

Endeavour Energy 2022 Local Government Workshop

'Your Power, Your Future, Your Say'
2024-2029 Revenue Reset Project

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Findings at a glance

Councils are keen to know more about, and be more involved in, future grid activities and trials

Participants were very interested to hear about the various trials or initiatives Endeavour Energy has in place. For many, this was new information.

Many expressed a desire to be kept up to date with Endeavour Energy's plans to decarbonise and wanted to clearly understand opportunities to work as a partner with Endeavour Energy.

Coordination and collaboration with others - especially on the energy transition - is strongly encouraged

Councils are keen for Endeavour Energy to play a leading role in the energy transition but want to make sure that this is carefully coordinated with other relevant stakeholders.

However this desire for a coordinated approach went beyond the energy transition. Councils also urged closer collaboration with others on issues like vegetation management and planning for new developments (particularly in Western Sydney).

Reliability is extremely important to Councils who are often on the front lines or delivering essential services

Reliability was often noted as a core priority, and indeed an expectation, of Councils. Both regions rated maintaining reliability in the face of climate change as their number one priority for future services.

Many noted the critical role they play in delivering essential services and also in emergency response and management.

Council stakeholders were keen to ensure that this was well understood.

Participants expressed a desire to keep prices low, but also an interest in paying more for some new services

There was definitely a strong desire to keep prices as low as possible for Councils. Many expressed concern about rising prices generally, so were keen to see energy prices remain as low as possible.

However, at the same time, Councils were very keen to understand the kinds of new services or technologies that might be available and expressed a willingness to pay for them, if the benefit for rate payers was clear.

Wide engagement with Councils is important to understand the broad range of views / priorities within a LGA

Many Councils noted that priorities within their own team could vary significantly. For example, someone working in the Street Lighting Team could have vastly different needs to someone working on sustainability.

This shows a "one size fits all" approach to engaging with Councils will not work. Instead, broad engagement across each Council is recommended to ensure all issues / concerns are adequately captured and addressed.

Introduction

Background and Objectives

Endeavour Energy conducted two workshops with representatives from local Councils from across its network area as part of its exploratory customer engagement program to inform its 2024-2029 Revenue Reset Proposal development process.

This program has included a wide variety of engagement activities, including focus groups with residential and small business customers and a workshop with high energy users.

The aim of this engagement has been to obtain contextual insights about key customer issues and values that can inform initial thinking about Endeavour Energy's draft revenue reset proposal, as well as the design of future engagement activities.

The workshop was designed to build upon the findings from 'business as usual' engagement with these stakeholders and regular research like Endeavour Energy's regular RepTrak survey.

More specifically, Endeavour Energy sought to:

- Explore local Councils' recent experiences working with Endeavour Energy;
- Understand what existing services and outcomes local Council stakeholders value most; and
- Test what kinds of services and outcomes they would like from Endeavour Energy in the future.

Methodology

Endeavour Energy conducted two workshops with local Council representatives in May and June.

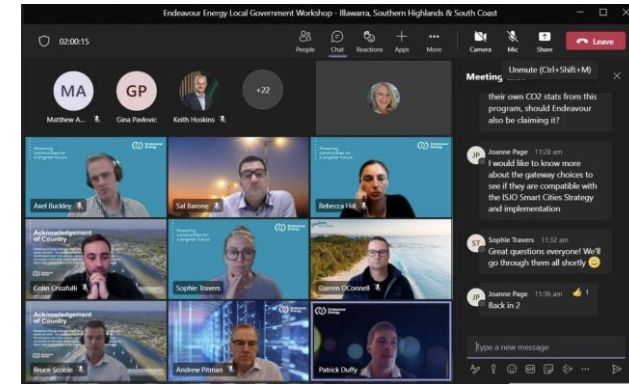
The first was held online and included Councils from the Illawarra, South Coast and Southern Highlands. The second was held in person and included councils from Western Sydney and the Blue Mountains.

Over 40 stakeholders from nearly 20 local Council areas and various regional Council representative bodies attended the workshops.

In addition to this, invitations to observe the sessions were sent to members of Endeavour Energy's Regulatory Reference Group (RRG), the Australian Energy Regulator (AER) and the Australian Energy Regulator's Consumer Challenge Panel (CCP).

The workshop was attended by numerous members of Endeavour Energy's Executive Leadership Team as well as members of the operations, regulatory and engagement teams.

The events explored attendees' priorities for current and future services, before spending time exploring three priority topics in more detail. The priority topics were meeting sustainability targets, streetlighting and vegetation management. These were identified from 'business as usual' engagement with Councils, including 1:1 direct engagement and Endeavour Energy's RepTrak survey, which included a significant sample of local government participants.



Prioritisation of current and future services

Ranking current and future services

During both workshops, participants were asked to rank the relative importance of a list of current and proposed future services. The following slides outline their preferences.

Across both groups, maintaining supply was the most important current service for Council stakeholders.

This was closely followed by planning for the future, responding to emergencies and managing the network efficiently. The top priorities across both groups were quite similar, however responding to emergencies rated more highly for the South Coast and Illawarra than Western Sydney. Western Sydney participants rated maintaining streetlights more highly than their South Coast and Illawarra counterparts.

In terms of future services, both groups rated maintaining reliability in the face of climate change as their number one priority for future services.

Participants from Western Sydney then prioritised services related to the energy transition, including reducing emissions, facilitating the greater use of electric vehicles (EVs), allowing more solar connections and finding new ways to charge customers. Undergrounding cables and emergency management also rated highly.

Participants from the South Coast and Illawarra were more likely to prioritise services like supporting solar panels, undergrounding cables and helping customers save money. Of slightly less importance were services like allowing electricity trading, allowing for EVs, fast-tracking the infrastructure needed for new connections or reducing greenhouse gases.

Note a slightly different survey methodology was used across the two events, resulting in a lower number of overall ranked priorities for Western Sydney participants vs South Coast and Illawarra participants.



Prioritisation of current services

Reliable supply, responding to emergencies, efficient network management, planning for the future and network strengthening the were the top priorities for Councils.

Ranking	Illawarra and South Coast	Western Sydney
1	Reliable supply of electricity	Reliable supply of electricity
2	Responding to emergencies	Planning for the future
3	Managing the network efficiently	Strengthening the network
4	Planning for the future	Managing the network efficiently
5	Strengthening the network	Maintaining streetlights
6	Safety related issues	Responding to emergencies
7	New technologies	New technologies
8	Maintaining streetlights	Helping vulnerable customers
9	Helping vulnerable customers	Safety related issues
10	Tools to help manage energy usage	Keeping customers informed
11	Prompt connections and disconnections	Tools to help manage electricity usage
12	Keeping customers informed	Prompt connections and disconnections
13	Answering emergency telephone calls	
14	Reading electricity meters	

Prioritisation of potential future services

Across the board, reliability as the climate changes was the top priority. On the South Coast and Illawarra this was followed by solar panel technology, and underground cables. In Western Sydney there was a greater focus on cutting greenhouse gases and delivering new technology like EVs.

Ranking	Illawarra and South Coast	Western Sydney
1	Reliability as the climate changes	Reliability as the climate changes
2	Solar panel technology	Help cut greenhouse gases
3	Underground cables	Electric vehicles
4	Help customers save money	Fast-track the infrastructure needed to connect
5	Electricity trading	Underground cables
6	Electric vehicles	Emergency management
7	Fast-track the infrastructure needed to connect	Solar panel technology
8	Help cut greenhouse gases	New ways of charging
9	Strengthen responses to emergency management with councils	Electricity trading
10	New ways of charging	Education and data
11	Communication on disruptions	Help customers save money
12	Offer councils a range of different services	Communication on disruptions
13	Education and data	Offer councils a range of different services
14	Increase digital security	
15	Premium services	

In their words....

"It was very difficult for me to pick my priorities. Realistically, all of these are important to me!" **South Coast and Illawarra**

"To support zero emissions targets in the long term, the next 20-30 years, put the infrastructure in now - especially in greenfield areas - don't play catch up later." **Western Sydney**

"We're the fastest growing Council in Australia and we have not been approached about any of these initiatives [the future services]. We need to know what initiatives are happening." **Western Sydney**

"Anything to simplify [streetlighting] tariffs would be better." **Western Sydney**

"We are under incredible budget and cost pressures, so it's important to keep costs down." **Western Sydney**

"We're very supportive of smart assets but would like to know more about who owns the data and the device. Who is managing the control and data systems?" **Western Sydney**

"We would pay more to have a service above just streetlighting if we could pay for the data to give us the information we want." **Western Sydney**

"We're very interested in urban heat and how Endeavour Energy is building community resilience through trees. What trees are you planting? Where? What is the lifespan of the tree?" **Western Sydney**

"We would be very keen to see Endeavour Energy participating at our forums discussing Net Zero... there is a lot of opportunity for more strategic partnering on planning and data sharing." **Western Sydney**

"Getting to Net Zero is going to be harder for some Council areas than others. In this context, sustainability measures are a standout." **South Coast and Illawarra**

"We only have a small budget for trees and need to spend that wisely. Please adopt a partnership model and work with us to provide much greater coordination and planning." **Western Sydney**

Local Government Priority 1: Helping Councils meet their sustainability goals

Councils are keen to understand how they can work with Endeavour Energy to meet their sustainability goals and would like to see Endeavour working collaboratively with others to deliver the energy transition

Priority area	Feedback from participants
1. How can Endeavour Energy help Councils deliver on their sustainability goals	<ul style="list-style-type: none">• Across the board, it was noted that sustainability plans and practices will look different for different communities, so flexibility and adaptability will be critical.• The most common advice provided by participants was to urge Endeavour Energy to work collaboratively and in partnership with Councils, governments, the private sector and others in the energy sector to manage the energy transition. This advice was provided in relation to a broad range of topics, from electric vehicles to housing standards, to new technology or trials, to pricing or changes in tariffs – all areas where Councils would like to see better cooperation.• Councils also expressed a keen desire to know more about the different technology options that might be available to help them meet their sustainability goals. Community batteries, microgrids and Virtual Power Plants (VPPs) were often raised as something Councils were keen to know more about. Across all locations, there was strong interest in understanding how these technologies might work at scale.• Streetlighting and vegetation management (both explored in more detail below) were often raised in the context of sustainability.• Undergrounding cables was also regularly mentioned in relation to sustainability. It was noted that undergrounding can be costly, but it delivers significant benefits in terms of resilience during floods or bushfires but also improves overall safety, particularly in relation to traffic incidents.• As noted above, Councils were keen to know more about EVs. Some specific feedback provided is listed below:<ul style="list-style-type: none">• Some Councils noted that the installation of EV charging units is not “the core business” of Councils, but they do need a technology partner to help prepare for greater EV take up. They were interested to understand how Endeavour Energy may be able to help here.• Councils were also keen to understand how pricing for EV charging might work so that this could be factored into their plans for charging parking bays (e.g., would they want to restrict the time people could park at such bays during peak hours).• Participants from Western Sydney noted that the high levels of growth expected in the region over the coming years presented a unique opportunity for Endeavour Energy to work with Councils and developers to ensure new technologies like EV charging stations, batteries and microgrids could be put in place as early as possible to ensure maximum benefit.

Local Government Priority 2: Streetlighting

Councils are keen to see prices for streetlighting remain low. Most would welcome a simplified more transparent billing process and a faster roll out of LED streetlights.

Priority area	Feedback from participants
2. What is most important for Councils when it comes to streetlighting? What new processes, tariffs or assets are needed support your plans in relation to streetlighting?	<ul style="list-style-type: none">• For Councils, cost was the most important factor in any conversation about streetlighting. This manifested in a few different ways, for example:<ul style="list-style-type: none">• There was support for simplification and rationalisation of price models, but this could only truly be assessed or supported once the financial impact was known. (<i>"Simplicity is good if it doesn't drag costs up."</i> Western Sydney)• Councils support the rollout of LEDs, but some would like to see a greater price differential for this service than they saw in the last determination. (<i>"We know LEDs require less maintenance; they should cost less."</i> Western Sydney)• Participants also prioritised simplicity and ease of billing. Transparency was critical in this regard.• Councils strongly recommended increased support for and acceleration of the rollout of LEDs and smart lighting tech. This was common across all of Endeavour Energy's distribution area, but particularly pronounced in the South Coast and Illawarra, where participants strongly encouraged Endeavour Energy to deliver the roll out as quickly as possible and to provide more options for Councils.• In addition to this, and again more prominently in the South Coast and Illawarra session, there was a strong interest in hearing more from the AER about how they could assist with the regulation and management of streetlighting. This was often raised in the context of a desire for a simpler and easier process or procedure.• There was a good level of support for the introduction of smart assets, but participants were keen to understand who would own the data and the device itself. Further clarity on individual proposals was needed.

Local Government Priority 3: Vegetation Management

Participants are largely satisfied with Endeavour Energy's approach to vegetation management but urged greater collaboration with others and more focus on aesthetics, where possible.

Priority area	Feedback from participants
3. What are the key issues for your Council in relation to vegetation management?	<ul style="list-style-type: none">• As with other topics, Councils urged strong collaboration with the NSW Government, other government agencies and utilities on vegetation management and tree placement.• Participants felt that stronger collaboration could:<ul style="list-style-type: none">• Resolve the tension that can exist between plans to address urban heat or protect tree canopy cover and the need to manage the poles and wires. This was particularly relevant for Western Sydney Councils who had a strong focus on urban heat and its impact on their local area and constituents.• Stop the "finger pointing" between different utilities or service providers when Councils are trying to resolve issues in relation to tree management or understand what they should plant and where.• Many were keen for Endeavour Energy to place a greater emphasis on aesthetics and noted some of the contractors currently used did not seem to hold this in high regard and do not seem well trained.• Some urged Endeavour Energy to take a different approach for managing existing and new trees, noting a preference for more engagement with Endeavour Energy about new placements or tree types than about existing trees.• When thinking about undergrounding cables, participants urged Endeavour Energy to make sure that the trade-off between the extra cost of going underground and the cost of managing vegetation would be beneficial for customers. Councils strongly urged Endeavour Energy to work closely with Councils and developers early to ensure changes or requirements are factored into planning and decision making.• Some Councils were keen to learn more about grants or government funding that might be available to help them plant trees and wondered if Endeavour Energy could help share this information.• Some Councils raised concerns about Endeavour Energy's perceived unwillingness to remove hazardous trees, asking if this was "cost shifting".• Some recommended Endeavour Energy participate more actively in developer forums to share their insights and, hopefully, lead to better outcomes.• During the session, we asked Councils if they had or were aware of a street tree master plan for their individual Council area. While some knew of plans like this, many did not have them or were not aware of them.

Final thoughts from our participants



"This was a great start to the conversation. It felt like genuine consultation and interest in our views. Thank you." **South Coast and Illawarra**



"Find ways to navigate the energy transition while ensuring no one is left behind. Net zero is a priority for Councils, but balancing the cost impacts for customers is equally as important."
South Coast and Illawarra



"We're very keen to share our pipeline of work and strategic planning for the Council with Endeavour Energy to help future proof." **Western Sydney**



"It was good to have other local government around the table, as well as plenty of Endeavour staff from the various areas to discuss issues / future projects / opportunities." **South Coast and Illawarra**



"We really enjoyed the detailed conversations at our table, thank you!"
Western Sydney



"There was a lot I heard today that I did not know. I would love to hear more." **Western Sydney**



Appendices

- **Appendix 1:** Summary by key themes
- **Appendix 2:** Comparison of customer priorities of core services
- **Appendix 3:** Comparison of customer priorities of possible future services
- **Appendix 4:** Workshop participants
- **Appendix 5:** Post-engagement evaluation survey results

Appendix 1: Summary by key theme

Endeavour Energy is capturing feedback from its exploratory research phase according to theme; this section of the report adds local Councils to the existing document

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Reliability <p>In modern societies, the vast majority of economically productive activity depends, at least to some extent, on electricity. While self-generation may be becoming more prevalent in some countries, electricity provided from the national electricity grids continue to form the bulk of electricity supply. Though electricity is provided with a high degree of reliability across Australia and other developed nations, with only infrequent and limited disruptions, it is clear that such disruptions can result in very high costs to society when they do arise. On the other hand, maintaining a high level of security of supply is costly, and no system can ever be 100% secure. The economically efficient level of security of supply is where the marginal benefit of an additional unit of supply security is equal to the marginal cost of maintaining that level of supply of security.</p>	<ul style="list-style-type: none"> • What level of reliability do customers want? 	<p>RESIDENTIAL AND SME</p> <ul style="list-style-type: none"> • Reliability is highly valued. Most customers are satisfied with the current number and length of outages they experience. • Those in peri-urban areas are less satisfied and appear to have more outages as a result of storms and other natural disasters, as well as planned outages for repairs. • Vulnerable customers and residential customers from the Assyrian community were more likely to prioritise affordability over reliability, though reliability remained important. <p>HIGH ENERGY USERS</p> <ul style="list-style-type: none"> • Reliable electricity is a non-negotiable critical business input for high energy users. Without electricity, they can't operate their businesses and the safety of staff and customers is compromised. • While they see increasing pressures on the electricity supply as a result of growth, climate change impacts and new technology, they expect the current level of reliability to be maintained. <p>COUNCILS</p> <ul style="list-style-type: none"> • As essential service providers and leaders in emergency response, Councils see reliability as critical. The importance of reliability has been brought home during recent bushfire and flood events.

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Risk appetite Our risk appetite in the long-term interests of customers reflects the Group Board position on key risks. This includes the risk tolerability from a safety, network, finance, compliance, customer, reputation, environmental and industry positioning perspective.	<ul style="list-style-type: none"> • What value do customers place on electricity? • What do customers understand of our external environment and challenges? • How can this inform the narrative? • How should Endeavour Energy's business narrative be communicated? 	<p>RESIDENTIAL AND SME</p> <ul style="list-style-type: none"> • A reliable electricity supply is more highly valued than in previous studies. • Customers see external challenges (the pandemic, natural disasters, escalating costs) as challenges for themselves and haven't considered any implications for the network. Endeavour Energy's narrative would therefore best be communicated as sharing a mutual understanding of the challenges we're all facing. <p>HIGH ENERGY USERS</p> <ul style="list-style-type: none"> • Zero appetite among high energy users to put the reliable supply of electricity at risk. • They understand the external challenges and want to work collaboratively with Endeavour Energy to address them for mutual benefit. <p>COUNCILS</p> <ul style="list-style-type: none"> • There is no desire to increase risk among Councils.

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Resilience How networks and infrastructure providers are considering and managing climate risk in its plans; this can involve proactive capex programs to improve network automation and resilience, reactive outage response and insurance opex and risk allocation balance between networks and customers via pass-throughs.	<ul style="list-style-type: none"> Do they want EE to invest now to ensure the resilience of the network in the face of climate change, including increased natural disasters? 	<p>RESIDENTIAL AND SME</p> <ul style="list-style-type: none"> Participants generally saw resilience as being more about quick restoration to their energy supply than about climate change. Climate change and increasing extreme weather events are seen as a given and certainly a reason to prioritise investment in this space. Customers had not previously thought about this issue or who would pay. Some think the cost of responding to emergencies in general is paid for by governments and hadn't made a connection to increased electricity costs via their bill. Concern was higher among innovators and lower among SMEs though both expected that ensuring the network was fit for purpose was largely BAU for a network. <p>HIGH ENERGY USERS</p> <ul style="list-style-type: none"> Resilience was a strong theme among participants. They clearly see climate-related threats and want to know what Endeavour Energy is doing to address them. The desired response includes infrastructure investment (such as undergrounding), new technologies (such as microgrids), improved communication around outages, and greater collaboration (such as sharing generators). <p>COUNCILS</p> <ul style="list-style-type: none"> Councils placed a high value on resilience. Many noted they had seen first-hand the need for greater emphasis on resilience in recent times. Councils noted the important role they play in emergency management and providing essential services to their constituents. This sharpens the focus on resilience. Councils asked Endeavour Energy to work closely with them to ensure any future resilience plans dovetail with their own resilience plans (e.g., share the location of key Council sites that must have power maintained or restored quickly in the event of an outage or natural disaster).

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Affordability Energy affordability is a consistent key concern for customers; customers should pay no more than necessary for a safe, reliable and secure supply of electricity.	<ul style="list-style-type: none"> • How do customers feel about affordability of electricity? • How do they perceive the value from Endeavour Energy's part of their bill? • How do customers value the core services EE provides? • Do the current services reflect their priorities? • Which services would they pay more for? 	<p>RESIDENTIAL AND SME</p> <ul style="list-style-type: none"> • Customers want access to reliable, affordable energy. Most would like to reduce their electricity bills in the context of cost of living expenses and are conscious of trying to reduce their consumption where possible without impacting their lifestyle (such as not using air-conditioning on hot days). But while affordability is important (particularly in the face of additional financial pressures during COVID-19 lockdowns), most customers are not willing to compromise reliability to save money. • When shown the proportion of their bill that goes to Endeavour Energy, most felt it was justified based on the information provided about its role. Before this information most would have been unable to express an opinion. • The core services most highly valued (and prioritised) are reliability, restoring power after emergencies, and network efficiencies including the development of new technologies which will ultimately save money. The core services least valued were answering emergency telephone calls within 30 seconds, fast-tracked connections/disconnections, meter reading and streetlights. While these are not seen as priorities, in most cases this is because they are seen as hygiene factors (what they expect) rather than being unimportant. In the case of meter reading, many were surprised that this was still done manually. Trade offs were not explored in this stage of the research. Vulnerable customers, and some SMEs were more likely to prioritise affordability over reliability. <p>HIGH ENERGY USERS</p> <ul style="list-style-type: none"> • Affordability is seen as a core competency rather than a service. It is assumed and expected that they are paying no more than necessary for the safe, reliable and secure electricity they use. • Efficiencies are important, and high energy users want to work with Endeavour Energy to explore ways to do things more efficiently and use new technologies such as demand response and distributed energy resources to reduce their energy costs. • They value a reliable service and tend to focus more on the costs incurred when supply is disrupted, both in terms of financial impacts and impact on their ability to meet their commitments to their own customers. Without electricity, mining and manufacturing stops, healthcare and transport can be compromised and the safety of staff and customers put at risk. • Following a suggestion by RRG member Mark Grenning, Endeavour Energy proposes to do more work in this area to examine whether the opinions on affordability expressed by workshop participants reflect high energy users more broadly. This is expected to include one-on-one discussions with a broader range of high energy users, including procurement specialists.

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Affordability cont Energy affordability is a consistent key concern for customers; customers should pay no more than necessary for a safe, reliable and secure supply of electricity.	<ul style="list-style-type: none"> • How do customers feel about affordability of electricity? • How do they perceive the value from Endeavour Energy's part of their bill? • How do customers value the core services EE provides? • Do the current services reflect their priorities? • Which services would they pay more for? 	COUNCILS <ul style="list-style-type: none"> • Affordability is a 'top of mind' concern for Council stakeholders. Councils are keen to ensure they receive the services they rely upon for the lowest possible cost. Many noted this has become increasingly important in recent times as they see other costs or expenses increase. • However, at the same time, Councils are very interested in new or different services or technology options Endeavour Energy might be able to provide, particularly when these could help Councils meet their sustainability goals and obligations. Many expressed a willingness to pay more to access these services or technologies. • When tariffs for streetlighting were raised, Councils expressed a desire for greater simplicity and transparency. Councils found it difficult to comment on specific proposals without a very clear indication of what these changes would mean for them financially.

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Customer service	<ul style="list-style-type: none"> See resilience and reliability 	<p>RESIDENTIAL AND SME</p> <ul style="list-style-type: none"> Discussion suggested customers thought of customer service from Endeavour Energy as an outcome of reliable performance, with accessible and timely advice re outages and expected restoration times also valued and appreciated. Once prompted, most customers also valued efforts made by Endeavour Energy to protect vulnerable consumers and expected the network to be taking steps to facilitate emissions reduction. Low awareness of network limitations meant that constraints on solar or EV were not well identified as customer service issues. Only a handful, typically SMEs, noted that answering emergency calls within 30 seconds was important. SMEs were more engaged with the possibility of having Endeavour Energy assist them in reducing consumption and therefore costs than other segments. Some in-language residential customers commented about not understanding how to read their bills and wanting to be educated on how to make cost savings. <p>HIGH ENERGY USERS</p> <ul style="list-style-type: none"> A high priority area. Because of the importance of reliability, high energy users value a 'go to' person who understands the nature of their business, can be proactive in providing information about planned and unplanned outages and quickly responds to questions. A range of services metrics – such as increased communication, bespoke account management, extra services and access to new technology - were given higher priority among these customers than others. <p>COUNCILS</p> <ul style="list-style-type: none"> Not raised as a stand-alone issue.

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Innovation & choice	<ul style="list-style-type: none"> How do customers want to be able to engage with energy markets in the future? What do they want to be able to do? What choices do they want to have? Does the community want to see Endeavour as a leader or follower in the Future Grid space? 	<p>RESIDENTIAL AND SME</p> <ul style="list-style-type: none"> Customers would like to keep their options open when it comes to engaging with electricity and be able to choose whether to 'set and forget', get more involved, or indeed dip in and out of that direct control when they need to (such as increased cost pressures during COVID-19). They want access to the tools and data that help them make decisions. The Future Grid is most relevant to consumers if it directly benefits them by reducing costs, increasing reliability and/or reducing emissions. Customers felt Endeavour Energy should be responsive to the energy transition underway and act to ensure they are not responsible for holding up introduction of the services customers are looking for. Discussion suggested customers felt the future services explored would be a natural fit for Endeavour Energy based on their understanding of its role, but responsibilities were not explored in detail. Innovators and SMEs are more interested in innovation and choice than other segments. Vulnerable customers are least likely to want to play an active role. <p>HIGH ENERGY USERS</p> <ul style="list-style-type: none"> Full engagement as a trusted partner in navigating the future is the preferred position of high energy users. They don't want to be blind-sided by risks or miss out on opportunities to benefit from the energy transition. Endeavour Energy is expected to be an enabler of how they will engage in the Future Grid. <p>COUNCILS</p> <ul style="list-style-type: none"> Councils were very keen to understand more about how they could partner with Endeavour Energy to meet their sustainability goals – new or evolving technology options like community batteries, VPPs and EVs were all seen to be an important part of this. Councils are looking to Endeavour Energy to work collaboratively with other key stakeholders to deliver the energy transition. They see that Endeavour Energy can play a critical role in this transition, but whatever this looks like, it must be coordinated with others to avoid duplication of effort or confusion about roles or responsibilities. Many were surprised by the trials or innovations Endeavour Energy were pursuing, suggesting there was an opportunity for more regular engagement with Councils.

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Role of data Improving business analytics and commercial opportunities from the effective use of data will underpin efficient and innovative delivery of electricity services, the role of improving data will provide an overarching objective and impact on our plans.	<ul style="list-style-type: none"> Which of a series of actions that Endeavour Energy could do in this area do customers see as the greatest priority? 	<p>RESIDENTIAL AND SME</p> <ul style="list-style-type: none"> Customers are interested in accessing their own data if it will help provide insights to help them manage their energy costs. Although not explicitly discussed, the strong importance placed on reliability is likely to mean that data that enables the network to manage outages would also be highly regarded. Similarly, the prospect of network efficiency that ultimately reduces costs for all customers would also be well received. This is supported by other research that SEC Newgate has recently conducted for the AEMC's metering review. The role of data is seen through the lens of affordability and reliability. Affordability is key for vulnerable customers; reliability is the priority for others. <p>HIGH ENERGY USERS</p> <ul style="list-style-type: none"> These users see data as a service and would like Endeavour Energy to share the data it has about what's happening on the network to help inform investment decisions and their own future planning. <p>COUNCILS</p> <ul style="list-style-type: none"> Some Councils were very interested in data and knowing more about how they could work with Endeavour Energy to share data and information to deliver better services. Data was often mentioned in relation to smart assets, with questions raised about the data these assets could generate. Councils would like more information about these kinds of proposals, but interest is high.

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Safety		<p>RESIDENTIAL AND SME</p> <ul style="list-style-type: none"> Safety is a priority but for most it appears to be largely assumed as a given or hygiene factor. Though important, responding to emergencies was prioritised more for reliability than safety reasons. Keeping the network safe is seen as one of the reasons Endeavour Energy exists. In-language participants were particularly interested in safety and in this context also placed more importance on streetlights. <p>HIGH ENERGY USERS</p> <ul style="list-style-type: none"> These customers gave safety a lower priority than others, but discussion suggests it is important but seen as a hygiene factor. Some mentioned the risks to safety for their own staff and customers if electricity supply is disrupted. <p>COUNCILS</p> <ul style="list-style-type: none"> Safety is seen as a given. It rated as a mid-level priority for current services but there was certainly no desire to see significant changes to the current approach to safety.

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Sustainability/Livability We heard customers' concerns about the sociological and environmental impacts of our industry. Sustainability was highlighted by customers to be in the long-term interests of customers. The sustainability theme will provide an overarching objective in our plans.	<ul style="list-style-type: none"> • Where do sustainability issues sit in the community's hierarchy of concerns? • Of a series of actions that Endeavour Energy could do in this area, which do customers see as the greatest priority? 	<p>RESIDENTIAL AND SME</p> <ul style="list-style-type: none"> • Customers accept that a transition to use more renewable sources of energy is underway and are interested in ways they can support this and reduce their own emissions. Note however that their focus on reducing costs is more important for most than reducing emissions - but these priorities align when it comes to support for ensuring access to solar PV and community batteries. • Most believed Endeavour Energy should be working to reduce its own emissions but they felt this was a BAU requirement and not something that customers should necessarily pay more for. • The most interest in addressing environmental impacts came from Assyrian and Vietnamese in-language residential customers, but this same group was the least interested in sociological impacts such as planning for the future. <p>HIGH ENERGY USERS</p> <ul style="list-style-type: none"> • Would like to know that Endeavour Energy is doing what it can to reduce its emissions but understand its role as a DNSP so regard this in the same way they look at social and environmental responsibility for other business partners. • Want confidence that the network will be able to offer the services they need to reduce their emissions (eg. distributed energy resources). <p>COUNCILS</p> <ul style="list-style-type: none"> • Sustainability is a priority area for Councils who are in the process of delivering on their own sustainability plans and commitments. While these plans may look different for each Council, almost all expressed a desire to better understand how they could dovetail with Endeavour Energy's own sustainability plans and deliver a coordinated energy transition. • Councils are keen to know more about the different technology options that might be available to help them meet their sustainability goals. Community batteries, microgrids and Virtual Power Plants (VPPs) were often raised in this context. • EVs were often raised in relation to sustainability. Councils raised questions about charging, pricing, planning and regulation.

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Vulnerable customers Vulnerable customers reflect those who can't actively engage with the energy market or have difficulty, or those who rely on supply more critically than others (ie. life support). Support for vulnerable customers in terms of payment, information, support by the network is a key role we play.		RESIDENTIAL AND SME <ul style="list-style-type: none"> The importance of protecting vulnerable customers was apparent among all groups. With the exception of ensuring supply for life support customers, most customers believed that the primary responsibility for interacting with vulnerable customers lay with retailers. There was strong support for Endeavour Energy's 'knock before disconnect' program. HIGH ENERGY USERS <ul style="list-style-type: none"> This was not explored in detail with these customers and did not come up in discussions It was not given top 5 priority by any high energy user participant. COUNCILS <ul style="list-style-type: none"> There was an overall desire to keep prices low, but particular initiatives relating to vulnerable customers were not raised.
Energy security Energy security is an increasing concern for customers due to closure of fossil fuel generation, with increasing renewable sources that are exposed to weather.		RESIDENTIAL AND SME <ul style="list-style-type: none"> There was limited awareness of energy security issues, with concern focusing on the increasing amount of variable renewable energy entering the grid. Customers want and expect the network to deliver reliable energy to them. They want this to be increasingly clean energy, but there is limited awareness of what this will require of the network. Innovators, SMEs and the general community are more aware, and more concerned, than others. HIGH ENERGY USERS <ul style="list-style-type: none"> High awareness of the energy transition but security risks were not mentioned, despite the high value placed on reliability. COUNCILS <ul style="list-style-type: none"> Not discussed or raised as an issue.

Appendix 1: Summary by key theme

THEME	QUESTIONS EXPLORED	WHAT WE HEARD
Fair access The distribution network is shared amongst all customers; the cost of new assets is borne by both new customers and existing customers; solar customers and non-solar customers; ensuring an appropriate balance and access to all types of customers (new, existing, prosumer, consumer etc.) is a delicate balance.	<ul style="list-style-type: none"> • What does intergenerational equity mean to customers when it comes to investment in the grid? 	<p>RESIDENTIAL AND SME</p> <ul style="list-style-type: none"> • This was not directly discussed in the focus groups given the complexity of the issue and the time available. • However, when compared to research conducted in 2017 there also appeared to be stronger interest in both the environmental and social sustainability of the network going forward to deliver services not only for them but for their communities, those more vulnerable and future generations. <p>HIGH ENERGY USERS</p> <ul style="list-style-type: none"> • Not discussed nor raised as an issue. <p>COUNCILS</p> <ul style="list-style-type: none"> • Not discussed or raised as an issue

Appendix 2: Comparison of customer priorities for current core services

Participants in each engagement were given a list of core services that Endeavour Energy provides and asked to identify the most important to them (or their organisation). The list was tweaked slightly to reflect the offerings to different customer groups. The overall priority order of current core services for residential, SME customers and high energy users and local councils is presented below. The shading shows the services that were prioritised comparatively higher by that group in **green**. Those in **red** were given a lower priority. Those in **purple** were the highest priority.

PRIORITY	RESIDENTIAL AND SME	HIGH ENERGY USERS	LOCAL COUNCIL (note slightly different methodology)
1	Providing a reliable supply of electricity to all customers by building, maintaining and managing the substations, poles and wires, underground cables and other equipment.	Providing a reliable supply of electricity to all customers by building, maintaining and managing the substations, poles and wires, underground cables and other equipment.	Providing a reliable supply of electricity to customers by building, maintaining and managing the substations, poles and wires, underground cables and other equipment.
2	Responding to emergencies like storms which bring down power lines and poles to reduce the safety risk and restore power as quickly and safely as possible.	Keeping customers informed of planned and unplanned outages to minimise disruption to operations.	Planning for the future by building the electricity infrastructure to accommodate growing suburbs and industries.
3	Managing the network efficiently to deliver electricity services in the most affordable way.	Responding to emergencies like storms which bring down power lines and poles to reduce the safety risk and restore power as quickly and safely as possible.	Proactively strengthening the network in areas facing increasing extreme weather events to improve the resilience of exposed communities.
4	Researching, trialing, and installing new technologies such as batteries to improve efficiency of infrastructure investment where possible, helping contribute to long-term affordability of electricity bills.	Providing business partners for key customers to help them manage their existing or future service, usage and costs.	Managing the network efficiently deliver electricity services in the most affordable way.
5	Managing safety-related issues to reduce risks to the community by monitoring infrastructure, trimming trees to maintain safety clearances, managing bushfire risk and preventing blackouts caused by falling trees.	Planning for the future by building the infrastructure to accommodate growing suburbs, new connections and industries.	Installing and maintaining streetlights for local Councils to keep communities safe.*
6	Planning for the future by building the infrastructure to accommodate growing suburbs and industries.	Managing the network efficiently to deliver electricity services in the most affordable way.	Responding to emergencies like storms which bring down power lines and poles to reduce the safety risk and restore power as quickly and safely as possible.
7	Keeping customers informed (via SMS for all customers plus mailbox drops for life-support customers) of planned and unplanned outages to minimise disruption.	Providing prompt connections and disconnections when required, including new services, large energy connections, embedded networks and solar connections.	Researching, trialing, and installing new technologies such as batteries to improve efficiency of infrastructure investment where possible, helping contribute to long-term affordability of electricity bills.
8	Helping vulnerable customers to keep the power on when things go wrong or when they need medical equipment to preserve life (life support customers).	Reading electricity meters and sending the data to retailers so your electricity bills are accurate.	Helping vulnerable customers to keep the power on when things go wrong in their lives or when they need electricity to power medical equipment to preserve life (life support customers).
9	Providing customers with tools to help manage electricity usage and costs via telephone, text and website.	Answering emergency telephone calls within 30 seconds.	Managing safety-related issues to reduce risks to the community by monitoring infrastructure, trimming trees to maintain safety clearances, managing bushfire risk and preventing blackouts caused by falling trees.

Appendix 2: Comparison of customer priorities for current core services (cont'd)

PRIORITY	RESIDENTIAL AND SME	HIGH ENERGY USERS	LOCAL COUNCIL (note slightly different methodology)
10	Installing and maintaining streetlights to keep communities safe.	Researching, trialling, and installing new technologies such as batteries to improve efficiency of infrastructure investment where possible, helping contribute to long-term affordability of electricity bills.	Keeping customers informed (via SMS for all customers plus mailbox drops for life-support customers) of planned and unplanned outages to minimise disruption.
11	Reading electricity meters and sending the data to retailers so your electricity bills are accurate.	Managing safety-related issues to reduce risks to the community by monitoring infrastructure, trimming trees to maintain safety clearances, managing bushfire risk and preventing blackouts caused by falling trees.	Providing customers with tools like apps and tips to help manage electricity usage and costs via telephone, text and website.
12	Providing prompt connections and disconnections when required, including new services and solar connections.	Installing and maintaining streetlights to keep communities safe	Providing prompt connections and disconnections when required, including new services and solar connections.
13	Answering emergency telephone calls within 30 seconds	Helping vulnerable customers to keep the power on when things go wrong or when they need medical equipment to preserve life (life support customers).	
14		Providing customers with tools to help manage electricity usage and costs via telephone, text and website.	

Appendix 3: Comparison of customer priorities for possible future services

The table below shows the full list of potential future services with the overall priority order determined by the number of participants ranking the service in their top five. The priorities of residential and SME customers are shown in column one below, high energy users in column two, and local council in column 3. **Red** and **green** statements indicate where the priorities provided by local councils were comparatively higher or lower.

PRIORITY	RESIDENTIAL AND SME	HIGH ENERGY USERS	LOCAL COUNCIL (note slightly different methodology)
1	Provide the necessary technology so that anyone who wants to use solar panels to generate their own electricity and export what they don't use into the grid can do so.	Invest in infrastructure and / or new technology so the current levels of reliability (number of blackouts and speed with which they are fixed) can be maintained as the climate changes (e.g. if there are more floods and fires).	Invest in infrastructure and / or new technology so the current levels of reliability can be maintained as the climate changes.
2	Invest in infrastructure and / or new technology so the current levels of reliability can be maintained as the climate changes.	Ensure the grid is able to cope with the increased demand likely to come from an influx of electric vehicles , hydrogen or other new technologies.	Help cut greenhouse gases and set targets to do this by 2040 through investment in new technology.
3	Provide households with an option to send any excess energy from their solar panels to a battery shared with neighbours so they can trade electricity with each other. This would also help make the grid more efficient and keep downwards pressure on bills.	Provide businesses more tailored approaches to account management and different levels of support depending on their needs and size.	Ensure the grid is able to cope with the increased demand likely to come from an influx of electric vehicles .
4	Introduce a new way of charging so that customers can save money by changing the time of day they consume electricity or export solar to match the changing supply and demand in the grid.	Provide customers more accurate and timely information about unplanned and planned disruptions.	Fast-track the connection of new businesses and housing developments so our region can grow rather than invest 'just in time'.
5	Ensure the grid is able to cope with the increased demand likely to come from an influx of electric vehicles.	Introduce a new way of charging so that customers can save money by changing the time of day they consume electricity or export solar to match the changing supply and demand in the grid.	Replace above ground wires with underground cables to reduce fire risk and improve public amenity (note that this would cost customers significantly more and often takes longer to find faults).
6	Help cut greenhouse gases and set targets to do this by 2040 through investment in new technology.	Offer businesses a range of different services and prices so they can choose what they want in terms of reliability, account management and customer service.	Strengthen responses to emergency management with Councils.
7	Help customers to understand and manage their electricity consumption and costs through education and data.	Help cut greenhouse gases and set targets to do this by 2040 through investment in new technology.	Provide the necessary technology so that anyone who wants to use solar panels to generate their own electricity and export what they don't use into the grid can do so.
8	Help customers save money if they choose to reduce their energy consumption during a heatwave so more equipment doesn't need to be built, helping keep prices down for everyone in the longer term.	Provide extra services (such as fast-tracked processes) to those who are willing to pay for them, instead of all customers contributing.	Introduce a new way of charging so that customers can save money by changing the time of day they consume electricity or export solar to match the changing supply and demand in the grid.
9	Replace above ground wires with underground cables to reduce fire risk and improve public amenity (note that this would cost customers significantly more and often takes longer to find faults).	Replace above ground wires with underground cables to reduce fire risk and improve public amenity (note that this would cost customers significantly more and often takes longer to find faults).	Provide households with an option to send any excess energy from their solar panels to a battery shared with neighbours so they can trade electricity with each other. This would also help make the grid more efficient and keep downwards pressure on bills.

Appendix 3: Comparison of customer priorities for possible future services (cont'd)

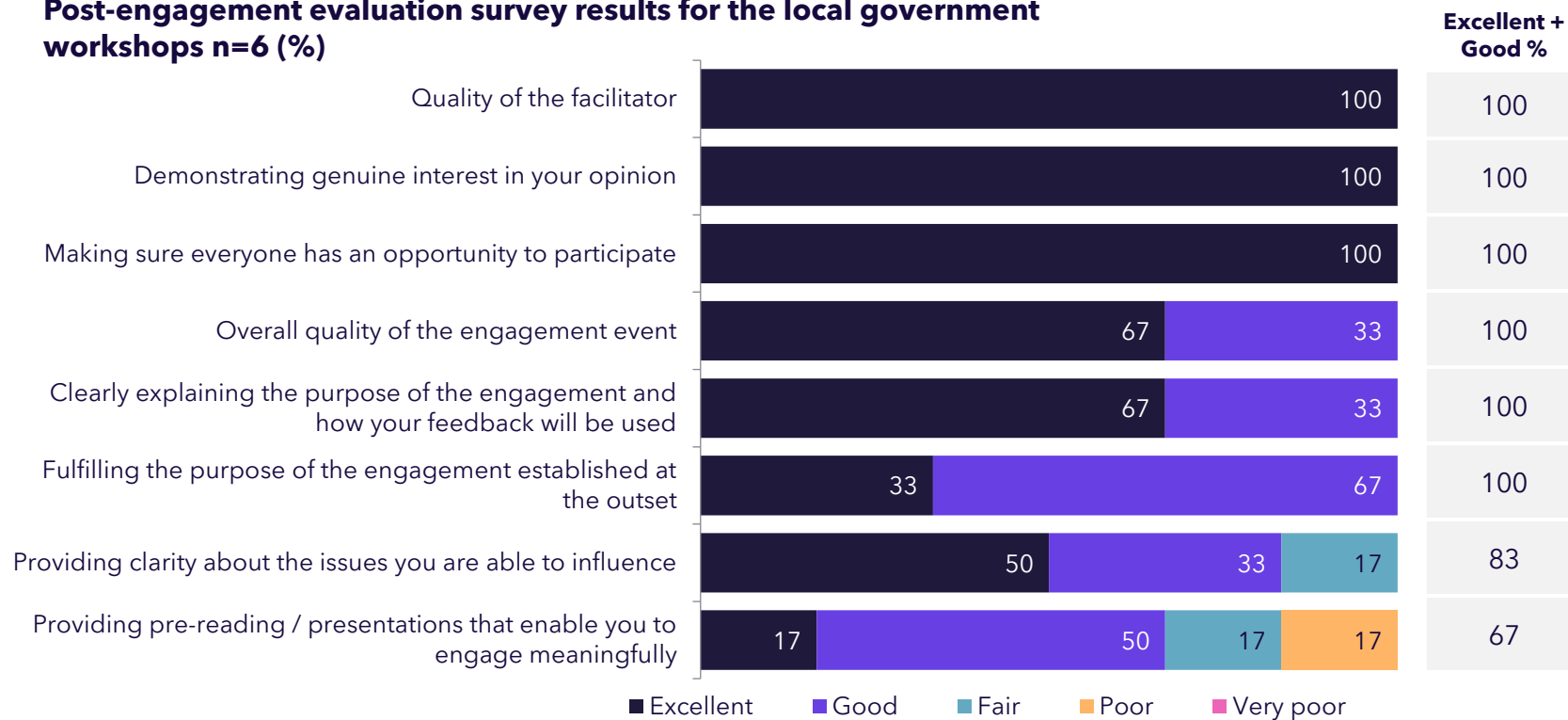
PRIORITY	RESIDENTIAL AND SME	HIGH ENERGY USERS	LOCAL COUNCIL (note slightly different methodology)
10	Provide customers more accurate and timely information about unplanned and planned disruptions .	Provide the necessary technology so that anyone who wants to use solar panels to generate their own electricity and export what they don't use into the grid can do so.	Help customers to understand and manage their electricity consumption and costs through education and data .
11	Increase digital security to protect customers' personal data related to their energy usage.	Help customers to understand and manage their electricity consumption and costs through education and data .	Help customers save money if they choose to reduce their energy consumption during a heatwave so more equipment doesn't need to be built, helping keep prices down for everyone in the longer term.
12	Provide extra services to those who are willing to pay for them, instead of all customers contributing.	Provide households and businesses with an option to send any excess energy from their solar panels to a battery shared with neighbours so they can trade electricity with each other.	Provide customers more accurate and timely information about unplanned and planned disruptions .
13	Fast-track the connection of new business and housing developments so our region can grow rather than invest 'just in time'.	Fast-track the connection of new businesses and housing developments so our region can grow rather than invest 'just in time'.	Councils only: offer Councils a range of different services and prices so they can choose what they want in terms of reliability, account management and customer service.
14	SME only: Provide small and medium businesses more tailored approaches to account management and different levels of support depending on their needs and size.	Increase digital security to protect customers' personal data related to their energy usage.	
15	SME only: Offer small and medium businesses a range of different services and prices so they can choose what they want in terms of reliability, account management and customer service.		

Appendix 4: List of participants and observers

- Andy Karklins, Traffic Management Officer, Blacktown City Council
- Ankit Kamra, Western Sydney Sustainability Project Officer, Ironbark Sustainability
- Anthony Collins, Manager Sustainability & Waste, Parramatta City Council
- Benjamin Hawkins, Manager - Subdivision & Development Certification, The Hills Shire Council
- Bernadette Mackinnon, Manager Open Space and Sustainability, Camden Council
- Craig Martin, Manager Compliance & Specialist Services, Blue Mountains City Council
- Daniel Anderson, Executive Manager Environment and Precincts, Cumberland City Council
- Helen Burnie, Senior Coordinator Environmental Services, Blacktown City Council
- Joanna Kraatz, Future Innovation Officer, Wollondilly Shire Council
- Jonathon Edgecombe, Director of Infrastructure Services, Lithgow City Council
- Judith Bruinsma, Project Coordinator, WSROC
- Karen Jones, Project Team Lead - City Strategy, Parramatta City Council
- Krystie Race, Sustainability Research Planner, Penrith City Council
- Lachlan McClure, Manager Buildings, Hawkesbury City Council
- Luca Cattarin, Business Programs Officer, Liverpool City Council
- Mark Grenning, Director Policy & Regulation, Energy Users Association of Australia (Regulatory Reference Group Member)
- Michael Edgar, General Manager, The Hills Shire Council
- Michael Lathlean, Group Manager [Senior Officer] Shire Strategy, Transformation & Solutions, The Hills Shire Council
- Natalie Gray, Project Officer (Environmental Management), Cumberland City Council
- Nestor Punsalan, Senior Engineer Fixed Plant, Blacktown City Council
- Nic Pasternesky, Manager Governance & Procurement, Western Sydney Region Organisation of Councils (Regulatory Reference Group Member)
- Nicole Collas, Senior Project Officer (Environmental and Asbestos Management), Cumberland City Council
- Nishan Adhikari, Senior Energy/Sustainability Engineer, Parramatta City Council
- Paul Belz, Director City Assets, Blacktown City Council
- Paul Gowans, Director (Wollondilly Shire Council representative), Next Energy Lighting
- Peter Conroy, Director City Planning and Development, Blacktown City Council
- Reyad Toufaily, Traffic Management Officer, Blacktown City Council
- Robert Morrison, Waste & Sustainability, Blue Mountains City Council
- Rodney Pavitt, Principal Coordinator Traffic & Roads Management, The Hills Shire Council
- Sebastian Paris, Principal Urban Forest, Blue Mountains City Council
- Stella Qu, Transport Planner, Liverpool City Council
- Suzan Mehmet, Road Safety Coordinator, Blue Mountains City Council
- Warren Gracey, Program Leader Fleet & Depot Operations Service, Blue Mountains City Council

Appendix 5: Post-engagement evaluation survey results

Post-engagement evaluation survey results for the local government workshops n=6 (%)



"I enjoyed getting an overview. We had good quality discussions at our table."
(Western Sydney Local Government Workshop participant)

"Great to start the conversation. It felt like genuine consultation and interest in our views. Thank you."
(Illawarra Local Government Workshop participant)

Q. How would you rate Endeavour Energy's performance in the following areas: // Base: all participants who completed either the Illawarra or Western Sydney Local Government Workshop post-engagement evaluation surveys (n=6)



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