Customer Engagement – Deliberative Forums

Customer Forum Presentation

4 April 2018

Safety topic

Deliberative Forums – overview and objective

- **Overview of method**
  - › Qualitative form of customer research
  - › 20 to 50 customers at a venue for a few hours to several days

- **Objectives**
  - › Aligns to the over-arching aims of our customer research
    - Gain understanding, insights and priorities from our customers
    - Embed these in our business decisions and expenditure proposals

  - › Specific aim of deliberative forums
    - Obtain customer views on aspects of our expenditure that need to be customer directed
    - Test customer views and concerns expressed in earlier research – at a greater level of depth
    - Deliberate on a range of options to determine those that best align with our customers' preferences

Overview of proposed Deliberative Forums - methods

1

ESTABLISHMENT PHASE

- Establishment meeting
- Finalise timelines and objectives

2

DEVELOPMENT PHASE

- Agree on forum / engagement methods and topic modules
- Participant recruitment
- Finalise draft materials
- Internal presentation rehearsals

3

DELIBERATIVE ENGAGEMENT

- Test focus group (4 hours x 10 people)
- 2-day online forum (120 customers)
- 3 x 4-hour deliberative forums (Melbourne + 2 regional)
- 1-day wrap-up online forum, with evaluation

4

DEVELOPMENT PHASE

- Report
- Presentation
- Advocates Workshop

Preliminary thoughts on topics …

Topic 1: Supporting the increasing uptake of solar PV

Topic 2: Reducing customer bills through demand management

Topic 3: Value and affordability of network services

Topic 4: Reliability of network services

Note: These are ideas that AusNet Services has developed. How to best express and test these in the context of the deliberative forum will be developed with our consultants Newgate Research who are experienced in conducting deliberative forums.

Topic 1: Supporting the increasing uptake of solar PV

- **To test customer views on the transition to a renewables future with high levels of solar uptake by households and businesses in our network**

- **The intention is to test views on**
  - the role of the distribution network to support exports of electricity from customers' solar PV systems to the network
  - expenditure to remove constraints on the ability of our network to cope with solar PV exports
  - who should pay for any increased network costs to allow solar PV exports

Topic 1: Supporting the increasing uptake of solar PV

Topics	Potential questions
Strengthening the network for solar PV exports	Should we invest in strengthening the network to allow more solar PV/renewables to connect and export to the grid? [Provide information network impact and cost quantum] If so, who should pay – options: • New connecting customers • All customers with solar/renewables • All network customers • Government (taxpayers)
Options to manage the existing constraints on the network's ability to cope with exports of electricity from solar PV to the grid	Would you support options that incur no additional network cost or modest cost such as: • Restricting new customers to zero export from solar PV • Imposing restrictions on all customers that limit exports at times (usually times of maximum solar generation) • Restrict the size of new solar PV /renewable installations • Allow the network to control the solar PV/renewables at customer premises

Topic 1: Supporting the increasing uptake of solar PV

Topics	Potential questions
Role of the network to support solar PV and other forms of renewable energy adoption	**How active a role should the network have in supporting the adoption of solar PV and other renewables?** **For example:** • **Neutral role (respond to applications for connection), but leave to other parties e.g. retailers, governments, etc** • **Provide useful information** • **Provide advice (free or for fee)** • **Facilitate on project by project basis** • **Actively support customer renewable projects (e.g. in line with government policy such as RET or for emissions reduction)**

Topic 2: Reducing customer bills through demand management

- **This topic is about testing customer willingness to participate in demand management arrangements with the network including**
  - preferences about the forms of demand management (e.g. would they allow us to control their appliances?)
  - form of incentives required to engage in demand management

Topic 2: Reducing customer bills through demand management

Topics	Potential questions
Willingness to participate	**If there was not enough electricity to supply all of Victoria (typically during hot summer afternoons or evenings), would you be prepared to use less electricity for a few hours?** **Do you have a preference about who you have an agreement with to reduce electricity, for example:** • **Distributor** • **Retailer** • **Other** • **No preference**
Form of demand management	**Would you be prepared to allow the your air conditioner or another appliances to be remotely controlled :** • **For example, air conditioners can be controlled without reducing comfort** • **Pool pump**

Topic 2: Reducing customer bills through demand management

Topics	Potential questions
Form of incentive	**What sort of incentive would you need to participate:** • **No incentive needed** • **Payment for demand reduction/gift card** • **Bill credit** • **Payment to local community** **[Noting that this could differ for customer controlled demand reduction versus remotely controlled demand reduction]**

Topic 3: Value and affordability of network services

- This topic is about testing customer views on the affordability of network services and the value placed on network services

Topics	Potential questions
Value for money	How would you rate the service that you receive from the distribution network in terms of value for money? • Excellent value for money • Very good value for money • Good value for money • Average value for money • Poor value for money
Paying your energy bills	How do you pay your bill? With ease? Need to put money aside? It is a stress?
Options to achieve greater affordability	What options would you support to reduce network costs? • Reliability versus affordability • Delay investments (what should be spent now versus later?)

Topic 3: Value of the network/ affordability

Topics	Potential questions
New services	Are there new services that you would be willing to pay for? • Data • Ability to export electricity from your solar PV to the grid
Cost sharing/pricing	Would you support options to align prices more closely to costs? Should prices vary e.g. by location, nature of service Are you concerned about pricing equity? e.g. uniform pricing

Topic 4: Reliability of network services

- This topic is about testing customer views on service reliability

Topics	Potential questions
View on reliability of service	What is your level of satisfaction with the reliability of your service?
Sharing the costs of improving reliability	Should everyone pay more to improve the reliability of services to customers experiencing relatively lower levels of reliability – noting that these are customers both in urban areas (such as Warrandyte and Ringwood) and in rural areas (such as Mallacoota)
Questions related to the 28 Jan penalty	• How much (unplanned/fault) time is it reasonable to be off supply each year? e.g. Hot Day: 1-2 hrs; 3-4 hrs; 6-10 hrs • Do you expect 100% reliability between 6pm and 10pm weekdays? • Do you expect 100% reliability?

Topic 4: Reliability of network services

Topics	Potential questions
View on stand alone power systems **(for customers in bushfire risk areas)**	**How interested would you be in being part of a community project to remove your powerlines and replace them with advanced solar and batter-based power systems, which would provide you with equal or better supply reliability than you currently receive? AusNet Services would maintain it as if it was part of the grid.**

Additional topic raised by Customer Forum: Bushfire safety

- **Topic: customer views on expenditure on bushfire safety**

- **Issues that could be explored**
  - Managing the impact of implementing the bushfire safety program (outages)
  - Options to rationalise expenditure on REFCLs

Summary of topics – pros and cons

Topic	Pros	Cons
Supporting solar PV	Allows us to understand and pursue options based on our customer's preferences	Complexity of the issue Potential constraints on our ability to respond e.g. cost constraints, regulatory constraints
Reducing customer bills through demand management	Will help to understand customer appetite for DM, and build sophistication of our DM programs	DM may not be supported by all customers. Scope for DM may be limited to a small subset of customers/localities.
Value and affordability of network services	This is a key headline concern for customers	Network costs account for less than 30% of bill. Limited scope to reduce many of these costs to improve affordability.
Reliability of network services	This is potentially an increasing concern for customers, due to growing reliance on electricity	Complexity of communicating the expenditure/reliability trade-off. Reliability experience differs greatly between customers. Constraints on our ability to respond due to regulatory and network planning frameworks.
Bushfire safety	Has material impacts on customers in terms of bills, implementation works. Network safety performance can have a significant community impacts.	Constraints on our ability to respond due to regulatory obligations.

Ideas captured from meeting with Customer Forum on 27 March 2018

- **Any on-line material should be tablet/smartphone compatible – and not too data hungry**

- **Document thoroughly any difficulties/barriers to recruiting certain customer groups**

- **When offering options for deliberation**
  - express in terms of dollar impact on final bill (rather than in terms of cost)
  - offer options that offer community benefit not just customer benefit, as these may be highly valued
  - ensure we have an ability to respond