to read a Willingness to Pay chart

The chart below illustrates the inferred preferences of customers regarding improvement levels across initiatives. To generate the willingness to pay charts, customers were asked the following:

“Please imagine your electricity distributor can invest in these improvements, but at a varying degree of increase to your annual electrical bill. Select which of the following improvements appeal to your business/household”. Please choose a minimum of 1 initiative you would consider.”



1 This key represents the improvement level options where ‘rebate’ is a reduced investment and a service deterioration, Option 1 is no investment and service maintenance (or the lowest investment and slight service improvement for Electrification), and Options 2, 3 and 4 are progressively higher levels of investment and service level improvements.

2 These prices represent the total average investment that customers are willing to make for the initiative.

3 The percentage in the middle of the chart represents the proportion of customers willing to invest any positive amount into an initiative.

4 The percentages represent the proportion of customers willing to invest in this improvement level. The total percentages by initiative sum to 100%.

5 Each discretionary initiative is listed at the bottom of the bar chart. (See Appendix for detailed initiative description)

3.
Executive Summary

Key Findings

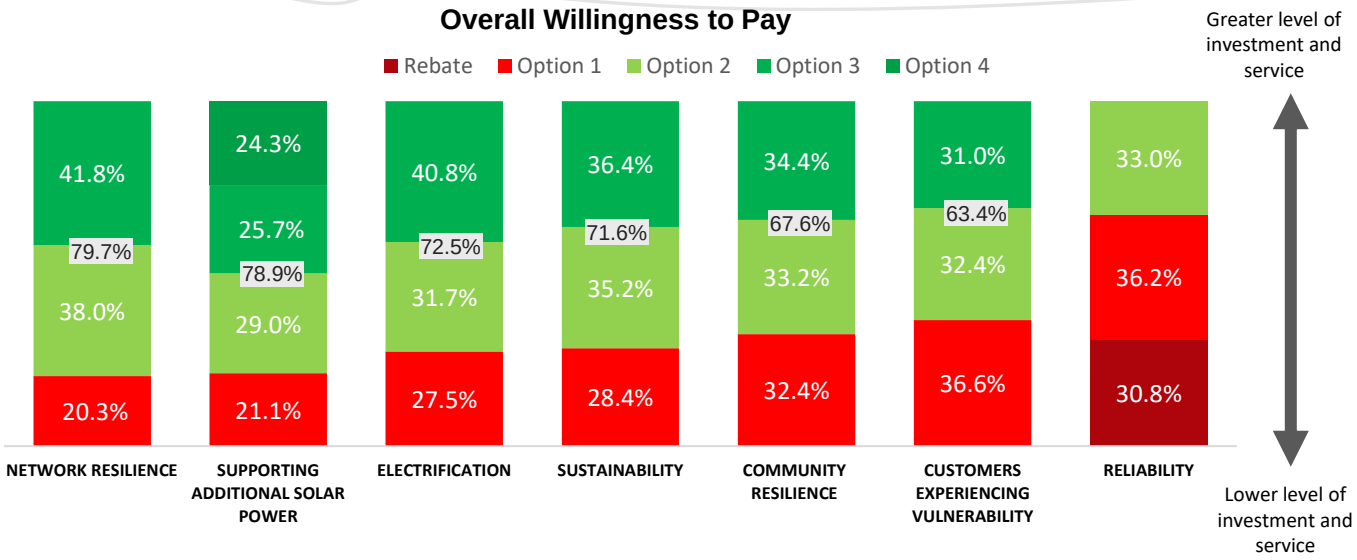
1. Majority of customers were in support of each initiative presented except Reliability. Reliability was an exception as customers generally discussed experiencing good reliability and felt little need for additional investment.

2. Compared to residential customers, SMB customers were often less willing to invest, preferencing lower or ‘zero cost’ options more consistently.

3. Despite a general willingness to invest beyond compliance costs from most, customers were typically unwilling to invest in the proposed maximum bill impacts associated with the highest level of improvement across initiatives.

4. Qualitatively, customers voiced strong support for Network Resilience. They viewed it as ‘future-proofing’ the network against increasing extreme weather events. Investing now was believed to avoid increased costs in the future relating to the impacts of climate change.

The majority of customers were in support of each initiative presented, with Network Resilience their top priority for investment



Customers were most willing to invest in Network Resilience (79.7%) and least in Customers Experiencing Vulnerability and Reliability. Only 33% were willing to invest in improving Reliability.

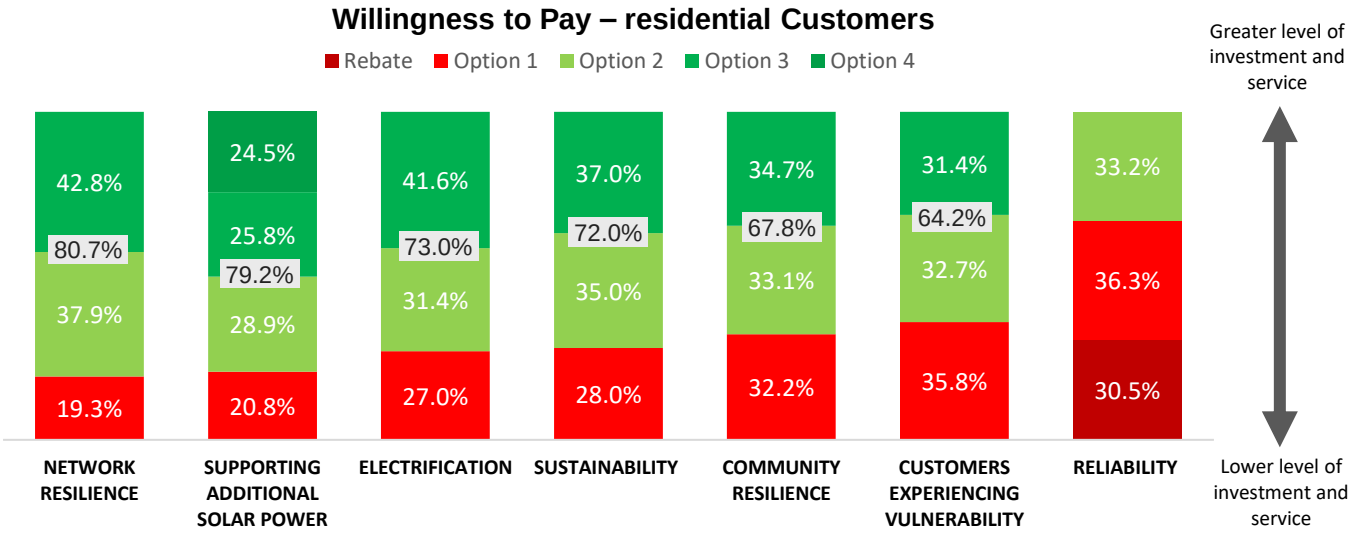
Customer attitudes shaping initiative preferences

- Overall, Network Resilience was the most important initiative for United Energy customers.
- Reliability was important, however, United Energy customers generally experienced good reliability and perceived it as a core network function, with little need for additional investment.
- Customers prioritised Network Resilience to 'future-proof' the network against increasing extreme weather events. Many customers believed that investing in this initiative now would reduce escalation of costs needed to mitigate impacts of climate change into the future.
- In comparison, customers were less willing to invest in Sustainability, Community Resilience and Customers Experiencing Vulnerability initiatives.
- Despite support for Supporting Additional Solar Power and Electrification in quantitative results above, qualitative discussions revealed these were contentious initiatives. While customers were generally willing to invest in these areas, they did not perceive these initiatives as fair compared to the impacts of other initiatives.

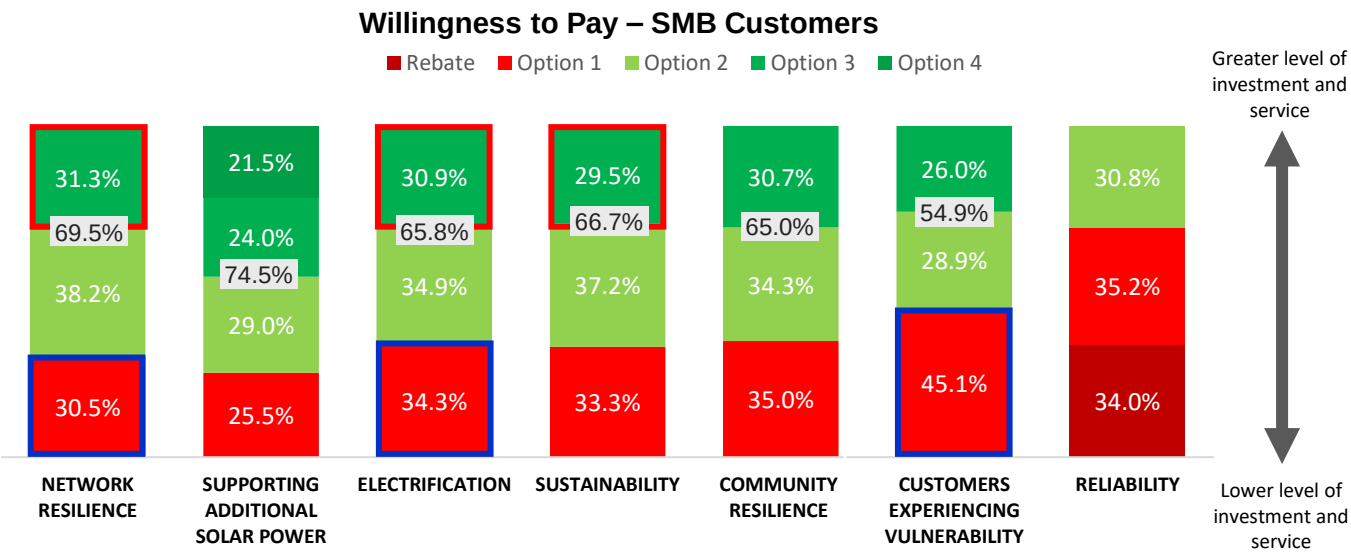
Digging deeper, SMB customers were often less willing to invest than residential, preferencing 'zero cost' options more consistently

SMB customers were generally more selective in what they were willing to invest in, given the higher costs associated with improvement levels.

Between 64.2% - 80.7% of residential customers indicated they were willing to invest in discretionary improvements across six of the seven initiatives



Between 54.9% - 69.5% of SMB customers indicated they were willing to invest in discretionary improvements across six of the seven initiatives



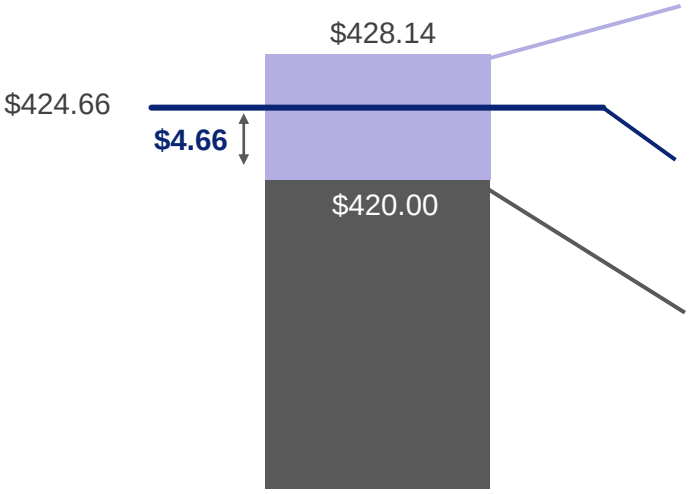
SMB customers were significantly more likely to invest in option 1 for: Network Resilience, Electrification, Sustainability and Customers Experiencing Vulnerability.
SMB customers were significantly less likely to invest in option 3 for: Network Resilience, Electrification, and Sustainability.

Note: Significance testing was conducted between residential and SMB United Energy across option levels. Significant differences are highlighted on the SMB chart. A red outline means the SMB option was significantly lower than the residential option, while a blue outline means the SMB option was significantly higher than the residential option

Customers were unwilling to invest in the proposed maximum bill impacts associated with the highest level of improvement across initiatives

Residential and SMB customers were willing to invest an additional $4.66 and $33.71 respectively, beyond indicative compliance costs across initiatives

Average Annual Residential Distribution Bill (2026-2031)

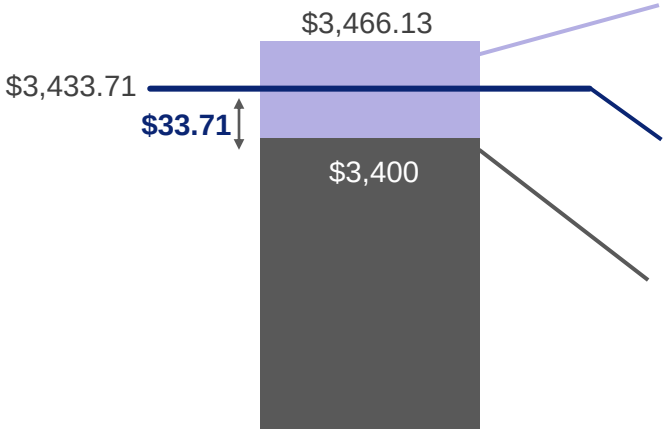


The maximum discretionary total for all proposed initiatives is $8.14, with a total bill impact of $424.14

Customers were willing to spend an additional $4.66, with a total bill impact of $424.66

The indicative compliance cost is $420.00

Average Annual SMB Distribution Bill (2026-2031)



The maximum discretionary total for all proposed initiatives is $66.13, with a total bill impact of $424.14

Customers were willing to spend an additional $33.71, with a total bill impact of $3,433.71

The indicative compliance cost is $3,400.00

Total indicative compliance costs

The total indicative cost of all compliance-based initiatives mandated by the energy regulator. Implementations may have a bill impact which customers and electricity distributors cannot alter.

Maximum discretionary costs

The totaled maximum costs of all proposed discretionary initiatives to be *performed at United Energy's* discretion, adding to the compliance-based portion of the electricity bill.

Total WTP

United Energy customers' maximum willingness to pay for discretionary initiatives, based on quantitative modelling

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Forethought Outcomes

Image above: Renate Vogt – General Manager, Regulation.

Image above: May Liao – Regulatory Financial Analyst.

4.1
Insights Deep Dive

Network Resilience

Supporting Additional Solar Power

Electrification

Sustainability

Community Resilience

Customers Experiencing Vulnerability

Reliability

united energy

Forethought Outcomes

Network Resilience

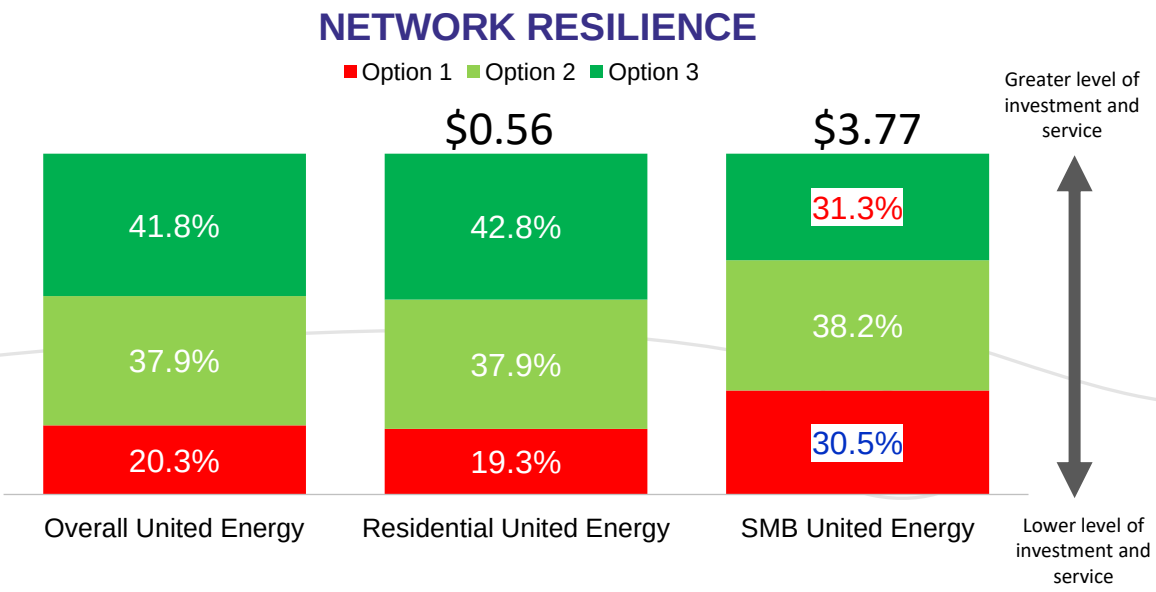
Customers were presented with the initiative description, service level improvements and associated residential and SMB bill impacts for Network Resilience

Initiative Description

Targeted network hardening to reduce the likelihood of high-risk townships being off supply for extended periods using tie-lines and deployable generation units

Service Levels	Residential bill impact (average $ annual)	Business bill impact (average $ annual)
Option 1 **No investment.** As extreme weather becomes more frequent, services may worsen over time.	$0.00	$0.00
Option 2 **Moderate investment.** Current network resilience is maintained, despite extreme weather becoming more frequent.	$0.49	$3.98
Option 3 **High investment.** Current network resilience improves over time resulting in shorter outage durations or avoidance of outages in high-risk communities, despite extreme weather becoming more frequent.	$0.88	$7.18

79.7% of customers were willing to invest to improve network resilience service levels



80% of residential customers and 69% of SMB customers were willing to pay to improve Network Resilience. SMB customers were significantly less likely to invest in Option 3, and significantly more likely to invest in Option 1.

What we heard from customers

- Network Resilience emerged as a critical initiative among customers.
- This importance was driven by the desire to 'future-proof' the network due to the increasing frequency of extreme weather, population growth, and the need for equity as communities outside metropolitan areas grow.
- Customers felt that enhancing Network Resilience would also positively impact other initiatives, such as Reliability.

"If we don't take strong action now, the consequences will be significant for all. Should also help decrease costs in the long run. Increases in population requires us to build and grow."

Residential customer

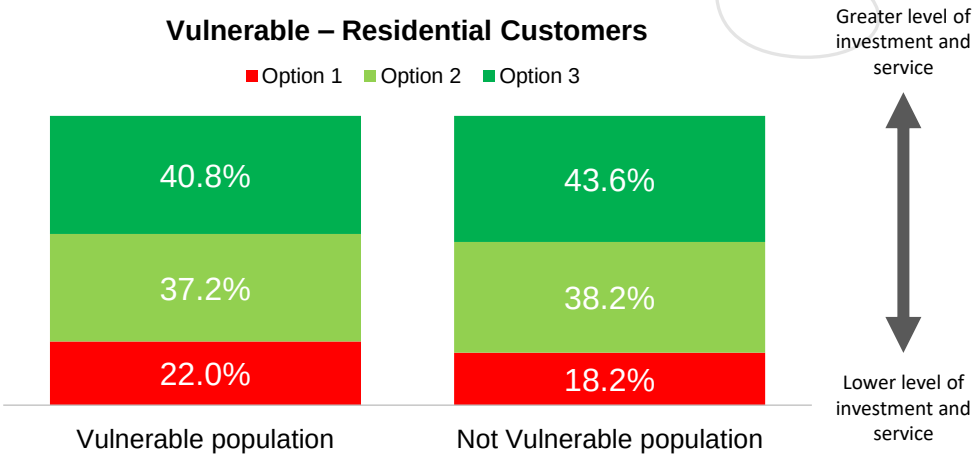
- Customers expressed concern for vulnerable groups, believing that improving Network Resilience would benefit these customers.
- Some customers discussed the importance of this initiative after experiencing extended outages resulting from extreme weather in February 2024. However, those who had not experienced extended outages also prioritised this initiative.
- Some customers expressed concerns about metropolitan customers subsidising regional customers.
- Many customers felt that investments in improving the network in the 2026-2031 regulatory reset period, would help to reduce higher costs in the future.

Note: Significance testing was conducted between residential and SMB United Energy at the 5% level of significance. Blue indicates that the SMB result was significantly higher than the residential United Energy result and red indicates it was significantly lower.

Customer cohorts shared the same level of willingness to pay across service level options

There were no significant differences in preferences between vulnerable and non-vulnerable customers, highlighting its importance across all customer segments

- Customers generally expressed concern for vulnerable groups, particularly elderly individuals who may be among the most disadvantaged during prolonged power outages.
- The chart indicates little difference between preferences of vulnerable and non-vulnerable customers in the prioritisation of investment.
- For the majority of customers, enhancing network resilience was crucial for the benefits it brings to the entire community.



"Investment for long term plan (more houses and severe weather conditions). Especially elderly residents would be most disadvantaged during power outage."
Residential customer

"Let's prepare before climate change cooks our power. If I was in a high-risk area, I'd appreciate the resilience increase. Have to help each other."
Residential customer

"Resilience should increase reliability. Doing nothing or only investing moderately is effectively going backwards as the extreme weather increases and population growth increases in lower populated high risk townships."
Residential customer

"Although the funding arrangements do not allow for the high-risk communities to bear more of the cost of upgrades, I don't think it is fair for CBD based customers to pay for upgrades for regional customers."
Residential customer

Note: Significance testing was conducted between the mutually exclusive groups at the 5% level of significance. No significant differences were found.

4.2
Insights Deep Dive

Network Resilience

Supporting Additional Solar Power

Electrification

Sustainability

Community Resilience

Customers Experiencing Vulnerability

Reliability

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Forethought® Outcomes

Supporting Additional Solar Power

Customers were presented with the initiative description, service level improvements and associated residential and SMB bill impacts for Supporting Additional Solar Power

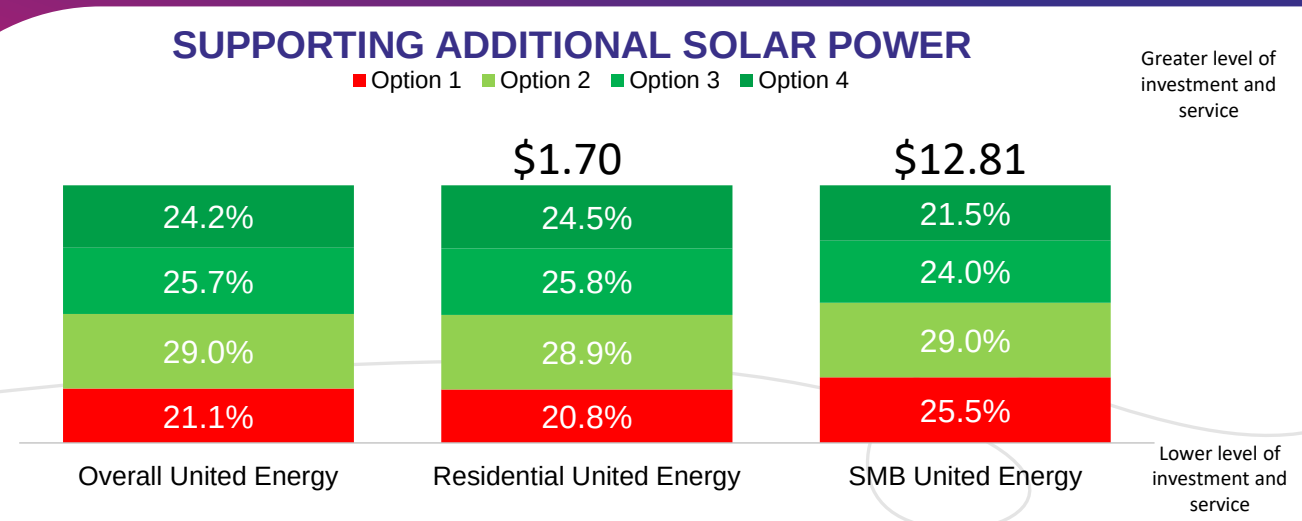
Initiative Description

Allow residential customers and business to connect and export more excess energy produced from small scale energy generation units

Service Levels	Residential bill impact (average $ annual)	Business bill impact (average $ annual)
Option 1 If no investment is made, 90% of customers can freely export solar and 10% of customers cannot export at all	$0.00	$0.00
Option 2 All customers can always export solar, and 90% of customers can freely export at least 99% of the time	$1.55	$12.60
Option 3 All customers can always export solar, and 93% of customers can freely export at least 99% of the time	$ 2.03	$16.46
Option 4 All customers can always export solar, and 95% of customers can freely export at least 99% of the time	$2.98	$24.20

Supporting Additional Solar Power

78.9% of customers were willing to invest to improve supporting additional solar power



79% of residential customers and 74.5% of SMB customers were willing to pay. Across both residential and SMB the highest proportion of residential customers (28.9% for residential and 29% for SMB).

What we heard from customers

- The chart above indicates majority of customers support investment in this initiative. However, Supporting Additional Solar Power was a contentious discussion among customers. Broadly customers had a positive sentiment towards solar and the benefits of renewable energy and self consumption. However, many customers expressed a belief that investment in additional solar power was not equitable or fair when compared with most other initiatives, believing that only customers with solar panels would benefit.
- Customers believed other initiatives held more potential for broader positive benefit on the community. Some also expressed the belief that renewables penetration should be done on a larger scale.
- Most customers believed the greatest benefit from solar for all customers was self-consumption rather than exports. Many felt that exporting solar would become less financially beneficial over time due to low feed in tariffs and poor return on investment and therefore, their desire to invest in solar would be to save money on their electricity bill.
- Those customers who discussed they already had solar and were highly price-sensitive, typically did not favor high investment in this area.
- Many customers, even those with solar, believed that it was inequitable for those without solar to pay for those with solar.
- The customers who selected lowest investment in Option 1, discussed that their choice was driven by uncertainty about the future benefits of solar. Customers were unclear whether the return on investment would remain as beneficial as it has been to date.

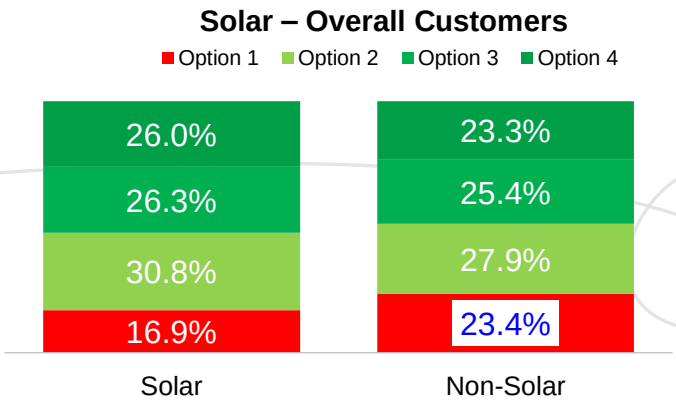
"Good investment if we want to keep promoting the energy transition, we should make sure as many people as possible are reimbursed for exporting excess power. I support it if it means the grid is more stable."
Residential customer

"Can't justify the cost v benefit. Not considering to install solar power in the near future. Government incentive is not enough to cover it at this stage."
Residential customer

Note: Significance testing was conducted between Residential and SMB United Energy at the 5% level of significance. No significant differences were found.

Various customer cohorts differed in their willingness to pay for this initiative

Customers without solar prioritised the lowest investment option significantly higher than those with solar

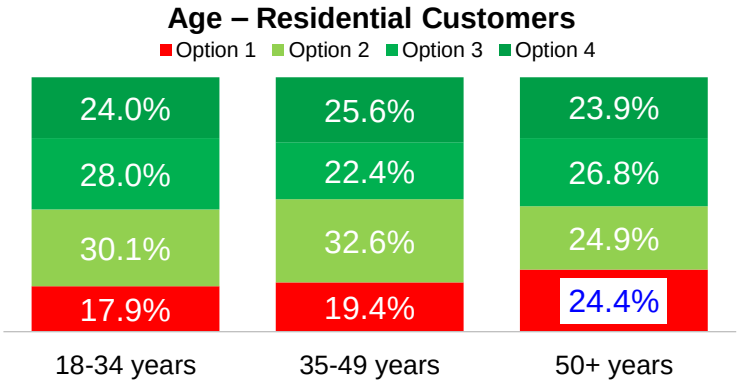


"Even though our household has solar, I don't feel it's fair for those without solar to pay for solar exports."
Residential customer

"Not interested in supporting solar power and helping customers better connect and export energy."
Residential customer

Residential customers aged 50+ also prioritised the lowest investment option significantly higher than their younger customers.

Most customers prioritised Option 1 or 2 (lower and middle investment levels).



Note: Significance testing was conducted between the mutually exclusive groups at the 5% level of significance. Blue indicates that other group result was significantly higher than the first group result.

4.3
Insights Deep Dive

Network Resilience

Supporting Additional Solar Power

Electrification

Sustainability

Community Resilience

Customers Experiencing Vulnerability

Reliability

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Forethought® Outcomes

Electrification

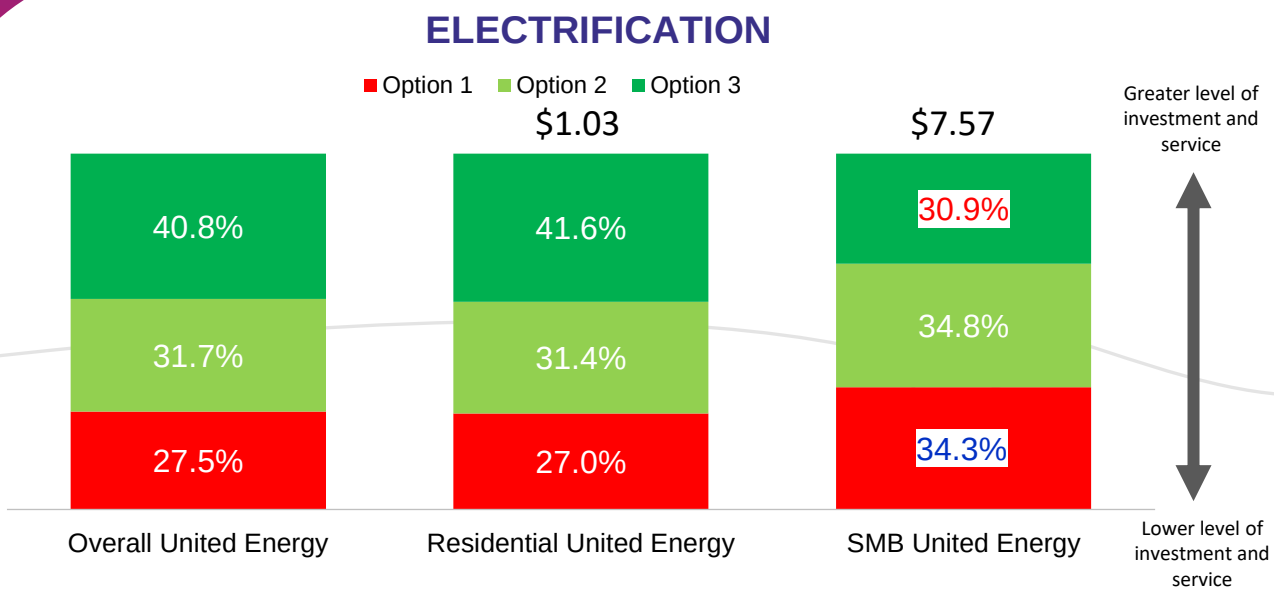
Customers were presented with the initiative description, service level improvements and associated residential and SMB bill impacts for Electrification

Initiative Description

Stability and customer experience of EV integration

Service Levels	Residential bill impact (average $ annual)	Business bill impact (average $ annual)
Option 1 Areas with high levels of electric vehicle activity have more frequent outages. Outages will be addressed **reactively**.	$0.48	$3.87
Option 2 Areas with high levels of electric vehicle activity have more frequent outages. Increase investments to **proactively prevent** problems, in addition to all outages being addressed **reactively**.	$0.86	$6.96
Option 3 Proactive investment to 'future proof' the network, meaning seamless evolution of more EVs onto the electricity network, noting that customers could charge their EVs anytime with minimal to no outages.	$1.52	$12.37

72.5% of customers were willing to invest in improving service levels for Electrification



72.9% of residential customers and 65.7% of SMB customers were willing to pay to improve Electrification. SMB customers were significantly less likely to choose option 3, and significantly more likely to choose Option 1.

What we heard from customers

- Similar to Supporting Additional Solar Power, the Electrification initiative was contentious among customers. Some customers prioritised their preference based on personal beliefs or attitudes towards EVs. Often directing discussions towards the overall theme, rather than assessing the improvement levels presented.
- Most customers, regardless of whether they favored higher or lower investment options, expressed concerns about perceived inequity. They felt they were being asked to subsidise the cost of EV owners.
- Some customers were skeptical of the forecasted uptake of EVs across Victoria, which impacted their willingness to choose higher investment options.

> "Very bitter pill to swallow. I don't want to pay for somebody else's EV being fast charged, but I can't allow outages to occur. Regretfully the grid will have growing needs to be upgraded."
> **Residential customer**

> "Proactive investment to future proof the network will always be my choice. EV's are the future and we need to act now. It is also cheap for me so I have no issue with the increase."
> **Residential customer**

Note: Significance testing was conducted between residential and SMB United Energy at the 5% level of significance. Blue indicates that the SMB result was significantly higher than the residential United Energy result and red indicates it was significantly lower.

72.5% of customers were willing to invest in improving service levels for Electrification cont.

What we heard from customers cont.

- Several customers believed that outages caused by additional EVs on the network should be addressed reactively to minimise the investment required.
- Most residential customers who indicated willingness to pay in this initiative believed they were contributing to 'future-proofing' the network for a cleaner energy future. They also noted adapting the network to accommodate additional EVs may incentivise EV uptake, which would positively impact their community.
- Recognising the perceived inequity of this initiative, some customers felt that EV owners should bear a greater share of the costs. Suggestions included requiring EV owners to cover the additional expenses or incentivising them to use public charging stations during the day to reduce network load during peak times.

"Happy to pay a bit extra but not to the full extent. Not happy to pay too much extra when not even thinking to have a benefit from EVs."
Residential customer

"Will resent EV drivers if they're the reason I have an outage so let's avoid it. Those that can afford to charge at less convenient times should."
Residential customer

4.4
Insights Deep Dive

Network Resilience

Supporting Additional Solar Power

Electrification

Sustainability

Community Resilience

Customers Experiencing Vulnerability

Reliability

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Forethought® Outcomes

Sustainability

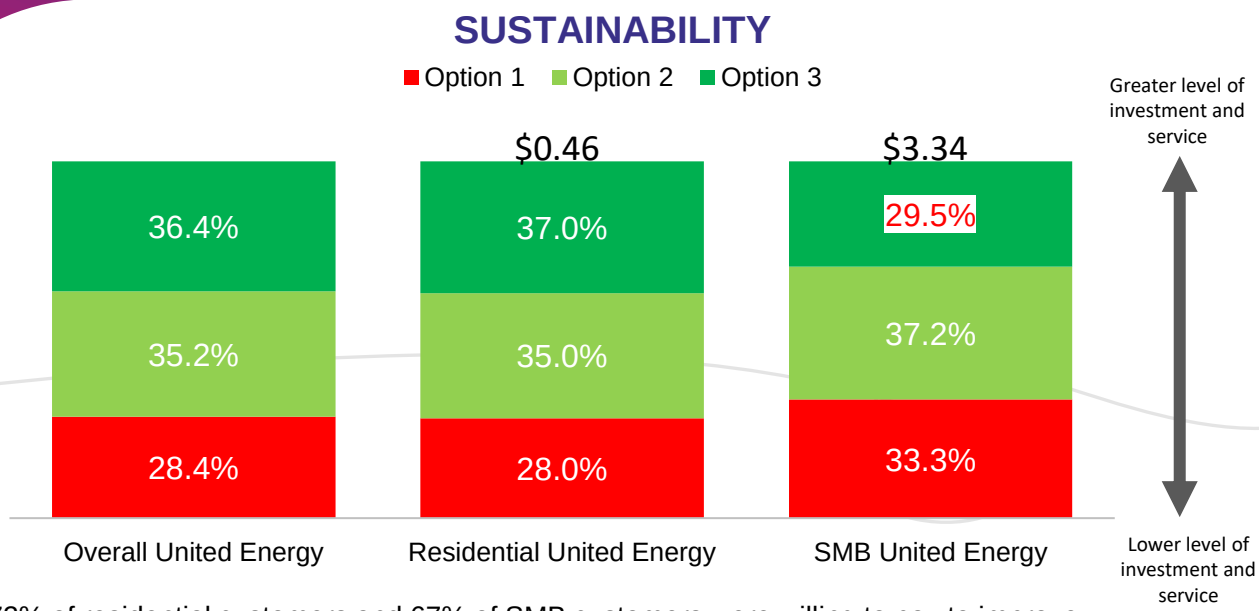
Customers were presented with the initiative description, service level improvements and associated residential and SMB bill impacts for Sustainability

Initiative Description

Initiatives designed to reduce forecast carbon emissions over 2026-31, including: replacing petrol vehicles with electric vehicles across the network's fleet, reducing greenhouse gas emissions, and installing solar panels and battery storage at each network depot

Service Levels	Residential bill impact (average $ annual)	Business bill impact (average $ annual)
Option 1 Maintain the current level of carbon emissions produced in the distribution of your electricity	$0.00	$ 0.00
Option 2 20% reduction in carbon emissions by 2031	$0.43	$3.50
Option 3 50% reduction in carbon emissions by 2031	$0.85	$6.92

72% of customers were willing to invest in the Sustainability initiative



72% of residential customers and 67% of SMB customers were willing to pay to improve Sustainability. There was significant difference seen in SMB customers who were less willing to invest in Option 3.

What we heard from customers

- Many customers struggled to reconcile that costs for sustainability initiatives must be passed on to customers, believing that sustainability is a basic requirement for operations.
- However, most customers were supportive of sustainability measures and believed this initiative to be important in essence. Those who were conscious of climate change were typically willing to invest in higher options.
- SMB customers believed Sustainability was important to improve the future and were more price sensitive compared to residential customers.
- Some customers strongly believed that the AER and government should take a stronger role in requiring networks to implement higher Sustainability measures.

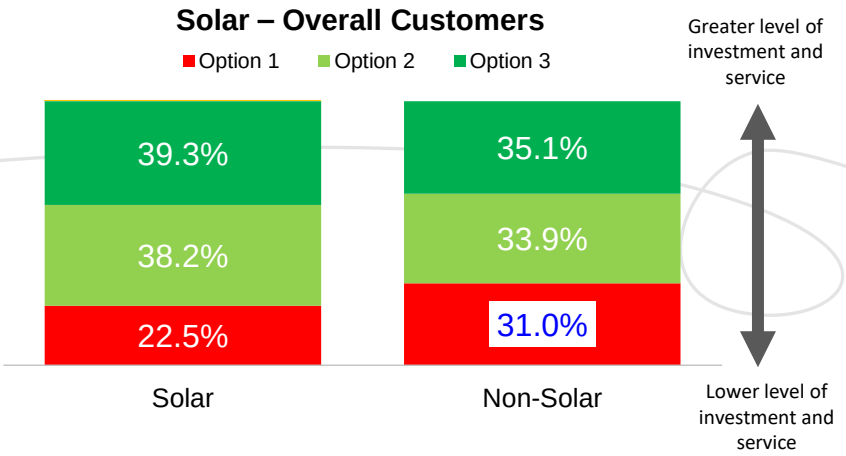
"Need to think globally and act locally. We would benefit from cleaner air and lower pollution. Do not accept reality of human induced climate change. Company should also look to offset emissions from its own revenues and profits"
Residential customer

"It is worth investing in a reduction in carbon emissions"
Residential customer

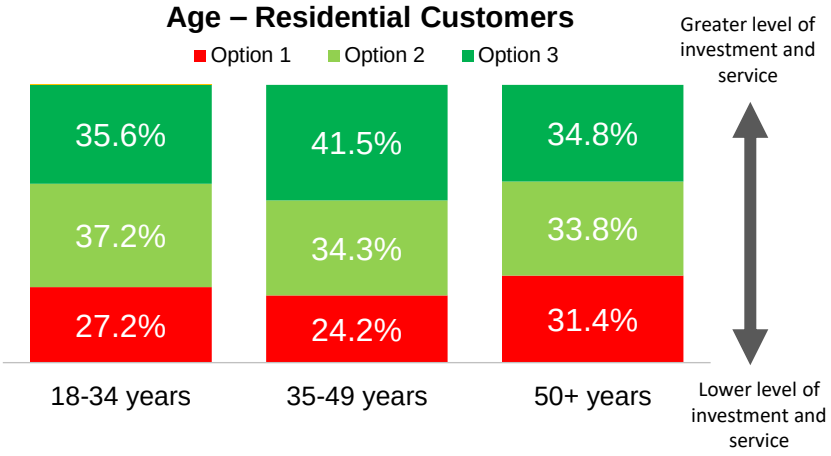
Note: Significance testing was conducted between residential and SMB United Energy at the 5% level of significance. Blue indicates that the SMB result was significantly higher than the residential United Energy result and red indicates it was significantly lower.

Various customer cohorts differed in their willingness to pay for this initiative

Customers without solar panels (31%) expressed significant reluctance to invest in this area compared to solar customers (22.5%)



No significant differences across age cohorts suggests that sustainability is an issue of importance across all ages (not just younger cohorts)



"We are paying for your poor decisions. What does the regulator say? Environment protection is a top priority as we are killing our planet."
Residential customer

"The AER should require UE to implement option 3 but with minimal end user contribution. Customers contributing to becoming more sustainable in some aspects should be prioritised and is reasonable."
United Energy residential customer, 2024

Note: Significance testing was conducted between the mutually exclusive groups at the 5% level of significance. Blue indicates that other group result was significantly higher than the first group result.

4.5
Insights Deep Dive

Network Resilience

Supporting Additional Solar Power

Electrification

Sustainability

Community Resilience

Customers Experiencing Vulnerability

Reliability

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Forethought® Outcomes

Community Resilience

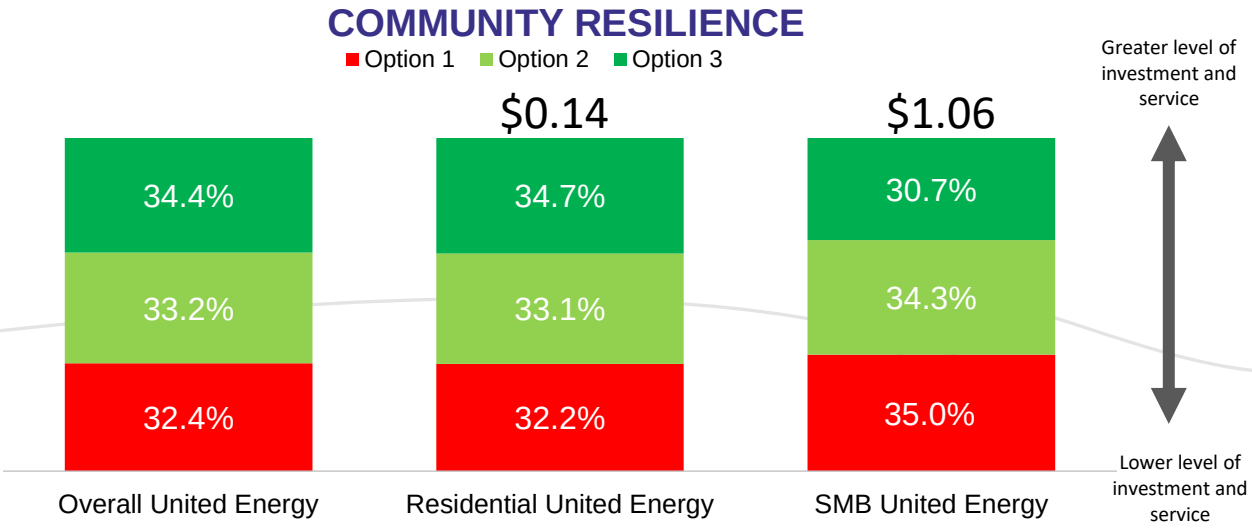
Customers were presented with the initiative description, service level improvements and associated residential and SMB bill impacts for Community Resilience

Initiative Description

Provision of community support to prepare, and on the ground support following an extreme weather event

Service Levels	Residential bill impact (average $ annual)	Business bill impact (average $ annual)
Option 1 Maintain current reactive approach to major event management	$0.00	$0.00
Option 2 Moderate increase to the number of community liaison officers, enhancing community support for a small number of high risk communities after major weather events through additional mobile emergency response vehicles and community resilience plans	$0.14	$1.13
Option 3 Larger increase in community liaison officers supporting higher risk communities following major weather events with mobile emergency response vehicles and community resilience plans	$0.27	$2.19

Though prioritised fifth against other initiatives, 67.6% of customers were willing to invest in improving community resilience



67.8% of residential customers and 65% of SMB customers were willing to pay to improve Community Resilience.

What we heard from customers

- Most customers acknowledge this was an important initiative, however, most prioritised other initiative areas higher.
- Some customers struggled to understand the distinct role for the network from other SES, local council or community groups which made them feel reluctant to invest, believing the services could be better delivered by other organisations and established agencies.
- Both residential and SMB customers exhibit similar investment patterns in Community Resilience initiatives. However, SMB customers showed a marginally lower inclination to invest.

"Happy to pay a little more so that people in more vulnerable areas have extra support."
Residential customer

"Definitely worth paying more for to get updated support and being able to get some parts of the business running sooner."
Residential customer

"It is money poorly spent and has a weak link to people's welfare. Just another person standing around in a vest."
Residential customer

"Would decrease suffering and ongoing affects that can escalate from these [weather] events"
Residential customer

"There is value in the public being able to talk to someone on the ground during a prolonged event."
Residential customer

Note: Significance testing was conducted between residential and SMB United Energy at the 5% level of significance. No significant differences were found.

Customers who have experienced extreme weather were significantly less willing to invest in Community Resilience

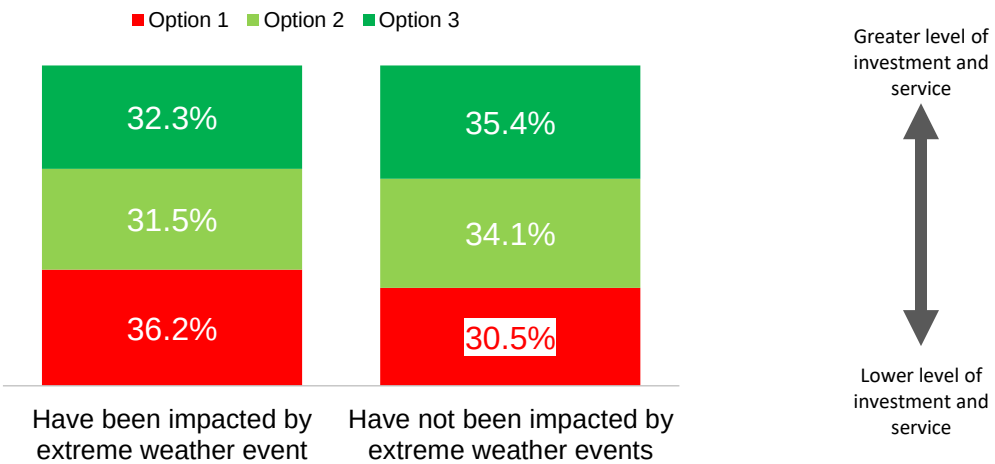
What we heard (continued)

- Some customers recognised that the benefits of community resilience extend beyond immediate material advantages, such as temporary power supplies, to include psychological support by creating community hubs.
- Most customers were willing to pay more, even if they hadn't been impacted by extreme weather. Believing they were supporting others in more vulnerable areas.
- Conversely some believed they should not have to 'subsidise' the choice for others to live in a certain area.
- Some customers were sceptical of the benefits, noting a lack of belief in the extent of the positive impact it could have.

Customers who have been impacted by extreme weather were less likely to invest than those who hadn't

Customers who had experienced extreme weather events were less likely to invest with the highest preference of Option 1 (36.7%), compared with those that hadn't been impacted who selected Option 1 significantly less frequently (30.5%). Qualitative discussions suggest that while customers do value Community Resilience, some feel that investment in other initiatives (e.g., Network Resilience) may have broader positive impacts than investment in Community Resilience. They also discussed preferring a solution they felt would provide more proactive solutions, with many perceiving Community Resilience as a largely reactive measure. Some customers also felt that this role would be better suited to government or other emergency services bodies.

Extreme Weather – Overall Customers



"Would prefer to receive support and give financial support from services such as SES, CFA etc. Don't see the connection between the increased cost and any promise to a customer of increased support when needed."
Residential customer

"With the expected increase in catastrophic events, it is critical we build community resilience. Critical as our environment is affected by climate change. Could fit better with government agencies or regulations."
Residential customer

Note: Significance testing was conducted between the mutually exclusive groups at the 5% level of significance. Red indicates that other group result was significantly lower than the first group result.

4.6
Insights Deep Dive

Network Resilience

Supporting Additional Solar Power

Electrification

Sustainability

Community Resilience

Customers Experiencing Vulnerability

Reliability

united energy

Forethought® Outcomes

Customers Experiencing Vulnerability

Customers were presented with the initiative description, service level improvements and associated residential and SMB bill impacts for Customers Experiencing Vulnerability

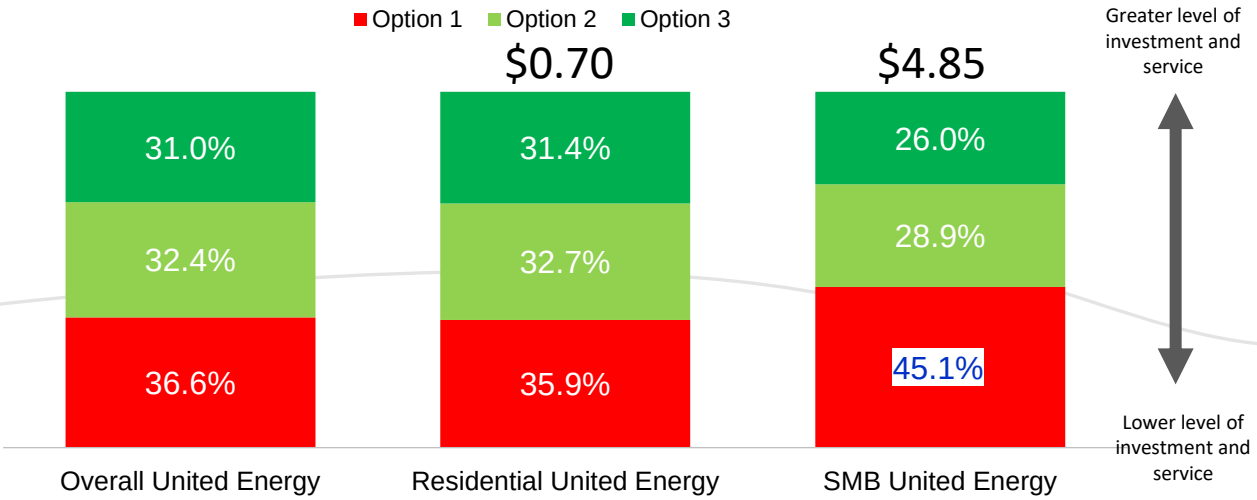
Initiative Description

Initiatives designed to alleviate the burden on customers experiencing vulnerability due to energy poverty. The package includes community outreach programs, web-based resources, energy advisory services, First Nations programs and enhanced outage notification service for vulnerable and life support customers.

Service Levels	Residential bill impact (average $ annual)	Business bill impact (average $ annual)
Option 1 Continue to meet current regulatory obligations	$ 0.00	$0.00
Option 2 Commitment to reduce energy induced vulnerability through a package of community outreach programs and resources for vulnerable customers	$0.85	$6.93
Option 3 Same as Option 2 with inclusion of a community energy fund to support vulnerable customers	$1.35	$10.95

While most customers were willing to pay to improve this initiative, most felt that it should not be the responsibility of the network

CUSTOMERS EXPERIENCING VULNERABILITY



64.1% of residential customers and 54.9% of SMB customers were willing to pay to improve service levels for Customers Experiencing Vulnerability. SMB customers were significantly more likely to invest in Option 1.

What we heard from customers

- Quantitative results (see chart above) indicated the majority of customers were willing to pay more to support customers experiencing vulnerability.
- However, many questioned whether proposed support measures should be the responsibility of United Energy. Some suggested the government or retailers should be taking greater responsibility to support customers experiencing vulnerability.
- Many customers felt that the burden to pay for these services for customers experiencing vulnerability should not fall on them.
- Qualitative discussions indicated customers wanted more information and clarity around how these measures would support customers experiencing vulnerability.
- Some customers were conscious that this may be a service they need to draw on in the future as they age.

"Worth investing in, I just believe that it shouldn't fall on the electricity company."
Residential customer

"Important for life support clients but should I pay extra for these customers?"
Residential customer

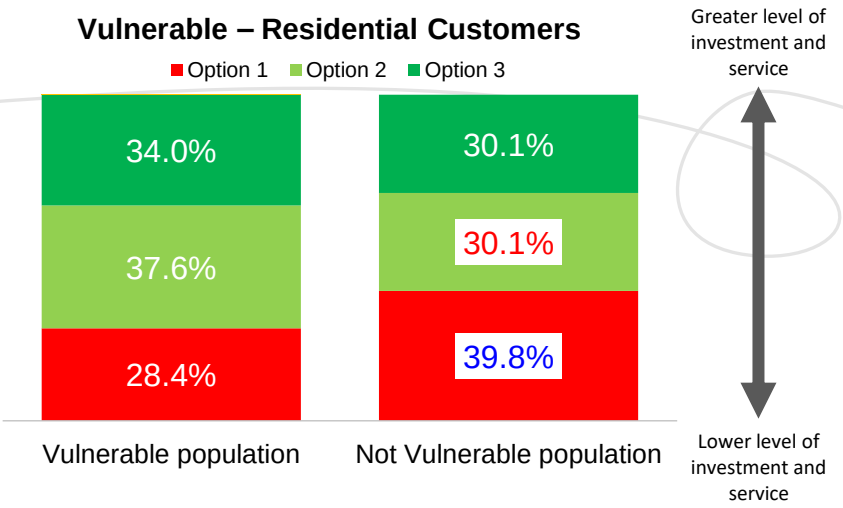
"Retailers job to do other parts."
Residential customer

"Hardest to actually prove / measure effectiveness. Shouldn't be passed onto the consumer but leaving behind the vulnerable is inequitable and unethical. Definitely on the government to do it."
Residential customer

Note: Significance testing was conducted between residential and SMB United Energy at the 5% level of significance. Blue indicates that the SMB result was significantly higher than the residential United Energy result and red indicates it was significantly lower.

Non-vulnerable customers were less willing to pay to support vulnerable customers

Non-vulnerable customers were significantly less likely to pay more to support customers experiencing vulnerability



"There are already government and retailer programs to support vulnerable customers"
Residential customer

"After hearing who is currently provided with enhanced outage notification, I think there are more vulnerable people who deserve more information ahead of time"
Residential customer

Note: Significance testing was conducted between the mutually exclusive groups at the 5% level of significance. Blue indicates that other group result was significantly higher than the first group result, and red indicates it was significantly lower.

4.7
Insights Deep Dive

Network Resilience

Supporting Additional Solar Power

Electrification

Sustainability

Community Resilience

Customers Experiencing Vulnerability

Reliability

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Forethought® Outcomes

Reliability

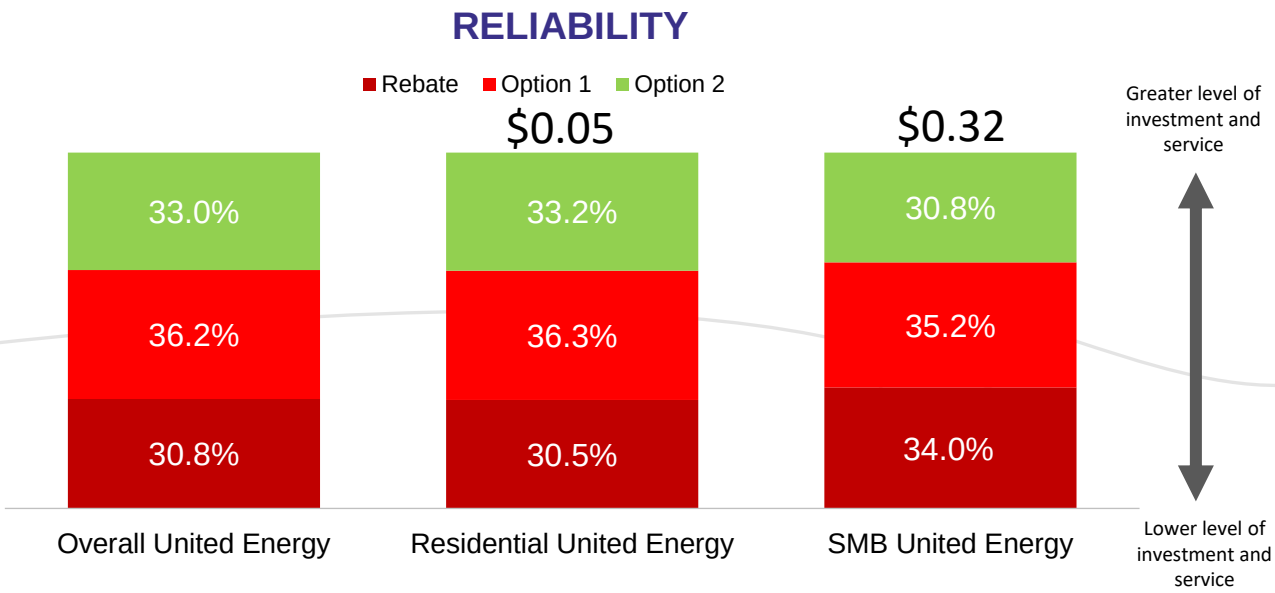
Customers were presented with the initiative description, service level improvements and associated residential and SMB bill impacts for Reliability

Initiative Description

Improving the annual minutes off supply experienced by the average customer

Service Levels	Residential bill impact (average $ annual)	Business bill impact (average $ annual)
Option 1 40 minutes of unplanned outages per annum for the 'average' customer (less than customers currently receive)	-$0.14	-$1.16
Option 2 35 minutes of an unplanned outage per annum for the 'average' customer (this maintains what customers currently receive)	$0.00	$0.00
Option 3 30 minutes of an unplanned outage per annum for the 'average' customer (this is a significant improvement on what customers currently receive)	$0.29	$2.32

Only 33% of customers were willing to invest in improving reliability service levels



33.2% of residential customers and 30.8% of SMB customers were willing to pay to improve Reliability.

What we heard from customers

- Overall Reliability was prioritised lower compared to other initiatives. However, customers strongly believed it was still an important area and most would not accept a degradation of service.
- Most customers were willing to maintain the existing level of reliability to reduce costs to their energy bill.
- Customers believed that other initiatives such as Network Resilience, would enhance Reliability and therefore already felt they were investing in maintaining/reducing minutes off supply
- Reliability was viewed as a fundamental responsibility of the network, and distributors were expected to deliver this consistently.

"The cost is minimal as compared to the impact of losing power for business. Prepare to pay more for less downtime."
Residential customer

"Prefer Option 3 as my business is a veterinary clinic and having a power outage is detrimental to our business as we run anesthetic machines and have clients in our clinic for the whole day."
Residential customer

"Ensuring there are less disruptions on the network is significantly important as we need electricity for so many things. Companies in these areas may impact on supply to elsewhere. Population booms means bigger companies and thus bigger impact."
Residential customer

Note: Significance testing was conducted between residential and SMB United Energy at the 5% level of significance. No significant differences were found.

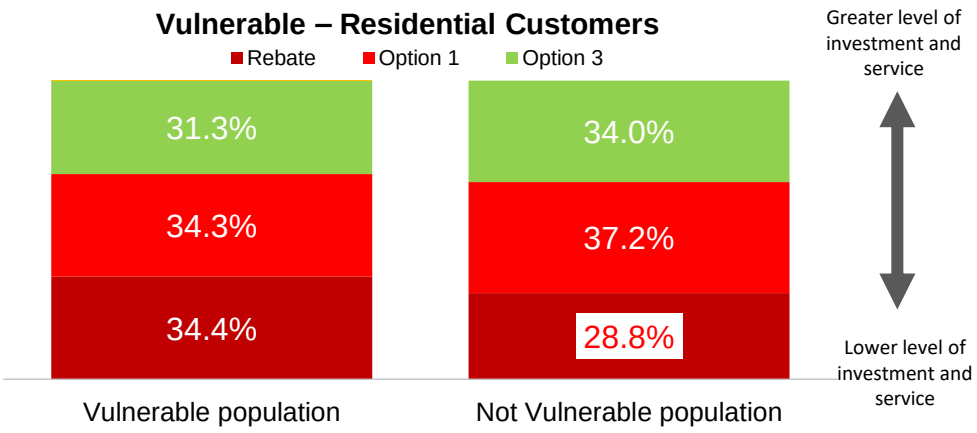
Vulnerable customers differed in their willingness to pay for Reliability

What we heard from customers (continued)

- Customers acknowledged that they were increasingly dependent on a reliable supply. Discussing factors such as population growth, increase in people working from home and increase in electrification as part of the energy transition.
- Some customers who selected higher investment options believed that higher reliability would reduce ongoing maintenance cost from outages, ultimately saving them money in the future.
- Some metropolitan customers were resistant to higher investment, believing they would be subsidising improvements to supply for regional / rural customers.
- For SMB customers, the negative impacts of unreliable supply could have considerable negative impacts. Most residential customers were not notably concerned about potential short-term outages.

Non-vulnerable customers indicated significantly lower preference for Option 1.

Higher preference for Option 1 among vulnerable segments could be driven by a higher price sensitivity among this segment.



"Not a problem for me as I'm hardly home. But as I'm getting older, seniors require the confidence and security of electricity."
Residential customer

"Haven't had issues with reliability but understand that if it's not reliable, then a lot of people experience problems. If it's not broke don't fix it."
Residential customer

Note: Significance testing was conducted between the mutually exclusive groups at the 5% level of significance. Red indicates that other group result was significantly lower than the first group result.

5. Discussion

How this program builds on previous studies considering customers' willingness to pay

This program builds on existing knowledge and insights

As noted on page 4, this report is one input into an ongoing program of engagement conducted by United Energy. A prior study, Customer Values Analysis, with fieldwork from 2nd January 2024 to 20th January 2024 asked customers to prioritise the relative importance of various proposed areas for service improvement. However, the associated bill impact for a proposed service improvement was **not** shown to respondents given this was earlier in the process. The values tested in the Customer Values Analysis informed the initiatives tested in the trade-off evaluations.

As different quantitative methodologies were used across studies, direct comparison is not possible at the initiative level, albeit a high-level understanding of customer preferences at the topic level can be contrasted. Consistent topics across studies provide valuable points of comparison for understanding high-level customer preferences at different times. The table below outlines areas included in both studies. The Customer Values Analysis included five proposed improvement areas, while this Trade-Off Evaluation study included seven initiative areas.

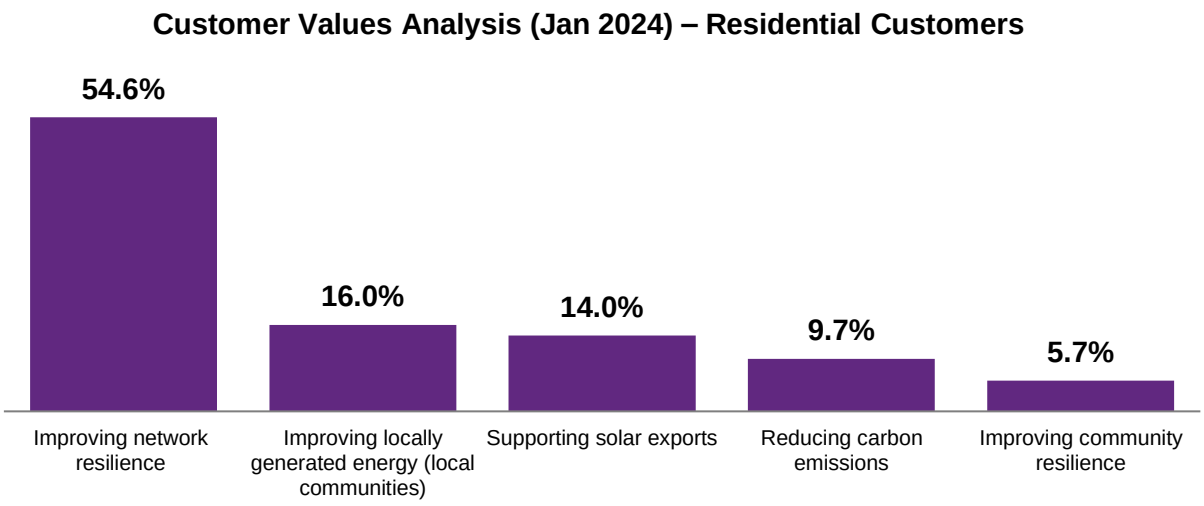
Topics across studies	Included in Customer Values Analysis	Included in Trade-Off Evaluations study
Large scale renewable energy generation	X	X
Network Resilience	✓	✓
Community Resilience	✓	✓
Supporting Additional Solar Power	✓	✓
Reliability	X	✓
Electrification	X	✓
Sustainability (reducing carbon emissions in the distribution of your electricity)	✓	✓
Ensuring any **locally generated energy** can be used to support, and grow, local community participation	✓	X
Customers experiencing vulnerability	X	✓

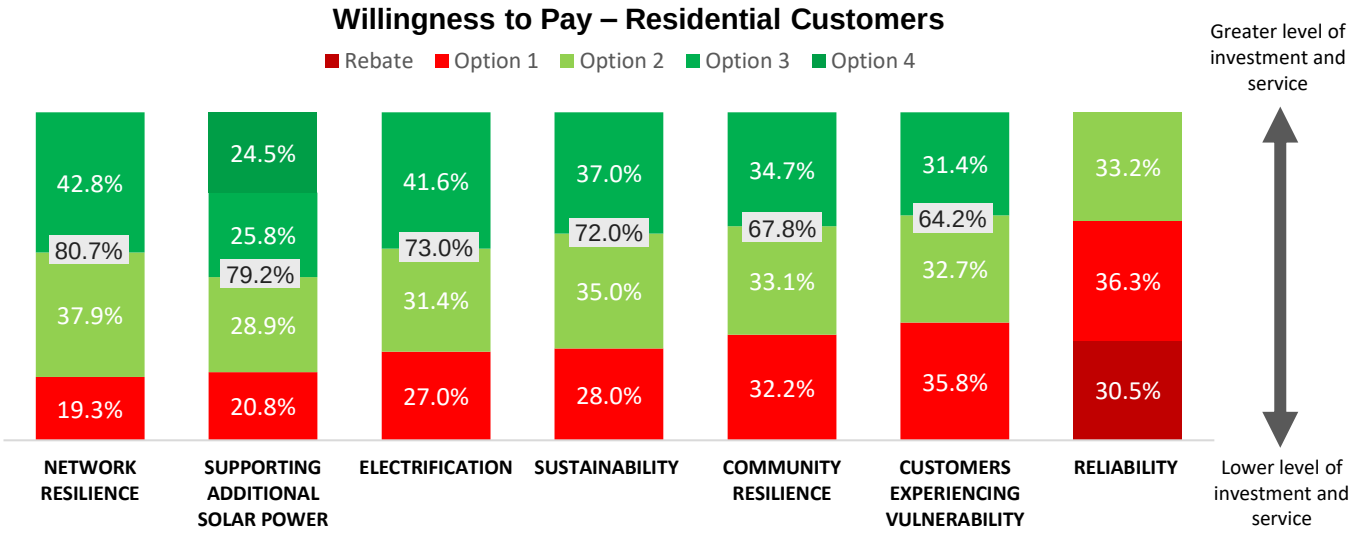
Note, the topic descriptions and service level improvements differed across studies. The above topics are indicative of those included.

This program builds on existing knowledge and insights

There were consistent preferences across studies from customers regarding the way they would prioritise investment to improve proposed initiatives. Across both studies, **residential customers** prioritised improvements to network resilience the highest.

Supporting the network's capacity for exporting solar was also prioritised highly in both studies. This was followed by consistent preference for Sustainability over Community Resilience improvements.

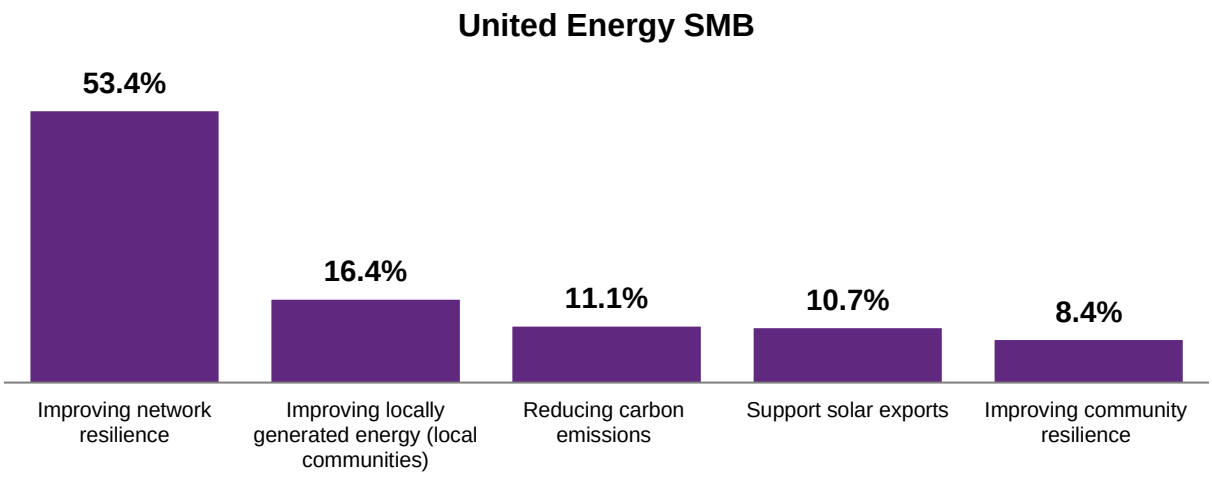


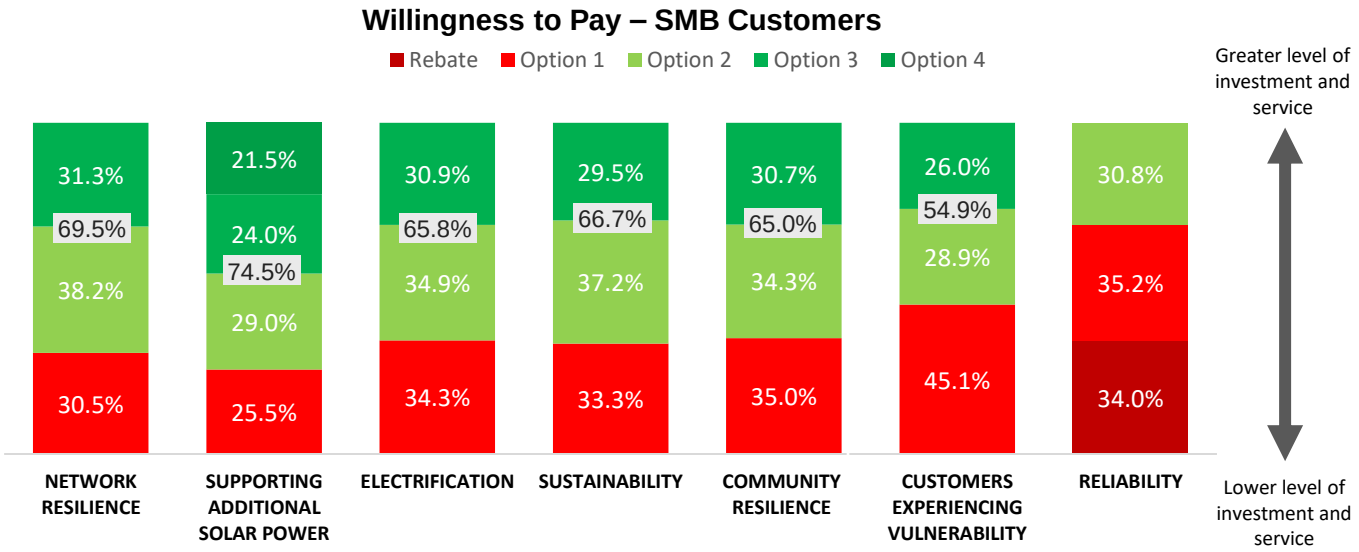


This program builds on existing knowledge and insights

Small to medium business customers also rated network resilience among the highest across both studies. It was rated top priority in Customer Values Analysis and second highest priority in this Trade-Off Evaluation study.

Community resilience was consistently rated among the lowest priorities across both studies. Sustainability or reducing carbon emissions was rated consistently among the middle. However, supporting solar exports was rated second lowest in Customer Values Analysis and highest in this study.





This program builds on existing knowledge and insights

Willingness to pay across studies

As part of the Customer Values Analysis, customers were asked to provide their average electricity bill. Then, considering their current bill, they were asked how much more they would be willing to pay for service improvements across the areas outlined on page 58. Following this, they were asked to prioritise those areas for improvement (results shown on pages 59 and 60).

The Customer Values Analysis indicated that residential customers were willing to pay an additional 4% and SMB customers an additional 12.3% more on top of their current bill.

The willingness-to-pay figure from the Customer Values Analysis is not comparable to the figures in this study. In this study, the willingness-to-pay amounts were pre-defined and provided to respondents for specific initiatives. No part of this study asked customers to indicate a **total** additional amount they would be willing to pay on top of their current net energy costs.

Image above: Participant from the mass engagement forum.

Image above: Caitlin Campbell – Senior Consultant from Forethought.

Image above: Participant from the mass engagement forum.

6.
Appendix
Engagement Context

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 engagement, customers were highly involved as we wanted to understand their initiative improvement level preferences and explore their reasonings behind their decisions. This included understanding their current and future concerns and aspirations that were considered in their response.

IAP2 Spectrum of Public Participation

	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.

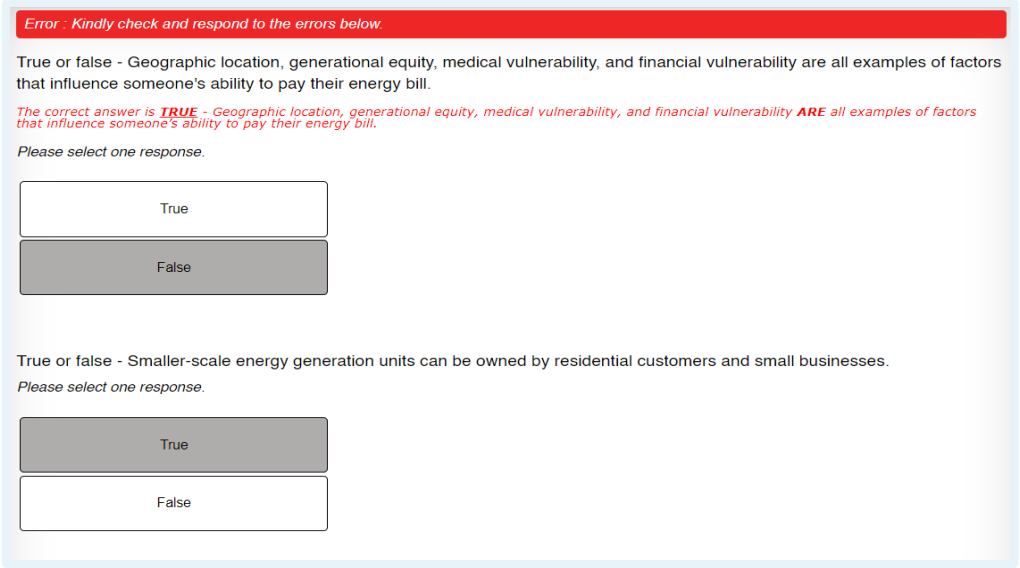
IAP2, 2018, IAP2 Spectrum of Public Participation, accessed 22 November 2022, https://iap2.org.au/wp-content/uploads/2020/01/2018_IAP2_Spectrum.pdf

Quantitative Pre-Education Overview

Prior to completing the trade-off activities, respondents were provided with pre-education videos on the initiatives to help develop an understanding of the topic. This allowed participants to make educated decisions when completing the trade-off activities.

Below is an example of a pre-education activity: On-screen visual

Respondents were then required to demonstrate their understanding of the topics they had just reviewed and were further educated if they did not comprehend the topic as shown below:



Overview of Survey Inclusions

Survey breakdown

Length of survey: 15-minutes

Section	Detail
Introduction and Screening	• Questions to ensure we are surveying the right people.

Pre-Education Stage	• Educating participants about required information to support completing the Menu Choice Model.
	• This included:
	  • Information about discretionary versus compliance-based improvements.
	  • A video highlighting the discretionary improvement initiatives (definition and overview).
	  • Comprehension questions about the discretionary improvement initiatives (to test the respondent's understanding of the information).

Menu-based Choice Modelling	Participants see a range of discretionary initiatives and options presented side-by-side so they can select their preferred option. • This evaluates the trade-offs that individuals make by studying the joint effect of multiple attributes simultaneously, to uncover the relative importance of each discretionary initiative and respective option level.
Satisfaction	• Captures satisfaction on service level
Profiling – Energy Sources, EVs and Weather Events	• Captures what energy sources are used by customers, EV usage and their experiences with extreme weather events to contextualise findings.
Demographics	• Final questions to understand the participant's background including: who they are, who they live with, level of education, income, etc.

Engagement Context References

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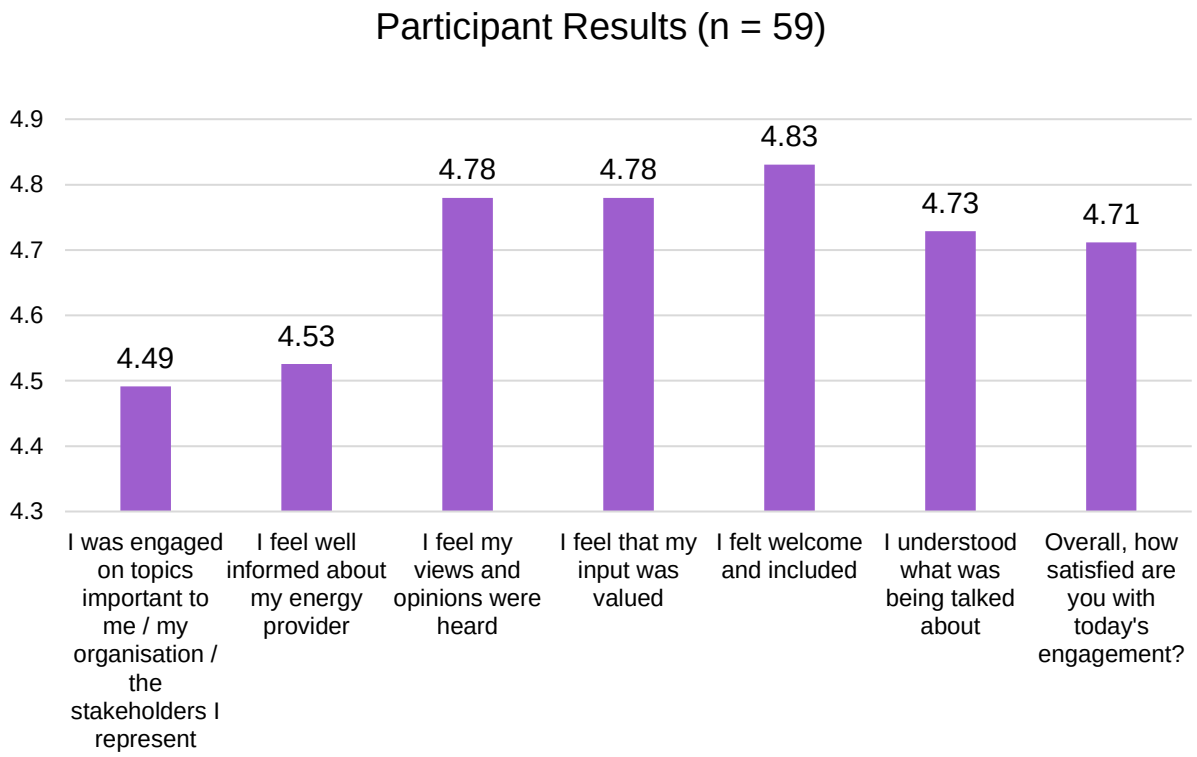
[10] Tippet. H, 12 April 2024, Victorian households have the highest gas usage in the country — will they turn it around?, ABC News, accessed 31 May 2024, www.abc.net.au/news/2024-04-12/victoria-gas-household-electricity-swap-power-bills/103695756

Qualitative Engagement Feedback

After the qualitative engagements, customers were asked to complete a feedback survey to support the refinement of the engagement process. The results are below.

Overall Satisfaction with engagements	4.8 / 5

Participants rated their engagements on a scale from 1-5,
where 1 was completely disagree/satisfied and 5 was completely agree/satisfied.



Participant comments

"Was very interesting, interactive, great group and I felt heard in my opinions."

"Facilitators were well informed and professional. Appreciate that employees of United Energy were involved and gave insight."

"Loved the opportunity to present my perspectives and views. Helps to get more of an understanding what is being done to improve how our electricity is provided and the improved reliability."

"Great facilitators and Brent from [United Energy] was very informative and engaging."