

Agenda

#	SESSION	FACILITATOR	TIMING
	Arrival / Coffee / Greetings		12.45 – 1.00
1	Welcome + Safety Share	Richard Gross	1:00
2	Opening comments and Acknowledgment of country	All Benjamin Lange	1.05 – 1.20
3	CEO Update	Richard Gross	1:20 – 1:30
4	Ausgrid's indigenous recognition - Baayangali	Benjamin Lange	1:30 – 1:45
5	Consultation Terms of Reference	John Skinner	1:45 – 2:00
6	Delivering on our Customer Commitments	Rob Amphlett Lewis	2:00 – 3:00
	BREAK		3:00 – 3:15
7	Demand Tariff + Embedded Networks Update	Selina O'Connor Alexandra Sidorenko	3:15 - 4:15 min
8	Energy Charter Report	Selina O'Connor	4:15 – 4:45
10	Next steps and close	Selina O'Connor	4.45 – 5.00



Customer Consultative Committee

25 July 2019

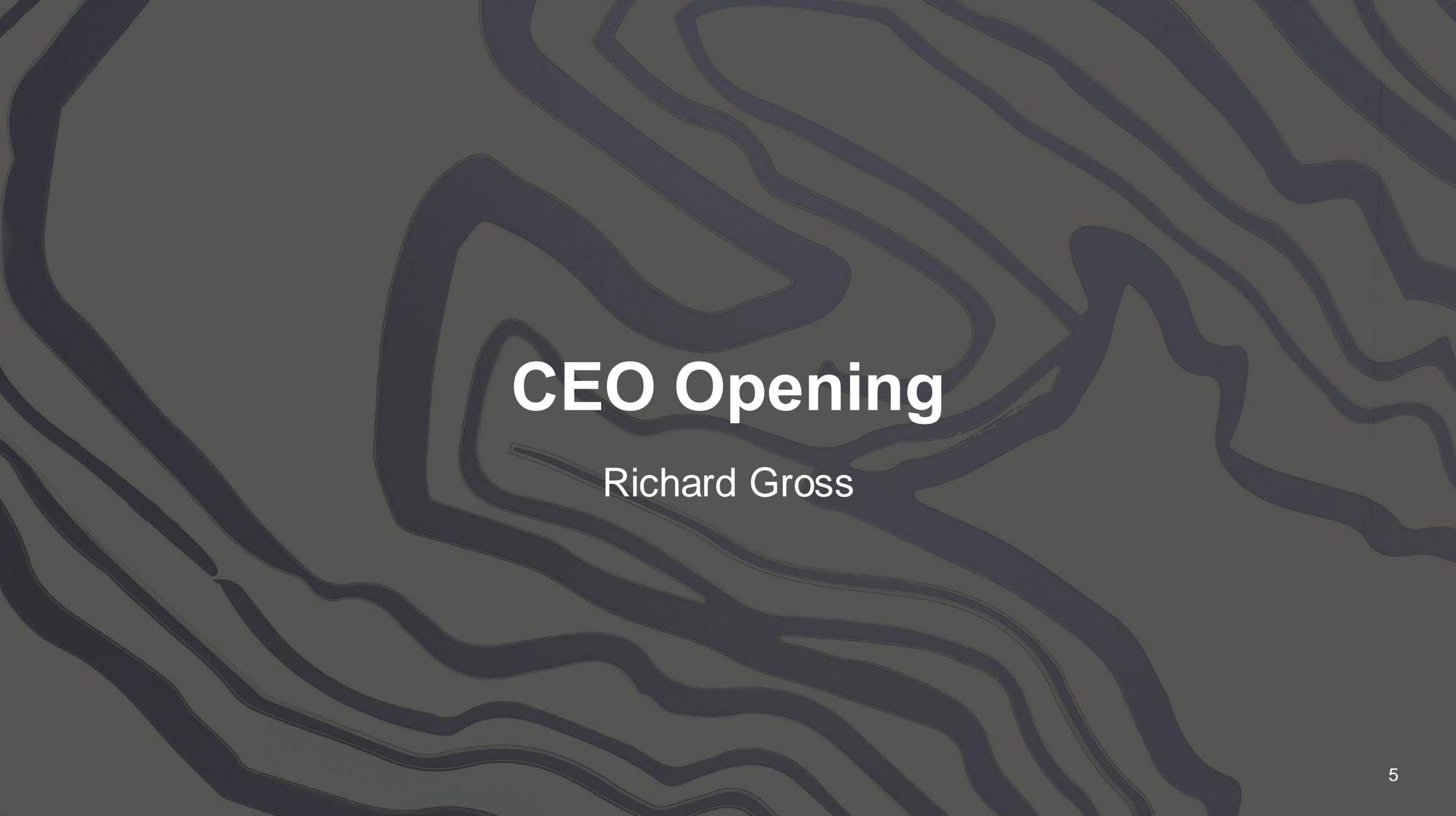
Safety Share & Opening comments

All Advocates



Acknowledgement of Country

Benjamin Lange



CEO Opening

Richard Gross

CEO Update

AFFORDABILITY

Lowering prices for customers

↓ \$71 reductions



Revenue per residential customer

- Introduction of demand tariffs

CUSTOMER FOCUS

New strategic focus
'Foster Community Trust'

- Chief Customer Officer appointed
- Delivery of Customer Commitments underway
- Scorecard development
- Energy Charter report in development

SAFETY

New strategic focus
'Lead Better Safety Outcomes'

- Uplift frontline safety leadership
- Improve controls to reduce risk
- Live Pause update

Safety – Live pause update

- The pause on live work was introduced on the Ausgrid network after a worker tragically lost his life completing live work in April.
- This was the first fatality of a worker on our network in more than 20 years and prompted a comprehensive safety review.
- Work on the network is continuing, but with power switched off (de-energised). Work will take longer to arrange.

Phase 1 - Risk assessment

- Full inventory all the 205 high and low voltage tasks and controls.
- Segmentation of live works:
 - Connection of electricity supply to premises
 - Low voltage distribution no longer requiring a loss of supply
 - Temporary installation (tiger tails)
 - Street lighting and LED work.
- 18 June resumption of ASP Level 2 work with additional controls
- New live work training materials are in development to support staff to recommence Stage 1 activities.
- Ausgrid aims to return Stage 1 activities late August early September following stakeholder approvals.

Phase 2 – Verification

Phase 3 – Assurance

Stakeholders

- Customers
- Energy retailers
- Councils
- Accredited Service Providers (ASP) and National Electricity and Communications Association (NECA)
- Urban Development Industry Association (UDIA)
- Government, Regulators (Safework, IPART), MPs
- Staff

Communications:

- [Web page](#)
- ASP alerts issued
- Stakeholder update briefings provided
- Media statement / Press release / NSW advertising
- Regular internal staff updates

Advisory Committee on Live Pause

- Established to consult and align on plans to return to work.
- Developed Communications Protocol
- First meeting 26 July 2019
- Endeavour CEO, Essential CEO, ETU secretary, Energy Consumers Australia CEO and National Electrical Communications Alliance CEO

CCC Discussion – Customers are being inconvenienced are we doing all we can.



Indigenous recognition – Baayangali

Benjamin Lange

NAIDOC celebrations

Why reconciliation is important to Ausgrid

- Ausgrid is committed to taking steps towards reconciliation and building stronger relationships with Aboriginal and Torres Strait Islander peoples in the communities in which we operate.
- This commitment speaks directly to our purpose of 'Connecting Communities, Empowering Lives'

NAIDOC week launch of Lucy Simpson's design for Roden Cutler House interiors

- Ausgrid supports and celebrates our indigenous team members and our relationship with the indigenous community.
- We commissioned Yuwaalaraay artist Lucy Simpson to tell Ausgrid's story through art, now showcased at Roden Cutler House (RCH).
- On 10 July 2019 CEO Richard Gross, members of the Inclusion & Diversity Council, the Aboriginal and Torres Strait Islander Network and Executive Leadership Team held a morning tea at RCH to celebrate NAIDOC Week.
- Lucy Simpson shared her experience of creating a visual narrative which translates and brings together many elements of a story unique to Ausgrid that begins above and rests underfoot.

The inspiration for Lucy's work comes from the word Baayangali

- Baayangali is a Yuwaalaraay word from the north-west of New South Wales referring to the concept in nature of 'the system by which things work and are interconnected, or the natural order of all living things'.
- Three distinct elements in nature that represent POWER, ENERGY and LIFE are all interwoven and represented through the series which incorporates the transfer of energy, knowledge systems and our role in sustaining the balance.

BAAYANGALI

The graphics within this building are inspired by the concept 'Baayangali'.

BAAYANGALI is a Yuwaalaraay word from the north-west of New South Wales referring to the concept in nature of 'the system by which things work and are interconnected, or the natural order of all living things'.

With her artwork, Yuwaalaraay designer Lucy Simpson has created a visual narrative that translates and brings together many elements, a story unique to Ausgrid that begins above and rests underfoot.

Three distinct elements in nature that represent
POWER, ENERGY and LIFE
are all interwoven and represented through the series
which incorporates the transfer of energy, knowledge systems
and our role in sustaining the balance.

And so the story continues.

- LUCY SIMPSON/GAAWAA MIYAY

LIGHTNING

The graphics on this floor are inspired by the concept 'Lightning'.

Lightning is a natural source of energy in nature that brings rain and renewal of life to country.

In old story, lightning is often referred to as the conduit or pathway between opposites: sky to land, dry to wet, destruction and new life. Lightning also represents the transfer of energy from one realm / entity / source to another. When country is dry, lightning can also bring fire, and with it renewal and sustenance.

BAAYANGALI is a Yuwaalaraay word from the north-west of New South Wales referring to the concept in nature of 'the system by which things work and are interconnected, or the natural order of all living things'.

- LUCY SIMPSON/GAAWAA MIYAY -



SPARK

The graphics on this floor are inspired by the concept 'Spark'.

First Nations people across the country have long practiced the cultural tradition of firestick farming, a harnessing of elements in nature to both sustain balance and promote growth / continuity through care of country.

Throughout New South Wales, many large grasslands were carefully and consistently maintained and cared for over many thousands of years through the use of fire, with cultural or 'cool burns' used as a way of clearing land, burning off excess fuel to reduce the risk of uncontrolled bushfire in the hotter months, and also to feed country, promote growth and sustain life.

This is an old practice that continues today throughout many parts of the country.

BAAYANGALI is a Yuwaalaraay word from the north-west of New South Wales referring to the concept in nature of 'the system by which things work and are interconnected, or the natural order of all living things'.

- LUCY SIMPSON/GAAWAA MIYAY -



RENEWAL

The graphics on this floor are inspired by the concept 'Renewal'.

Regeneration of life is represented by the wildflowers of the Banksia plant.

Plantlife in Australia has adapted over tens of thousands of years to survive and thrive in the extreme conditions of the land. Lightning storms play an important part in their survival and regenerations of plant species, like the Banksia, which have adapted to rely on fire in order to open the seed pods and begin the next stage of growth for plants and life within that land.

Through the harnessing of fire through that spark or strike, First Nations Australians have also played a large role in the continued care of country through the promotion of new growth through carefully and considered firestick farming.

BAAYANGALI is a Yuwaalaraay word from the north-west of New South Wales referring to the concept in nature of 'the system by which things work and are interconnected, or the natural order of all living things'.

- LUCY SIMPSON/GAAWAA MIYAY





Committees' terms of reference

John Skinner

Ausgrid engagement principles and customer committees

Ausgrid's objective is to continue building trust with customers. The following principles aim to support this goal.

Be collaborative: Proactively engage and collaborate with stakeholders

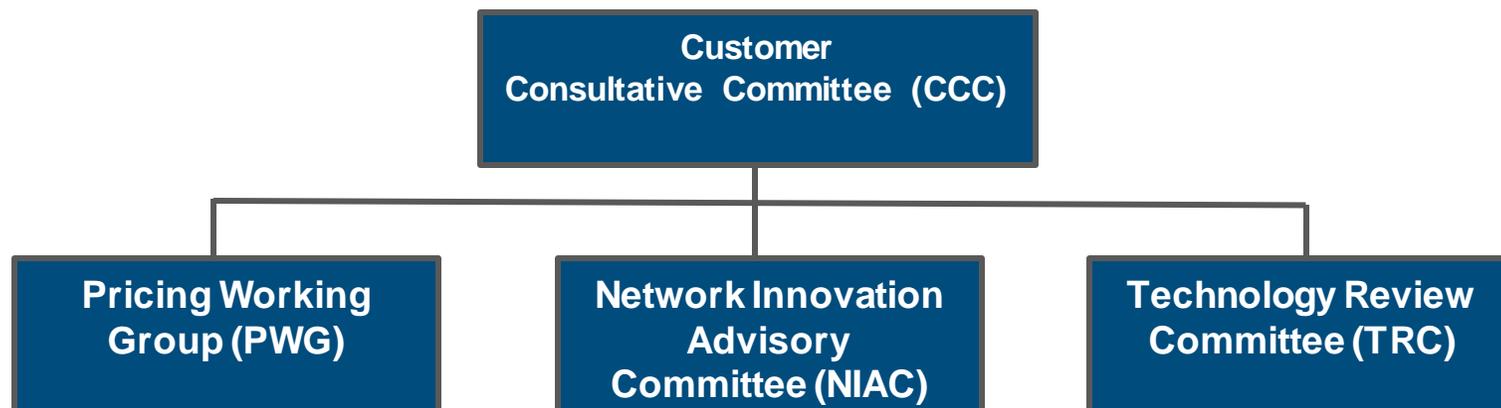
Be quantitative: Provide data from the perspective of the consumer

Be accountable: Agree a timeframe and deliver

Be transparent: Ask for regular feedback, understand what is required

Be adaptable: Be prepared to change based on feedback

Through our customer committees we aim to embed customer views in our business decisions and collaborate on the future direction of our network



Terms of Reference

Collaboration goal

Through our customer committees we aim to *collaborate* with customers about the future direction of the network

Public participation goal

Through our customer committees we aim to embed customer views in our business decisions and collaborate on the future direction of our network.

Promise to the public

We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.

Draft Terms of Reference

We are seeking views on a new draft Terms of Reference covering all our customer committees

Ausgrid Customer Charter supporting the CCC

Established in 2016 and due for review in 2019

Draft NIAC ToR

Developed with consumer advocates in December 2018 and submitted with Revised Proposal

Draft Terms of Reference for our customer committees

Our draft Terms of Reference (attached) will cover the CCC, NIAC, PWG and TRC



Delivering on Customer Commitments

Rob Amphlett Lewis

Delivering on Revised Proposal customer commitments



DEVELOP
Our business
& shared
understanding



DRIVE
Industry
Development



DELIVER
Better outcomes

Commitment	Committee / Working Group responsible
Share and improve internal cost benefit analysis, risk based assessment, internal governance processes and forecasting investment - identifying a way to give customers a more meaningful role in developing spending plans	Technical Review Committee
Explore role of optionality in long term asset decisions	Technical Review Committee
Support industry-wide IT review	Complete
Engage with customers on cyber expenditure and maturity levels	Technical Review Committee
Jointly develop policy and regulatory framework submissions	All committees
Collaborate with AER to improve repex model and drive greater confidence in the tool	Technical Review Committee
Work with AER to give effect to tax Review Final Decisions and accept Rate of Return decision	Report completion to CCC
Establish Network Innovation Advisory Committee (AMO), Technical Review Committee (AMO/IT) and continue Pricing Working Group (S&R)	In Progress
Implement opex productivity from FY21	Complete
Deliver against Energy Charter 5 principles	Report to CCC
Deeper engagement in customer strategy and business planning	CCC / NIAC / TRC
Greater focus on non-network/DM solutions and support demand response rule changes	NIAC
Exclude Innovation, cyber and ADMS from CESS	Complete

Customer Commitments Update



DEVELOP

Our business
& shared
understanding

Commitment	Ausgrid Action	Outcome	Status Update	Committee
Share and improve internal cost benefit analysis, risk based assessment, internal governance processes and forecasting investment - identifying a way to give customers a more meaningful role in developing spending plans	<ul style="list-style-type: none"> Revising Investment Governance Framework to target customer outcomes and developing an improved investment evaluation framework (better cost benefit analysis) Develop timeline for program delivery 	<ul style="list-style-type: none"> Improved quantification of customer benefits and consideration of customer in investment decisions Provide transparency on incorporating customer preferences in decisions (Energy Charter) 	Consolidating internal and external feedback and identifying detailed areas of improvement to inform work program Will develop for first TRC meeting.	Technical Review Committee
Explore role of optionality in long term asset decisions - show that investment decisions have taken into consideration optionality (eg: new technologies)	- Incorporated in above	- As above		Technical Review Committee
Support industry-wide IT review	<ul style="list-style-type: none"> Co-develop submission to the AER ICT review due to AER 19 June 	<ul style="list-style-type: none"> Ensure efficiency of ICT expenditure Better articulation of customer benefits from ICT expenditure 	Submission developed with input from customers and lodged with the AER 19 June 2019	Complete
Engage with customers on cyber expenditure & maturity levels	<ul style="list-style-type: none"> Determine decision making frame and trigger for additional cyber security capex 	<ul style="list-style-type: none"> Improved customer understanding of cyber spending 	Discuss at first TRC meeting	Technical Review Committee

Customer Commitments Update



DRIVE

Industry Development

Commitment	Action	Status	Committee
Jointly develop policy & regulatory framework submissions	S&R advocacy program - Identifying list of potential policy initiatives Allocate regulatory submissions working groups to develop (NIAC, TRC or PWG)	Underway Will report list to first TRC	NIAC, TRC and PWG
Collaborate with AER to improve Repex model and drive greater confidence in the tool	Scope Ausgrid ideas to improve Repex model Align with AER on engagement	Underway Will share will first TRC committee	Technical Review Committee
Work with AER to give effect to tax Review Final Decisions and accept Rate of Return decision	Updated PTRM	Complete	Complete



DELIVER

Better outcomes

Establish Network Innovation Advisory, Technical Review Committee, Pricing Working Group	<ul style="list-style-type: none"> – Collaborate on Terms of Reference – NIAC meeting 24 July – TRC meeting TBC – PWG meetings ongoing 	Committees established Shared updated terms of reference Set date for TRC	
Implement opex productivity from FY21		Complete	Complete
Deliver against Energy Charter principles	– Gathering input from Ausgrid business units to show initiatives against Energy Charter Principles.	Developing draft report to share for feedback	CCC
Deeper engagement in customer strategy and business planning	<ul style="list-style-type: none"> – Share Customer Strategy and program rollout – Develop scorecard improve transparency of performance and provide input to actions 	Seeking feedback from CCC on Scorecard	All committees
Greater focus on non-network/DM solutions and work on demand response rule change	<ul style="list-style-type: none"> – Advocated for rule change via ENA Policy Steering Committee – Review <i>AEMC wholesale demand response mechanism rule change draft rule</i> 	Ongoing Developing submission to draft rule.	NIAC/TRC
Exclude Innovation, cyber and ADMS from CESS	– Identified data sources and owners and developing tracking tool to ensure exclusion is implemented by 30 June 2019	Complete	Complete

Scorecard Development

Objective: Develop a customer and corporate scorecard with input from committee members to report back to CCC members.
To discuss: Items to be included and items that should be added.

Health & Safety

- LTIFR
- TRIFR (trend period)
- Engineering Solutions

Reliability

- SAIDI
- SAIFI (trend period)
- Reliability programs

Sustainability

- Emissions reductions

Program Delivery Capex

Incentive scheme performance
(CESS + EBSS)

Staff numbers

Affordability

- Revenue per customer
- Cost to serve

Customer Volumes

- Number of Customers by category
- DER customers
- Life Support Customers
- Battery customers

Power Supplied

- Residential
- Business

Compliance

- Life Support
- Public Lighting

Customer demand

- Phone and email
- Digital
- Social
- Field

Customer experience NPS

- Residents
- Retailers
- ASPs
- Major Customers
- SMEs

Voice of Customer

- Complaints lodged + closed
- Age of complaints

EWON

- Cases referred + closed
- Cases returned

Policy development and collaboration

- AER IT review
- AER review of customer service incentive schemes
- Principles for Management of Voltage Variation Customer Claims
- AEMC wholesale demand response mechanism
- AEMC regulatory sandboxes
- AEMC stand-alone power systems/embedded networks
- Energy Charter Better Together initiatives
- Contributing to development of AEMO DER register with NSW Government

CCC discussion – Above are the submissions we have recently submitted or are developing, which of these would you like to discuss with us or contribute to.

NIAC Update

- First meeting of the Network Innovation Advisory Committee meeting 24 July
- Mike Swanston to provide update on meeting discussion

Break

Resume at 3:00pm

Demand Tariff Communications Update

Selina O'Connor

Program to support implementation of new tariffs

Retailers

- Working with retailers to clarify intention to launch demand products – potential for joint projects
- Sharing materials with retailers

Customer support

- Call centre staff trained to assist
- Development of materials to explain new tariffs and steps that can be taken to reduce demand charges
- Customers on average will be better off on demand tariff (compared to current tariff) and can further reduce their bill by taking some steps

Monitoring systems

- Setting up monitoring of all customers on a demand tariff with flags for those with high use for peak periods

Research

- Continuing research

Government

- Providing briefings - no new initiatives

Energy Charter

- Better Together initiative + research opportunity
- AGL Energy Affordability and Energy Literacy program support - Sydney Alliance 'Voices for Power' project

Communications materials

The demand tariff introduction is supported by a range of communication materials designed to answer key customer questions and guide customers through the change.

Materials were developed and refined through:

- Review and feedback from consumer advocates
- **Focus group testing**
- Expert assistance from a firm specialising in communicating energy sector concepts to customers.

1.1 Your energy use webpage



Purpose: provide customers with a single site to answer their key demand tariff questions
Status¹: ready to go live

Your Energy Use website
<https://newagauth.ausgrid.com.au/Your-energy-use>

1.2 Energy landscape video

New item created in response to focus group testing



Purpose: provide customers with the context of distributor and retailer roles in the energy landscape in an easy to digest format
Status¹: storyboard complete

1.3 Demand tariff materials



A. Video

Purpose: help customers understand what a demand tariff is and what it means for them, assist customers to minimise their bills, and answer common customer demand tariff questions
Status¹: written materials and video incorporating customer testing complete



B. Factsheets



C. FAQ

In addition to customer materials briefing packs were also created for government and politicians drawing from customer materials as appropriate.

Feedback and our response

Customer Advocates

- Demand tariff video - we need to be clearer that this is a new tariff not an add on to customers existing tariff structure, we could say more clearly say that customers can benefit from the demand tariff in comparison to the Time of Use tariff.
- Overall the demand video was clear, using customer friendly language and images.
- Ausgrid could better describe the context for implementation of demand tariffs and more clearly show the role of the retailer and the distributor.

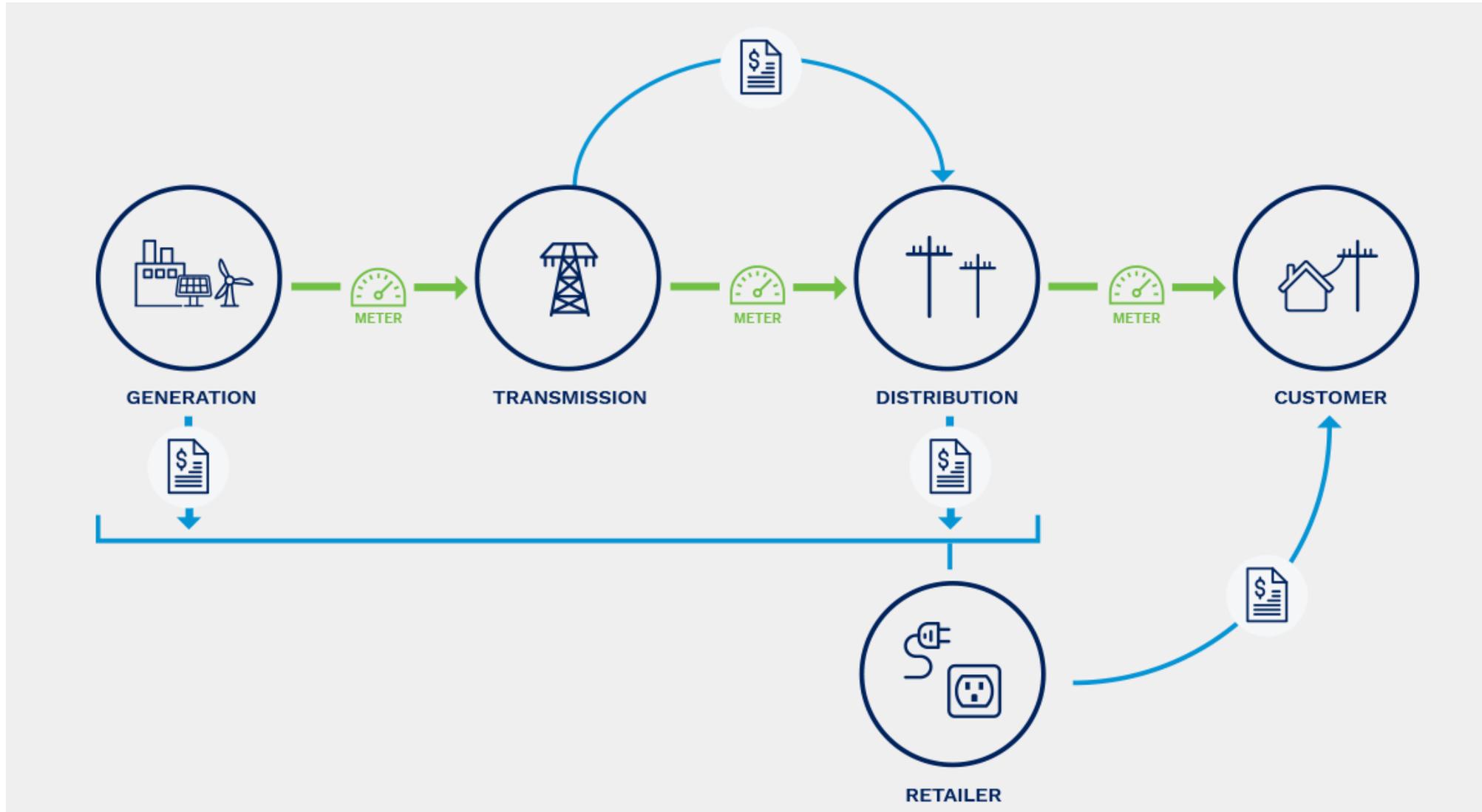
Ipsos testing

- Participants were very attuned to messages around saving - saving money and controlling your bill.
- Overall the materials tested well – they were considered strong and would generate a basic understanding of demand tariffs.
- Fine tuning some of the language was required - Don't assume people have any base level knowledge.
- Sequence of progression through materials was important – consider layout and order of presentation, for example the demand video was better understood when the context who Ausgrid was.
- Not many people knew that Ausgrid was not a retailer. Not clear what we meant by customer.
- The Demand Tariff fact sheets and Q&A were seen as valuable support to the video and did not need to be amended.

Response

- Created new video and diagram on covering our role in the energy supply chain and how we bill for energy use. [Slide 23 + Storyboard]
- Redrafted web text and redesigned web page, simplified language and created a 'definitions' page. [Link on S30].
- Updated the 'Understanding demand tariff' video – provided better context in the opening voice over, clarification that not all retailers will offer a demand plan and clarification that taking turns needs to be within the 30min window. [Slide 34]

Energy supply diagram

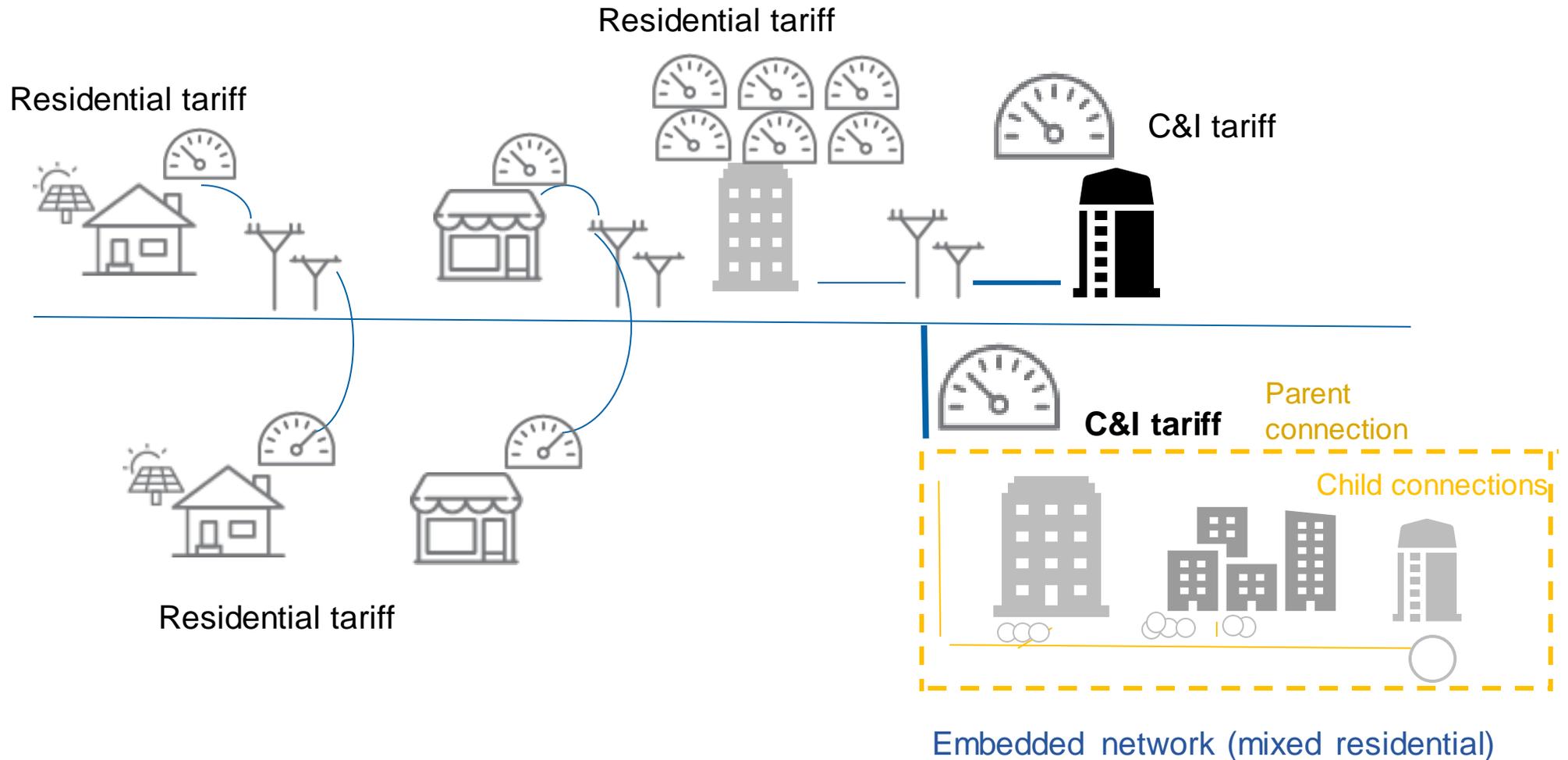


2019

Embedded Networks update

Alexandra Sidorenko

Embedded networks: what is the issue?



Embedded Networks issue summary

- The number of Embedded Networks (EN) within the Ausgrid network is growing. This is a problem because:
 - Embedded networks are driven by arbitrage between current residential and non-residential network tariffs and not by competition to provide higher level of service to the end customers.
 - Maintaining the current pricing it is not in the long-term interests of the broader customer base who would carry the higher share of residual costs after the establishment of the embedded network.
- Ausgrid is seeking a TSS amendment pursuant to the AEMC final report on embedded networks.
- The pack provided includes analysis we have conducted that demonstrates ENs are different from the commercial and industrial customers in their load profile, peak consumption and diversity (the timing of their peak). This has impact on all our tariffs.
- The change we are looking to propose includes a dedicated secondary tariff for EN based on the forecast number of child connections by type.
- This approach has a good fit with our tariff strategy, which focussed on cost reflective tariffs and demand response through behavioural change or use of technology such as HEMS.
- The new tariff if approved would ensure that conversions to EN occur only if there are value added services offered to the end customers that future members of the EN are willing to fund, without any cross-subsidy from our existing customer base.

CCC discussion – Do members of the CCC support our approach? Are there any other issues we should consider?

Energy Charter Report

Selina O'Connor

Energy Charter Principles



Customer expectations



CCC discussion – Is this a fair representation of customer concerns ?

Overview of actions against Principles

Principle	Principle in action	Examples of Ausgrid actions
Principle 1 - We will put customers at the centre of our business and the energy system	<ul style="list-style-type: none"> • Board oversight • Management accountability • Workforce is engaged and incentivised • Processes in place to determine community needs and how feedback is adopted • Demonstrate a culture of innovation and collaboration for positive customer outcomes. 	<ul style="list-style-type: none"> • Board updated business strategy + board support for Energy Charter • Monitoring of corporate scorecard (NECF, STPIS) • STI + LTI incorporate customer metrics, Impact of Transformation workstreams • Staff survey, NPS customer surveys, CCC, project consultation, NIAC, evolve, VPP
Principle 2 - We will improve energy affordability for customers	<ul style="list-style-type: none"> • Ensure investment and operational decisions are efficient • Offer customers tools to manage energy use and cost • Improve efficiency across the supply chain to improve affordability over the short and long term • Innovate to deliver competitive energy solutions for business and residential customers • Advocate to improve energy affordability 	<ul style="list-style-type: none"> • 19-24 Regulatory Proposal development process • Evidence of price reductions • Innovation program + NIAC and TRC, Evolve program, Virtual Power Plant, Demand response programs Power 2U • NMI reports and online energy efficiency materials
Principle 3 - We will provide energy safely, sustainably and reliably	<ul style="list-style-type: none"> • Maintain the highest standards of safety for its people, the community and the environment • Engage on investments and manage operations in line with customer expectations, demonstrating community benefit • Develop business strategy and manage operations to respond to the shift to a cleaner energy system • Facilitate new services and technologies that support sustainable energy solutions to meet changing market needs • Implement supply chain solutions to support energy connection, service and reliability that meets customers needs. 	<ul style="list-style-type: none"> • Health & Safety reset – Life savers • PESAP program, bushfire and storm safety - CALD safety communications • Customer Consultation Committee - Major projects community engagement • Production of sustainability report - carbon emission target • Innovation program, ADMS, NIAC + TRC • Streamline solar connections, ASP portal
Principle 4 - We will improve the customer experience	<ul style="list-style-type: none"> • Enable customers to get fair outcomes regardless of their ability or desire to participate in the energy market. • Empower customers by making sure all communication is clear, in plain terms, accessible and understandable • Have effective and accessible dispute resolution processes, to resolve customer issues and implement process improvements in response. • Ensure that innovation and design in products and services are driven by customers' needs and preferences. 	<ul style="list-style-type: none"> • New CRM process to better manage and track complaints • Website refresh and user experience testing • Website outage tools to improve reporting • Clear approach to pricing that doesn't discriminate
Principle 5 - We will support customers facing vulnerable circumstances	<ul style="list-style-type: none"> • Provide products and services that are tailored to customers facing vulnerable circumstances and support them to get back on track • Take a collaborative approach to implement innovative solutions that improve outcomes (affordability or experience) for customers facing vulnerable circumstances. 	<ul style="list-style-type: none"> • New classification of services (20min fix) • Review vulnerable customer program • Approach to customer defect disconnections • Tariff research program

Energy Charter Report update

- Accountability Panel expectations:
 - Views the Charter as trying to re-establish trust, build the social licence of energy businesses and restore consumer confidence in them. And doing those things through the significant culture change that puts the customer at the centre of the business.
 - Looking for reporting of customer outcomes not just activity, and how these customer outcomes have been measured.
- Report structure – CEO, Chair and CCC opening, executive summary, overview, outline of actions per principle, highlighted case studies, future actions and conclusion.
- CCC review report out of session
- CCC ‘endorsement’ to be included in the report or provided separately

CCC discussion – Ways to gather feedback from committee members, discuss what is needed to be capable of endorsement, discuss drafting text for the Ausgrid Energy Charter Report.

Next Steps and Close