AusNet

Committed to Customers

FY2023 Customer Interactions & Monitoring Report

December 2023

Acknowledgement of Country

AusNet acknowledges Aboriginal peoples as the Traditional Owners and Custodians of the lands on which we live and work. We celebrate Aboriginal peoples' enduring connection to Country, and to the sun and wind that power our future. We pay respects to Elders past, present and emerging.

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Foreword

As incoming CEO I am aware of the enormous responsibility AusNet carries as custodians of community assets across electricity distribution and transmission, and gas distribution. Providing reliable electricity is not just about delivering a service; it's about fuelling the smooth functioning and growth of our communities. We recognise the trust you place in us every day to keep the lights on, power your homes, and support the businesses and community facilities that are key to our society.

In 2019 we agreed to a series of commitments to our customers, co-designed with our Customer Forum during the Electricity Distribution Price Review 2021-26. These commitments help ensure we understand customers' needs, make it simple and easy to get things done and improve the lives of our customers and communities.

Now in its fourth year, *Committed to Customers* (previously the *Customer Interactions and Monitoring Report*) outlines AusNet's progress and actions to deliver on these commitments. In these past four years we have witnessed significant levels of change to our energy system and to the way customers interact with this and with us. While we stive to keep understanding and meeting customers' needs and preferences throughout the energy transition, we acknowledge we don't always get it right first time, every time.

This report is an open conversation about the steps we're taking to enhance our services and use resources wisely. This report is more than just a compilation of statistics; it's a transparent look into our operations, our investments, and ongoing, concerted efforts to make things much better.

Evolution is a theme that runs through the data and case studies that comprise *Committed to Customers 2023* – from the maturity of our "business-as-usual" program of research and engagement to implementing battery energy storage systems to boost community reliability and resilience. In the past financial year, AusNet has also remained acutely aware of the cost-of-living pressures facing many homes and organisations in our community. Now more than ever we need to make sure the electricity distribution charges you pay translate into better services, improved experiences, and a positive impact on our community.

In the years ahead we will continue to evolve our network and assets and the services we provide, to meet customers' changing needs. So too will our approach to reporting evolve. Joining *The Energy Charter* and expanding our *Task Force on Climate-related Financial Disclosures (TCFD) Report* will require us to publicly report on our progress in the months and years ahead on a range of additional areas, including our resilience to climate change, progress on reducing emissions, the maturity of customer focus within the business, and extending reporting of how and where we are going above and beyond to improve outcomes for customers.

In the following pages, you will find a summary of some actions we've taken to enhance the quality of our services and ensure the efficient use of our revenue right across the business. As I move into my new role, I look forward to continuing these conversations and driving action on delivering great outcomes for customers into the future. I encourage you to delve into the report, examine our achievements and continue to hold us accountable for areas where we can improve.

David Smales

Chief Executive Officer, AusNet

1. Background

We're an Australian energy delivery business and the custodians of more than $12 billion of electricity and gas network assets across Victoria. We provide essential electricity and gas distribution services to more than 3.7 million people, and the electricity transmission network for all of Victoria. This means all Victorians – if they use energy from a grid – are interacting with AusNet in some way every day.

AusNet is one of Victoria's five electricity distribution networks and one of three gas distribution networks, delivering electricity to customers in the east and gas to customers in the west of the state. We also look after Victoria's electricity transmission network, which covers the entire state. Ensuring our customers have access to safe, reliable and affordable energy services is key for the communities our network services.

Location of our networks
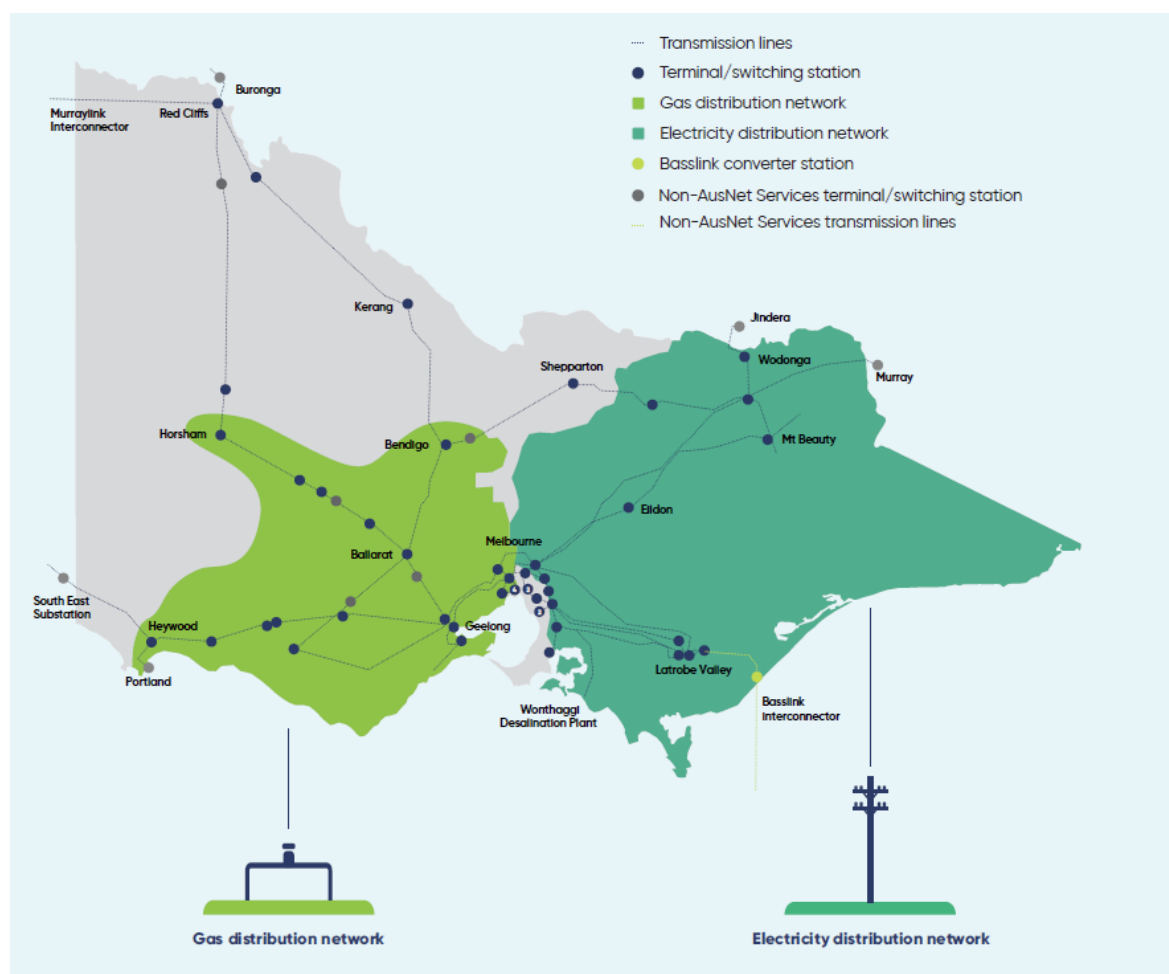
About this Report

Committed to Customers 2023 reports on actions and initiatives undertaken between 1 July 2022 and 30 June 2023 (FY2023) to meet our six customer experience commitments[1]. This reporting is done annually and voluntarily by AusNet. The purpose is to provide customers with information on how the money they pay AusNet via their bills is being spent, and how AusNet is improving outcomes for its customers. *Committed to Customers 2023* builds on the progress made between 2020 and 2022, and as reported previously via the *Customer Interactions and Monitoring Reports*.

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[1] The commitments were co-designed with AusNet's Customer Forum as part of the Electricity Distribution Price Review (EDPR) 2022-26. The Customer Forum represented AusNet customers' interests in this process.

1.1. Committed to customers during times of change

The evolution in the way people think about, use and interact with energy has been a big focus for AusNet in the 12 months to June 2023.

Transitioning to renewable energy presents enormous opportunities and challenges. Customers' feelings about the transition vary greatly. The transition means AusNet needs innovative solutions and investment to support a network carrying more renewable energy. It also means customers are interacting with our network in new ways, such as exporting energy from rooftop solar panels, charging electric vehicles and switching from gas to electricity as a source of heat.

For many of our communities travel and work patterns are different now to previous years, as many customers continue hybrid working (or work from home). Our relationships and interactions with technology continue to deepen, while as a society we grapple with tangible impacts of climate change. We have also seen many in our community struggling with increased costs of living pressures. Government policies are also evolving, with new measures to encourage the electrification of gas and transport. International coal and gas market pressures also saw regulators intervene in energy markets to limit cost impacts on customers' energy bills.

These challenges highlight the importance of delivering on our commitments and supporting customers as we transition to renewable energy. Through this time we remain committed to ensuring the customers and communities we serve have access to quality energy services that meet their evolving needs.

1.2. The customers we serve

AusNet's customers are very diverse, ranging from households and small businesses to schools, councils, farms and hospitals, and large commercial and industrial customers.

AusNet's electricity and gas distribution networks serve 715,000 and 784,000 households respectively, with almost two million people interacting with each network every day. Making up these large numbers are an incredibly varied range of households - of diverse sizes, ages, backgrounds and with many types of appliances - all relying on and using energy differently.

People and households served by our electricity and gas networks share several key demographic characteristics. Analysis of the 2021 census data tells us:

- Both networks cover large geographic areas, but customers are concentrated in the outer Melbourne metropolitan areas on our networks. Roughly two in three households and businesses on each of the electricity and gas distribution networks are located in greater metropolitan Melbourne, and one in three live in regional Victoria.

- A significant portion of AusNet's customers speak a language other than English at home:
    - 28% of electricity customers (top languages spoken are Mandarin, Punjabi, Italian)
    - 38% of gas customers (top languages spoken are Vietnamese, Punjabi, Arabic).

- Approximately 6% of residents on both networks identify as needing assistance with core activities, and about 33% have a chronic health condition.

- Labor force participation rates of distribution and gas customers are similar, with 59% of electricity network residents and gas network residents being employed. The top industries of employment include healthcare and social assistance, construction, and retail trade.

- While living arrangements are diverse, the most common living arrangement is a household comprised of a couple with children residing in a large, detached house with multiple cars.

- The average SEIFA (IRSD) score is 1027 for electricity residents, slightly above the Victorian average of 1012, and 993 for gas residents, slightly below the state average.

Business customers served by our networks:

- Both networks serve approximately 110,000 businesses each (based on their tariff class), including small and medium-sized enterprises, farms, and industrial customers. Note this does not include businesses operating from residential premises, so the actual number is likely much higher.

- Businesses connected to the AusNet electricity network are most commonly in the construction; transport, postal and warehousing; and professional, scientific and technology services industries.

- Businesses connected to the AusNet gas network are most commonly in the construction; transport, postal and warehousing; professional, scientific and technology services; and rental, hiring and real estate services industries.

We also work with a wide range of partners and stakeholders who help us deliver energy and have important interactions with our customers. They include but are not limited to retailers, generators, service providers, regulators and policy makers, tradespeople, customer advocates and social service organisations and property developers.

1.3. Commitments to customers

Customer and reporting requirements are designed to keep us accountable for the way we engage with customers and deliver customer experience improvements.

These six[2] customer experience commitments have been designed to ensure we understand our customer's needs, make it simple and easy to get things done, and improve the lives of our customers and communities.

This report (previously *Customer Interactions and Monitoring Report*) sets out our progress against these six commitments over a 12-month reporting period, aligned to the previous financial year.

1. **Building our understanding of customers' needs and expectations**

2. **Establishing clearer accountability for customers**

3. **Aligning our incentives with customer outcomes**

4. **Fixing customer pain points and improving the customer experience**

5. **Collaborating with the community and taking care of customers in vulnerable circumstances**

6. **Making our organisation easier to deal with**

[2] In earlier years we referred to nine customer experience commitments. Two of these have since been grouped: "Collaborating with the community" and "Taking care of our most vulnerable customers" are together grouped under Commitment 5. "Making our claims process easier for all customers" has also been grouped under Commitment 6. The publication of this report, and information within it, addresses commitment 9 – "Holding ourselves to account".

1.4. Our customer strategy

More than ever, we are conscious of the role we play as part of the energy supply chain to enable the energy transition. Amid this transition, our purpose remains simple: connect communities with energy and accelerate a sustainable future.

AusNet developed a five-year customer strategy in 2022, directing our focus to priorities that put customers at the heart of our business. These priorities are to:

- develop strategies, products, services and make decisions that are informed by customer needs
- deliver a seamless customer experience
- strive to be the connector of choice
- embed customer-related goals into team and individual performance planning.

As we continue to deliver in line with our customer strategy priorities and the customer commitments on the previous, we strive to build trust by getting the basics right today and empower customers with greater choice to unlock the opportunities for a greener world tomorrow.

1.5. Snapshot of FY 2023

Through AusNet's on-going Customer Satisfaction (CSAT) research program, we continued to track levels of customer satisfaction with key interactions they have with us, and what aspects of that interaction drive overall satisfaction.

Customers' needs and expectations are continuously evolving, and we are investing in network improvements to maintain and improve customers' satisfaction with our electricity and gas network experiences. Additionally, major weather events, coupled with the impact of strong inflation and substantial increases in energy prices were key external factors that impacted broad customer satisfaction with the Australian energy sector during FY2023. As a result, CSAT scores have variously moved up and down in FY2023.

1.5.1.   Key results from our electricity distribution network

At 7.1 (with 10 the maximum) FY2023's aggregate CSAT score is a slightly lower than FY2022's result of 7.2. This aggregate score is the combined result from our three main interactions with *electricity* customers: planned outages, unplanned outages, and new connections over the 12-month period 1 July 2022 – 30 June 2023.

Overall, 36% of customers gave us an excellent satisfaction rating of nine or ten across the three main interactions above, which was comparable to the 37% achieved in FY2022.

Our CSAT performance is also assessed against pre-determined targets via our Customer Service Incentive Scheme (CSIS). The CSIS is regulated by the Australian Energy Regulator (AER), and AusNet receives a financial reward for strong satisfaction results or a penalty for weak satisfaction results. Pending final assessment by the AER, the initial results for FY2023 show AusNet will receive a financial reward for three of the four measures. The fourth – complaints satisfaction – will be suspended this financial year as the number of survey completions was too low for a reliable result to be obtained.

Electricity Results	FY2023 average (& change from FY2022)	CSIS Target	% of customers by satisfaction rating (0-10)		
			0-6	7-8	9-10
Unplanned outages	6.8 (↑0.4)	6.5	35%	37%	28%
Planned outages	7.5 (↓0.2)	7.4	26%	33%	41%
New connections	7.1 (↓0.4)	6.6	33%	27%	40%
Aggregate (excluding complaints, and solar and battery connections)	7.1 (↓0.1)	N/A	31%	32%	36%
Complaints*	3.0 (↓2.2)	3.8	83%	10%	8%
Solar and battery connections	8.2 (↓0.3)	N/A	16%	30%	54%

* Result is based on a small sample of respondents and therefore is indicative only. Due to low sample size and unreliability of data, the complaints measure was temporarily suspended from the CSIS scheme in FY2023.

1.5.2.   Key results from our gas distribution network

At 8.2 (with 10 the maximum) FY2023's CSAT aggregate score has also decreased 0.1 from last financial year's result of 8.3. This aggregate score is the combined result from our three main interactions with *gas* customers: planned outages, unplanned outages and new connections. The small decrease in overall CSAT score for gas distribution was driven by slight decreases in both unplanned and planned results compared to FY2022. On the other hand, new customers' satisfaction with connecting to our gas network remains unchanged from FY2022 result.

On the whole, 58% of customers gave us an excellent satisfaction rating of 9 or 10 across the three main interactions above, compared to 61% in FY2022.

Gas Results	FY2023 average (& change from FY2022)	% of customers by satisfaction rating (0-10)		
		0-6	7-8	9-10
Unplanned outages	8.6 (↓0.1)	13%	17%	69%
Planned outages	7.8 (↓0.1)	22%	32%	46%
New connections	8.2 (-)	22%	32%	46%
Aggregate (excluding complaints)	8.2 (↓0.1)	16%	26%	58%
Complaints*	5.4 (↑1.2)*	57%	29%	14%

* Result is based on a small sample of respondents and therefore is indicative only

1.6. FY2023 engagement by the numbers

AusNet

Between July 2022 and June 2023, AusNet has spent a lot of time listening to customers

to build an understanding of their needs and priorities, and help AusNet make important decisions. Note these statistics are not exhaustive and do not capture the informal interactions we have with customers day-to-day, which are numerous.

10,000+

Customers shared thoughts with us, helping AusNet to reflect their needs and priorities in our decisions

230,000+

Invitations sent to customers to have their say in various research activities

**25+ hours**

spent in meetings of our standing consultative forums*

*The Customer Consultative Committee, Transmission Customer Advisory Panel, Developer Consultative Committee & Innovation Advisory Committeee

250+

Formal in-depth conversations with AusNet customers & stakeholders on a range of topics

Commitment 1

Building our understanding of customers' needs and expectations

2. Building our understanding of customers' needs and expectations
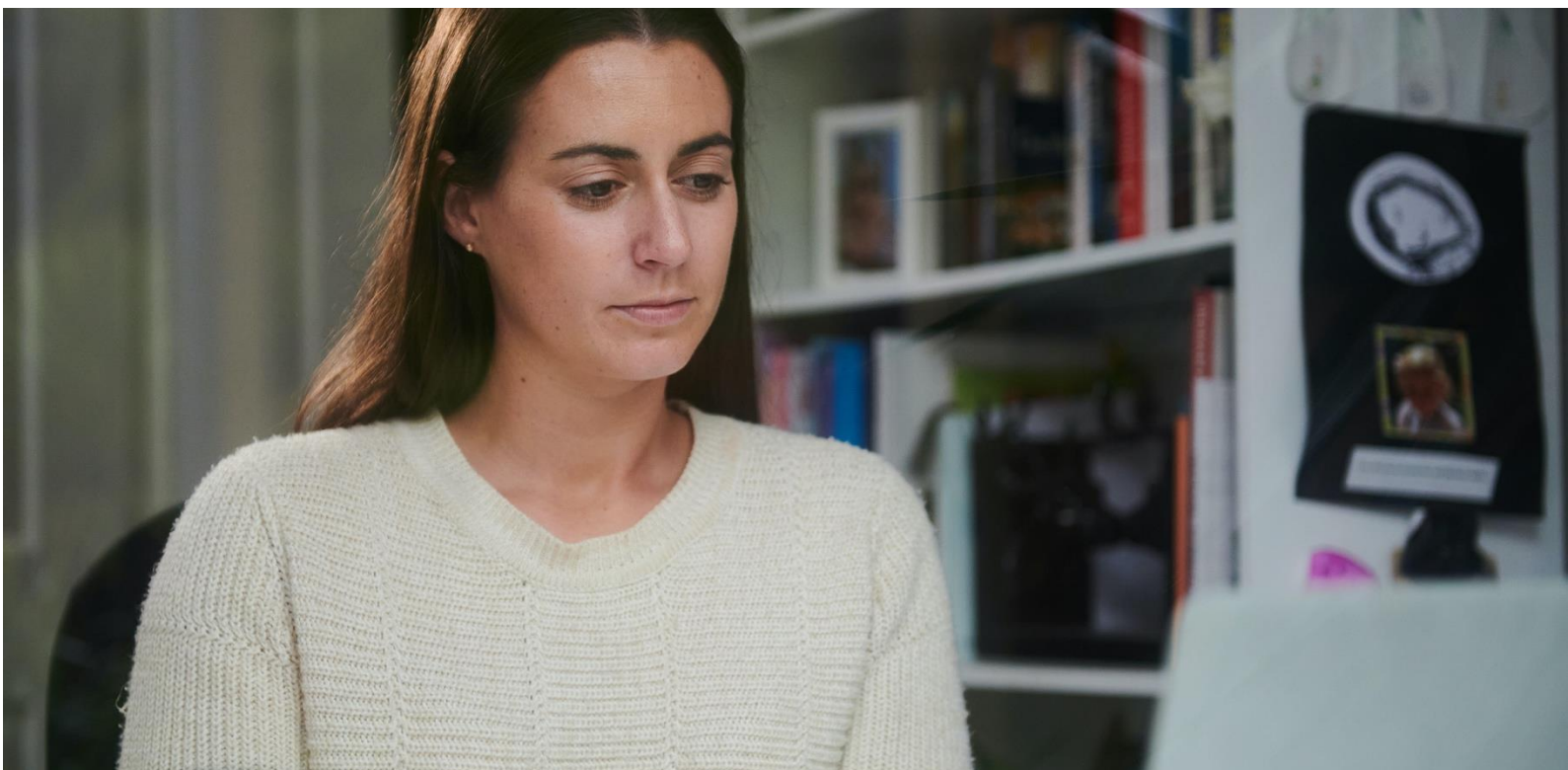
Reporting on Commitment 1

In FY2023 we continued to build on both our program of ongoing (business-as-usual) engagement activities and our customer research capability.

Teams across AusNet, from Strategy to Operations to Finance to Network Planning and beyond work together to ensure we engage broadly with customers across our network on a variety of important issues, while enabling us to explore and discuss more complex topics in-depth.

This approach helps drive customer focus across our business, inform decision making and enhance service design. In FY2023 we put extra emphasis on maximising the value of our customer insights, sharing these externally with government, other networks and various parties who support the energy supply chain and our customers via briefings, webinars, media coverage and publicly available reports. This effort has been made as people are telling us that AusNet's insights are unique and valuable, and are very helpful for others' efforts to deliver better outcomes for customers (of AusNet and beyond!), so we are of course very happy to support.

2.1. Summary of research

AusNet

CUSTOMER RESEARCH ACTIVITY	PURPOSE OF RESEARCH	KEY INSIGHTS AND PROJECT STATUS
Annual customer satisfaction research, CSAT	To provide quantitative and qualitative insights into our customers' satisfaction across our various customer groups. These develop our understanding of drivers of change to customer satisfaction and helps identify positive and negative aspects.	Key insights are shared on p.10 and p.11 of this report
Seasonal safety and energy efficiency campaign tracking	To measure the impact of our communications campaigns (particularly the Summer and Winter Readiness campaigns) and refine the design of future communications campaigns.	Key insights are used by the Communications team to check that key messages are understood and are being acted upon.
Energy Sentiments	To understand our (residential and small and medium enterprise) customers' needs, wants and preferences cost-effectively and continuously, to help us meet their expectations and improve customers' experience customers with us.	Key insights are shared on p. 21 of this report
Vulnerability Research Grant	To help us better identify customers experiencing vulnerability or with diverse capabilities, to understand their needs and how to best support them. This will help us provide fit-for-purpose energy services to all customers, regardless of their circumstances and capabilities. This research was undertaken by Yarra Energy Foundation, recipients of AusNet's 2022 Vulnerability Research Grant.	*Shine a Light: Understanding vulnerability at the intersection of disability and electricity services* reports on the outcomes of the study. Find out more on p.47.
Customer Segmentation Research	To segment and profile our residential customer base to better understand: • how different households are interacting with the network (ie. usage patterns) • demographics of households and their drivers • what could change energy usage over time. This research provides new and valuable insights into our residential customers and their behaviours, which is increasingly important for network planning and policy design as part of the energy transition to Net Zero.	Key insights are shared on p.18 and p.19 of this report
Digital Energy Futures research project (partnership with Monash University, Ausgrid and Energy Consumers Australia)	To better understand how emerging technologies shape the way people live, particularly when it comes to electricity usage. This will help ensure services and products remain relevant to customers and that our energy forecasting better reflects customer behaviour.	This project is now complete. Find out more about the research findings and implications via Monash University's Digital Energy Futures website.
Generator Connections Study (electricity distribution network)	To identify the main pain points that generators have throughout the connection process and explore potential solutions to remove these. Insights will help improve the experience for generators looking to connect to the grid through AusNet.	Drawing on this research, AusNet's Network Connections team is implementing initiatives to improve customer experience.
Analysis of ABS Census data	To build a more comprehensive understanding of the demographic characteristics of AusNet's electricity and gas customers, including how they differ from Victorian averages.	Selected highlights are shared on p. 7, "*Customers we serve*"
Value of energy resilience study	To understand the value that electricity customers in small regional towns place on electricity resilience, to help AusNet and the Victorian Government consider networks' role in resilience and practical options for improving it.	Project complete. Further and more in-depth work being undertaken in EDPR.
Gas Logger Trial with RMIT and Future Fuel Cooperative Research Centre (FFCRC)	To understand householders' energy consumption patterns and practices so that we can manage better the transition to future fuels or all-electric homes.	Project in progress
Survey of Victorian gas customers	To refine our understanding customers' preferences regarding gas pricing and network disconnections. Results helped inform our revised Gas Access Arrangement Review 2023-28 in a time of considerable change, cost of living pressures and policy uncertainty.	Project complete. See p. 22 for more information

2.2. Maturing our approach

Building our understanding of customers' needs is an ongoing commitment for AusNet. Continuing to evolve and mature our existing programs that support this commitment is central to how we approach this.

2.2.1.   Continuing our research journey

Our business-as-usual research programs, such as Customer Satisfaction (CSAT) and Energy Sentiments continued to help us maintain an up-to-date understanding of customers' and stakeholders' needs, attitudes and experiences. We were also thrilled to share insights from the first project funded by our Vulnerability Research Grant, awarded to Yarra Energy Foundation.

In addition, we continued to research specific issues and topics with customers via one-off projects, often in partnership with other organisations. Projects included Customer Segmentation, Digital Energy Futures and the Generator Connections Study. We also completed detailed analysis of ABS Census data (2021) to extend our understanding of the demographic characteristics of AusNet's electricity and gas customers, including how they differ from Victorian averages, and assessed our networks for and remoteness the vulnerability index (SEIFA (IRSD)). AusNet also undertook customer research to help refine our revised Gas Access Arrangement Review 2023-28 (gas revenue and expenditure plan).

Business-as-usual and ad-hoc research remain central to effective engagement and to our commitment to developing plans underpinned by evidence-based decision making, including for EDPR 2026-31, which we are preparing for now.

2.2.2. Continuing our engagement journey

AusNet's 4 ongoing consultative forums remained active this year and have continued to be valuable settings for discussion, challenge, and decision-making.

	Customer Consultative Committee (CCC)	Transmission Customer Advisory Panel (TCAP)	Developer Consultative Committee (DCC)	Innovation Advisory Committee (IAC)
Membership criteria	A range of customer interest and community groups and our representatives	Directly connected customers, consumer advocates, generators, and other Victorian distributors	Various developers, their contractors and industry group members	Industry participants, customer advocates, technical advisers and our representatives
Frequency	Monthly	Quarterly	Quarterly	4 monthly
Purpose	Guides our decision-making so we are informed by our customers' evolving preferences and views and considerate of things that impact our customers, including vulnerable customers	Business-as usual (BAU) forum to gather our customers' evolving needs, views and preferences and reflect them in our program of transmission work, and keep stakeholders informed on work AusNet is doing	Fosters collaboration between AusNet and the development industry, including discussion of auditing, technical standards and performance reporting	Provides independent input on prioritisation and delivery of innovation programs and a forum to communicate lessons and outcomes from our projects to the broader industry

In FY2023 we saw strong indicators that business-as-usual engagement is maturing and continuing to improve outcomes for customers and other key stakeholder groups. For example:

- Members of our CCC, IAC and former Customer Forum members, joined customer and industry stakeholders and government stakeholders in October 2022 to co-design a set of agreed inputs to our EDPR 2026-31 engagement plan. This included our strategy, principles and engagement model, agreed topics for engagement, and our design for a stakeholder reference group and series of sub-panels.

- DCC meetings continue to allow for robust discussion of issues and challenges facing developers, AusNet and the industry more broadly; we continue to encourage developers to suggest agenda items.

- IAC members proposed a new initiative *Electri-fair-cation - Exploring Benefits of the Energy Transition for Low Income Households,* which AusNet agreed to progress. The initiative reallocates $1.5million in innovation funding (part of $7.5m of innovation funding allocated during the Electricity Distribution Price Review 2021-25).

- Through *Community Hub*, we now publicly share meeting minutes or summaries for these forums. Information regarding these forum's purpose and membership is also shared here.

2.3. Case studies

This section shares case studies on AusNet's efforts to build its understanding of customers' needs and expectations.

While the commitments to customers are embedded into AusNet's way of operating, these case studies are intended to provide examples and proof of how this shows up in our day-to-day work. They also highlight the continuous improvement activities being undertaken by teams across AusNet.

2.3.1. Case study | Segmentation research provides insightful new findings on residential customers

Networks need to be planned to accommodate peaks in energy use, so understanding households' patterns of usage are of major interest to AusNet. We have historically had a fairly basic understanding of household behaviours, but as the energy transition progresses it is critical that we understand how and when our customers will want to use the network. This year we completed a groundbreaking industry-first segmentation study to understand customers' energy usage behaviours, the drivers of them, and the propensity for them to change.

The segmentation was made possible by the availability of smart meter data, and the unique combination of skills across our demand forecasting and customer research teams, which saw this data combined with primary insights that could only be gathered by speaking directly to customers.

The project involved three stages:

- Stage 1 involved AusNet teams analysing differences in electricity usage profiles across our whole residential customer base, using smart meter data. This produced five distinct segments, plus five sub-segments of the largest segment, which were overlaid with characteristics stored in our metadata including geographic spread, solar ownership, age of connection and tariff class.

- Stage 2 was a comprehensive online survey, engaging 3,250 customers from all segments and sub-segments. Customers answered questions on household composition and routines, appliance mix, gas connections, features of the home, energy behaviours and motivations, and responded to various propositions. We then married the survey results with usage profile to clearly connect usage patterns and customer characteristics.

- Stage 3 involved 25 customers through qualitative energy usage diaries and interviews to enrich the findings of, and explore trends identified in stages 1 and 2.

AusNet partnered with Painted Dog Research for the primary research in Stages 2 and 3, to profile the segments developed in Stage 1.

The project has given us a deeper understanding of what's going on "behind the meter", including the relationships between appliance mix, attitudes, household composition and usage patterns across various cohorts so we can better forecast electricity usage trends and understand the impacts of various network decisions on different groups.

The segmentation revealed five usage patterns, of which almost all households fit fairly neatly into one of. These usage patterns – or segments - are:

- Time surfers who use energy fairly evenly throughout the day and night

- Day time actives, who use slightly more energy during the day than at night

- High Exporters and Medium Exporters, who are producing significantly more solar power than they use during the day and sending the excess back to the grid but consume more energy at each end of the day, morning and evening

- Night-time Water Warmers, whose electricity use can be linked to overnight hot-water heating.

All households on AusNet's network were represented via analysis of energy usage patterns, supplemented by comprehensive quantitative and qualitative research that was novel, statistically significant and captured a broad cross-section of our customers.

Insights from the research will be used widely across the business, internal applications and decision making. Examples of how we plan to embed this research in our day-to-day work and future planning, are outlined below, noting the possible applications are much more plentiful:

- By understanding the current features and behaviours in households in each segment, we can forecast future usage patterns and electricity demand with much greater granularity, based on real-life customer behaviour. For example, we can now see for the first time that a large majority of AusNet's residential customers rely on gas hot water, which will help us better understand the impact of those homes electrifying their hot water system, and what we can expect to see from each segment. Being able to forecast demand more accurately benefits all customers through ensuring a quality service is delivered while not investing more than is required in the network to manage growing demand.

- By understanding our customers' behaviours, motivations and drivers of change, we are able to better target communications and education campaigns to assist them on their energy journey and in making energy decisions. For example, we now know that a large majority of our residential customer base (our Time Surfers segment) is convenience motivated and likely to live in larger households. For this segment, we can design communications that help them find ways to shift usage for the whole family without impacting family life or highlighting the benefits of "set and forget" controlled appliance (e.g. hot water systems).

> **"In bringing our customer segments to life through this novel approach, we can ensure our future plans, tariff design, and customer services cater to our diverse customer base."**
>
> Thang Pham, AusNet Research Specialist

AusNet has been overwhelmed with interest in and support for the segmentation project, particularly from government agencies, researchers and other networks. In response, AusNet has put considerable time into sharing the insights more broadly. This includes a public webinar to over 100 external stakeholders (which is available to view via Community Hub), several targeted presentations for various Victorian and Federal government energy teams, more than 9,000 views on LinkedIn, providing advice to other networks wishing to undertake a similar study, and sharing the data set with interested government and research organisations.

Figure: The graph below shows the five key usage patterns of households. Each curve represents the average behaviour of an individual household in that group, on an average day in a 12-month period.
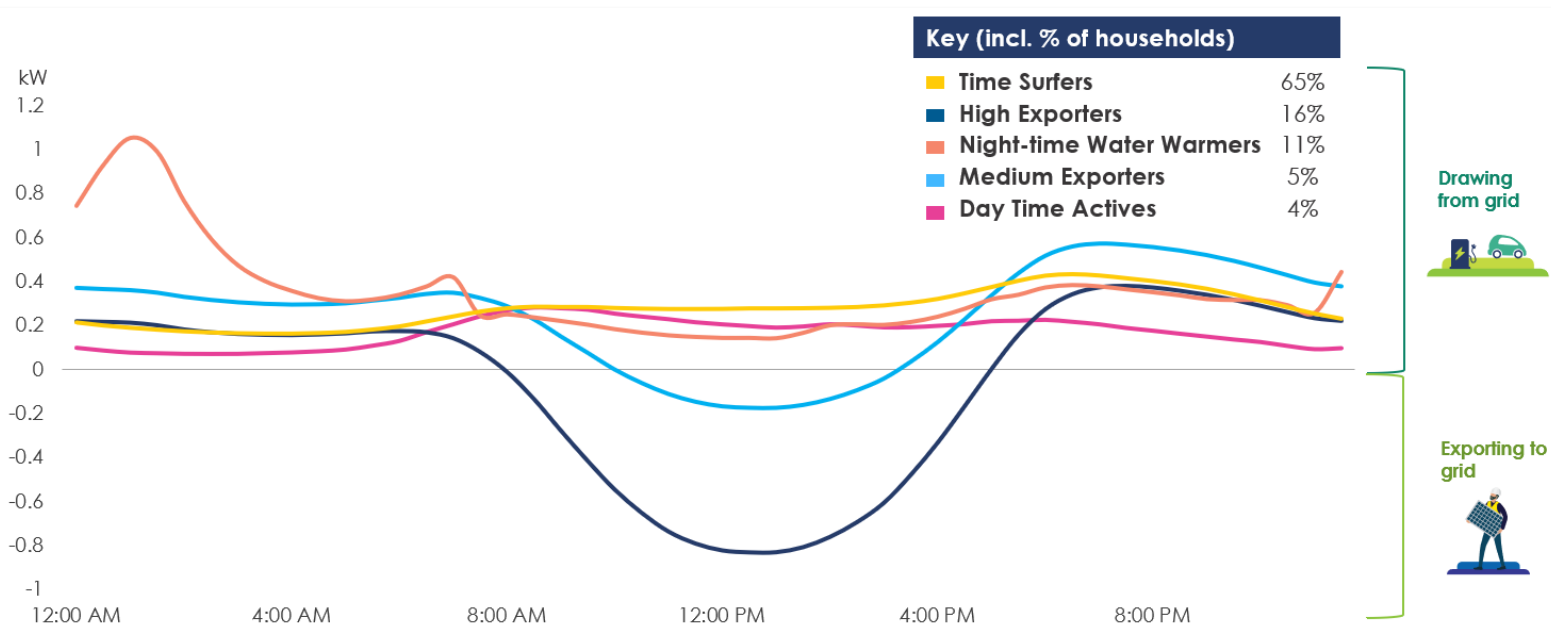
2.3.2.   Case study | Test driving an electric vehicle (EV) tariff

Victorians are buying more electric vehicles (EVs), which has implications for the way they use electricity to charge their cars and potentially to feed energy back into the grid. Among the many insights, our *Segmentation* customer research study gave us insights into interest in EV ownership and EV charging patterns among customers on our network.

We found that people who currently export energy (such as energy from solar panels) are more likely to purchase an EV in the next five years. We also found that most customers are likely to charge their EV overnight, and we know most electric vehicle charging happens at homes.

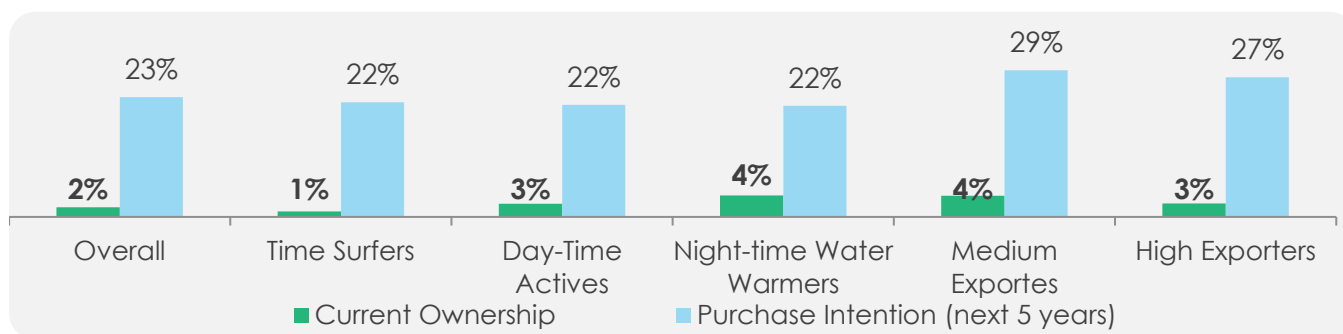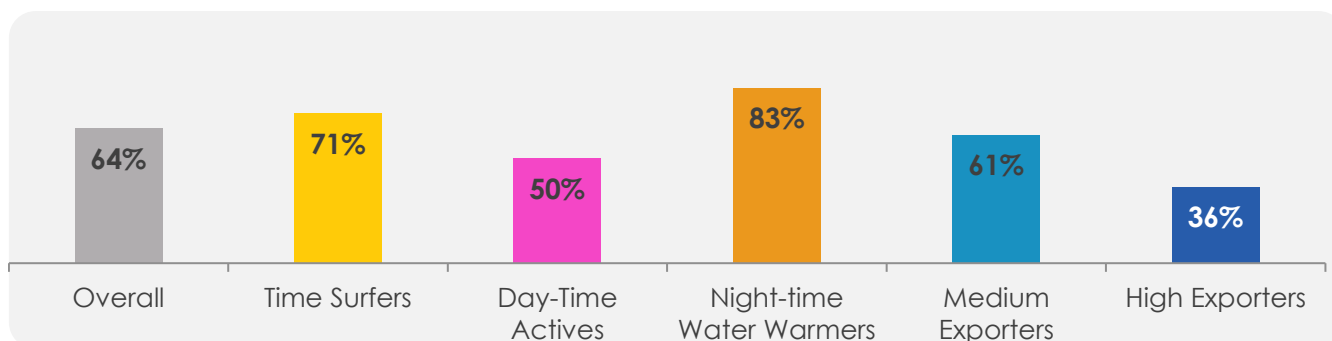**Figure: EV ownership and intention to buy EVs, per segment**

Figure: Tendency to charge EVs at night (rather than at other times)

Understanding our customers intensions and behaviours is important for our network planning. It will help us better plan for an orderly and least cost transition and design policies that incentivise the right behaviour for different customer cohorts, while ensuring fair and equitable outcomes for all.

Day-time charging of EVs, ideally between 10am and 3pm, is better for customers and the grid because this is when the most solar power is produced and less power is being used in homes. Encouraging people to charge EVs during the day when power is at its cheapest also helps stabilise the grid, while ensuring there is enough energy in the system to meet energy demand during peak times.

To encourage EV owners to be mindful of when they charged their vehicles, in FY2023 we developed and prepared to launch a new trial, the EV Dynamic Tariff. This trial will see eligible AusNet customers being paid to charge their EVs at certain times of the day. The trial began in July 2023, will tun for three years and up to 300 people can take part.

In preparation for the trial starting we:
- Notified and consulted with several retailers. As a key part of the trial, retailers will pass through signals (sent via SMS) to customers to help them use energy during the time of day when plenty of solar energy is produced or when use of the network is low. Customers will be rewarded for responding to these signals and charging their EVs at these times.
- Consulted with our Customer Consultative Committee (CCC) on the tariff design and structure. We will also discuss the progress and outcomes of the trial with our Tariffs and Pricing Sub-Panel as part of our 2026-31 EDPR engagement program.

"The aim of this trial is to understand how customers with EVs respond to network pricing signals, and gain a better understanding of customers' charging patterns so we can plan efficiently and help keep network costs down."

Liz Ryan, AusNet Executive General Manager Strategy, Regulation & Corporate Affairs

2.3.3. **Case study |** Capturing changing customer needs and expectations with Energy Sentiments

Our twice-yearly *Energy Sentiments* research helps us understanding the needs, wants and preferences of our residential and small-and-medium business customers', cost effectively and continuously.

As customers' interactions with energy change and the broader energy system undergoes a transition toward renewable energy sources, *Sentiments* helps us to understand their expectations and improve customers' experience with us.

The surveys cover a wide range of topics, including current issues. *Sentiments* identified the following insights into customer sentiment during the FY2023:

- Throughout both the spring 2022 and autumn 2023 surveys, lowering costs was ranked as a top priority for both electricity and gas customers. Factors such as safety, community energy, low-carbon future, environmental impact, and customer service are less consistently high priorities for customers, and have decreased in importance among electricity customers.

- In spring 2022, more than half of electricity customers believe that reliability and power supply to community facilities during significant weather events should be a high priority for AusNet, just behind the priorities of lowering costs and improving safety.

- In autumn 2023, the number of customers planning to disconnect from the gas network in the next decade doubled. The intention to disconnect was significantly higher among residential customers compared to business customers.

- Our autumn 2023 *Sentiments* survey asked customers if there anything AusNet could do to make their energy future better. Customers suggested, affordability, renewable energy, reliability, customer experience, and solar-related needs.

- In autumn 2023, the need to save money, be environmentally friendly, and be prepared for later use or outages continued to be primary drivers for installing solar batteries.

AusNet and our stakeholders get a lot of value from the *Sentiments* surveys, the findings are reported back to a number of our business-as-usual forums and project-specific engagement processes, and it is updated each wave to reflect the evolving context customers are responding to and we are operating in.

2.3.4.   **Case study |** Ensuring customer voices are heard in changing operating environments

FY2023 saw us continue to speak with customers and customer representatives to inform our Gas Access Arrangement Review – AusNet's plans for service levels, prices and activities over the five-year period starting 1 July 2023.

Our draft plans were submitted as planned to the Australian Energy Regulator in July 2022 for their consideration and feedback. However, shortly after this time the Victorian Government released the *Gas Substitution Roadmap*, which had considerable implications for the future of gas in Victoria and for the customers and communities who rely on our gas network.

As a result, we conducted additional research and engagement with our gas customers and stakeholders to ensure we understood their needs and expectations at a time of considerable change, cost of living pressures and concerns about shortages of gas supply. These conversations occurred through:

- joint engagement with Australian Gas Networks and Multinet, including:
    - continuing to meet with our Retailer Reference Group (RRG) and Victorian Gas Networks Stakeholder Roundtable (VGNSR)
    - holding additional 'deep dives' related to our final gas revenue plans
    - a customer workshop, in the lead up to our revised gas revenue plans
    - an additional workshop on the Priority Services Program
- 'Future of Gas' engagement, including an Industry Briefing that was attended by more than 130 greenfield property developers, civil contractors and consultants
- customer research on gas pricing preferences and gas network disconnections
- meetings and briefings with AER Consumer Challenge Panel.

This customer and stakeholder research informed our revised proposal to the AER, which we submitted in January 2023. The AER noted in its May 2023 decision that the insights AusNet collected from customers and reflected in the proposal materially impacted their decision and changed positions on how AusNet approaches the management of its network in the transition to net zero emissions. We will continue to engage with customers and stakeholders as we implement our 5-year gas revenue plan, which started on 1 July 2023, including the Priority Services Program, and how money allocated for this program is best spent.

Commitment 2

Establishing clearer accountability for customers

3. Establishing clearer accountability for customers

Since our first *Customer Interactions and Monitoring Report* 2020, we've worked to establish clearer accountability for our customers. In many ways FY2023 has seen us maintain or refine earlier initiatives. For example, all the initiatives reported in FY2022 have continued into FY2023.

Case studies like *More end customers join the CCC* (p.26) and we are *Continuing accountability to developers through hour updated customer service standard* (p. 27) highlight how we are continuing to refine or further improve on initiatives established in previous years and with the intent of providing clearer accountability for customers.

We've also expanded our accountability to customers and communities through industry-wide initiatives such AusNet joining *The Energy Charter* (p. 25), and preparations to expand our *Task Force on Climate-related Financial Disclosures (TCFD) Report* (p. 28). While in their early stages in FY2023, both these initiatives will require us to publicly report on our progress in the months and years ahead.

3.1. Case studies

This section shares case studies on AusNet's efforts to be accountable to customers.

While the commitments to customers are embedded into AusNet's way of operating, these case studies are intended to provide examples and proof of how this shows up in our day-to-day work. They also highlight the continuous improvement activities being undertaken by teams across AusNet.

3.1.1. Case study | AusNet becomes signatory to The Energy Charter

In June 2023 AusNet joined 20 other Australian energy organisations to become a signatory to the Energy Charter. The Charter is a coalition of energy organisations with a shared passion for communities and customers (Energy Charter, 2023). Together, these organisations recognise that collaboration is key to the transition to a low-emissions future (Energy Charter, 2023).

The Charter's initiatives, designed to drive better community and customer outcomes, are aligned to five key principles:

(1)   we will put customers at the centre of our business and the energy ecosystem

(2)   we will improve energy affordability for customers

(3)   we will provide energy, safety, sustainability and reliability

(4)   we will improve customer experience

(5)   we will support customer facing vulnerable circumstances.

This represents the next step in our commitment to customers and communities. As a full signatory to the Charter, AusNet will be required to publicly disclose how we deliver against these principles on an annual basis, as well as how we intend to progress and by when. The CCC will be heavily involved in assessments of maturity and helping AusNet prioritise improvement opportunities. AusNet will also receive guidance from the Charter on where we can further improve for customer and communities. Reporting will begin at the end of FY2024, and in line with the Energy Charter disclosure guidelines.

3.1.2.   **Case study** | Customer Consultative Committee (CCC) Expanded

Established in 2016, AusNet's CCC provides a monthly forum to discuss plans and customer issues with a group of community and customer representatives, several with expert knowledge in their relevant fields.

The Committee continues to play an important advisory and "sounding board" role to AusNet, to ensure that we are meeting customer needs. Importantly, the CCC acts as the overarching customer engagement forum for AusNet – with the Innovation Advisory Committee, Developer Consultative Committee and Transmission Customer Advisory Panel reporting into the CCC.

The CCC also plays a role in engagement on price reviews. For example, during the current Electricity Distribution Price Review (EDPR) 2026-31 engagement program, the CCC has the added responsibilities of:

- helping coordinate between EDPR-specific engagement and AusNet's business-as-usual engagement
- acting as an escalation point and sounding board for the Coordination Group Chair, as needed.

Once the regulatory period starts, the CCC will take on the role of keep AusNet accountable on delivering on commitments made through the EDPR 2026-31 process.

It was agreed with members that the CCC would benefit from some additional members, and in June 2023, two new members were appointed to the CCC. Both are customers on our electricity distribution network and passionate advocates in and for their communities, with a particular interest in energy.

- **Dr Tricia Hiley** is a passionate and well-known advocate for East Gippsland communities. Among many community activities, Tricia is Coordinator of Mallacoota Sustainable Energy Group and Founding Partner of the Gippsland Community Power Hub.
- **Darren McCubbin** is Chair of Gippsland Climate Change Network, which is responsible for the Latrobe Valley Community Power Hubs, Roadmap to Renewables and scorecard assessments. Darren is also a former Mayor and Councillor of Wellington Shire.

Tricia and Darren bring valuable lived experience as AusNet customers and community leaders to the CCC. In addition, they are both members of various EDPR 2026-31 Engagement Panels, which helps ensure coordination and continuity across our engagement activities.

3.1.3.   **Case study |** Continuing accountability to greenfield developers via our updated customer service standard

In late 2020, the Essential Services Commission of Victoria (ESC) undertook a review into improving the timeliness of electricity connections. All electricity distribution network service providers needed to engage with property developers to create a Customer Service Standard for Greenfields Negotiated Electricity Connections. In 2022, The ESC asked distribution businesses provide recommendations for customer service standards that would apply from 1 April 2023.

Our revised standards were informed by research and engagement with developers, and their consultants and contractors through regular Developer Consultative Committee meetings, Industry Briefings, inviting feedback and consultation from four key industry groups, and a DCC member survey.

Most greenfield developers on the AusNet network indicated their experience as a developer had improved in the past two years. Developers felt that AusNet's connection process was working well, and found value in the additional reporting, education and engagement activities that had been delivering since the introduction of the Standard in early 2021. Developers made it clear that what AusNet was currently doing was working well, so we proposed maintaining our current activities, while continuing to proactively seek and explore opportunities for improving the greenfield connection process for all, in the 2023 update to the Standard.

AusNet's proposed Standard was subsequently accepted by the ESC, and the revised standards came into effect from 1 April 2023. Reporting against these standards began at the July 2023 Developer Consultative Committee meeting (which reported on data for the period April to June 2023).

> **"The content and communication is really good. It certainly aligns all stakeholders and has brought everyone together to help build a reliable network in a good timeframe. It's also great to understand AusNet's workshop (e.g. volume of new designs etc)."**
>
> DCC member, October 2022

> **"It's important to continue to identify issues of concern and discuss ways of improving for a mutually beneficial outcome."**
>
> DCC member, October 2022

Results continue to be reported clearly and honestly, including if targets are not met, via the DCC and publicly on our website each quarter, and formally to the ESC every 6 months.

Coinciding with the revised standards, AusNet trialled expanding its quarterly performance reporting at July's DCC Meeting, based on developers' feedback and we intend to remain responsive to requests for data to help maximise this forum for developers.

3.1.4. Case study | Our position on climate change and how we manage climate-related risks and opportunities

It's widely accepted that climate change presents considerable social and economic risks to customers and communities. These risks also extend to businesses, including AusNet.

In the second half of FY2023, AusNet started preparing its first *Climate Change Position Statement*, and expanding our *Task Force on Climate-related Financial Disclosures (TCFD) Report*. These documents will help communicate to customers and stakeholders what AusNet is doing to manage climate-related risks and opportunities within our business, and how we are playing our part to reduce emissions.
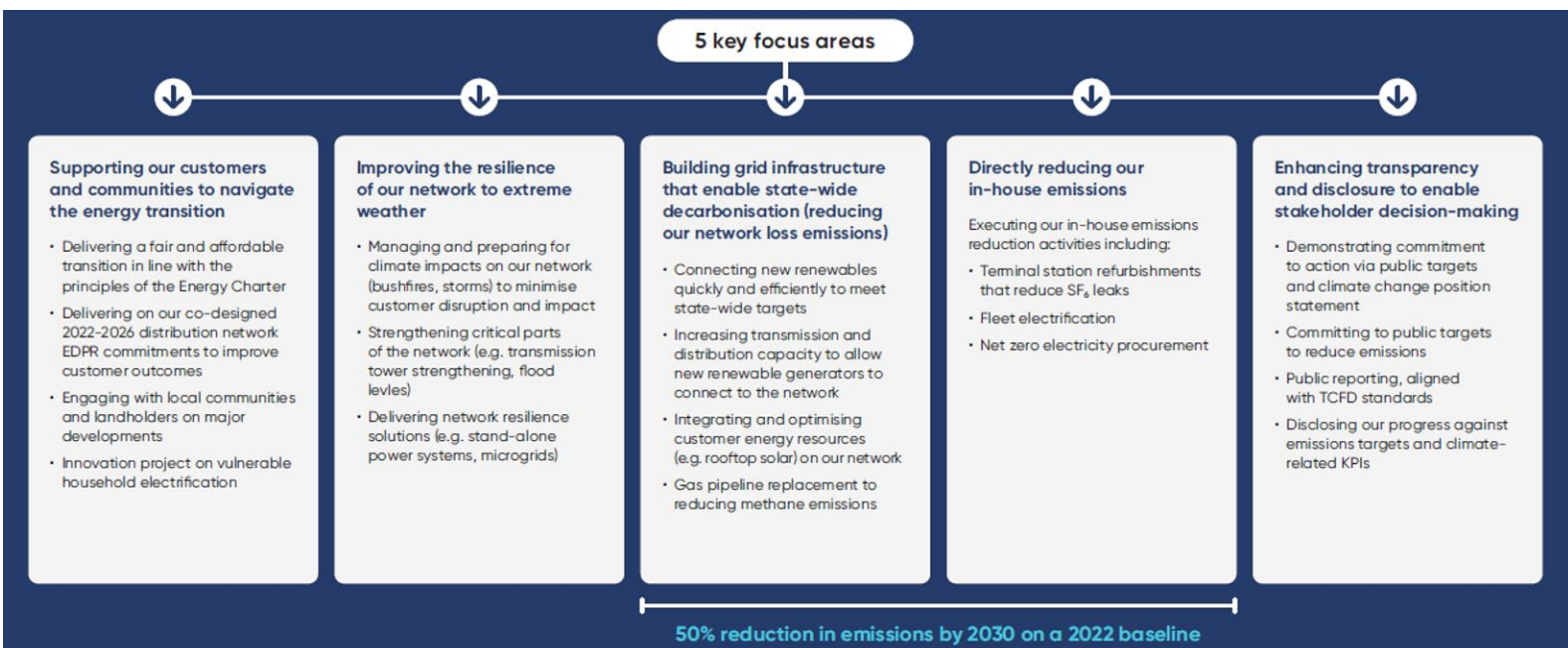
AusNet has committed to[3]:

- an overall corporate goal of net zero greenhouse gas emissions by 2045, and

- an interim target of 50 per cent reduction by 2030 relative to a 2022 baseline.

We also recognise that climate change will create physical risks to our network assets. As such we are taking a proactive approach to monitoring, understanding and preparing for these impacts. Government climate change policies create opportunities such as building new renewable energy generation, which AusNet is leveraging for growth. The five key focus areas below highlight the past and current actions that we are taking to address the climate-related risks and opportunities most relevant to our business, and to reduce our emissions.

More broadly, we continue to play a key role in supporting the decarbonisation of the electricity and gas sectors by:

- supporting the Victorian Government's targets

- recognising the scientific consensus that human activities are the driving force behind climate change, and

- supporting targets aligned with the *Paris Agreement* (to limit long term global warming to well under two degrees Celsius).

5 key focus areas

Supporting our customers and communities to navigate the energy transition
- Delivering a fair and affordable transition in line with the principles of the Energy Charter
- Delivering on our co-designed 2022-2026 distribution network EDPR commitments to improve customer outcomes
- Engaging with local communities and landholders on major developments
- Innovation project on vulnerable household electrification

Improving the resilience of our network to extreme weather
- Managing and preparing for climate impacts on our network (bushfires, storms) to minimise customer disruption and impact
- Strengthening critical parts of the network (e.g. transmission tower strengthening, flood levies)
- Delivering network resilience solutions (e.g. stand-alone power systems, microgrids)

Building grid infrastructure that enable state-wide decarbonisation (reducing our network loss emissions)
- Connecting new renewables quickly and efficiently to meet state-wide targets
- Increasing transmission and distribution capacity to allow new renewable generators to connect to the network
- Integrating and optimising customer energy resources (e.g. rooftop solar) on our network
- Gas pipeline replacement to reducing methane emissions

Directly reducing our in-house emissions
Executing our in-house emissions reduction activities including:
- Terminal station refurbishments that reduce SF_6 leaks
- Fleet electrification
- Net zero electricity procurement

Enhancing transparency and disclosure to enable stakeholder decision-making
- Demonstrating commitment to action via public targets and climate change position statement
- Committing to public targets to reduce emissions
- Public reporting, aligned with TCFD standards
- Disclosing our progress against emissions targets and climate-related KPIs

50% reduction in emissions by 2030 on a 2022 baseline

For more information, please see our **Climate Change Position Statement**, and **Taskforce of Climate-related Disclosures (TCFD) Report**.

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[3]This includes Scope 1 and 2 emissions, which are from sources that we own or control directly, as well as those that we cause indirectly from the energy we purchase and use.

Commitment 3

Aligning our incentives with customer outcomes

4. Aligning our incentives with customer outcomes

AusNet is continuing to align organisational and teams' financial incentives with customer outcomes.

The Customer Service Incentive Scheme (CSIS) was one of the outcomes of engagement between AusNet and its Customer Forum. It was developed to encourage AusNet to continue to monitor and improve customer experience over the period 2021-26.

As outlined in *Snapshot of FY2023* (p. 10 of this report), our customer satisfaction measures relate to unplanned outages, planned outages, new connections and complaints. Our performance in these areas is compared to pre-set targets set out in our Customer Service Incentive Scheme (CSIS), and CSAT is included on our organisational scorecard. This means senior managers and teams across the organisation are motivated to improve customer satisfaction.

In addition to ongoing monitoring of our performance via CSAT, we're also starting to engage with customers and stakeholders to ensure our incentives remain aligned with customer outcomes going forward.

4.1. Case studies

This section shares case studies on AusNet's efforts to align its incentives to customer outcomes.

While the commitments to customers are embedded into AusNet's way of operating, these case studies are intended to provide examples and proof of how this shows up in our day-to-day work. They also highlight the continuous improvement activities being undertaken by teams across AusNet.

4.1.1. Case study | Engaging to design customer service incentives of the future

Customer expectations and interactions with electricity distribution services are evolving. Programs in place now to incentivise good customer service may not provide the best outcomes for customers in future.

As part of our customer engagement for the Electricity Distribution Price Review (EDPR) 2026-31 we have begun engaging with customers and customer representatives about what a future customer incentive scheme should "look like", or even if there should be one. In mid-2023, panel members discussed whether complaints should be included as well as the merits of designing the scheme based on service level rather than outcome. We also began discussions around customers' willingness to pay for improvements to services that have a community benefit but which they don't regularly access (eg. connecting a new home).

Research and engagement to inform how we might design a customer incentive scheme that delivers maximum benefit for customers will continue in the months ahead. We will continue collaborate with members of our Customer Experience panel on decisions which will inform our EDPR 2026-31 proposal.

4.1.2.   Acknowledging we don't always meet expectations

Like all businesses, we need to abide by regulations designed to protect customers. This includes providing notifications to customers about outages, requirements about new connections, providing statements of charges, guaranteed service levels, and complaints and dispute resolution.

We take these compliance requirements seriously and always strive to meet the expectations they establish, but there have been times where we do not meet them. For example, in April 2023 we paid $40,000 in fines, when the Essential Services Commission determined that we did not give customers the minimum of 4 business days' notice when we carried out a planned electricity interruption at Wodonga in June 2022.

The customers we missed notifying were incorrectly cross-referenced at an open point, meaning our records showed that the customers were connected to a different side of a pole fed from a different substation than the substation that was being impacted as part of the planned outage. When the outage was planned, the customers were considered out of scope and were not included in the notification letter list as a result. Prior to the outage, one customer was found to have this cross-reference data error, and while it was corrected before the outage, a check for upcoming outages was not conducted and due to the timing of the notifications, the customer was not included in the letter list. Following the outage and the identification of the missed notifications, we reviewed our processes and added an additional control to check for upcoming outages when a data error is corrected. We also added a process to conduct proactive investigations following the identification of a non-notification to allow us to detect other potential cross-reference data errors.

While our planned outage notification rate increased from 99.95 per cent in 2020 to 99.99 per cent in 2023, we realise the implications on those who do not receive notifications can be severe. In the past 12 months we have continued to invest to improve our performance regarding planned outage notifications. As reported elsewhere in this report, we have also enhanced our suite of customer communications and our Outage Tracker.

Commitment 4

Fixing customer pain points and improving the customer experience

5. Fixing customer pain points and improving the customer experience

Fixing customer pain points is something all teams across AusNet do as part of their continuous improvement activities

As mentioned in the *Snapshot of FY2023* (p. 10) our CSAT research measures how satisfied customers are with their interactions with us as well as providing insights as to what underpins their level of satisfaction. With other sources of feedback, we continue to build our understanding of customer pain points, how they change, and what we can do to improve customer experience.

This section outlines several examples that demonstrate how we have taken action to address pain points and improve customer experience in FY2023. We remain focussed on the basics – as evidenced by our work to improve estimated times of response and maintaining the safety and reliability of the gas network. We're also continuing to progress longer-term projects such as the Advanced Distribution Management System (ADMS) (p. 42), and enabling more solar into the network (p. 43).

5.1. Case studies

This section shares case studies on AusNet's efforts to fix pain points and improve the experience of being an AusNet customer.

While the commitments to customers are embedded into AusNet's way of operating, these case studies are intended to provide examples and proof of how this shows up in our day-to-day work. They also highlight the continuous improvement activities being undertaken by teams across AusNet.

5.1.1.   Case study | Maintaining a safe gas network

In Victoria we're working toward a target of 95% renewable energy by 2035. Amid this transition, the gas network still needs to remain safe and reliable as we work on supporting the transition from fossil fuels to renewables. To keep the nearly two million people served by our gas network safe, we are continuing our program of works maintain and upgrade our gas network where required.

May 2023 saw the completion of two mains renewal projects – in Colac and Ballarat – to increase the reliability of supply by reducing leaks, increase supply and extend the life of the network (and just in time for winter!).

In FY2023 we replaced 14.5 kilometres of low pressure cast iron, steel and plastic (PVC) mains along Sturt Street, one of the main streets in Ballarat. This comes in addition to the 11 kilometres of low-pressure gas mains replaced in Ballarat since the project began in 2019 and more than 44 kilometres of gas low-pressure gas mains that were replaced in Colac.

The method used to replace the mains reduce the need for excavation of footpaths, roads and vegetation when future maintenance works and repairs are carried out. The new high-pressure poly pipes used are also "future proof" as they're able to distribute future fuels, like hydrogen.

The project on time and within budget despite earlier delays due to COVID-19.

5.1.2. **Case study |** Improving the accuracy of Estimated Restoration Times (ETRs)
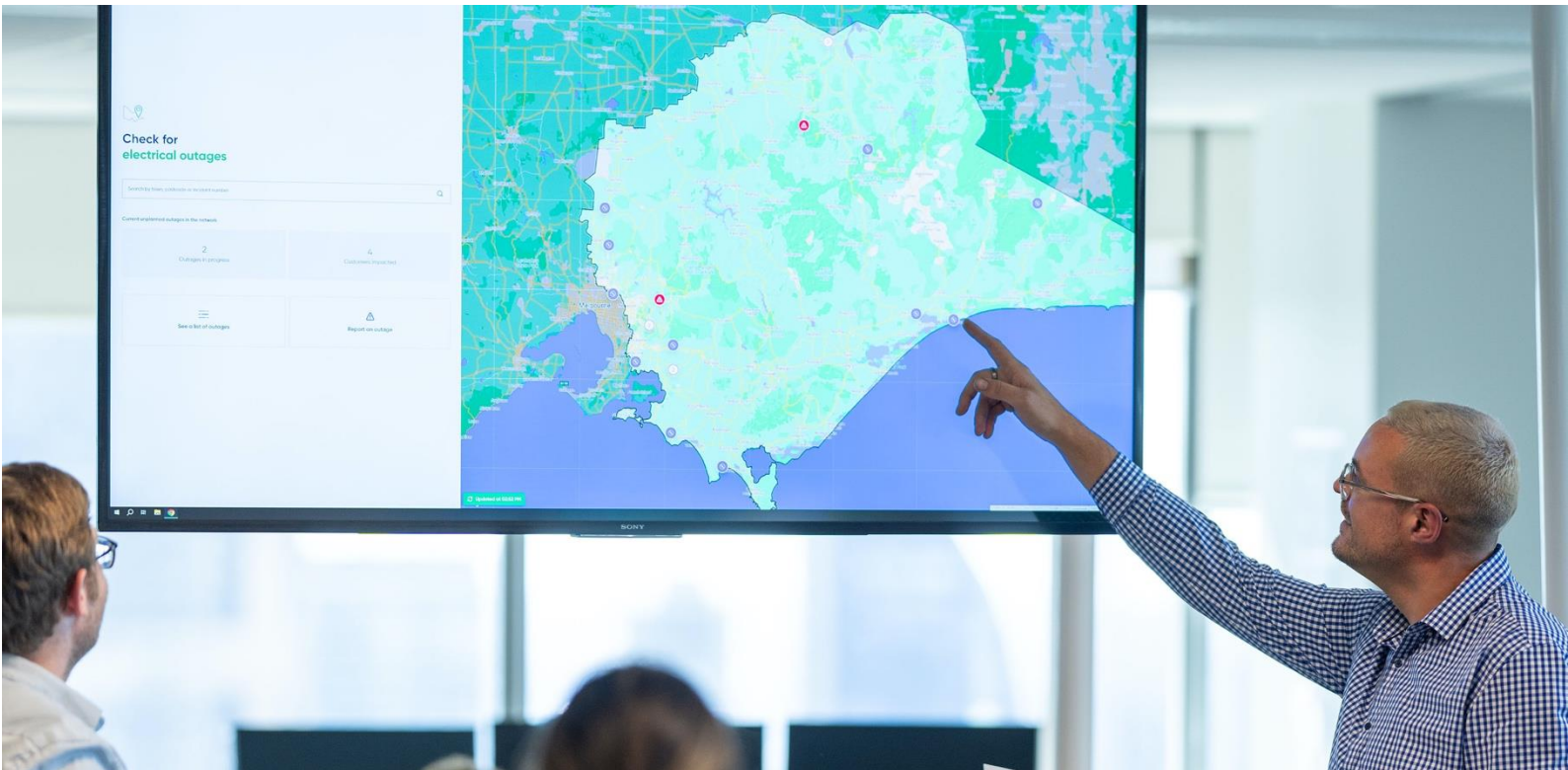
We recognise that outages are inconvenient and can be disruptive and costly for our customers, especially when they are unplanned. Currently during an outage, customers are provided with an estimate of when their electricity will be restored (known as an Estimated Time of Restoration or ETR). However, difficulties in providing accurate information have led to customer frustrations. We know information is key for customers taking steps to minimise the inconvenience and any safety risks associated with outages, which is why we're investing to improve the accuracy of restoration times.

Using better data, we are working to lessen this pain point and are implementing changes to the algorithms that estimate time of restoration, meaning customers will be provided with a more realistic timeframe when the power will come back on.

As part of this upgrade, customers can also expect:

- more timely communications and simpler outage identification
- to be able to report a fault across a number of different channels, providing the option to self-serve
- to be kept updated through the restoration process, including through new visual cues.

In FY2023 we launched our new Outage Tracker, which will also help to communicate information about outages to customers and our progress to resolve them.

5.1.3. **Case study** | Reducing the impact of planned outages with medium voltage switches


Regular inspections, maintenance, replacements and upgrades ensure our power poles, powerlines and other infrastructure is in working condition. Our teams aim to minimise the impact of this work on the community but at times we need to turn the power off so we can work safely.

We are proud to be investing to minimise the impact of disruptions for customers across the network. In FY2023, we installed an extra 12 Manual Gas Switches (MGS) and three Remote Controlled Gas Switches (RCGS) on our electricity distribution network. More switches give us greater control over the network, meaning fewer customers are taken offline when planned outages occur for maintenance, repairs or upgrade work. Overall, it's expected 8,500 customers will benefit from the new switches.

The locations of new switches were chosen after a review of planned and unplanned outages across the network and identifying areas that were experiencing them more frequently. Our Network Planning team then determined the locations that would reduce the impact of outages on the greatest number of customers.

Communities benefiting from the new medium voltage switches installed in in FY2023 are in and around the following areas:

- Thomastown (2 new switches)
- Epping (4 new switches)
- Wonthaggi (2 new switches)
- Moe (1 new switch)
- Phillip island (1 new switch)
- Wodonga (1 new switch)
- Foster (1 new switch)
- Sale (1 new switch)
- Kalkallo (1 new switch)
- Chirnside Park (1 new switch).
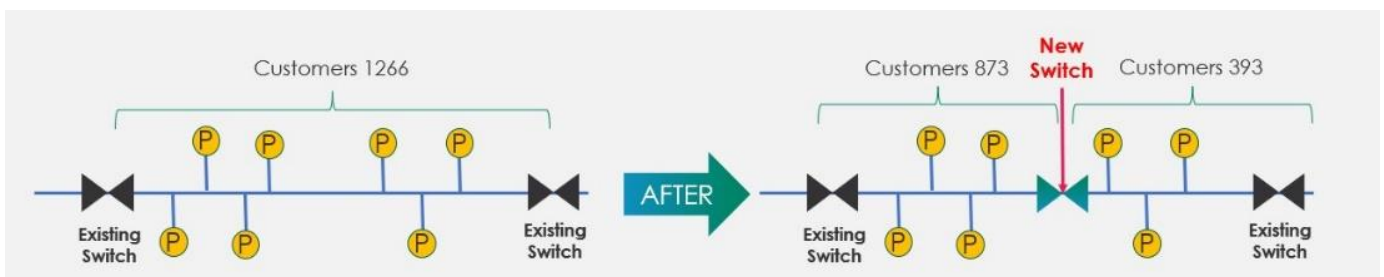
5.1.4.   **Case study |** Helping facilitate the energy transition by improving our customer service for renewable projects

Our Network Connections team is responsible for one of AusNet's most important functions through the energy transition – connecting new renewable energy projects (greater than five megawatts) into the electricity sub-transmission and distribution networks.

We know the network connection process has been a pain point for renewable developers and large customers who want to install their own renewable energy systems. Network constraints can also compound these challenges.

Over the past 12 months, the Network Connections team has put a big emphasis on being customer-focussed and has worked hard to identify and remove pain points in the connection process for developers. To support this, a New Connections team partnered with AusNet's Research and Engagement team to establish an annual customer experience survey. The purpose of what will become a regular survey is to gain a deeper understanding of the issues that customers are experiencing when connecting to our network. This information will then inform action plans to improve the connection process.

> **"We're better equipped to understand how we can meet and exceed customer expectations for their future projects and improve the customer experience."**
>
> Suresh Damani, AusNet Network Connections Manager

The first survey and follow-up interviews were held in October and November 2022. The feedback we received has directly led to several changes implemented during FY2023 year, including:

- Making our connection requirements more readily available and transparent. Our revised connection guideline for solar connections greater than five megawatts is now available on the AusNet website.

- Ensuring our early conversations with customers identify and reinforce shared expectations. This helps reach outcomes more quickly and with greater certainty.

- Making network data available and easier to access through AusNet's GridView Portal. The portal provides locational data for medium and low voltage assets, which may help with feasibility studies, modelling among other tasks.

- Extending our capacity in Power System Engineering. We now have eight people working as power system modellers in our network connections team (an increase from three). Customers also have access to an expanded panel of technical partners who can provide additional support for modelling needs.

- Increasing our panel of providers to eight consultants, to give customers more choice in selecting the right partners for their project.

- Adding an annuity scheme to our existing payment options. This additional payment option gives our customers more flexibility on ways to finance their grid connections.

There are still challenges and room for improvement in the network connection experience, but the Network Connections team's new approach has seen relationships with renewable energy developers strengthen. The process of bringing new energy generation systems online has also become more collaborative, and planning is progressing on the harder-to-action pain points such as network constraints. Based on last year's success, developer experience research will be conducted again in late 2023, to seek feedback on changes made and help identify further improvements to the network connection process.

5.1.5. **Case study |** Battery energy storage systems boost community reliability and resilience

Over the past year a number of batteries and energy storage systems were connected to our network to help increase electricity resilience and reliability. These projects included the Phillip Island Community Energy Storage System (PICESS), Stand-Alone Power Systems (SAPS), and the Mornington Peninsula with a Battery Energy Storage System (BESS).

Phillip Island Community Energy Storage System (PICESS)

In June 2023, a new 'big battery' (5MW/10MWh grid-scale battery) was launched at Phillip Island. AusNet offered network support payments to provide additional generation to Phillip Island which faces reliability challenges over high tourism periods. Following a competitive tender process, PICESS was delivered by AusNet's commercial business Mondo. The battery will support the supply of electricity to Phillip Island residents, particularly at peak times over summer, and reduce the number of unplanned outages that impact residents. The PICESS will also help the community by reducing emissions, noise and the cost of running diesel generators throughout the year. More broadly, it will build understanding of batteries' role in the broader energy transition, from coal-generated electricity transition.

The PICESS works by charging itself through the electricity network. It uses the existing mix of energy sources available at the time, which includes a combination of fossil fuel generated power and renewable energy. As a result, it can power more than 8000 homes for two hours, or 700 homes for a whole day.

The PICESS battery provides a more cost-effective solution than upgrading powerlines, considering additional power support on the island is only required a few times a year. It will also help to increase the resilience of the grid and will help meet Victoria's renewable energy targets.

> **"The population of Phillip Island more than quadruples over summer, which puts a strain on the local electricity network, and at times leads to power dropping out. This battery, which in time will be powered by renewable energy, will help solve this issue."**
>
> Jon D'Sylva, AusNet Chief Development Officer

Stand-Alone Power Systems (SAPS)

Stand-Alone Power Systems (SAPS) are being trialled for 17 select customers around Swifts Creek and Omeo – rural areas of East Gippsland and also near Mansfield that are connected to single-wire earth return power lines (SWER lines). These customers are also supplied from long rural feeders, that can experience frequent long outages.

SAPS are completely off-grid systems, meaning they operate separately from the main electricity network, and are designed to provide rural property owners with a continuous energy supply. They are a sustainable energy alternative, combining solar and battery technology with a backup generator.

SAPS also help make the network more resilient and safer for customers in remote Victorian locations. For SAPS installed and operated by us, or by a third-party on our behalf, it is now possible to retire powerlines in high fire risk areas. The customers also benefit from reliable, 100% renewable energy, with the backup generator typically only being required in abnormal circumstances. The customer retains their exiting meter and retail arrangements so there is no increased cost and they also retain the same consumer protections to those still connected to the network.

The trial seeks to understand the customer experience with SAPS and their potential to improve reliability while reducing overall network costs. The first systems went live in late February 2023 and have performed exceptionally well so far with plenty of positive feedback from the trial participants.

"The trial seeks to understand the customer experience with SAPS and their potential to improve reliability while reducing overall network costs. The first systems went live in late February 2023 and have performed exceptionally well so far with plenty of positive feedback from the trial participants."

Paul Hoffman, Community Energy Partner

Powering 40,000 homes on the Mornington Peninsula with a Battery Energy Storage System

Tourist areas such as the Mornington Peninsula experience big changes to their populations as people visit for holidays, events and activities. More people visiting an area also means more people using electricity when they are there.

In FY2023 we entered an agreement with renewable energy company GMR Energy, to help fast track the clean energy transition and support the national power grid. The agreement will see us build infrastructure to connect a Mornington Battery Energy Storage System (BESS) to the grid.

Located next to the Tyabb substation on AusNet's transmission network, the BESS will draw and store energy from the grid during off-peak periods and send energy to the grid during peak periods, helping support the United Energy distribution network and its customers on the Mornington Peninsula.

The Mornington BESS will storage enough power for the equivalent of 40,000 average Australian homes. It will also help the electricity network to be more reliable and able to better cope during peak times, when local businesses, residents and visitors are using electricity at the same time.

"Mornington BESS is an exciting renewable project that will help provide additional energy security to the region."

Jon D'Sylva, AusNet Chief Development Officer

5.1.6. Case study | Preparing for the future with the Advanced Distribution Management System (ADMS)

AusNet's made significant progress on a major business initiative this year – implementing a new Advanced Distribution Management System (ADMS). ADMS is foundational platform for network management, control and operations to help better monitor, restore, analyse and optimise a rapidly modernising grid. The new platform provides a single robust, secure and efficient foundation for advanced technologies to help better manage a rapidly changing electricity distribution network.

In addition to establishing a foundation for advanced capabilities, AusNet's ADMS platform now integrates with our smart meter network for faster detection and resolution of outages, and with our customer notification processes to ensure customers receive faster and more accurate information on planned and unplanned works. In the next few months, our ADMS platform will commence deploying a solution aimed at 'self-healing' the network by rapidly identifying restoration paths for unplanned outages impacting customers.

In the future AusNet's ADMS roadmap is looking to establish full geospatial network models for better visibility, better integrate with our customer energy resources such as solar and batteries, as well as introduce tools for dynamic voltage management and other important capabilities as our network adapts to the changing energy landscape.

"There are many steps on the journey to advanced network control and operations, but a robust foundation has been established with AusNet's ADMS now live and tackling some of today's biggest network challenges."

Stephen Thompson, AusNet ADMS Project Director

5.1.7.   **Case study |** Enabling more customer energy resources (CER) to interact with the network

$ expenditure per customer
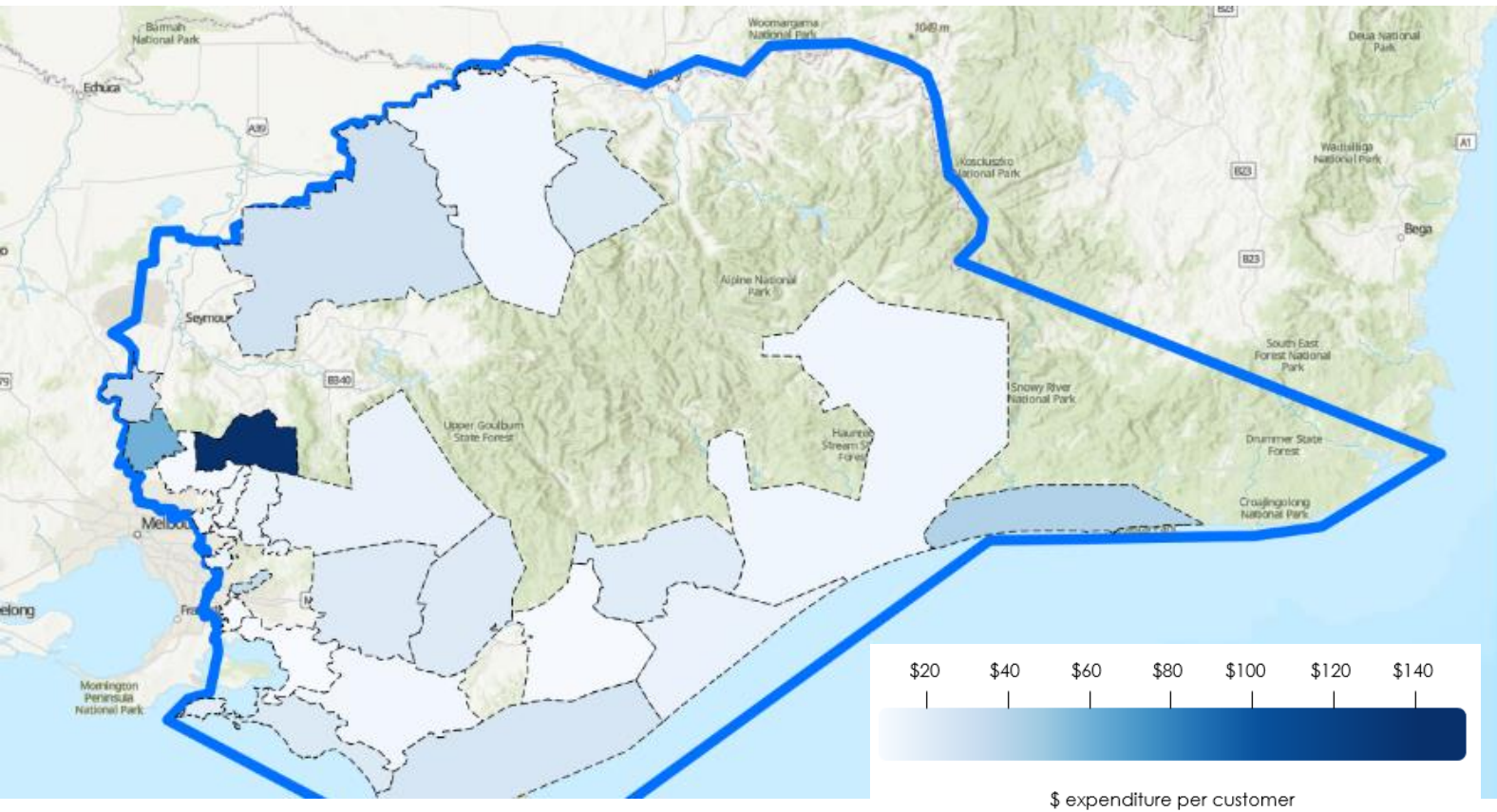
AusNet is investing to support more customer energy resources (CER), like rooftop solar, going back into the network. These activities were proposed and approved by the regulator in the 2021-26 electricity price review, and AusNet is investing to support CER through a range of projects. Enabling more CER onto the network enables customers to share the solar they don't use with their communities and to be paid for what they don't use.

Completed programs include:

- the **Supply Improvement Program FY2023** – a $4.4 million initiative that includes a variety of solutions for more than 298 sites experiencing voltage issues. Solutions comprise:

    - **upgrading distribution substations** with a wider tapping range to cater to an increase in rooftop solar penetration

    - low-voltage circuit upgrades and rearrangements

    - rebalancing loads and the addition of high voltage and low voltage circuits.

Projects currently being delivered include:

- the **Supply Improvement Program Calendar Year 2024 – 2026 (CY24-CY26)** - a $9 million and a separate CY23 SI program of $1 million initiative that continues the Supply Improvement Program 68 known sites with provision of acting against ongoing issues

- the **Proactive Voltage Management for replacement of Voltage Regulating Relays**, valued at $3.6 million, includes replacing Voltage Regulation Relays (VRRs) at 15 locations. VRRs monitor and help ensure a stable voltage supply through different operating conditions. The new VRR's would enable upper and lower limits to voltage control. It will also cater for reverse power flow, which is causing voltage issues with older VRRs.

- The innovative **Dynamic voltage management** project valued at $2.7 million has been kicked off, with the first stage being automatic voltage management for five sites.

Commitment 5

Collaborating with the community and taking care of customers in vulnerable circumstances

6. Collaborating with the community and taking care of customers in vulnerable circumstances

AusNet has continued working hard to support equitable and fair outcomes for all customers over the past 12 months. As a trusted and essential service provider with a unique role, we have an important role to play in providing direct support and/or partnering with or supporting government, service providers and local communities to ensure our diverse and evolving customers receive the support they need, when they need it.

This year, our conversations around vulnerability have shifted to agency-building, and how to equip customers with the tools and information they need to help take charge of their own energy futures, and communities with vulnerabilities, for example as the result of climate change and increased prevalence of extreme weather events. This section provides some examples of activities AusNet has undertaken (itself though most often with others) over the past 12 months to support customers with the challenges they face today, and leverage opportunities (and minimise barriers) presented by the energy transition.

6.1. Summary of key activities

CUSTOMER RESEARCH / ENGAGEMENT ACTIVITY	PURPOSE OF RESEARCH	KEY INSIGHTS AND PROJECT STATUS
Vulnerability Research Grant	To help us better identify customers experiencing vulnerability or with diverse capabilities, to understand their needs and how to best support them. This will help us provide fit-for-purpose energy services to all customers, regardless of their circumstances and capabilities. This research was undertaken by Yarra Energy Foundation, recipients of AusNet's 2022 Vulnerability Research Grant.	_Shine a Light: Understanding vulnerability at the intersection of disability and electricity services_ reports on the outcomes of the study. Find out more at p. 47
Joint Victorian Distribution Businesses workshop	To convene, along with the other Victorian distribution networks, social service providers and the Victorian Government to discuss the intersection of vulnerabilities and energy services, and identify opportunities to support customers on energy matters.	Workshop 1 was held in May 2023, with several more workshops expected across 2023-24, depending on outcomes of each prior workshop. Further details can be found on page 48.
Keeping communities safe through the installation of Rapid Earth Fault Current Limiter (REFCL) devices	RECFL operates like a big safety switch and limits the amount of electricity released when an earth fault occurs on powerlines. This helps to reduce the severity of power outages, decrease the risk of fires, decrease the risk of property damage, and decrease the risk of injury to people and animals.	Over 40,000 square kilometres of high bush risk areas are now REFCL-protected, servicing over 290,000 households and businesses. The final REFCL device is expected to be operational by November 2023, five years after the first REFCL was built on network. Further detail can be found on page 49 or via the REFCL program page on the AusNet website.
Electri-fair-cation | _A new innovation project_	To understand opportunities and challenges of electrification for households experiencing vulnerability as well as network impacts of the switch.	This project was proposed by, then co-designed with AusNet's Innovation Advisory Committee in May 2023. Detailed design and scoping is underway and updates and further engagement opportunities will be shared as the project progresses.
Uplifting service levels for AusNet gas customers	To ensure AusNet has the right tools to provide fit-for-purpose customer service, including through the cost-of-living crisis and energy transition. Together with the other 2 Victorian gas networks and with the support of Victorians, AusNet developed a package of supports to help ensure fit-for-purpose support reaches customers who need it, which was approved by the Australian Energy Regulator (AER).	From 1 July 2023, AusNet can start implementing the program which will include improving communications for culturally and linguistically diverse customers, emergency appliance repairs, additional staff training and resourcing to support more complex customer enquiries.
Australian Energy Regulator's _Game Changer_ **initiative**	AusNet contributed to the AER's _Game Changer_ initiative to drive systematic change and advocate for an inclusive energy system and market by participating in the Leadership Group and consultations run by The Energy Charter and Energy Networks Australia.	The AER submitted its proposal to ministers for further consideration, consultation and detailed policy development in mid-2023 and we look forward to seeing how this initiative progresses.

6.2. Case studies

This section shares case studies on AusNet's efforts to fix pain points and improve the experience of being an AusNet customer.

While the commitments to customers are embedded into AusNet's way of operating, these case studies are intended to provide examples and proof of how this shows up in our day-to-day work. They also highlight the continuous improvement activities being undertaken by teams across AusNet.

6.2.1.   Case study | Shine a light: Understanding vulnerability at the intersection of disability and electricity services

Through AusNet's 2022 Vulnerability Research Grant, Yarra Energy Foundation investigated the experiences, risks and impacts faced by customers living with disability or chronic health conditions, highlighting any differences and its impact compared to other customers, within AusNet's electricity distribution network. The $30,000 Vulnerability Research Grant is available annually for social service organisations and public institutions.

AusNet General Manager Strategic Planning and Customer, Fran Duiker, said the report emphasised the complexities of the relationship between energy, disability, the availability of other services, and other societal and environmental factors.

"The 'Shine the Light' report has highlighted that the energy needs of customers with disability are diverse, and when they interact with other risk factors, some precarious situations are created. Six per cent of our customers reported having a disability and 33% are managing a chronic health condition, which is quite a large proportion of our overall customers," said Ms Duiker.

"We acknowledge that power outages are inconvenient for all customers, but the psychological impacts of outages, especially when combined with loss of communications, can be severe for customers with disability and mean the loss of support and ability to seek care.

The findings from the *Shine a Light* study have provided valuable insights for AusNet, other service providers, governments, and local communities to better understand the needs and challenges faced by our community members and ensure they have access to fit-for-purpose services and support.

AusNet is addressing these recommendations through a combination of improvements to general service levels and support specifically designed for customers with disability. Other recommendations identified are activities best led by government or other service providers, where AusNet can play a supporting role.

The full report, including recommendations and responses, can be downloaded on the Community Hub.
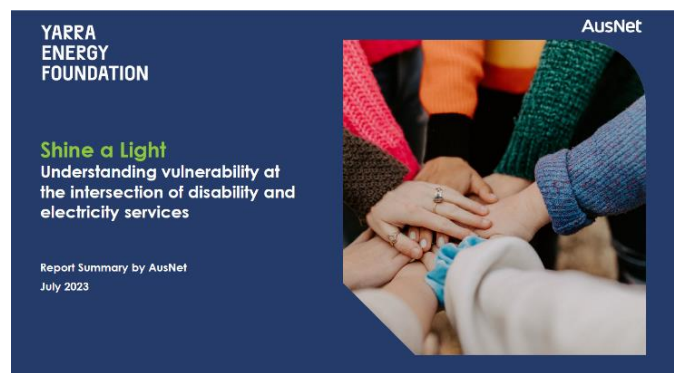
6.2.2.   **Case study |** Bringing networks together to identify supports for customers experiencing vulnerability

Supporting customers with their day-to-day energy needs and through the energy transition is one of our main focuses at present, and this includes a large cohort of customers who have additional dependencies on, or barriers to engaging with, their energy supply and related decisions.

Addressing vulnerabilities is complex and multi-faceted. There is only so much we as networks can do ourselves, which is why it's so important for us to be working collaboratively with social service organisations and government to share information, identify opportunities for improvement and work "behind the scenes" to help improve outcomes for all customers.

AusNet has teamed up with the other Victorian electricity networks – Jemena, CitiPower, Powercor and United Energy – for a series of forums with government and social service organisations to help identify current and emerging issues that create inequity and/or adverse outcomes for certain customer groups, and ensure we're addressing these in our forward-planning, particularly in our plans for the Electricity Distribution Price Review 2026-31.

AusNet hosted the first forum in May 2023, in which participants from a diverse range of government and social service organisations identified three key focus areas for networks:

- enhancing individual customers' agency so they feel more in control of and can make decisions around their individual circumstances

- identifying who needs assistance, and what assistance they need, in the challenging context of the energy transition and customers' circumstances

- the need for both partnerships and direct support, with a view to ensuring the right customers are receiving the right supports in an efficient way, and that this involves a combination of approaches.

This builds on similar forums we undertook with Multinet and Australian Gas Networks through 2021-22 as we planned for the future of our gas networks. Planning for vulnerability in the EDPR 2026-31 continues and you can follow progress on Community Hub.

6.2.3.   **Case study** | Reducing risks to communities via our REFCL program

Map of REFCLs installed
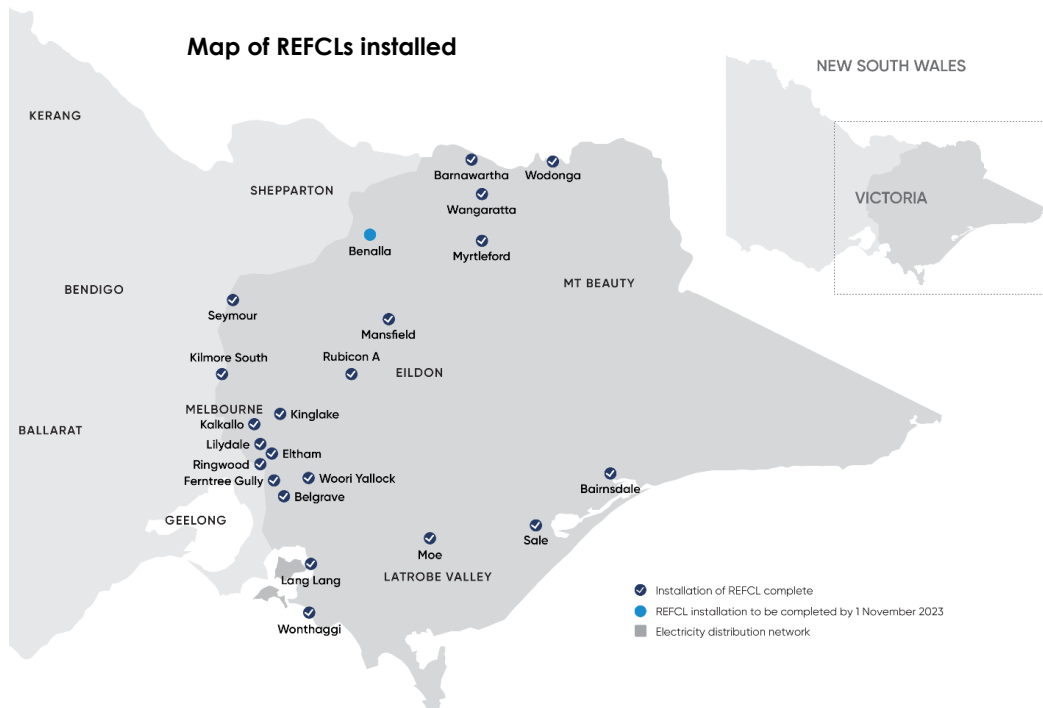
By the end of 2023, AusNet will have substantially reduced risks to communities through the installation of Rapid Earth Fault Current Limiter (REFCL) devices.

Andrew Linnie, General Manager Engineering and Projects "By the end of this year AusNet will have REFCL-protected over 40,000 square kilometres of Victoria, servicing 290,000 homes and businesses – a third of our customers. Across our network, 21 systems have already been installed, and the last is due to be completed in November 2023."

Installing REFCL devices s is the largest powerline safety program ever undertaken in Australia. The project has been undertaken with the support of the Victorian Government. The majority of REFCL devices have been installed in communities that are at located in high-risk bushfire areas.

Delivery of the REFCL program has had an impact on our customers. Andrew said "Installing and testing REFCLs often means multiple planned outages for communities within a few days or weeks, and we've worked very closely with local communities to minimise the impact of these outages. While we know outages are never ideal, we have focused on avoiding specific times for communities, such as school exams, community events and big days for major employers, and have provided temporary back-up supply where we can as to minimise disruption. We have also utilised alternate times to under works, such nights, early mornings and weekends at communities' requests."

We are proud to be nearing completion of the installation of this world leading technology and major program. Which will help protect some of the most at-risk communities served by the AusNet network.

How do REFCL's work?

A Rapid Earth Fault Current Limiter (REFCL) operates like a big safety switch in the electricity network. REFCL limits the amount of energy released when an earth fault occurs on a powerline. An earth fault happens when a powerline touches the ground, a tree falls on a powerline, or wildlife touches the pole and powerline at the same time.

A REFCL can detect when a fault occurs and significantly limits the energy flow within a tenth of a second. For example, if one line out of a three-phase powerline falls to the ground, the REFCL reduces the voltage on the fallen line and at the same time increases the voltage on the remaining two lines.

This means we can maintain power supply to surrounding homes and businesses while reducing the possibility of a fire starting, or of a person or animal receiving an electric shock.

Commitment 6

Making our organisation easier to deal with

7. Making our organisation easier to deal with
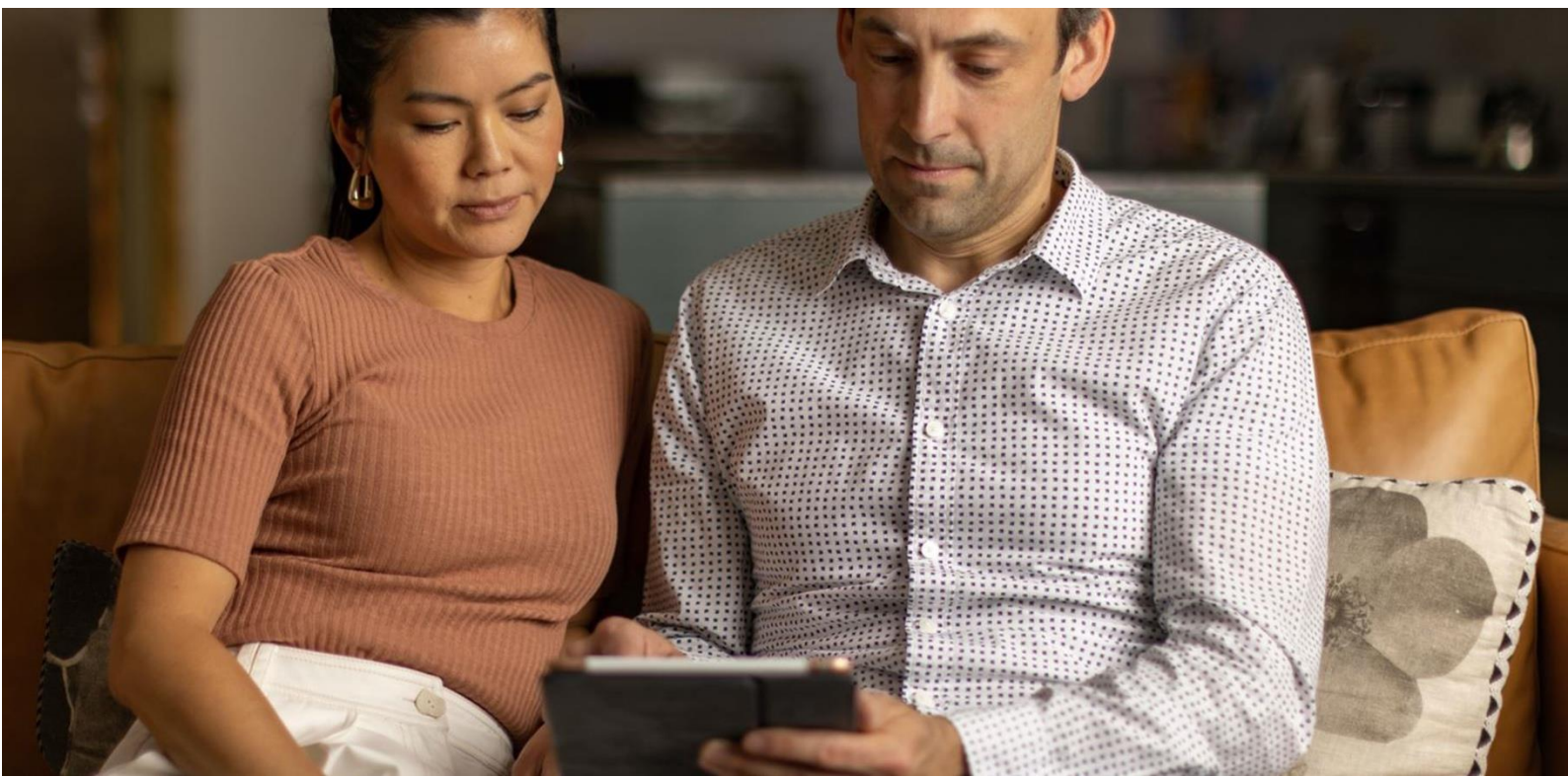
Making our organisation easier to deal with is not just about the way we give information to customers. It's about being available and open to customers, listening to their feedback and suggestions, and with this recognising the experience they bring. It also means continuing to evolve our customer service approaches as customers' preferences change.

Like other customer commitments, this is largely achieved via incremental improvements to the way we do things and the actions taken and decisions made by AusNet staff day-to-day, though there are a few bigger examples from across AusNet that demonstrate continued improvement against this commitment over the past 12 months. Further evidence is provided through examples elsewhere in this report, including:

- continuing accountability to greenfield developers through the DCC via the Customer Service Standard (p. 27)

- improving the accuracy of Estimated Time of Restoration (ETR) (p. 36)

- making it easier to connect renewables (p. 38)

- bringing networks together to identify supports for customers experiencing vulnerability (p. 48).

7.1. Case studies

This section shares case studies on AusNet's efforts to fix pain points and improve the experience of being an AusNet customer.

While the commitments to customers are embedded into AusNet's way of operating, these case studies are intended to provide examples and proof of how this shows up in our day-to-day work. They also highlight the continuous improvement activities being undertaken by teams across AusNet.

7.1.1.   Case study | Creating communication that's accessible and equitable

In 2023, our Customer Communications team has been focussing on how AusNet might connect with our culturally and linguistically diverse (CALD) communities in a more meaningful way. We are partnering with experts on CALD engagement to help us improve our communications with, and outcomes for, CALD communities on our network.

This work is also about how we define and approach our engagement with CALD communities. Consistent with our broader focus on agency-building, this approach centres on how we as a business choose to proactively remove barriers to provide equitable and accessible services for all AusNet customers.

Approximately 535,000 people in our gas and electricity distribution networks speak another language at home. Research conducted this year further identified approximately 152,000 of these customers spoke English not well, not at all or preferred not to say. While these figures are significant, we understand that this doesn't capture the nuances of communication verses comprehension and what measures we put in place to support meaningful comprehension of complex communications.

The early work we are focussing on is determining our translation and engagement strategies, which will be delivered across various channels, mediums, and customer touchpoints over multiple years. They will offer expert knowledge, guidance and the diverse community connections required to make this work meaningful and informed.

This will lay the groundwork to ensure we're meeting the challenge of providing accessible and equitable services that meet the needs of all community members.

We also continue to refine our customer communications with a laser sharp focus on readability. Uplifting existing communications, and developing new communications, with plain language as a primary focus is all about making our communications, and organisation, easier to deal with for our customers.

A parliamentary inquiry in 2021 identified that 44%, or 7.3 million Australians, achieve the two lowest bands for literacy levels. However, the energy sector is complex, regulated and full of industry jargon and this creates a barrier for these customers.

Taking the time to refine our communications to a grade five to seven readability level ensures these factors don't influence our communications too heavily and allow us to support our customers as best we can. While there are times that some terms can't be substituted with plain language, we take opportunities to empower our customers through education with additional supportive materials including infographics, animations, and videos.

7.1.2.   Case study | Improving engagement with our major customers

We know all getting the right information at the right time is critical – particularly for major customers with complex operations that depend on reliable energy supply.

In FY 2023 our Community Engagement and Customer Experience team began a project to better service our large customers, who are often commercial and industrial businesses. Between December 2022 and June 2023 we developed our approach to major customer engagement.

This project continues into FY2024 with the provision of dedicated leads to support proactive engagement with major customers and the expansion of this program. We have also conducted in-depth interviews with commercial and industrial customers as part of our engagement for the next Electricity Distribution Price Review for 2026-31 and will continue engaging with this customer group on both strategic and operational matters going forward.

7.1.3.   Case study | Improving drawing and plan management

Residential greenfield developers remain a key customer group for AusNet - most new connections for our distribution networks are comprised of greenfield development lots. More so than any other distribution business, we encourage the industry to engage accredited providers to perform this work, with our role focussing on managing the quality and safety of newly connected assets. Developers appreciate the level of control they have for delivering and commissioning works on AusNet's network. Our continued strategic engagement with housing developers and industry associations helps uphold standards and identify and implement incremental improvements to our processes and services.

By way of example, earlier in 2023 some greenfield property developers raised a pain point they had with AusNet's process for managing drawings and plans, which requires them to "check in and out" these drawings from an electronic system. The process meant updates needed to be submitted, endorsed and published individually, even if multiple updates from separate projects or stages were required on a single drawing. This sometimes time-consuming process can be annoying for developers, but very important for AusNet to keep track of different versions of plans and drawings, so it can assess impacts of changes on network infrastructure. For community safety, having a more controlled drawing system also ensures plans for Before You Dig Australia (BYDA) are less likely to conflict. It also highlights things such as a pole flagged for relocation by one project being noted for other designers, as well as those who will access or help maintain the network.

Following consultation with stakeholders including the Essential Services Commission and developers, we trialled a revised approach to allow multiple updates to be completed on a single drawing submission in the system. The trial was shared with Developer Consultative Committee (DCC) members in July 2023 and we intend to continue this as a standard business process option for developers.

7.1.4. **Case study |** GridView: Making network data accessible for key stakeholders
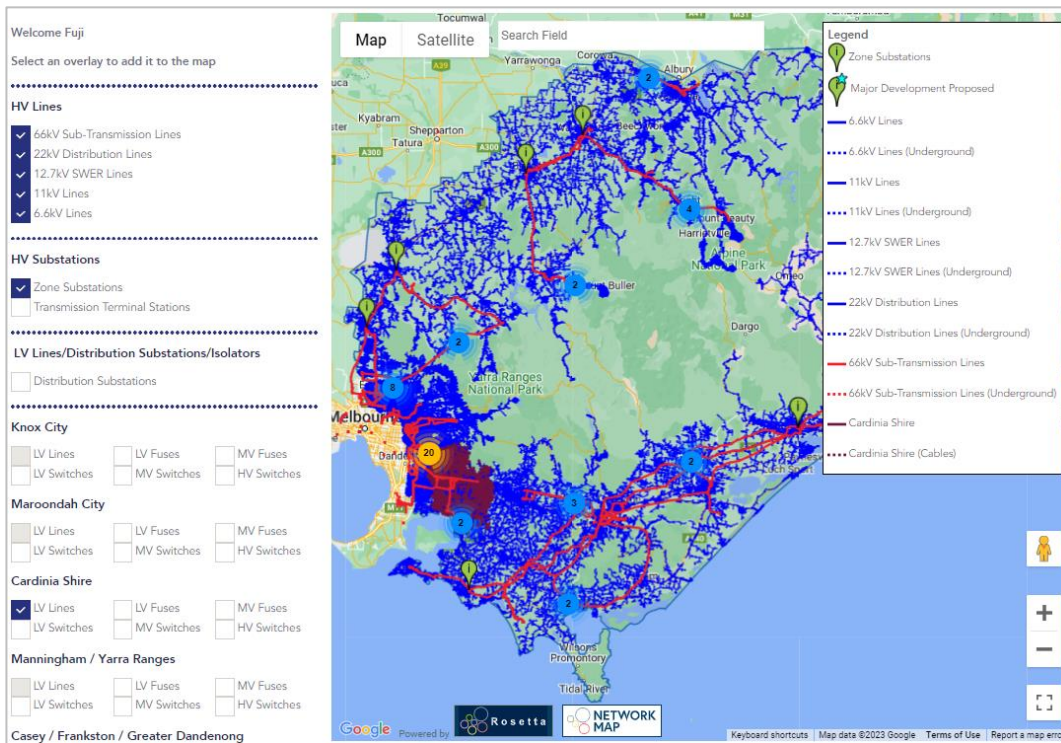
Consumer energy resources (CER) and community energy projects are key to decarbonising our energy system but require planning and an understanding of the electricity distribution network to be effective. Customers and stakeholders such as researchers and community energy providers often request network information and data to help them complete a community energy project. It was quite a bit of work for AusNet to provide this information quickly and in an easy-to-use format, which is what was being sought, and this created frustrations at both ends of the requests.

In recognition of the importance of making this information available and the increasing volume of requests, AusNet partnered with data provider Rosetta Analytics to develop GridView – an online data portal that enables customers and community members to access available and published network information and data for required postcodes. In turn, this helps customers and communities to evaluate data specific to where their community energy project is located and make informed decisions about community energy projects.

GridView is a self-service portal and has been designed with ease of use in mind. The platform allows users to easily layer information to get the data they need specific to project requirements. Selected information is presented both as a visual map and as data report.

GridView is free to approved users and, once a data licence is granted, access is valid for 60 days. More information about GridView, as well as a user guide is available via the AusNet website.

What information is available in GridView?

Examples of data that are available and can be layered include:
- High-voltage (HV) lines – both 66kV sub-transmission lines and 22kV distribution lines
- Single Wire Earth Return (SWER) lines
- HV Substations, including zone substations
- transmission terminal stations, low-voltage lines by region
- isolators
- switches
- fuses
- load connection opportunities
- Local government area and postcode boundaries.

FY2024 priorities

**These commitments to customers
are current until 30 June 2026**

8. FY2024 priorities

AusNet made the current set of commitments from 1 July 2021 to 30 June 2026, and we continue to strive to improve against them each year.

Some of our priorities for delivering good outcomes for customers in FY2024 are:

- Supporting transition to net zero and electrification of gas and transport. This includes:
  - minimising disruption to customers while being responsive to customers' changing needs and supporting their individual choices
  - staying on top of trends, so we know and are ready for changes we will face
  - being responsive to government policy changes and priorities
  - continuing to support our industry partners to deliver new infrastructure and changes to support the transition.

- Embracing our membership of The Energy Charter, becoming more actively involved in initiatives, taking on additional commitments and meeting new reporting requirements.

- Work with communities to develop our electricity distribution investment plans for 2026-31 to ensure they reflect customer views and preferences.

- Ensuring our teams remain flexible so we can maintain service levels through the energy transition by leveraging strategic partnerships with other service providers.

- Re-imagining customer connections to provide our customers with unified online view of their connection request as it progresses from application to completion. Customers (and their agents) will be able to directly submit their connection requests to us and receive updates and prompts for their action along the way. We know visibility over their connection is an important part of customers' experience with us so are improving our processes in response.

- Commencing the delivery of the new initiatives to support gas customers, including improved communications and advice, offering meter self-reads, check-ins during outages, and dedicated support for sensitive customer enquiries.

- Building our capability to engage with communities on planned outages to help minimise the disruption caused by essential network maintenance and upgrades, and changes to supply initiated by customers.

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