

31 January 2022



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Dear Ms Savage,

Expression of Interest: Early Signal Pathway for 2024-29 regulatory reset

Ausgrid is pleased to submit an Expression of Interest (**EOI**) to participate in the Early Signal Pathway outlined in the Australian Energy Regulator's (**AER**) Better Reset Handbook (**Handbook**). Our EOI relates to our upcoming regulatory proposal for the period commencing 1 July 2024 and ending 30 June 2029 (**2024-29**). Please find:

- The details of our EOI at **Attachment A**;
- Our Engagement Framework for our 2024-29 regulatory proposal at **Attachment B**.

Our Reset Customer Panel (**RCP**) supports Ausgrid submitting an EOI to participate in the Early Signal Pathway. This support was given after sharing a draft version of our EOI. We thank the RCP for comments on the draft EOI.

We also thank the AER for the opportunity to participate in the Early Signal Pathway. Should you wish to discuss this application further, please contact [REDACTED], Chief Customer Officer a [REDACTED]

Regards,

A handwritten signature in black ink, appearing to read "Richard Gross".

Richard Gross
Chief Executive Officer



Attachment A
Expression of Interest:
Early Signal Pathway

January 2022

Our Expression of Interest

About Ausgrid

We are the largest distributor of electricity on Australia's east coast, providing power to 1.8 million customers. Our network is made up of substations, powerlines, underground cables and power poles, spanning 22,275 square kilometres throughout Sydney, the Central Coast and the Hunter Valley.

Our vision is to become a leading energy solutions provider, recognised both locally and globally and our purpose is to connect communities and empower lives with a focus on affordability, reliability and sustainability.

Our expression of interest

Ausgrid is pleased to submit this Expression of Interest (EOI) for the Early Signal Pathway.

We share the Australian Energy Regulator's (AER) objectives in developing the Better Reset Handbook (Handbook) under which the Early Signal Pathway has been developed.

Applied to our 2024-29 regulatory proposal, the Early Signal Pathway would allow customers, Ausgrid and the AER to efficiently focus our collective attention and resources on those aspects of our proposal that can benefit from further engagement. This would reduce the resource burden on all parties and allow

customers to drive the conversation about the services that they value.

In submitting our EOI we are seeking targeted review for:

- All forecast capital expenditure (**capex**), apart from resilience and distributed energy resources (**DER**) integration capex;
- Operating expenditure (**opex**); and
- Regulatory depreciation.

We are continuing to engage with the AER and our customers about resilience and DER integration capex. Our engagement includes a consultation paper and public forum on community and network resilience, while we are actively participating in the AER's ongoing development of a Customer Export Curtailment Value that will be a material input into our DER modelling for the 2024-29 period.

There are matters involving the framework for assessing resilience and DER integration capex that have yet to be settled. Having a targeted review for all other aspects of our 2024-29 regulatory proposal, will enable Ausgrid, the AER and our customers to efficiently focus their attention on these important matters.

We acknowledge the support of the Reset Customer Panel (RCP) in lodging this EOI, the contents of which are divided into three sections, outlined below.

Section 1 Why Ausgrid should be selected to participate in the Early Signal Pathway.

Section 2 Timeline for sharing pre-lodgement information with the AER and customers.

Section 3 How Ausgrid proposes to comply with the Handbook expectations.

1 Why we should be selected

1.1 Introduction

Our EOI has considered the AER's expectations in the Handbook. To meet these requirements, this EOI seeks to address the matters outlined below.



Why Ausgrid is well-placed and best suited to undertake the Early Signal Pathway.



How and why the decision to choose Ausgrid for the Early Signal Pathway will enhance the efficiency and effectiveness of the Ausgrid reset process.



How Ausgrid, the AER and customers will benefit from the decision.

Each of these matters are considered in sections 1.2 to 1.4 of this EOI. By addressing them, we believe our EOI places Ausgrid in a strong position to be selected to participate in the Early Signal Pathway.



1.2 Why Ausgrid is well-placed and best suited

We have a proven record of embedding stakeholder and community consultation in our decision-making, including for our 2024-29 regulatory reset. Our commitment to genuine engagement is reflected in:



Establishing the RCP with an Independent Chair;



Co-designing our regulatory proposal engagement narrative with customer advocates (see [page 4](#) for more detail);



Delivering a safer, smarter, more sustainable Ausgrid at the same time as reducing annual network charges for households by more than \$122 since 2016 (see [page 5](#) for more detail);



Providing resources to the RCP to undertake their own research and establishing a clear challenge role with a detailed terms of reference;



Leading joint engagement processes with other electricity distributors on service classification, resilience and tariff trials;



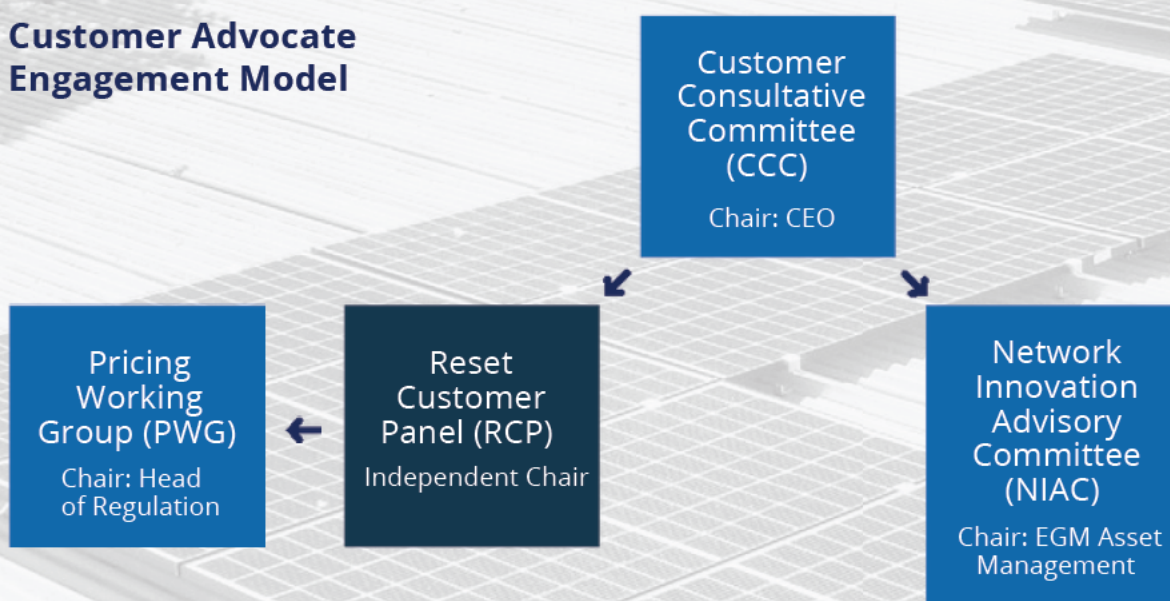
Demonstrated commitment to the objectives of the Early Signal Pathway from our Regulatory Reset Executive Committee, which includes our Board, our Chairman, and our CEO; and



Implementing an innovative, best practice customer committee structure including our Pricing Working Group (**PWG**) and Network Innovation Advisory Committee (**NIAC**).

Our customer advocate engagement model is outlined in more detail below. It is a 'ready made' framework to implement the customer collaboration expected to participate in the Early Signal Pathway process.

Customer Advocate Engagement Model



Ausgrid's Regulatory Proposal Engagement Narrative developed with customer advocates

The engagement narrative acts as an invitation to join with us to develop our regulatory proposal.

An example of how Ausgrid works closely and co-designs with its customer advocates is in the development of Ausgrid's Regulatory Engagement Framework and associated Regulatory Proposal Engagement Narrative.



Who is Ausgrid?

Ausgrid operates the poles, wires and streetlights delivering electricity to homes and businesses across Sydney, the Central Coast and the Hunter region. We strive to connect communities and empower lives through the services we provide.



Why do we want to engage?

We are now reviewing our strategy for the future, including a plan for 2024 to 2029.

We have been listening to our customers, who told us to focus on being affordable while being safe, smart, sustainable and resilient. In responding to our customers need for affordability we delivered a 32 per cent reduction in our network charges since 2014.

But the energy industry is changing, and so are our customers.

Listening to you will help us understand the right balance to strike to meet the diverse needs and aspirations of our customers.



Why is the time now?

The imperative for a low carbon future continues to increase, with more extreme weather including bushfires, flooding and storms.

The way we deliver energy has to change, as homes and businesses change the way they use energy by adopting new technologies such as solar. The pattern of energy use, reflecting the changes in the way we work and live, is evolving. The way we generate energy through renewable sources and our energy policies will drive change in the way we operate.

Customer needs are also changing, with expectations of services becoming more individualised and the acceptance of new technology varying greatly. Within this rapidly changing environment the focus on energy affordability and good customer service remains critical.



What's our goal?

Your participation will help us strive towards a future energy network that works for everyone; a network that is safe, smart, sustainable and resilient for generations to come.



Why should customers engage with us?

We are at a critical point, and we need to respond to ensure we continue to deliver for our customers and set ourselves up for long-term success.

We also need to ensure we remain inclusive, leaving no-one behind and improving outcomes for the most vulnerable in our communities.

We need your help to shape our future priorities. Without understanding your views and your needs, Ausgrid cannot continue to evolve and improve. We don't have all the answers, yet we need to make the best decisions for future generations.

We commit to listening and reflecting your views and priorities in our long-term strategy, including our plan for 2024 to 2029.

Ausgrid is working hard to improve outcomes for its energy customers by making Ausgrid safer, smarter and more sustainable.

2016 Reducing customer costs:



Savings: **\$122**

Since 2016, we have reduced our annual network charges for households by an average of \$122.



Savings: **\$210**

Since 2019, we have reduced our annual network charges for small businesses by an average of \$201.

2020

Community battery trial:



Savings up to: **\$200** per year

In 2020, we commenced a trial of three community batteries to help customers maximise the value of their solar and support the grid; these batteries are expected to save participants up to \$200 per year off their electricity costs by enabling them to use more of their own solar.

Virtual Power Plant trial:



750 sites

Over 3MW of combined power

We increased our Virtual Power Plant trial participation to 750 sites, with combined power of over 3MW (about 10-15% of customer batteries in Ausgrid's area).



2020

Voice of the Community:

In 2020, we launched our 'Voice of the Community' engagement program to better understand our performance across 25 different services, channels and market segments.

2021



Supporting EV charging:

In 2021 we established our partnership with JOLT to provide electric vehicle charging from our electricity kiosks.



Cyber Security:

We are continuing to enhance our cyber security controls to keep our systems safe while more employees and customers work from home.



Emissions reductions:

Our emissions reduction target is 8% by 2023-24 and 17% by 2029-30.

So far we are ahead of our plan with a

13% reduction achieved.



Network Resilience Plan:

We are rethinking our approach to network resilience and are implementing strategies to better respond as extreme weather events occur more often. For example, we have commenced developing a network resilience plan so our network can better withstand extreme weather events.

1.3 Selecting Ausgrid will promote the efficiency and effectiveness of our 2024-29 reset process

A successful regulatory proposal must meet the needs and expectations of customers by delivering enhanced value, while also being capable of acceptance by the AER.

To work towards this outcome, we spent the first half of 2021 co-designing our approach to our 2024-29 regulatory proposal. This co-design process comprised three core online workshops with customer advocates to develop the building blocks of the framework, in addition to off-line ‘check-in’ meetings on the engagement narrative and questions.

The results of our collaboration are captured in our Engagement Framework (**Attachment B**). For ease of reference, **Table 1** summarises the engagement phases we will follow.

We are keeping our commitments. Phase 1 of our engagement process (values and aspirations) culminated in Ausgrid sharing the first iteration of our 2024-29 capex forecast. This places us in an advanced position in our engagement.

Significant effort and collaboration has fed into our Engagement Framework, and we see the Early Signal Pathway as an opportunity to formalise the plans we have already developed with our customers.

The Early Signal Pathway will promote the efficiency and effectiveness of our 2024-29 reset by formalising the framework we co-developed with our customers.

Table 1: Engagement phases before submitting our 2024-29 regulatory proposal




| Phase | Timing | Engagement phase focusses on |
|--|----------------------------|--|
| <div style="background-color: #0056b3; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">1</div> <p>Values and aspirations</p> | September to December 2021 | <ul style="list-style-type: none"> Providing customers with information and background to our key reset topics so they can contribute; Listening to customers to hear how they understand the topics; Gauging customer values and aspirations in relation to each topic; and Asking customers how Ausgrid needs to change to meet their values and aspirations. |
| <div style="background-color: #0056b3; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">2</div> <p>Trade-offs</p> | January to May 2022 | <ul style="list-style-type: none"> Evaluating feedback from Phase 1 and modifying the onward engagement approach and questions, potentially moving to face to face engagement if restrictions ease; Garnering detailed feedback to shape the draft Plan; and Holding in-depth discussions on trade-offs related to each topic, and the tariff and bill impacts of these trade-offs. |
| <div style="background-color: #0056b3; color: white; border-radius: 50%; width: 40px; height: 40px; display: flex; align-items: center; justify-content: center; margin: 0 auto;">3</div> <p>Report back</p> | September to December 2022 | <ul style="list-style-type: none"> Reporting back to customers and stakeholders on how their feedback has shaped the draft proposal; and Getting feedback on how well customers felt their views were reflected, to help with final negotiations with the AER. |



1.4 How Ausgrid, the AER and customers will benefit

The AER's selection of Ausgrid to participate in the Early Signal Pathway will unlock benefits for Ausgrid, the AER and our customers as summarised in **Table 2** below.

Table 2: Benefit summary

| Benefit | |
|--|---|
|  | <ul style="list-style-type: none"> • Supports Ausgrid submitting a proposal that is capable of acceptance and supported by customers. • Continues to build our relationship with the AER and customers. • Reputational benefits associated with being one of the first electricity distributors to participate in the Early Signal Pathway. |
|  | <ul style="list-style-type: none"> • Access to Ausgrid staff at the pre-lodgement phase. • Commitment from Ausgrid to not deviate from the AER's forecasting methods and other expectations in the Handbook, without seeking customer and AER feedback. • Efficient focus of AER attention on aspects of our regulatory proposal that can benefit from further engagement. |
|  <p>Customers</p> | <ul style="list-style-type: none"> • Access to Ausgrid and AER staff at the pre-lodgement phase. • Targeted AER review will allow customers to focus their attention on key areas of our proposal, such as resilience. • Ausgrid's commitment to collaboration will unlock innovative solutions and support price and service outcomes that are capable of acceptance. |

Our participation in the Early Signal Pathway will benefit all parties to our 2024-29 reset process, including Ausgrid, the AER and our customers.

2 Handbook expectations

2.1 We are committed to meeting the expectations in the Handbook

Our EOI must include certain information and commitments. We support the provision of the required information and confirm our commitment to each of the requirements in the Handbook, as outlined below.



CEO commitment

The cover letter to this EOI provides the required CEO level commitment, expressing an interest in obtaining an early signal on elements of Ausgrid's regulatory proposal as set out in the Handbook.



Publish a draft regulatory proposal

We commit to publishing a draft regulatory proposal for consultation that incorporates the findings of our consumer engagement and shows how the draft proposal meets the Handbook's expectations, including supporting models, data and analysis. Other information likely to be included in our draft regulatory proposal includes the results of our climate impact study and the feedback we received on our Resilience Consultation Paper.



Share consumer engagement plan

Our Engagement Framework ([Attachment B](#)) sets out how we intend to meet the expectations of consumer engagement in the Handbook. As required, our expectation of staff involvement during the pre-lodgement engagement process is set out in section 3 of this EOI.



Data and information to be shared during pre-lodgement

We commit to the timely provision of relevant information to the AER and the RCP during the pre-lodgement process as per the plan outlined in [Section 3](#) of this EOI. The data and information we provide will include business cases and modelling analysis.



Independent report

The RCP's terms of reference includes provision of an independent report to accompany our August 2022 draft regulatory proposal and January 2023 regulatory proposal.



AER analytical methods

We commit to not diverge from analytical methods and techniques consistent with the Handbook, and relevant AER guidelines and guidance material, to develop elements of our regulatory proposal, without first seeking the input of the RCP and feedback from the AER.

2.2 How we will meet expectations

After sharing a draft version of this EOI, the RCP recommended including preliminary analysis on how we propose to comply with the expectations. We agree that this information would be helpful and have provided our preliminary analysis in **Table 3** below.

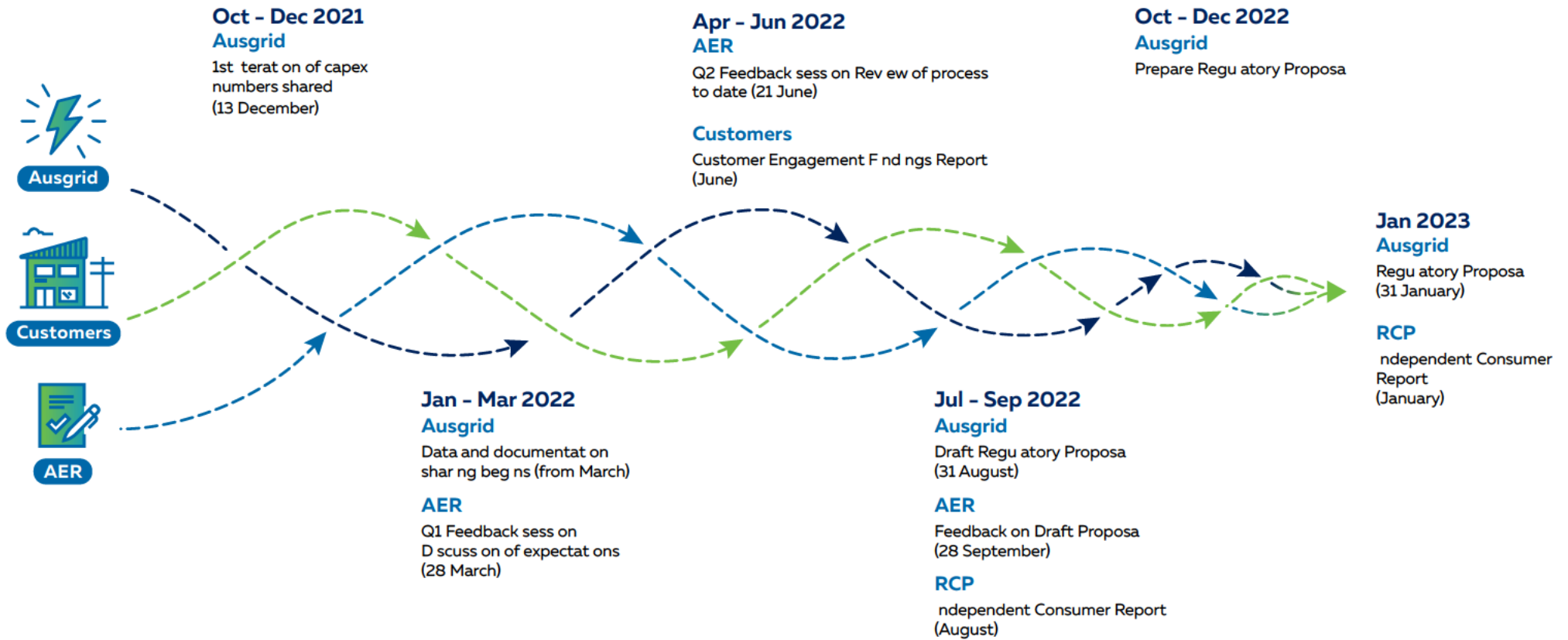
Table 3: Preliminary analysis on how we propose to comply

| Topic | Expectation | Preliminary analysis |
|--------------|--|---|
| Capex | 4.2.1.1 Top-down testing of the total capex forecast and at the category level. | <ul style="list-style-type: none"> We will share trend analysis comparing our 2024-29 capex forecast with our actual/estimated spend in the current regulatory period. This has already happened once (December 2021) and is scheduled to occur again at multiple stages during the pre-lodgement phase. |
| | 4.2.1.2 Category level assessment of replacement expenditure, augmentation, connections, information and communications technology (ICT), property and fleet. | <ul style="list-style-type: none"> We will incorporate the AER's replacement expenditure (repex) model into our forecasting approach. This will include analysis against the repex model threshold and, if required, any reasons for why our forecast is above that threshold. Quantitative analysis, including modelling and business cases will be provided to the AER and RCP during the pre-lodgement phase. Our forecasts will include top-down tests for recurrent expenditure and give reasons if there are any material increases. We will explain to the AER and the RCP why any new capex category is required. This is well advanced for network and community resilience with a joint consultation paper soon to be published on this topic. |
| | 4.2.2 Evidence of prudent and efficient decision making on key projects and programs. | <ul style="list-style-type: none"> We have had multiple deep dive sessions with the RCP on our refreshed investment governance processes. This will continue during the pre-lodgement phase. |

Table 3: Preliminary analysis on how we propose to comply (continued)

| Topic | Expectation | Preliminary analysis |
|---------------------|---|---|
| Capex | 4.2.3 Evidence of alignment with asset and risk management standards. | <ul style="list-style-type: none"> We will demonstrate that our asset and risk management frameworks are consistent with industry standards. |
| | 4.2.4 Genuine consumer engagement on capex expenditure proposals. | <ul style="list-style-type: none"> Our Engagement Framework sets out how we will achieve this goal. |
| Opex | 5.2.1 Opex forecasting approach. | <ul style="list-style-type: none"> We will apply the 'base, step, trend' approach. |
| | 5.2.2 Forecast opex uses a base year for which audited actual opex is available and that a network business can demonstrate is not materially inefficient. | <ul style="list-style-type: none"> We accept that the AER's opex decision will reflect an audited actual opex that we can demonstrate is not materially inefficient. |
| | 5.2.3 Forecast opex incorporates a trend that adopts our approach to output, price and productivity growth. | <ul style="list-style-type: none"> We will apply the AER's approach. |
| | 5.2.4 The number of forecast step changes is limited to a few well justified ones, or none at all. | <ul style="list-style-type: none"> Only a limited set of step changes will be put forward. |
| Depreciation | 6.2 Broad changes to depreciation approach that bring forward costs to consumers are unlikely to be accepted. | <ul style="list-style-type: none"> We will not propose broad changes to depreciation. We are currently consulting on a potential change to the year-by-year method. |
| | 6.2.1 Targeted approaches to accelerated depreciation (if proposed) must be well supported. | <ul style="list-style-type: none"> At this stage, we do not intend to propose an accelerated depreciation approach. |

Indicative schedule of data and information



| | Total capex (excluding resilience and DER) | Depreciation | Opex |
|--|---|--|--|
| Ausgrid data <i>(provided from March 2022)</i> | <ul style="list-style-type: none"> • Trend ana ysis • Draft bus ness cases (as ava ab e) • Repex mode ng | <ul style="list-style-type: none"> • Deprec at on mode ng | <ul style="list-style-type: none"> • Draft opex mode ng • Est mates of step changes and OEFs • Esca ators |
| AER input requested | <ul style="list-style-type: none"> • Assessment aga nst AER gu de nes • E g b ty for targeted rev ew | <ul style="list-style-type: none"> • Feedback on mode ng approach | <ul style="list-style-type: none"> • Feedback on mode ng of base year opex, OEFs and step changes |



Ausgrid Engagement Framework

AUGUST 2021



Engagement narrative

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Who is Ausgrid?

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Why do we want to engage?

We are now reviewing our strategy for the future, including a plan for 2024 to 2029.

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We need your help to shape our future priorities. Without understanding your views and your needs, Ausgrid cannot continue to evolve and improve. We don't have all the answers, yet we need to make the best decisions for future generations.

We commit to listening and reflecting your views and priorities in our long-term strategy, including our plan for 2024 to 2029.

What's our goal?

Your participation will help us strive towards a future energy network that works for everyone; a network that is safe, smart, sustainable and resilient for generations to come.

About the framework

This document provides a framework for engaging Ausgrid’s customers and stakeholders during the development of a draft price proposal for 2024–2029.

About Ausgrid

We are the largest distributor of electricity on Australia’s east coast, providing power to 1.8 million customers. Our network is made up of substations, powerlines, underground cables and power poles, spanning 22,275 square kilometres throughout Sydney, the Central Coast and the Hunter Valley. Our vision is to become a leading energy solutions provider, recognised both locally and globally and our purpose is to connect communities and empower lives with a focus on affordability, reliability and sustainability.

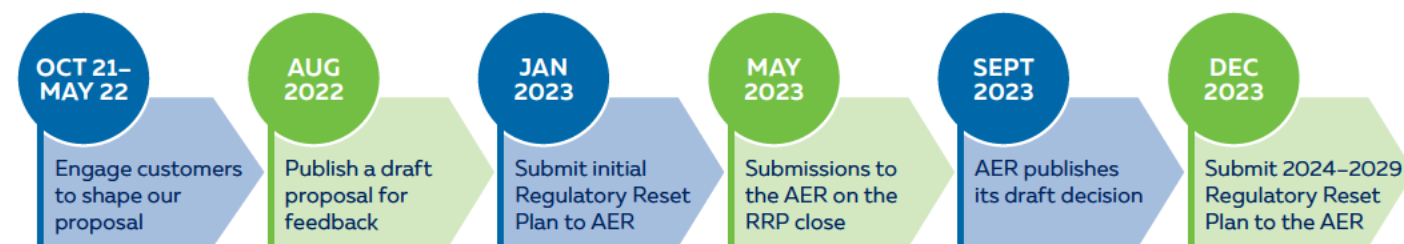
Regulatory reset 2024–2029

Every five years, Ausgrid is required to submit a proposal to the Australian Energy Regulator (AER) that details our proposed business operations and service delivery for the next five-year period. The reset proposal outlines

- our ongoing commitment to customers and community
- changes in our environment
- forecast expenditure
- asset base and depreciation
- revenue and tariffs
- customer price impacts.

The next reset will cover the years 2024 to 2029 and needs to be submitted to the AER by January 2023. The AER expects Ausgrid to engage extensively with its customers and stakeholders in the formation of the draft proposal and final plans to make sure there is evidence that they are in customers’ long-term interests.

A high-level program for the reset process is outlined below.



Why we need to engage

Consumer engagement and advocacy is playing an increasing role in shaping regulatory price proposals for DNSPs in the NEM. This trend is driven in part by improved international standards in consumer engagement by distribution businesses, and a desire by the AER to see price proposals which better demonstrate long-term customer benefit, by evidencing informed customer influence in their development.

In their recent Draft Decisions for the Victorian DNSPs the AER reference a new approach for assessing the impact on customer engagement of the regulatory proposal which highlights the need for tailored and supportive engagement, breadth and depth in the engagement topics, and clearly evidenced impact on the proposal. For Ausgrid these expectations provide a framework to support our journey towards industry leading customer engagement.

The 2014–19 regulatory period marked a turning point for Ausgrid with the AER and customer advocates critical of the efforts to meaningfully engage consumers in the development of price proposals, prompting the Public Interest Advocacy Centre (PIAC) to conduct an evaluation of NSW DNSP consumer engagement for the following regulatory period of 2019–24. Overall PIAC saw a measurable improvement in the engagement quality but called for engagement programs to have greater influence on the proposals.

The 2024–29 regulatory reset proposal provides us with an opportunity to bed down a step change toward best practice consumer engagement. By involving customers in our decision making, we can strive for an energy network that works for everyone

How we developed this plan

Ausgrid established the Reset Customer Panel (RCP) in June 2021 to provide independent challenge to the Reset process from a customer perspective. The RCP will provide deep consideration of the draft price proposal and deliver an independent report to the AER as to how well the proposal has been shaped by the customer and community engagement.

This Framework has been developed to guide broad engagement with customers and stakeholders. It was developed through a co-design process with the RCP as well as members of Ausgrid’s Customer Consultative Committee (CCC) and Network Innovation Advisory Committee (NIAC). The co-design process comprised three core online workshops to develop the building blocks of the framework, in addition to off-line ‘check-in’ meetings on the engagement narrative and questions.

IAP2 Spectrum and Core Values

Spectrum

We have used the IAP2 Spectrum to guide the design of our engagement approaches. We need to attain an ‘**involve**’ level of participation as a minimum for all customer streams, and a ‘**collaborate**’ level across most customer streams. However, some engagement activities will achieve the ‘**consult**’ level as a step in the process towards a higher level of participation.

Core values

In addition, evaluation will use the seven IAP2 Core Values to guide the planning and delivery of our Reset engagement program. The Core Values are:

1. Public participation is based on the belief that those who are affected by a decision have a right to be involved in the decision-making process.
2. Public participation includes the promise that the public’s contribution will influence the decision.
3. Public participation promotes sustainable decisions by recognising and communicating the needs and interests of all participants, including decision makers.
4. Public participation seeks out and facilitates the involvement of those potentially affected by or interested in a decision.
5. Public participation seeks input from participants in designing how they participate.
6. Public participation provides participants with the information they need to participate in a meaningful way.
7. Public participation communicates to participants how their input affected the decision.

IAP2 Spectrum of Public Participation



IAP2’s Spectrum of Public Participation was designed to assist with the selection of the level of participation that defines the public’s role in any public participation process. The Spectrum is used internationally, and it is found in public participation plans around the world.

| | | INCREASING IMPACT ON THE DECISION | | | | |
|---------------------------|-----------------------|--|--|---|---|--|
| | | 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. |
| | PROMISE TO THE PUBLIC | We will keep you informed. | We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. | We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision. | We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible. | We will implement what you decide. |

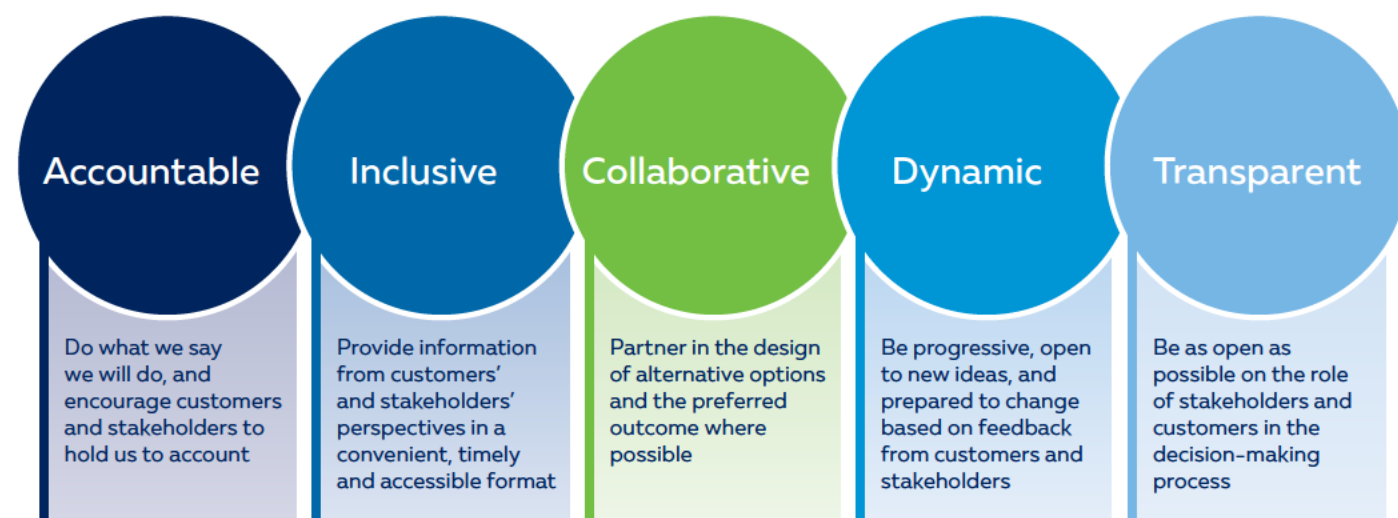
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Principles and objectives

The engagement approach will be guided by principles and objectives developed in partnership with customer advocates.

Principles

Our engagement principles are:



Objectives

Our engagement objectives are:

| Objective | Description |
|--|---|
| Builds trust and confidence | <ul style="list-style-type: none"> Allow open dialogue which challenges Ausgrid's approach and practices. Customers have trust in the process and rationale behind decisions, even if all positions are not agreed to. Stakeholders and customers have confidence that Ausgrid has genuinely listened and that investment decisions are in the long-term interests of customers. |
| Reaches diverse audiences | <ul style="list-style-type: none"> Engagement utilises approaches that enable diverse customers and stakeholders to meaningfully contribute Improved understanding of diverse customer preferences and how to address them through the regulatory reset process. |
| Understand customer aspirations and preferences | <ul style="list-style-type: none"> Engagement identifies customer preferences and views on current and future energy services and enables customers to shape our strategy and Reset Proposal. Customers views and preferences are seen to have impacted the Reset proposal. The engagement will be designed to capture both breadth and depth of views. |
| Drives cultural change | <ul style="list-style-type: none"> Builds stronger internal Ausgrid capability to continually deliver quality engagement and customer outcomes. Understanding customer needs and aspirations becomes a core competency and expectation for all Ausgrid employees. |
| Industry leading engagement | <ul style="list-style-type: none"> Ausgrid staff are proud of the industry leading engagement. Building on successful industry practices and evolving collaborative engagement. |

Governance

Strong Governance will ensure that what we hear from customers and stakeholders has a direct and tangible impact on decisions throughout the Regulatory Reset process. Our governance process provides clear roles for the Ausgrid Board, Executive, and Regulatory team, and for our customer advocates.

A successful proposal must meet the needs and expectations of customers by delivering enhanced value, while also being capable of acceptance by the AER and Ausgrid's board. To ensure the success of the reset proposal and engagement program, we have established a governance framework. Starting with our Regulatory Reset Executive Committee (RREC), which has members of the Ausgrid Board and Executive and will have end-to-end oversight of the regulatory reset process.

Board

The Ausgrid Board and CEO will receive updates from the RREC in board papers. The Board will have responsibility for endorsing the Reset Proposal before it is submitted to the AER and will consider key elements of the proposal during development.

Executive

Through the RREC the Ausgrid Executive collaborates with the Ausgrid Board ensuring alignment and transparency through all levels of Ausgrid management. The Executive will also have representation at meetings of the CCC and RCP throughout the development of the RP.

Regulatory Team

The Ausgrid regulatory team will prepare updates for the RREC and Board and be responsible for producing the RP. They will have representation at CCC and RCP meetings. The Regulatory Team will work closely with the RCP and be responsible for delivering and resourcing the customer and stakeholder engagement which will underpin the development of the RP and involving the wider Ausgrid business in the RP development.

Customer Consultative Committee

The CCC will assist Ausgrid by providing customer and external stakeholder views and input on Ausgrid's business activities, the environment and market within which Ausgrid operates, and Ausgrid's vision and aspirations for the future. The CCC will receive regular updates from the RCP on the progress of the RP and has extensive representation on the RCP. This will ensure that the RP is well aligned with customer values beyond 2029 and that the RP engagement is able to respond to issues and inputs from outside the regulatory reset process.

Reset Customer Panel

The RCP will represent the long-term perspectives of our customers and challenge Ausgrid on key issues relating to the 2024-29 Regulatory Reset. The RCP will monitor the effectiveness of the customer and stakeholder engagement during the development of the RP to ensure that each phase of engagement is informed by the customer feedback and values, and issues identified in the previous phase.






The RCP will act as observers to the reset engagement program by nominating 'sponsors' for each 'customer stream' and provide guidance on the topics and core questions to be addressed through the engagement. The RCP will meet monthly and as needed throughout the engagement program.

Our customers and stakeholders

Our customers and stakeholders are diverse and wide-ranging. Some we know and hear from regularly, others we don't. This is either because their role and relationship to the energy network is changing or emerging, or because structural, social or resource barriers have prevented us from forming a relationship with them.




Customer streams



We have arranged our customers and stakeholders into five main streams:

| Stream | About this stream | Why we need to engage |
|--|---|--|
|  <p>1. Household consumers</p> | This stream reaches individual energy consumers and bill-payers to discuss issues of cost, connection, and reliability. It also tackles individuals' knowledge, interest or confusion over energy issues, and the choices that arise from the changing energy sector. | Individual consumers are at the heart of our customer base. Understanding what they value from the energy network, and what they are willing to pay for, is a fundamental part of the Reset process. |
|  <p>2. Civil Society</p> | The Civil Society stream will help reach 'outlying' customer interests that lie in the margins of common customer pain points. Ausgrid must respond to these interests if it is to fulfil its role as an Essential Service Provider. | We must strive to identify and reach people that may be missed by other engagement approaches and build evidence for their representation in the cost allocation arising from the draft proposal. |
|  <p>3. Business customers and Councils</p> | This stream will reach our business and organisational customers: from the large multi-national to the small corner shop. Councils, which are major consumers of energy, also fall in this category (while acknowledging they are also strategic partners). | Like individual customers, we need to understand the changing needs of businesses as energy consumers. |
|  <p>4. Partners</p> | This stream will reach the organisations that are shaping the energy sector. This includes the Federal and State Government departments that set policy, and the energy supply chain, which is changing the way we generate, distribute and store energy. | We need to work with partners to understand the changing nature and direction of the energy sector. |
|  <p>5. Internal</p> | Our Board, our people and our contractors are vitally important to delivering good customer outcomes. | Internal stakeholders know and drive our business and interact with customers every day. They are invested in the Reset and are an integral part of the journey |

Customer groups

The image below summarises the key customer and stakeholder groups within each stream who we need to hear from during the Reset process. The engagement program will need to test and adapt this map as we hear from people and deepen our understanding of their interests, needs and aspirations.

| Stream | Group | Subgroups |
|--|-----------------------------------|--|
|  <p>1. Household consumers</p> | Prosumers | Solar customers Battery customers EV users |
| | Individual grid consumers | Bill payers Renters Low income customers Home builders Higher income customers Non solar-eligible customers Disinterested consumers Export price opponents Non - digital natives |
| | Regional, remote or rural | Bush fire affected consumers Regional, remote or rural customers Farmers |
|  <p>2. Civil Society</p> | Key voices | CALD Aboriginal Youth |
| | Community interest groups | Community Groups Local energy and environment groups Sporting groups Local activists |
| | Emergency services | RFS, SES, Ambulance |
|  <p>3. Business customers and Councils</p> | Vulnerable customers | Renters / low income Flood / bushfire prone Some embedded / intermittent connection |
| | Small business | Owner occupier Renter Rural and regional High consumption High dependence |
| | Large connection customers | Societal (hospitals, universities, schools) Commercial (Government agencies, property managers) Industrial (factories, data centres, manufacturers) |
| | Transport | TfNSW Operations (train, bus, metro, light rail, P2P) TfNSW strategy and policy TfNSW Point to Point Commission Retail oil companies Haulage and freight industry NRMA |
| | Councils | Councillors Officers |

| Stream | Group | Subgroups |
|--|--------------------------------------|--|
|  4. Partners | Elected representatives | Federal State |
| | State and Federal Departments | Federal policy makers State policy makers Emergency services (incl SES, RFS) |
| | Energy supply chain | Gentailers Retailers Aggregators Innovators Embedded network providers Solar installers ASPs |
| | Regulators | AER EWON IPART EPA |
|  5. Internal | Ausgrid | Ausgrid staff Ausgrid contactors |

Approach





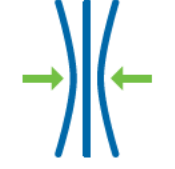

We will take a phased approach to engaging our customers during the Reset, set out meaningful topics clearly, and take care to overcome barriers to participation.

Engagement topics

Through internal discussion, and the co-design process with customer advocates, we identified six key topics that will define our business into the future, and which will be considered in depth during the Reset. The topics have defined a series of engagement questions that will be explored with customers throughout the Reset process. These questions will start at an exploratory and aspirational level,

before drilling down to examine trade-offs between investment, services and costs; and the impact of these trade-offs on tariffs and bills.

The topics and definitions are outlined below and the engagement questions are outlined in Appendix A. They are not intended to be used verbatim or prescriptively.

| Fair | Sustainable | Future network | Customer experience | Resilient | Value for money |
|---|--|---|--|---|--|
|  <p>Intergenerational equity No one left behind – access as well as pricing Who pays? – cost allocation</p> |  <p>Community values on net zero by 2050 Definitions of 'clean and sustainable' Cost vs net zero trade-offs The role of Ausgrid and DNSPs in transition.</p> |  <p>Changing customer and community expectations. Building social licence and trust Transparency of short- and long-term future network planning Encouraging DER across different geographic customer segments Understanding varying dependences on reliable supply and related consequences Creating shared value in the community The speed of Ausgrid's transition to clean and distributed energy</p> |  <p>Cost vs service level trade-offs Digitisation of services Customer communications Enhancing customer energy literacy Quality of service and bespoke experiences and outcomes</p> |  <p>Community expectations around resilience vs reliability Cost vs service level trade-offs Cost vs risk trade-offs Ausgrid's role during outages and extreme events Financial resilience Long-term asset strategy Cybersecurity</p> |  <p>What is 'value' from a customer and a DB perspective Role of Ausgrid in power bills and raising customer awareness Trade-offs between what customers would like and what represents value for money Return on investment Utilisation of assets Contribution / benefit towards the transition to net zero Community sharing / storage</p> |

Removing barriers

Our engagement approach is oriented around the needs, understanding and interests of customers and stakeholders and has been designed to build on each group's ability and capacity to engage.

Many of our customers and stakeholders may face cultural, resource, knowledge or structural barriers to participating in our engagement process. Some customers are familiar with the energy sector, have the resources to participate and will be confident to speak up. Others will have a lower level of understanding of energy issues and may not even be aware of Ausgrid's relevance to them. They may also be less confident to participate in traditional way, or have limited time, may not speak English as a first language or have limited access to technology. To address these barriers, we have developed the following commitments.

Engage broadly

Our customer and stakeholder base is broad: from the 'citizen consumer' to the 'home user' to major businesses and industry. We will adopt a variety of approaches to reach them all. We will also respond to the diversity of our customers' culture, language, demographic and socio-economic status and work with third parties and trusted community leaders to help us reach the 'missing voices'.

Listen, ask and provide feedback

We will listen to what customers have to say about their values, aspirations and understanding before we launch into topics that we consider important. We will ask them how they want to engage with us and why they choose not to engage – it could be because they are satisfied with the current state. We will provide authentic feedback on how we've acted on what we've heard so that people feel that engaging with Ausgrid is worthwhile.

Commit resources to engage well

We will provide the funding, the people and the resources to make sure we engage broadly and deeply through the Reset process. We will engage in places and spaces, and through methods, that suit our customers. We will hold events at the right time of day or week; and address customers' practical barriers to taking part – for example by arranging Ubers to take people to events, translating materials, contributing to childcare costs; providing mobile devices to those who don't have them, and giving incentives in return for time provided.

Offer "go to" and "come to" approaches

We have developed 'come to' and 'go to' engagement approaches to ensure we provide the space for people to engage to the best of their ability and capacity. 'Come to' approaches are generally more traditional and formal, and suited to groups with high levels of knowledge and capacity. 'Go to' approaches are more proactive on Ausgrid's part, less formal and happen in places and formats that are more familiar to the target stakeholder.

Provide clear and understandable information

Energy is a complex topic. We will build customers' energy literacy and understanding by providing clear, visually appealing and jargon-free information. In conjunction with our neighbouring network Endeavour, we will tailor language to the drivers and interests of consumers and translate key information into our network's three main languages: Arabic, Mandarin and Vietnamese.

Recognise the impacts of Covid-19

The pandemic has affected us all and caused stress and anxiety for many. We will recognise cumulative hardship and stress caused by lockdowns when we design our approaches and adapt our engagement approaches to take account of the need for digital and virtual engagement while public health orders are in place.

Phasing

The Reset engagement will take place over three key phases, linked to the stages of the overarching program. Public health restrictions will be in place

during Phase 1, so engagement will need to be delivered digitally, only transitioning to face to face if restrictions ease.

| Phase | Timing | Engagement phase focusses on |
|---|----------------------------|--|
| 1 Values and aspirations | September to December 2021 | <ul style="list-style-type: none"> providing customers with information and background to our key reset topics so they can contribute listening to customers to hear how they understand the topics gauging customer values and aspirations in relation to each topic asking customers how Ausgrid needs to change to meet their values and aspirations. |
| 2 Trade-offs | January to May 2022 | <ul style="list-style-type: none"> evaluating feedback from Phase 1 and modifying the onward engagement approach and questions, potentially moving to face to face engagement if restrictions ease gathering detailed feedback to shape the draft Plan holding in-depth discussions on trade-offs related to each topic, and the tariff and bill impacts of these trade-offs. |
| 3 Report back | September to December 2022 | <ul style="list-style-type: none"> reporting back to customers and stakeholders on how their feedback has shaped the draft proposal and getting feedback on how well customers felt their views were reflected, to help with final negotiations with the AER. |

RCP sponsors

Our draft regulatory proposal is more likely to represent the long-term interests of our customers if we seek the views of a **broad** cross section of the customer base; and get the **deep** consideration of knowledgeable and experienced customer advocates. We will link breadth and depth through the allocation of an RCP sponsor to some customer groups. The sponsors will provide oversight and advise on engagement with their nominated customer group and attend engagement activities were possible.

The RCP sponsors are:

Individual customers

- **Deliberative core** – Mike Swanston
- **Regional customers** – Tony Robinson
- **Key voices (CALD, Aboriginal, youth)** – Iain Maitland
- **Prosumers** – Grant Stepa
- **Civil society** – Gavin Dufty

Business customers

- **Large connection customers** – Mark Grenning
- **Transport** – Pascal Labouze
- **Councils** – Tony Robinson
- **Small business** – Tony Robinson

Program

Engagement activities have been tailored around customers' interests and capacity to engage and strive to attain a participation level of involve or collaborate on the IAP2 spectrum.



Household customers

The deliberative core

A series of three area-based deliberative forums will form the core spine of the engagement approach and will enable us to gain a good appreciation of regional variances in our customers' views. The forums will bring together a mini-public of customers in Hunter/Newcastle, Greater Sydney and the Central Coast, recruited through a mix of research, and broad, online, community engagement. Participants will be incentivised to attend through stipends and offered practical support to overcome participation barriers such as childcare, technology or transportation.

The deliberative stream will provide in-depth consideration of trade-offs across common 'pain points' such as energy security, affordability, remoteness or resilience to arrive at balanced compromises that serve the majority of customers. The 'charge' – ie the key question or questions that will be deliberated on – will be determined after an evaluation of the Phase 1 outcomes.

Approach

| Phase | Activity | Description | IAP2 level |
|-------|--|---|------------|
| 1 | Customer research | <ul style="list-style-type: none"> Phase 1 will begin research aimed at gauging the knowledge of, and values in relation to, the reset topics from a broad range of individual customers. This research could be used both to recruit for, and as an input to, the deliberative forums. | Consult |
| 1 | Online engagement: kitchen-table discussions | <ul style="list-style-type: none"> In addition to targeted research, an online engagement site will be established during Stage 1 – either on The Hive or Engagement HQ. This will provide background to the Reset engagement process and topics, and provide information in clear, visually engaging, and jargon-free ways. The site should make use of rich digital content such as infographics, animations, and videos. The site will also include a "kitchen-table" discussion pack that explores the key Phase 1 questions. This can be used by community groups to hold their own conversations in their own networks. The discussion pack should provide guidance on how to run conversations virtually: eg on Zoom, Teams or Google Hang outs. The results of each kitchen table discussion should be returned to Ausgrid for consideration and analysis. The responses would also be used to recruit for the deliberative process, providing the advantage that participants would come to that process familiar with the subject matter. Interviews may be used to filter participants prior to confirming their selection. The engagement site and prior engagement will be 'marketed' through social media, direct messaging to existing customer databases, and dissemination through civil society networks. | Involve |

| Phase | Activity | Description | IAP2 level |
|--------|--------------------------------|--|-------------|
| 1 2 | Area-based deliberative forums | <ul style="list-style-type: none"> Through research and the outcomes of the online engagement, we would identify participants for three deliberative forums in: <ol style="list-style-type: none"> Newcastle / Hunter Central Coast, and Greater Sydney. The forums will bring together a cross section of individual consumers spanning geography, demography and knowledge of energy issues. The forums will provide the core of the Reset engagement. The Forums would meet once during Phase 1 to establish ways of working and foundational understanding of the issues. They would then meet two to three times during Phase 2, each time narrowing down deliberations on key trade-offs. The trade-off 'charge' would be identified after Phase 1. Forum participants will be able to seek advice from the Youth, CALD and Aboriginal engagement streams (see below) as each process progresses. Given public health restrictions, forums will need to be held online, at least during Phase 1. Many people are juggling working from home and home-schooling, so consideration will be given to asynchronous and offline activities between forum gatherings to enable participants to contribute at times and in ways that suit. Participation would be incentivised by stipends set at a high-enough rate to attract representation across all segments. Additional payments and benefits may be needed to ensure participation. For example, contributions to child-care, catering, Broadband 'boosts', IT support and equipment. | Collaborate |
| 3 | TBD: 21st Century Town Hall | <ul style="list-style-type: none"> During Phase 3, we may bring together representatives from across our individual customer engagement activities to participate in a wide-ranging Town Hall forum to provide feedback on the draft plan. 21st Century Town Meetings are public forums that allow large numbers of participants across various locations to simultaneously deliberate on the same issue in small groups. The Forum would be conducted on and off-line and assumes that some capacity has been built within customer groups to participate. This would not replace the continued 'go to' engagement with key groups. | Collaborate |

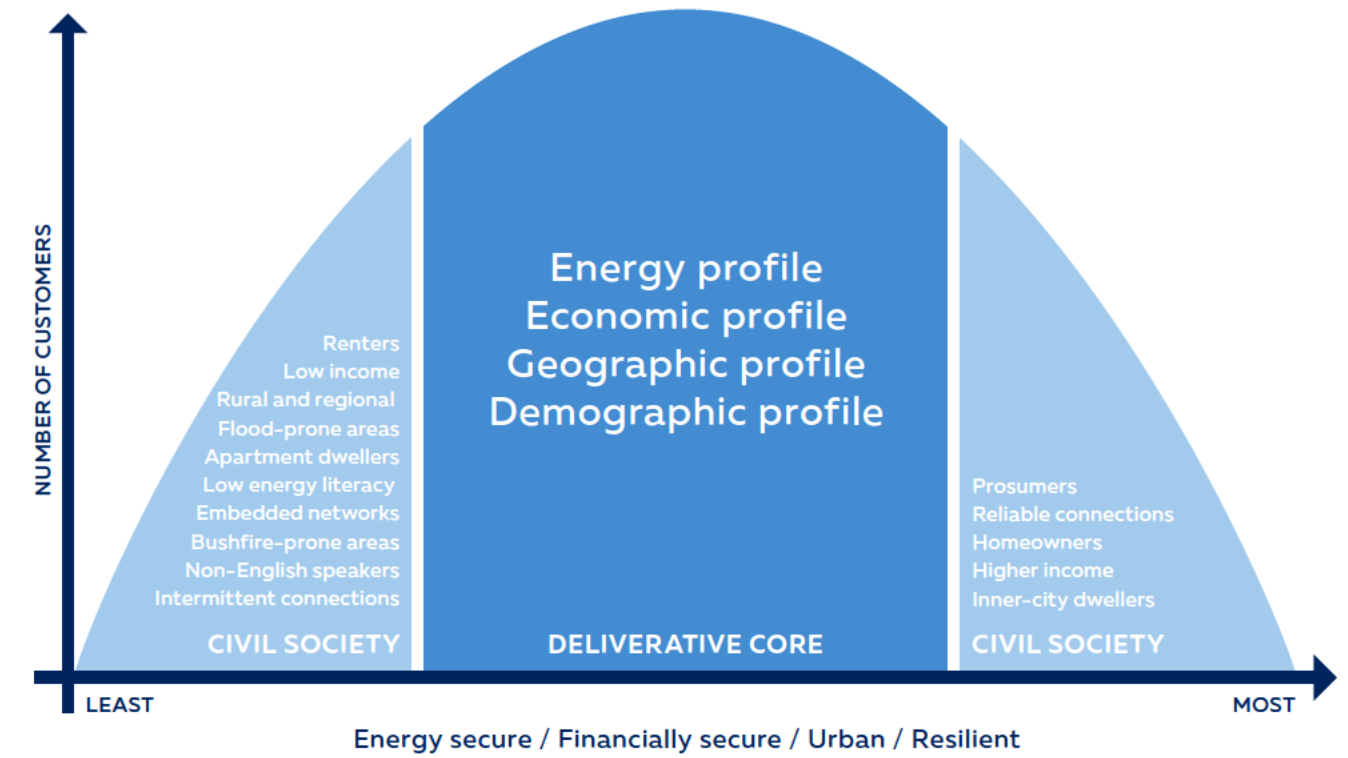
Key voices

Separate, 'go-to' engagement activities will run concurrently with the deliberative core to gain targeted insights from prosumers, non-English speaking groups and Aboriginal communities (and

potentially young people). Insights from these streams will feed into the deliberative process as information and views to be considered.

Approach

| Phase | Activity | Description | IAP2 level |
|-------------|--|--|-------------|
| 1 | Prosumer research | <ul style="list-style-type: none"> We will commission research into the values and aspirations of prosumers – both those who see themselves as such, and those who don't but whose behaviours are prosumer. This research could be conducted jointly with other DNSPs and could be used as an input to the deliberative forums. | Consult |
| 1 2 3 | In-language discussion circles | <ul style="list-style-type: none"> Specialist support will be sought to design in-language discussion circles with the two main language groups in our network: Arabic, and Mandarin, with a particular emphasis on small business owners. These communities are located in the Greater Sydney area with the largest Arabic speaking population in Canterbury-Bankstown, and the largest Mandarin speaking group in Georges River. The Vietnamese community spans over to Endeavour Energy's network and they will lead conversations with this language group, sharing insights with us. Discussions would take place during Phase 1 on values and aspirations, then during Phase 2 on trade-offs. A third session would be during Phase 3 to get feedback on the draft proposal. | Involve |
| 1 2 3 | Yarns with Aboriginal leaders | <ul style="list-style-type: none"> We will seek the advice of an aboriginal-owned business to help us build our knowledge of Country and cultural awareness. We hope to talk to Aboriginal knowledge holders and Land Councils throughout our network during Phase 1 to properly understand the impact of our assets on Country. We would then hope to co-design approaches for Phases 2 and 3 to build energy awareness in Aboriginal communities and gain insights on the future of our network. | Collaborate |
| 1 2 | TBD: Youth questionnaire and outreach, and Youth Forum | <ul style="list-style-type: none"> We will conduct a survey of young people to gauge their knowledge of, and values in relation to, our reset topics. This questionnaire would be distributed through student union members, social media and youth political groups. Through these outcomes we would identify participants for a cross-network Youth Forum that will meet during Phases 1 and 2. We will also explore opportunities to leverage existing youth forums as an alternative to a new one, (for example the NSW Youth Advisory Council, the Greater Sydney Council Youth Panel, or Youth Action Youth Advisory Network). | Involve |
| 3 | TBD: 21st Century Town Hall | <ul style="list-style-type: none"> Participants from the Key Voices stream could be invited to the 21st Century Town Hall event. However, this would be subject to the outcomes of the first two engagement phases. | Collaborate |



Civil society

The Civil Society stream will help reach 'outlying' customer interests that lie in the margins of common customer pain points. Ausgrid must respond to these interests if it is to fulfil its role as an Essential Service Provider.

The Civil Society stream will provide a way of identifying and reaching individuals that may be missed by other engagement approaches and build evidence for their representation in the cost allocation arising from the draft proposal.

The diagram above illustrates where the civil society stream sits in relation to the deliberative core and the types of customers that might be targeted depending on the pain point.

Approach

The stream will first mine customer data and front-line knowledge holders to understand where these pain points sit, before verifying this insight with community leaders (MPs and Councils), Not for Profit organisations, emergency services and care institutions.

We will then engage through the Reset online engagement portal to gain ideas on what Ausgrid could do to enhance its value proposition to more marginalised groups. Subject to what we hear, we may delve deeper during Phase 2 to begin developing and designing these solutions.

| Phase | Activity | Description | IAP2 level |
|-------|---|---|------------|
| 1 | Internal consultation and data collection | <ul style="list-style-type: none"> This stream will begin with an interrogation of customer complaints and feedback (eg to EWON and MPs) to understand the nature and location of customer 'pain points'. We will also talk to our front-line staff and contractors to ask what issues they are witnessing and with whom. This information will help us target broad engagement and outreach to community leaders. | Consult |

| Phase | Activity | Description | IAP2 level |
|--------|---|--|-------------|
| 1 | Structured interviews - key organisations | <ul style="list-style-type: none"> We will identify and approach key umbrella and professional organisations representing broad-based alliances, Not for Profit organisations, community groups and the care industry. We will approach identified organisations to request 'structured interviews' to garner insights into the energy challenges being faced, and opportunities being explored, by their members and constituents. We will also seek advice on how to reach their members and constituents during the Reset process. Depending on the interview outcomes, we would invite organisations to partner with us to explore ways and methods that ensure communities and vulnerable groups are not 'left behind' in the energy transition. We will also gauge their interest in an Energy Futures Forum to discuss these issues in a collaborative setting. | Involve |
| 1 2 | Online engagement | <ul style="list-style-type: none"> We will design a function on our online engagement platform outlining our known 'pain points' and asking for people's stories and ideas on how we could improve our service in these areas. The online engagement should be pushed out via social and traditional media in areas that we know these pain points are being experienced. | Consult |
| 2 | Spot engagements | <ul style="list-style-type: none"> Advice garnered from the structured interviews would shape "spot" engagements with a selection of community and vulnerable groups to provide indicative insight into energy issues. For example, these could include intercept surveys in flood-prone areas, with apartment dwellers, or in areas of intermittent connection. | Involve |
| 2 | Civil society energy forum | <ul style="list-style-type: none"> Subject to the advice gained in Phase 1, we would establish a civil society energy forum during the early part of Phase 2. It is unlikely the Forum will delve deep into the 'trade offs' articulated in our Phase 2 questions (see Appendix A). However, the outputs of the Forum should be used as an information input to the customer deliberative approach outlined below. | Collaborate |
| 3 | TBD: 21st Century Town Hall | <ul style="list-style-type: none"> Participants from the Civil Society stream could be invited to the 21st Century Town Hall event. However, this would be subject to the outcomes of the first two engagement phases. | Collaborate |



Business customers and councils

We will engage comprehensively with business customers and councils throughout the reset process through a series of one-on-one and group engagement activities. Separate streams of activity have been designed for small business, large connection customers, the transport sector and councils.

Small business

| Phase | Activity | Description | IAP2 level |
|-------|---|--|-------------|
| 1 | Small business profile | <ul style="list-style-type: none"> We will use internal information and data to profile typical small businesses in our network for example, a rural business that owns its premises, a tenant in a suburban shopping centre, an agricultural business, a retailer, a hospitality business etc etc). | Consult |
| 1 | Listening conversations with SMEs | <ul style="list-style-type: none"> We will head out to meet a random selection of small businesses of varying kinds guided by our profiling. The purpose of these meetings is to listen to what small businesses are experiencing in relation to energy use, and use the feedback as an input to subsequent engagement activities. | Consult |
| 1 | Structured interviews with industry organisations | <ul style="list-style-type: none"> In addition, we will approach industry organisations representing small business to conduct structured interviews. These could include the Small Business of Australia Association, and the Council of Small Business Associations Australia. Both organisations advocate around climate change and energy. We will undertake one-on-one conversations with these organisations to understand the key issues affecting their members. | Consult |
| 2 | Spot engagements | <ul style="list-style-type: none"> Advice garnered from Phase 1 activities would shape further engagements with a selection of small businesses to provide indicative insight into energy issues. | Involve |
| 2 | Reset topic forums | <ul style="list-style-type: none"> We will invite stakeholders to participate in a series of forums throughout Phase 2, structured around our reset topics and questions. | Collaborate |
| 3 | TBD: Energy Industry Forum | <ul style="list-style-type: none"> Subject to how conversations with partners progress, during Phase 3, we may bring together representatives from across the industry and business stream to provide feedback on the draft Proposal. | Collaborate |

Large connection customers

| Phase | Activity | Description | IAP2 level |
|-------|------------------------------------|--|-------------|
| 1 | One-on-one deep-dive conversations | <ul style="list-style-type: none"> We will undertake one-on-one conversations with our top 20 large-connection customers to gauge understanding and values in relation to our key topics, in addition to tailored questions. | Involve |
| 2 | Reset topic forums | <ul style="list-style-type: none"> We will invite stakeholders to participate in a series of forums throughout Phase 2, structured around our reset topics and questions. | Collaborate |
| 3 | TBD: Energy Industry Forum | <ul style="list-style-type: none"> Subject to how conversations with partners progress, during Phase 3, we may bring together representatives from across the industry and business stream to provide feedback on the draft Proposal. | Collaborate |

Transport

| Phase | Activity | Description | IAP2 level |
|-------|----------------------------|--|-------------|
| 1 | Transport sector | <ul style="list-style-type: none"> We will conduct desktop research into lessons learnt on the introduction of EVs and Zero Emission transport in countries that are much more advanced than Australia. We would hold a series of deep-dive conversations with industry segments within the Transport group during Phase 1. This will be informed by the desk top research exercise. These would seek to understand the impacts of electrification on private-sector bus and rail operators, on the Point to Point industry and freight companies. It would also reach out to oil companies who may be transitioning their retail gas stations to charging hubs. These conversations would seek the potential benefits of an Energy in Transport workshop during Stage 2 and could potentially be held in conjunction other DNSPs. | Involve |
| 2 | Energy in transport Forum | <ul style="list-style-type: none"> We will invite stakeholders to participate in an Energy in Transport Forum. | Collaborate |
| 3 | TBD: Energy Industry Forum | <ul style="list-style-type: none"> Subject to how conversations with partners progress, during Phase 3, we may bring together representatives from across the industry and business stream to provide feedback on the draft Proposal. | Collaborate |

Councils

| Phase | Activity | Description | IAP2 level |
|-------|---------------------------------|--|-------------|
| 1 | Council deep dive conversations | <ul style="list-style-type: none"> Following on from the Nous research, have targeted conversations to identify key issues and interested councils. These would include specific sub-groups eg vegetation management and street lighting. | Involve |
| 2 | Council subgroups | <ul style="list-style-type: none"> We will conduct issue-specific subgroups as identified during Phase 1 | Collaborate |
| 3 | | | |



Partners

This stream will reach the organisations that are shaping the energy sector. This includes the Federal and State Government departments that set policy,

and the energy supply chain, which is changing the way we generate, distribute and store energy.

Energy supply chain

| Phase | Activity | Description | IAP2 level |
|-------|-------------------------------------|--|-------------|
| 1 | One-on-one deep-dive conversations | <ul style="list-style-type: none"> We will undertake one-on-one conversations with key partners in the energy sector to gauge understanding and values in relation to our key topics, in addition to tailored questions. The conversations will also gauge interest in reset topic forums in Phase 1 and 2. These conversations will be held separately with representatives from each supply chain category: gentailers, retailers, aggregators, innovators, embedded network providers, solar installers and ASPs. Conversations will be held one-on-one as some, for example gentailers, may not be willing to share information with other organisations in the room. Where possible, the conversations will be held jointly with other DNSPs as many are common across networks | Involve |
| 2 | Reset topic working groups | <ul style="list-style-type: none"> We will invite stakeholders to participate in a series of working groups throughout Phase 2, structured around our reset topics and questions. | Collaborate |
| 3 | TBD: Energy Industry Feedback Forum | <ul style="list-style-type: none"> Subject to how conversations with partners progress, during Phase 3, we may bring together representatives from across the industry and business stream to provide feedback on the draft Proposal. | Collaborate |

Federal and State Government

| Phase | Activity | Description | IAP2 level |
|-------|----------------------------|---|-------------|
| 1 | Deep dive conversations | <ul style="list-style-type: none"> We will invite Federal and State Government stakeholders to participate in a series of one-on-one conversations as part of ongoing programs of interviews with key stakeholders. These would take place throughout Phases 1 and 2 structured around our reset topics and questions. These conversations will include meetings with TfNSW, delivered as part of the Transport stream above. | Collaborate |
| 2 | Energy in transport Forum | <ul style="list-style-type: none"> We will invite stakeholders to participate in a series of forums throughout Phase 2, structured around our reset topics and questions. | Collaborate |
| 3 | TBD: Energy Industry Forum | <ul style="list-style-type: none"> Subject to how conversations with government, industry, and business customer progress, during Phase 3, we may bring together representatives from across these stakeholder groups to provide feedback on the draft Proposal. | Collaborate |



Internal

Internal engagement will be subject to a separate engagement plan.

Program at a glance

| | | | Engagement to shape the Draft Plan | | | | Draft Plan | Confirm and refine the Plan | | |
|-----------------------------|-----------------|---|--|---|---|--|---------------------|-------------------------------------|--|--|
| | | | Phase 1: September to December 2021 | | Phase 2: January to May 2022 | | June to August 2022 | Phase 3: September to December 2022 | | |
| Group | RCP sponsor | About | | | | | | | | |
| | | | Fair; sustainable; future network; customer experience; resilient; value for money What do these topics mean to you? How does Ausgrid need to change to... | | Fair; sustainable; future network; resilient; customer experience; value for money Trade-off questions - to be developed Tariff / pricing questions - to be developed | | | | | |
| INDIVIDUAL CUSTOMERS | | | | | | | | | | |
| Prosumers | Grant Stepa | Phase 1 'goes to' groups via research and community leaders. Participants are identified for 1) area-based deliberative forums and 2) a cross-network youth forum. The Forums seek advice from 'key voices' throughout the deliberative process. Phase 2 continues "go-to" approaches for 'key voices'. Phase 3 brings a selection of all participants together for a 21C Town Hall event (TBD) | Planning | Research on prosumer aspirations (identified and non-identified) | Deliberative forums Greater Syd/ Hunter / Central Coast & Newcastle | Follow-up research - prosumers | Midway evaluation | TBD: 21st Century Town Hall | | |
| Individual consumers-grid | Mike Swanston | | | Consumer research on values and aspirations | | Deliberative forums Forum 2: Aspirations and trade-offs | | | Deliberative forums Forum 3: Trade-offs 2 | Deliberative forums Forum 4: Where we've landed |
| Regional, remote or rural | Tony Robinson | | | Online engagement | | Deliberative forums Forum 2: Aspirations and trade-offs | | | Deliberative forums Forum 3: Trade-offs 2 | Deliberative forums Forum 4: Where we've landed |
| Key voices | Iain Maitland | | | Youth research In-language focus groups Indigenous engagement | | Youth Forum In-language focus groups Indigenous engagement | | | Youth Forum In-language focus groups Indigenous engagement | Youth Forum In-language focus groups Indigenous engagement |
| CIVIC SOCIETY | | | | | | | | | | |
| Community interest groups | Gavin Duffy | Step 1: mines data, listens to peak groups, reaches out to community leaders, and seeks stories and ideas online. Step 2: brings groups together for a Civil society Forum and continues other activities | Internal consultation and data collection | Structured conversations with key civil society groups | Midway evaluation | Civil society forum | Midway evaluation | TBD: 21st Century Town Hall | | |
| Emergency services | | | | Initial outreach to MPs and Councils | | Spot engagement activities | | | | |
| Vulnerable customers | | | | Online engagement to uncover stories and seek ideas on no-one left behind | | Online engagement | | | | |
| BUSINESS CUSTOMERS | | | | | | | | | | |
| Small business | Tony Robinson | Phase 1 'goes to' stakeholders for deep-dive conversations or structured interviews on high-level topics, and tailored questions. Purpose is to listen, understand positions, and gauge appetite for ongoing engagement. Phase 2 brings stakeholders within each group together to discuss trade-offs. Phase 3 is an industry-wide forum to feed back on the draft plan | Small business profiling | Structured interviews with Peak groups | Listening engagement with random SMEs | Spot engagements, subject to Phase 1 outcomes | Midway evaluation | TBD: Energy Industry Forum | | |
| Councils | Tony Robinson | | Stakeholder mapping | Deep-dive conversations | | Council issue-specific sub groups | | | | |
| Large connection customers | Mark Grenning | | | Deep-dive conversations | | Reset topic forums | | | | |
| Transport | Pascale Labouze | | | Deep-dive conversations | | Energy in Transport forum | | | | |
| PARTNERS | | | | | | | | | | |
| Regulators | N/A | Phase 1 deep-dive conversations on high-level topics. Purpose is to listen, understand, and gauge appetite for ongoing engagement. Phase 2 brings stakeholders together to discuss trade-offs. Phase 3 is an industry-wide forum to feed back on the draft plan | Stakeholder mapping | TBD | TBD | TBD | Midway evaluation | TBD: Energy Industry Forum | | |
| Federal supply chain | Louise Benjamin | | | Deep-dive conversations | Reset topic forums | | | | | |
| Energy supply chain | Mark Grenning | | | Deep-dive conversations | Reset working groups with energy supply chain | | | | | |
| INTERNAL | | | | | | | | | | |
| Ausgrid | N/A | Internal comms on Nexus and Reset | | | | | | | | |

KEY

| | | | | | |
|--|--|--|--|--|--|
| Industry, business "go to" | Industry, business "come to" | Government 'go to' | Government 'come to' | Individual consumers "go to" | Individual consumers "come to" |
| Civic society "go to" | Civic society 'come to' | Ausgrid task | Joint DNSP activity | | |

Evaluation

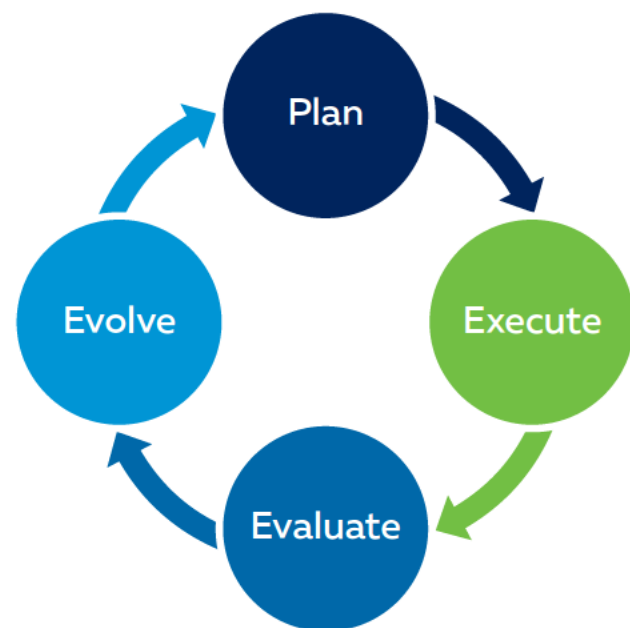
Capturing feedback accurately will ensure we identify themes and issues across our engagement topics and balance them with other considerations in the Reset process. Evaluation will help us continuously improve our engagement approach so that we are reaching the right voices and garnering the insight to shape our draft proposal in our customers' interests.

Approach

Throughout this Reset process, we will adopt an iterative approach to refining and improving our stakeholder and customer engagement. This will be delivered through the four steps outlined to the right.

Our evaluation will be conducted by the Ausgrid team at every phase of the Reset process, and we will also build in external validation and critique to help us strive for continuous improvement.

Evaluation will focus on **what we heard** from stakeholders and **how we are doing** in terms of the quality of our engagement and meeting our commitments.



We will also benchmark what customers and stakeholders think about our engagement approach to date. This will help ensure we capture feedback on the Reset content and evaluate the effectiveness and quality of our engagement process. The table below sets out how benchmarks will be set for engagement process and quality.

Benchmarking

At the beginning of the Reset engagement program, we will review existing information to benchmark what we know about customer understanding and values in relation to our Reset topics. We are undertaking a 'no regrets' piece of work to capture current information and data about customer knowledge and aspirations related to our Reset topics. The No Regrets work will be used to modify our engagement approach, and as an input to conversations with customers.

| | Process | Quality |
|--------------------------|---|---|
| Purpose | To capture how we are doing with our engagement from the customers' perspectives. | To establish the minimum standard for engagement quality. |
| Activity | <p>Participant satisfaction survey</p> <p>A simple survey with n=xx existing stakeholders and customers will benchmark satisfaction:</p> <ul style="list-style-type: none"> How do you rate the Ausgrid people you deal with? How do you rate the information that Ausgrid provides you? How do you rate the way you are engaged? To what extent do you feel your feedback is acted upon? <p>NB: full evaluation survey will need to be developed.</p> | <p>Engagement objectives</p> <p>Collaboration with the RCP to develop and endorse engagement objectives.</p> <p>Participation level</p> <p>Internal discussion to set participation levels (against the IAP2 spectrum) and RCP endorsement of engagement framework.</p> |
| Metric to set | <ul style="list-style-type: none"> Minimum overall satisfaction rating (xx%) across all events. Minimum satisfaction rating (xx%) within streams (Government, industry, individual; CALD, youth, aboriginal, and Civil society) | Objectives and participation levels to attain |
| Evaluation method | <ul style="list-style-type: none"> Completion of evaluation survey at the end of each event or set of events Aggregated satisfaction levels overall and per stream. Interviews by external evaluator. | <ul style="list-style-type: none"> Internal and RCP evaluation at milestones External evaluation at milestones Milestones in January and May 2022, and December 2023. |

Feedback capture

At the end of **each engagement event**, or series of engagement events, the Ausgrid team will summarise feedback received in a template. This template will outline the Engagement date, forum, venue and stakeholders; and summarise the Reset topics covered, and the feedback received. The team will set a KPI to ensure that feedback templates are completed for 80% of engagement events.

In addition, participants will be asked to complete a satisfaction survey comprising four consistent evaluation questions. These will be:

- How would you rate the Ausgrid people who you dealt with?** Were they knowledgeable, approachable, clear, friendly?
- How would you rate the information that was provided to you?** Was it clear, understandable, in a language you understand?
- How would you rate the way you were engaged?** Was it at a time and in a place that suited you? Were you given help to take part?
- To what extent do you feel your feedback will be acted upon?** Do you feel you were heard? Do you trust Ausgrid to act?

All feedback and survey results will be recorded in Tractivity, which will be the chosen platform for stakeholder monitoring and evaluation. The team will aim to achieve the minimum overall satisfaction rating (70%) across all events, and 70% within streams (Government, industry individual; CALD, youth, aboriginal, and Civil society)

Evaluation

Midway evaluation

At the end of **each engagement phase** (in January and May 2022, and December 2022) the Ausgrid team and RCP will undertake a Midway evaluation, using the summarised feedback to determine:

- what we have heard and how might we modify engagement questions for the next phase
- what cross-cutting themes are emerging across customer and stakeholder groups and
- how we might begin to address key issues in the draft proposal
- what do customers think of our engagement, and how we might modify approaches for the next phase.

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Appendix

A. Engagement questions

| | | Fair | Place | Phase 1: Understanding values and aspirations (October – December 2021) | Understanding trade-offs | Verifying the next five years | |
|---------|---------|---|--|--|--|-------------------------------|--|
| | | Fair | Personalised | | Phase 2: (January – May 2022) | | |
| New-pin | CCC/RCP | Intergenerational equity No one left behind Who pays? | One size does not fit all Treat cohorts in a continuum differently. | | New-pin | CCC/RPC | |
| Fair | Fair | <p>Description</p> <ul style="list-style-type: none"> Intergenerational equity No one left behind – access as well as pricing Who pays? – cost allocation <p>To note for design:</p> <ul style="list-style-type: none"> Consistent tense and use of future time ‘intervals’ for common time horizon – note for approach | <p>Definitions</p> <ol style="list-style-type: none"> What does fairness mean to you? What does vulnerability mean to you? What does “not leaving anyone behind” mean to you? What does fairness mean to you in relation to energy? What does energy vulnerability mean to you? What does “not leaving anyone behind” mean to you in the context of energy? Is vulnerability static, or does it change over time? How? <p>Values and aspirations</p> <ol style="list-style-type: none"> If a particular decision makes some people worse-off, but the community as a whole better off, is this fair? Is it fair to make people worse off today if it makes future generations better off (and vice versa)? If you are generally satisfied with your life, is it important to you to know if you are being treated fairly? There can be disparities in the way people access (engage with) electricity based on geography / technology / finances / living conditions or other factors. Do you think this is fair? Why/why not? If access to support measures was only improved for some vulnerable customers but not all, would this improve fairness in outcomes for the community? What would make the transition to renewables fairer? What would make a transition to EV's fair? <p>Roles and responsibilities</p> <ol style="list-style-type: none"> Do you think enough is being done in NSW to support vulnerable people and businesses? Who do you see as responsible for ensuring you are getting a fair deal for your electricity supply? What can be done to make access to a good energy deal fairer? What responsibilities should landlords have to tenants in relation to fairness in energy supply and heating/cooling including energy efficiency, access to solar/batteries, and home insulation? What if anything should Ausgrid change to make things fairer? How does this differ to other parties involved in supplying power to NSW communities? | <p>Present options to address phase 1 feedback</p> <p>Trade offs</p> <ol style="list-style-type: none"> We make long-term investments that impact current and future generations. How should we understand what future generations value? How do we balance this against the needs of current customers? Given the suggestions made last year to make energy fairer and considering how the cost of these is spread across many customers, would you consider paying more to make energy supply fairer for others in your community today? Would you consider paying more to make energy supply fairer for future generations? What should Ausgrid consider when investing in initiatives that might support vulnerable people? Is addressing fairness – by Ausgrid implementing these initiatives – more or less important than other changes Ausgrid could make? If we could offer a price reduction of 10%, should all of our customers receive the same 10% price reduction? Or are there circumstances where some should receive a greater reduction, meaning some get less of a reduction? Is “user-pays” always a fair approach to pricing? Should there ever be exceptions to the user-pays? In some cases, the service Ausgrid provides may vary from household to household or business to business. How can this be done fairly? Community batteries may become more prevalent in local neighbourhoods. What opportunities or risks to you see to community batteries improving fairness in energy supply for our communities? | <p>Specific questions will be driven from phase 2A (understanding trade-offs) – but could be across the following topics for example:</p> <ol style="list-style-type: none"> Solar export tariffs and rewards Public EV charging tariffs Tariff structures and transitional/complementary measures Connection policies Embedded networks Vulnerable customer initiatives Our role funding customer representatives (additional funding) Replacement/maintenance trade-offs Electronic vs written comms options (e.g. SMS for outages) Community energy – our role | | |

| | | Fair | Place | Phase 1: Understanding values and aspirations (October – December 2021) | Understanding trade-offs | Verifying the next five years | |
|---------|---------|---|---|---|---|-------------------------------|--|
| | | Fair | Personalised | | Phase 2: (January – May 2022) | | |
| New-pin | CCC/RCP | Intergenerational equity No one left behind Who pays? | One size does not fit all Treat cohorts in a continuum differently. | | | | |
| New-pin | CCC/RPC | Clean | Sustainable | | | | |
| | | Description <ul style="list-style-type: none"> Community values on net zero by 2050 Definitions of 'clean and sustainable' Cost vs net zero trade-offs The role of Ausgrid and DNSPs in transition. To note for design <ul style="list-style-type: none"> Approach – need to provide context so customers make suggestions for Ausgrid actions that fit within the organisation's remit and capabilities | Definitions <ol style="list-style-type: none"> What does sustainable mean to you? What does net zero mean to you? What does energy sustainability mean to you? Values and aspirations <ol style="list-style-type: none"> Is responding to climate change important to you? Do you think its importance to you has decreased/ increased/ stayed same over the past 10 years? What should determine how a business responds to climate change and how quickly? e.g. commercial priorities, community priorities, government priorities, shareholder priorities? Think about businesses looking to achieve net zero emissions ('the transition')? How quickly should they move? What actions should they take? What reporting should they provide? Some countries are starting to implement bans on the sale of petrol/diesel cars. What do you think about this? Do you plan on installing solar panels or a battery soon? What factors influence your decision? Do you plan on buying an EV soon? What factors influence your decision? Is increased solar and batteries on the network good, even if not everyone can do it? Roles and responsibilities <ol style="list-style-type: none"> What do you think Ausgrid should be doing in relation to sustainability and climate change in their business operation or in relation to the grid? And by when? What is the role of Ausgrid in driving social change? What is the role of Government (local, state and federal) vs the role of energy companies in responding to climate change? What could Ausgrid offer to customers to help them participate more greatly to net zero objectives? | Present options to address phase 1 feedback Trade offs <ol style="list-style-type: none"> If some community members do not think that responding to climate change is particularly important, is it fair if they still pay for initiatives that respond to climate change? How much more are you willing to pay to decarbonise the energy system? What information do you need to make this decision? Is addressing net zero emission – by Ausgrid implementing these initiatives – more or less important than other changes Ausgrid could make? Should the cost of the energy system's response to climate change be separately reported on customer bills? How do you balance more information with bill complexity? If there is a cost or a saving in 'the transition' <ol style="list-style-type: none"> Who should pay that price or reap the reward? How much should customers contribute or benefit – and how is it shared between customer cohorts? If there is an upfront cost for a longer-term saving, how should that be managed? How do we balance user pays and the ability/capacity to respond/ participate in the market? How should we ensure the benefits of the transition are captured? | Specific questions will be driven from phase 2A (understanding trade-offs) – but could be across the following topics for example: <ol style="list-style-type: none"> Solar export tariffs and rewards Public EV charging tariffs Connection policies Community energy – our role Measures of success NSW electricity infrastructure roadmap Diversity and Inclusion programs First Nations Issues Tree Pruning and replacement programs Community initiatives and social enterprise Modern Slavery Public / community safety programs | | |

| | | Fair | Place | Phase 1: Understanding values and aspirations (October – December 2021) | Understanding trade-offs | Verifying the next five years | |
|---------|----------------|--|---|--|---|-------------------------------|--|
| | | Fair | Personalised | | Phase 2: (January – May 2022) | | |
| New-pin | CCC/RCP | Intergenerational equity No one left behind Who pays? | One size does not fit all Treat cohorts in a continuum differently. | | | | |
| New-pin | CCC/RCP | | | | | | |
| (none) | Future network | Description <ul style="list-style-type: none"> Changing customer and community expectations. Building social licence and trust Transparency of short- and long-term future network planning Encouraging DER across different geographic customer segments Understanding varying dependences on reliable supply and related consequences Creating shared value in the community The speed of Ausgrid's transition to clean and distributed energy To note for design <ul style="list-style-type: none"> Provide people with support to visualise 2050 Unpack the 'Power of Choice' | Definitions <ol style="list-style-type: none"> What does the phrase "electricity network" evoke in your mind? What are the characteristics of businesses you trust? Values and aspirations <ol style="list-style-type: none"> Paint a series of alternative future customer scenarios – which future/s are appealing? What do you like or dislike about them? How do you think you (or your children or grandchildren) will be living in 2030? What about 2050? How do you think you might be using electricity in 2030? What about 2050? Do you think you will be generating your own electricity in 2030? What changes might there be to the appliances you have? What does this mean for what electricity network might look like at these points in time? What industries do you think are leading and laggards when it comes to technological innovation? How would you rate your electricity service? <ol style="list-style-type: none"> And your Retailer? And your network provider? How do we meet customer expectations that networks will reasonably accommodate new technologies like solar, batteries, electric vehicles? Do you see yourself benefiting from the transition to solar? <ol style="list-style-type: none"> Does the transition to renewables suit your needs? Are there people of business that benefit more than others? Roles and responsibilities <ol style="list-style-type: none"> What is the role of a business in supporting the community? What is the role of electricity networks in our community? How should networks support the transition to more distributed energy sources? Should Ausgrid change how it supports customers with different needs? Should Ausgrid drive the vision for the future or should it simply facilitate the community wants? Does Ausgrid have a role in advocating for changes that our customers want even where we may have no direct influence or interest in the outcome Would you like Ausgrid to play a role in explaining the opportunities offered by new technologies, and in facilitating access to them? | Present options to address phase 1 feedback Trade offs <ol style="list-style-type: none"> Given the future is uncertain, how should Ausgrid prioritise its investment in electricity services going forward? Should we plan to meet all futures (which could be more expensive)? Or try and pick winners (less expensive)? Is preparing for the future more or less important than other changes Ausgrid could make? What is an acceptable price to pay for future planning and modernisation of the grid? As people diverge their use of electricity, how should that be reflected in the price they pay? How should Ausgrid earn greater trust from the community? How do the community's aspirations align with the Power Of Choice aspirations and are all the relevant Power Of Choice aspirations still relevant some 10 years on? | Specific questions will be driven from phase 2A (understanding trade-offs) – but could be across the following topics for example: <ol style="list-style-type: none"> Grid modernisation expenditure Two-way market facilitation – LUOS and peer to peer trading. DER hosting expenditure Solar export tariffs and rewards Role of NIAC / innovation funding Role of networks vs role of others. | | |

| | | Fair | Place | Phase 1: Understanding values and aspirations (October – December 2021) | Understanding trade-offs | Verifying the next five years |
|-----------------|---------------------|---|---|--|--|-------------------------------|
| | | Fair | Personalised | | Phase 2: (January – May 2022) | |
| New-pin | CCC/RCP | Intergenerational equity No one left behind Who pays? | One size does not fit all Treat cohorts in a continuum differently. | | | |
| New-pin | CCC/RPC | | | | | |
| Quality service | Customer experience | Description <ul style="list-style-type: none"> Cost vs service level trade-offs Digitisation of services Customer communications Enhancing customer energy literacy Quality of service and bespoke experiences and outcomes | Definitions <ol style="list-style-type: none"> What does good service mean to you? Your views on 'good service' in general <ul style="list-style-type: none"> What are the features of good service? How have your expectations of good service changed over the last 5 years? What would good service look like in 5 years? Values and aspirations <ol style="list-style-type: none"> What do you need from your electricity supply? <ul style="list-style-type: none"> What, how and when? Does Ausgrid deliver on its promises? Do we keep our promises? Do we keep you informed? Your views on 'good service' from network businesses <ul style="list-style-type: none"> What services do you expect from an electricity network? When it comes to electricity what aspects of good service are important? When do you need or expect the different aspects of service? What services would you like from an electricity network? How do your circumstances impact the level of service you'd like or expect? What value do you place on having access to real time usage information? Should we shape our services to respond to the needs of particular groups? If so how? Should we increase energy literacy / people's ability to access a good energy deal or energy services? If so how? Do you feel you have enough information about the energy market/options available to you? Do you think there is enough information available on electricity? What if any information is not available or hard to get? Roles and responsibilities <ol style="list-style-type: none"> Whose responsibility is it to ensure people understand the energy services available to them? Whose responsibility is it to ensure people understand the services DNSPs are required to provide? | Present options to address phase 1 feedback Trade offs <ol style="list-style-type: none"> Are there some elements of your electricity supply experience which you think are out-dated and should be modernised? Which of the options presented do you think Ausgrid should pursue? Is improving customer service more or less important than other changes Ausgrid could make? Over what period should the upfront costs of improved efficiency be paid back? Refining priorities <ol style="list-style-type: none"> Is your preference contact by phone or self-serve? How do you want to receive service? Personalised vs mass communications – where do we find the sweet spot? | Specific questions will be driven from phase 2A (understanding trade-offs) – but could be across the following topics for example: <ol style="list-style-type: none"> CSIS – approach and measures Reporting Improving experience/ease at specific touchpoints and potential implications for investment (e.g. digital solutions, battery during planned outages). | |

| New-pin | | Fair | Place | Phase 1: Understanding values and aspirations (October – December 2021) | Understanding trade-offs | Verifying the next five years | |
|-----------|-----------|---|--|--|---|--|--|
| CCC/RCP | | Fair | Personalised | | Phase 2: (January – May 2022) | | |
| New-pin | | CCC/RCP | | | | | |
| Resilient | Resilient | <p>Description</p> <ul style="list-style-type: none"> Community expectations around resilience vs reliability Cost vs service level trade-offs Cost vs risk trade-offs Ausgrid's role during outages and extreme events Financial resilience Long-term asset strategy Cybersecurity <p>To note in design:</p> <ul style="list-style-type: none"> Recognise the different starting lines for people's understand and views of resilience | <p>Place</p> <p>Intergenerational equity</p> <p>No one left behind</p> <p>Who pays?</p> <p>One size does not fit all</p> <p>Treat cohorts in a continuum differently.</p> | <p>Definitions</p> <ol style="list-style-type: none"> What does resilience mean to you? (Consider asking after discussing the impacts of outages) What impact does an electricity network's resilience have on you? <p>Values and aspirations</p> <ol style="list-style-type: none"> What are the features of a resilient community? How resilient do you think our communities are? How might their levels of resilience differ? Why do you think this is? How resilient is your household? What would a resilient electricity network look like? Your views on power outages: <ol style="list-style-type: none"> What are the impacts to you or your business of an outage (30min – 3 days – break down into smaller increments)? In what circumstances is an outage acceptable? (forced and planned etc.) Your understanding of resilience threats <ol style="list-style-type: none"> What do you think are the biggest threats to a stable electricity network? How do you think these threats will change over time? How much of a gap, if any, is there between your expectation of the network's resilience when there is a loss of supply (i.e. due to extreme events) and the current reality? Including at what point (in loss of agency) should Ausgrid intervene? Should Ausgrid make the network more secure than it is today? <p>Roles and responsibilities</p> <ol style="list-style-type: none"> Who should be responsible for the resilience of our community to extreme weather and natural disasters (i.e. pre-emptive)? What do you expect of your distributor during natural disasters or other outages? What is Ausgrid's role in making your community more resilient to extreme weather events? What is an appropriate level of understanding/education on new installations etc.? Is it Ausgrid's role to educate customers about how Solar PV will operate in a daytime grid outage, how backup circuits operate and what it means to have a backup circuit, (how long it will last, what should I use it for etc)? | <p>Present options to address phase 1 feedback</p> <p>Trade offs</p> <ol style="list-style-type: none"> Should the networks have a role in providing basic services (hot meals, showers etc) to customers experiencing prolonged outages in extreme weather events? Would you be willing to pay more for Ausgrid to invest in making the network more resilient to extreme weather events? What would you expect Ausgrid to investigate and understand before spending more on the network to make it more resilient to extreme weather? Is making the network more resilient more or less important than other changes Ausgrid could make? What is better/the least disruptive for you: a planned outage of x long or an unplanned outage of Y long? In the event of an outage how should we prioritise reconnection of services – eg. Hospitals or rural properties – valuing the way energy companies respond? | <p>Specific questions will be driven from phase 2A (understanding trade-offs) – but could be across the following topics for example:</p> <ol style="list-style-type: none"> Cost/risk trade-offs between upfront investment, maintenance, insurance, cost-pass through and reliability metrics. Cost/Value trade-off of targeted initiatives. What are the measures of success that Ausgrid should adopt? | |

| | | Fair | Place | Phase 1: Understanding values and aspirations (October – December 2021) | Understanding trade-offs | Verifying the next five years |
|-----------------|-----------------|---|--|--|--|-------------------------------|
| | | Fair | Personalised | | Phase 2: (January – May 2022) | |
| New-pin | CCC/RCP | Intergenerational equity No one left behind Who pays? | One size does not fit all Treat cohorts in a continuum differently. | | | |
| New-pin | CCC/RCP | | | | | |
| Value for money | Value for money | <p>Description</p> <ul style="list-style-type: none"> What is 'value' from a customer and a DB perspective Role of Ausgrid in power bills and raising customer awareness Trade-offs between what customers would like and what represents value for money Return on investment Utilisation of assets Contribution / benefit towards the transition to net zero Community sharing / storage <p>To note in design:</p> <ul style="list-style-type: none"> Set context on price impacts, including interest rates, rate of return, NSW Government roadmap etc. outside of Ausgrid's control (and, therefore, negotiation table) and focus on understanding priorities as well as particular price points | <p>Definitions</p> <ol style="list-style-type: none"> What does "value for money" mean to you? Your understanding of energy <ol style="list-style-type: none"> Do you understand what services / benefits you get from energy? Do you understand your bill and what you are paying for? What proportion of your current bills / income does electricity currently account for? To what extent are you able to adapt your behaviour to lower your energy bill? How has the value for money of your electricity service changed for you over time? <p>Values and aspirations</p> <ol style="list-style-type: none"> What services do you currently receive that represent good value for money? Why? What about poor value for money? What services/ benefits do you expect to receive from X (retailer) and Y (network)? How much have you spent/ are thinking of spending on appliances that will change your energy bill? Are you happy to pay the amount you do for the contribution energy makes to your lifestyle? What extra benefits should you be getting based on what you're currently paying? What should the energy industry focus on to improve value for money into the future? Are you prepared to / have you made changes to achieve better value for money? Where would you want Ausgrid to invest more and/or less in the network? <p>Roles and responsibilities</p> <ol style="list-style-type: none"> Do you know who is involved in supplying your electricity? Who do you hold accountable for the value for money of your electricity supply? | <p>Present options to address phase 1 feedback</p> <p>Trade offs</p> <ol style="list-style-type: none"> Are there better ways to pay for electricity? Are there any additional services or benefits you would expect to pay more for? If you had \$100 where in the network would you spend that money? What investment / expense on the network might deliver better value for money? <p>Refining priorities</p> <ol style="list-style-type: none"> What would you like to be able to do with energy that you can't currently do (e.g. gift it)? Is it reasonable for Ausgrid to bring forward or defer price increases or decreases to ensure it maintains a level of financial sustainability? | <p>Specific questions will be driven from phase 2A (understanding trade-offs) – but could be across the following topics for example:</p> <ol style="list-style-type: none"> Overall value for money in context of preferences across other topics Value across segments and how value is derived. Depreciation approach (financial sustainability) | |

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Addendum

Addendum 1 – RCP 2022 meeting schedule

The AER is welcome to participate in the RCP schedule of meetings outlined below.

RCP Workstreams Putting the customer at the heart of our proposal development

| Workstream | Chair | Scope | RCP member | CY22 meetings |
|---------------------------------------|---|---|---|---|
| RCP meeting | Rob Amphlett Lewis (alt: Alex McPherson) | 2024–2029 Reg Reset | Tony Robinson Louise Benjamin Mark Grenning Mark Byrne Mike Swanson Iain Maitland Gavin Dufty PIAC | 1 February – 10:00–1:00 pm 1 March – 10:00–1:00 pm 28 March – 10:00–1:00 pm 26 April – 10:00–1:00 pm 24 May – 10:00–1:00 pm 21 June – 10:00–1:00 pm |
| Sustainability and Future Grid | Jess Higgs (alt: Alex McPherson) | DER integration strategy Tariff reform including export tariffs (with PWG) Connection policy Innovation program (with NIAC) Service classification DSO | Louise Benjamin Mark Grenning Iain Maitland Gavin Dufty PIAC | 10 February – 10:00–12:00 pm 10 March – 10:00–12:00 pm 07 April – 10:00–12:00 pm 05 May – 10:00–12:00 pm 02 June – 10:00–12:00 pm 30 June – 10:00–12:00 pm |
| Ausgrid experience | Karthik Venkataraman (alt: Alex McPherson) | Moments that Matter and pain Points Digital strategy Customer transformation Consumer protections Customer service incentive scheme (CSIS) | Iain Maitland Gavin Dufty Mike Swanson Tony Robinson (alternate) | 24 February – 10:00–12:00 pm 24 March – 10:00–12:00 pm 21 April – 10:00–12:00 pm 19 May – 10:00–12:00 pm 16 June – 10:00–12:00 pm 14 July – 10:00–12:00 pm |
| Network Investment | Matt Webb (alt: Mark Ragusa) | Community resilience Network investment strategy Insurance and risk management Cost pass through Cyber risk management strategy STPIS | Tony Robinson Louise Benjamin Mark Grenning Mark Byrne PIAC | 17 February – 10:30–12:30pm 17 March – 2:00–4:00 pm 14 April – 2:00–4:00 pm 12 May – 2:00–4:00 pm 09 June – 2:00–4:00 pm 07 July – 2:00–4:00 pm |
| Value for money | Alex McPherson (alt: Jacob Muscat) | OPEX strategy and benchmarking Productivity Fleet and property investment strategy Financeability CESS and EBSS Depreciation | Louise Benjamin Mark Grenning Mike Swanson PIAC | 03 February – 2:00–4:00 pm 03 March – 2:00–4:00 pm 31 March – 2:00–4:00 pm 28 April – 2:00–4:00 pm 26 May – 2:00–4:00 pm 23 June – 2:00–4:00 pm |

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