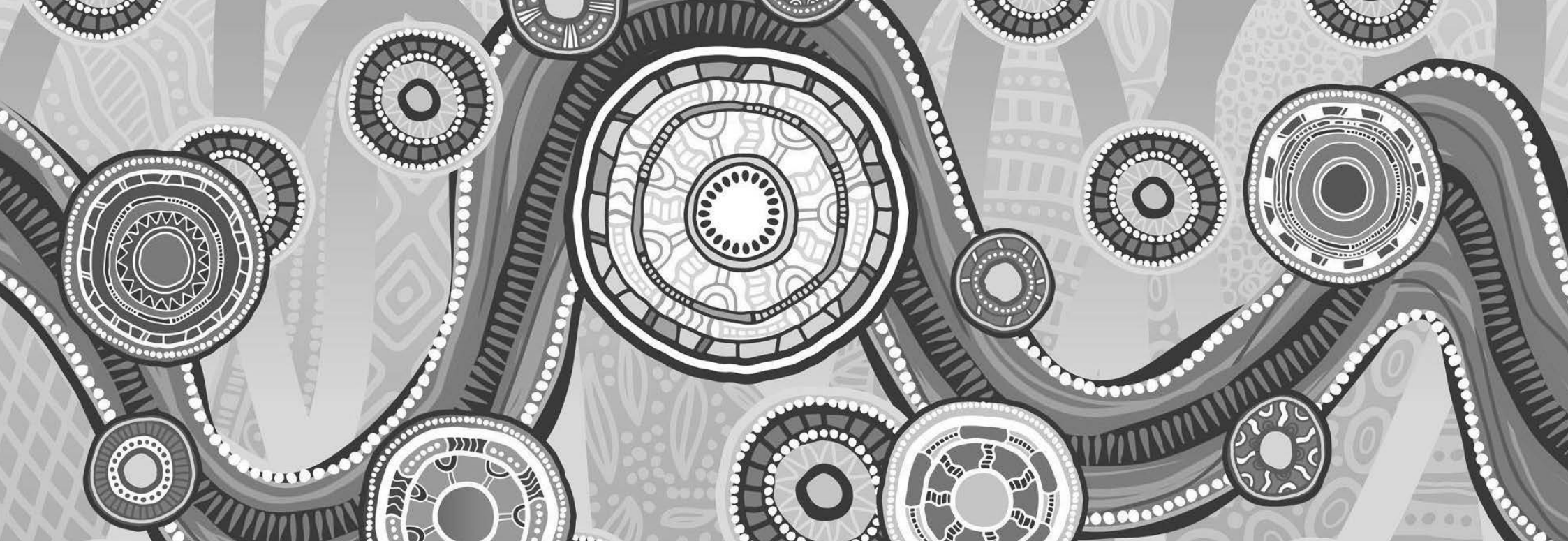




Energy Charter Disclosure Report

2023-24



Energy Queensland acknowledges the traditional custodians of the land on which we live and work, and recognise their continuing connection to land, waters, and community. We would also like to pay our respects to Elders past and present for they hold the memories, the traditions, the culture and hopes of First Nations people. We also acknowledge that the lands and waters beneath the poles and wires that stretch across the communities where we live and work, was and always will be traditional Aboriginal and/or Torres Strait land.

About this report

This report covers the Energy Queensland Group's (the Group's) Energy Charter disclosure from July 2023 to June 2024. It reports the contribution of the Distribution Network Service Providers (DSNP), Energex Limited and Ergon Energy Corporation Limited (Ergon Energy Network), as well as the Group's other businesses, Ergon Energy Queensland Pty Ltd (Ergon Energy Retail) and Yurika Pty Ltd.

This Energy Charter Disclosure Report is on our website at www.energyq.com.au/publications. We welcome feedback to help us improve our reporting. Comments can be directed to customeradvocacy@energyq.com.au

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Introduction from Board Chair and Chief Executive Officer

In 2023-24 natural disasters and a hotter summer reminded the Queensland community of our network's role in maintaining a safe and reliable power supply. While a vital part of what we do is providing an essential service to Queenslanders to power their lifestyles, our role is evolving as we progress along the energy transition and towards net zero emissions.

Diverse customer needs are always top of mind for Energy Queensland and during the year we looked at ways to empower and enable customer's energy needs. This is exemplified in network projects such as the Ipswich Neighbourhood Battery Trial, our Solar Water Pump Program and the recently announced, nation leading Local Renewable Energy Zone (LREZ) pilots in Caloundra and Townsville. Yurika also continues to support its customers' renewable energy developments, from some of Australia's largest wind farms to innovative battery and microgrid trials. We also continued to deliver on the Queensland Energy and Jobs Plan activities, mindful of the current cost-of-living challenges.

We note the Net Trust Score decreased to 62.6 – a mean score out of 100. This is a measure of the community's trust in Energy Queensland and its operations. While this score was below our target it is comparable to other major brands in our industry and related sectors. These results can be taken in context of consumer perceptions around costs and cost of living. We do not take the trust of our customers for granted and we are responding through the activities in this Report.

Equipping employees to better understand and serve our customers and communities is vital to our success. Our employees continued to be upskilled during the year with cultural capability, customer journey mapping and the ability to be responsible for the entire service delivery of retail solutions.

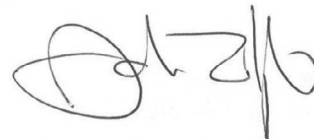
Customer experience is important to us. We acknowledge that Ergon Energy Retail's transition to new operating models and systems has brought with it adjustments to service delivery, but we are confident that the more customer centric solution, now fully implemented, will reap benefits for retail customers now and into the future. We are working with our employees to refresh our Customer Strategy and look forward to sharing this with our customer and communities in 2025.

During the year we invited 'mum and dad customers', customer advocates and other stakeholders to work with us to build our distribution network's five-year investment plans and continue to raise with us concerns around energy affordability. Our focus in 2025 will be looking at more ways to empower our customers to make better choices for their energy needs and we look forward to working with all our customers doing this.

The Energy Charter keeps our customers at the forefront of our activities, and we will continue to work with the Energy Queensland Customer and Community Council and other stakeholders and customer advocates to further energise Queensland customers and communities.



Peter Scott
Chief Executive Officer



Sarah Zeljko
Chair

Message from our Customer and Community Council

The Customer and Community Council supports Energy Queensland’s publication of its annual Energy Charter Disclosure Report for 2023-24. It provides a progress report on Energy Queensland’s ability to meet its customers and communities’ expectations across the five Energy Charter Principles. In a challenging year it maintained its 2022-23 position for four of the Principles and fell back one step on the fifth. The role of the Council remains to hold Energy Queensland accountable to its commitments to customers and communities across Queensland.

The Customer and Community Council is concerned about the contribution of Energy Queensland’s distributors Ergon Energy Network and Energex’s network costs to rising electricity costs for small and large consumers across the State. This is expected to continue based on Energy Queensland’s proposal to the Australian Energy Regulator (AER) for the 2025-30 revenue period. We would emphasise the need for Energy Queensland’s critical focus on this and more tangible commitments and metrics of success across the focus areas for customers and communities. The Council looks forward to working with Energy Queensland collaboratively and productively to develop these metrics for 2024-25 and beyond.

Customer and Community Council Members

Dean Deighton/Michelle Farquhar	Australian Industry (AI) Group
Dale Holliss	Bundaberg Regional Irrigators Group
Lachlan Crane	Business Chamber Queensland
Frank Edwards	Capricorn Enterprise
Robyn Robinson	Council on the Ageing Queensland
Caroline Valente	Energy Consumers Australia
Mark Grenning	Energy Users Association of Australia
Martina Kingi	Indigenous Consumer Assistance Network Ltd (ICAN)
Mike Furniss/Rudolf Pretzler	Local Government Association Queensland
Matthew Duncan	Master Electricians
Lauren Bicknell/Ryan O’Leary	Queensland Council of Social Service
Sharon McIntosh/Alicia Kennedy	Queensland Farmers Federation
Andrew Barger	Queensland Resources Council
Martin Zaltron	Urban Development Institute of Australia

Our customers and our communities

Energy Queensland is Australia’s largest, wholly government-owned electricity company.

Our ‘poles and wires’ businesses, Ergon Energy Network and Energex deliver electricity across Queensland. They energise the lives of more than five million Queenslanders through more than 210,000 kilometres of electricity networks, and 33 isolated systems.

Our retailer, Ergon Energy Retail, sells electricity to its 772,000 customers throughout regional Queensland, with generation, energy trading and retailing capabilities. Its customer numbers make it the fourth largest retailer in the National Electricity Market (NEM). Yurika provides integrated solutions in energy and infrastructure, energy supplies, metering, telecommunications, and digital services to connect its customers to a sustainable energy future.

We energise Queensland communities from Tweed River to Torres Strait and from Brisbane across to Birdsville, and through Yurika’s services, to a growing national footprint.

To help Energy Queensland to understand our end-user customers, we have a needs-based segmentation framework that maps our residential and business customers to three macro-needs – connection, control, and progression. To meet the needs of our end-user customers (the focus of this report), we work closely with the Queensland Government and industry regulators and invest in building positive relationships with community stakeholders, industry partners and our people (employees).



Community Highlight

Energex and Origin Energy collaborative trial of Neighbourhood Batteries in Ipswich

To advance our understanding of the benefits and challenges of distribution network-connected energy storage, Energex has partnered with electricity retailer, Origin Energy in the Ipswich Neighbourhood Batteries Trial.

As part of the trial, we are connecting up to 30 batteries on our power poles and five ground mounted batteries to the low voltage electricity network in Raceview, Goodna, Flinders View, Silkstone, Bellbird Park, and Redbank Plains. These 30kW/60kWh and 90kW/180kWh batteries are testing how network connected batteries can provide benefits to a broad range of stakeholders, while allowing more solar energy to be sent back into the grid, while the sun is shining, storing it locally for use locally when electricity demand is high.

The trial is allowing us to evaluate how this energy storage solution works best for each step in the energy supply chain. For a distribution network, they are being designed to support the efficient use of the existing electricity assets and to help maintain security of supply. For an electricity retailer, they provide the ability to offer new energy solutions to customers, as well as wholesale energy trading opportunities.

To place our customers and the community at the centre of our trial, we created a Community Reference Group (CRG). We reached out to the Ipswich community to establish a small group of local residents and interested community stakeholders to engage on the trial's engagement approach, the battery installations, the community benefits, and the possible retail product offering.

Through our various sessions (face-to-face, online and via email) the CRG have ensured the community's needs and values were considered. This project is the first time Energex has used batteries in residential streets, connected directly to the low voltage network.

This is also the first time Origin Energy has offered Queenslanders a battery offering as an alternative to 'behind-the-meter' battery product offerings.

In collaboration with the CRG we developed a Benefits Sharing outline to support the introduction of the network-connected community batteries. It highlighted different benefits for the collective customer and the individual customer, as well as the broader community and the immediate local community. These benefits were grouped into economic, renewable energy and social value streams. This has since been shared with our Customer and Community Council and used to inform our other battery projects and plans.

Along with a series of deeper discussions around product value pillars, these CRG discussions led to Origin Energy offering a trial community battery product to a limited number of Ipswich residents in early 2024. Well over 200 customers have already taken up the offer to participate, with the opportunity now to trial different marketing and product features as the trial continues.

To participate customers, pay a monthly subscription fee. This gives them access to up to 4kWh of virtual storage to use when they need it, helping them save through monthly credits (up to \$1.08 per day). An exciting element of the product offer is that customers do not need to own solar panels to get involved, which is great for renters or those in unit complexes who have previously not been able to benefit from the solar their local community is feeding into the grid.

In addition to the CRG, we engaged the community more broadly. We hosted a stall at the Ipswich Show and at other community events to build awareness of the trial and to talk about the batteries with the community. We sent letters to the immediate

neighbours where batteries are installed to keep them informed of what is occurring and provide a direct line of contact for any questions or concerns. We also distributed a flyer to the surrounding suburbs, and managed enquires through www.talkingenergy.com.au.

Community feedback has allowed us to focus on design improvements to minimise noise impacts and to consider asset placement. We are continuing to work with manufacturers to improve the design of future equipment, as well as on our own technologies and processes. We are also working with stakeholders, from the Queensland Government, including the Queensland Fire Department and others such as the Australian Energy Regulator and across the electricity industry, to gain alignment in our approach.

How does this benefit customers?

- Network-connected batteries aim to avoid the need for costly network augmentation, taking the pressure off electricity prices for all.
- More solar energy will be able to be exported locally – stored for use locally – allowing the community to be more sustainable and save on energy costs.
- Customers can enjoy the perks of owning energy storage without any up-front costs or the installation or maintenance hassles.
- An opportunity for customers without solar (those in vulnerable circumstances, renters or in unit complexes) to share in the benefits of renewable energy.
- Customers and community have been able to influence and inform future projects and plans through participation and feedback.

Customer Highlight

Solar Water Pump Program

Ergon Energy Network's Solar Water Pump Program is a great example of listening to a customer's lived experience and developing a sustainable and reliable solution for their lifestyle.

In 2019, while investigating solutions for a quality of supply issue, Ergon Energy Network engaged with a rural customer who queried whether the installation of a solar pump would avoid the investment of additional time and money into upgrading the network for their small pump connection. To support the customer in this transition, Ergon Energy Network offered a cashback reward. This example has become a case study on the benefits and effectiveness of considering an alternative solution for areas affected by large distances, hard to access locations and isolated connections.

The program offers a cash back reward to eligible farmers and station owners across Queensland who meet the costs of purchasing and installing a solar pump as an alternative to their existing grid connected pump, which then enables the site connection to be removed from our electricity distribution network.

We took the idea to the Australian Energy Regulator (AER) for approval to further investigate situations where this solution would be applicable. Extensive data analysis was undertaken to identify those customers that met the criteria for this solution and where costs savings and improved network reliability might result. From this analysis, it was identified that a large cohort of Ergon Energy Network's customers might benefit from this program. The AER has approved a trial of this program, up to a 150 cap on the number of participants. A customer's participation in this trial is voluntary.

By conducting trials and consulting with customers to develop our understanding of their lifestyles and lived experience, the network businesses were able to also tailor communications about this program, such as not phoning time poor rural customers but instead providing written correspondence to proactively reach eligible customers of the program and give due consideration to its cost and reliability benefits.

Customers who are interested are asked when submitting their application to advise us of their risk considerations. This includes things such as their plan for consecutive rainy days, etc. to help mitigate risks. This helps to ensure awareness of the impacts of changing to a solar pump and helps to set expectations.

Though Ergon Energy Network does not provide advice or direction to customers regarding equipment or installers, customers are therefore empowered to evaluate their pumping needs, consider the associated risks and available contingency plans (for example, in the event of consecutive rainy days) and work with their contractor to find the right solution.

How does this benefit customers?

- Real cost savings – reduced energy costs to those who are eligible because solar water pumps do not require electricity or fuel.
- Reliable power supply – the confidence of reliable pumping when the sun shines with paddock-proof technology.
- Renewable energy – great for the environment, powered by locally generated renewable energy.
- The reliability and sustainability benefits of the Solar Water Pump Program for rural customers were promoted at this year's Beef Week in Rockhampton.

In 2025, the aim is to complete the first suite of eligible customers under the program in addition to continuing to promote its benefits in applicable areas.

So, what happened to that influential first customer? We followed up with this customer last year to check in on how the solar pump solution was working for them four years on. They advised they were extremely happy with their decision, saying it was one of the best things they had done and were keen to encourage more people to consider it as a solution. Now his son is on the property and reaping the benefits!

Our scorecard

Principle	Key Performance Measures				Energy Charter Maturity Assessment				
		Metric and Target	2022/23 Result	2023/24 Result	Elementary	Emerging	Evolved	Empowered	Exemplary
P1: We will put customers at the centre of our business and the energy system	We measure the mindset in our organisational culture, by how enabled employees feel to deliver for our customers.	Customer Enablement Index ⁽¹⁾ Target: ≥65	67.5	68.6▲			●		
	We measure and report quarterly on our community trust via a survey using a random sample of the Queensland population.	Net Trust Score ⁽²⁾ Target: ≥63 <i>(This is a decrease (-1.0) from the result achieved at the end of last financial year). In comparison to benchmark brands, as a collective there is a similar level of decrease of NTS scores. Almost all benchmark brands have seen a decrease.</i>	63.6	62.6▼			●		
P2: We will improve energy affordability for customers	We track price and affordability perceptions. We discuss tariff trends in our Annual Report.	Household concern about ability to pay the bill: ⁽³⁾ • high concern	53%	56%▲			●		
		Ergon Energy Retail price changes July 2023: ⁽⁴⁾ • Residential • Small Business	28.7% 26.8%	28.7% - 26.8% -			●		
P3: We will provide energy safely, sustainably, and reliably	Safety: We have a suite of community and workplace safety measures detailed in our Annual Report.	Community safety incidents involving contact with our electricity distribution networks	531	506▼			●		
	Safety Campaign KPI relating to the effectiveness of the Safe Actions campaign for both awareness and behaviours.	Community safety campaigns (awareness/behaviours): ⁽⁵⁾ Target: ≥70 <i>(This is reporting decrease (-1.1) against last year's score. Previous years' results included the known, legacy safety campaign which many customers would recognise to new safe action campaigns. It is expected that the new campaign results will increase overtime.)</i>	73.7	72.6▼			●		
	Sustainability: We are playing a key role in Queensland's transition to a low-carbon energy future. For more see our Annual Report.	Solar Energy Systems Connected – New customers	55,245	61,586▲			●		
		Group's Carbon Footprint – Combined direct and indirect emissions ⁽⁶⁾ (2022-23 Report: note the decrease relates to change in Emissions Factor)	1,810,681 tCO ₂ -e	1,532,032 tCO ₂ -e▼			●		

P3: We will provide energy safely, sustainably, and reliably	Reliability: Our networks' performance across the state for average unplanned and planned outage duration and frequency are detailed in our Annual Report.	Household satisfaction with network reliability ⁽⁷⁾	73%	71%▼	●	
		Ergon Energy Network – unplanned outages: ⁽⁸⁾				
		• Duration – minutes (SAIDI) Target: ≤282.4	278.5min	286.5min▲	●	
		• Frequency (SAIFI) Target: ≤2.38	2.15	2.11▼		
P4: We will improve the customer experience	Customer outcomes and communication: We measure and report quarterly on our Customer Satisfaction via a survey which uses a random sample of people who have identified as customers of one of our brands.	Customer Satisfaction Score: ⁽⁹⁾	72.9	70.3▼		
		Target ≥70.0				
		<i>(This is a decrease (-2.6) from the result achieved at the end of last financial year). All benchmark brands, as a collective have a similar level of decrease of Customer Satisfaction scores during this year.</i>			●	
		Complaints: We aim to resolve customer issues and track the number of complaints escalated to the Energy and Water Ombudsman.				
P5: We will support customers facing vulnerable circumstances	Through Ergon Energy Retail, we raise awareness of rebates to eligible customers and support customers through our hardship program.	Complaints (complaints escalated to the Energy and Water Ombudsman) - Ergon Energy Network and Energex	206	205▼	●	
		Complaints (complaints escalated to the Energy and Water Ombudsman) - Ergon Energy Retail ⁽¹⁰⁾	295	1,946▲	●	
		Ergon Energy Retail customers accessing rebates	223,038	214,677▼	●	
		Ergon Energy Retail customers on hardship program	6,186	8,652▲	●	
		Ergon Energy Retail customers successfully transitioned from hardship ⁽¹¹⁾	5,134	2186▼	●	

1 Reported as 0-100 score, based on responses to four questions about enabling customer outcomes. Questions included in Energy Queensland's annual Employee Engagement Survey.

2 Net Trust Score is reported as a mean score of 100 to the question: 'How much do you trust (INSERT BRAND) to do what is right?'

3 More details at <https://qhes.com.au/> and under Principle 2 on page 10.

4 Electricity prices set by the Queensland Competition Authority.

5 Safety Campaign result is a mean score of 100, provided by averaging the scores received between Awareness and Behaviours.

6 This figure is due to the indirect emissions of energy lost while distributing electricity across the network. The year saw a 2% increase, with an increase attributed to indirect emissions of energy lost while distributing electricity across the network.

7 More details at <https://qhes.com.au/>

8 Ergon Energy Network and Energex met umbrella targets for network-wide unplanned outage performance, for both System Average Interruption Duration Index (SAIDI) and overall System Average Interruption Frequency Index (SAIFI). Ergon Energy Network's planned outages were again impacted by the scale of the safety-driven works underway on ageing sections of the network.

9 Customer Satisfaction is reported as a mean score of 100 to the question: 'How satisfied are you with the services you receive from [INSERT BRAND]?'

10 Explanation of this data can be found on page 14.

11 Explanation of this data can be found on page 16.

▲ or ▼ This is compared to 2022/2023 results.

Principle 1

We will put customers at the centre of our business and the energy system.

This year, we consider ourselves to remain as Evolved against Principle 1

We acknowledge the importance of setting new standards for our customers in their energy transition via the 'Experience Excellence' a customer-centric strategic pillar in our updated strategic areas of focus towards 2032 which looks at ways our business can further enable choice and empower customers.

A new set of corporate values: **1. We're Safe 2. We Belong 3. We Grow 4. We Deliver** were also rolled out to employees this year. These four new values reflect the principles that our employees work under alongside the customers and communities we serve. *We Deliver* features a core behaviour of 'I serve my customers', ensuring that the customer is centred in our approach to this value. *We Belong* features a core behaviour of 'I build trusted relationships' which reflects the attitude and initiative we seek from our employees in their interactions with customers. We measure how empowered our employees are to deliver on our customers' and communities' needs and this year our Customer Enablement Index score improved to 68.6 (2022-23: 67.5), which exceeded our corporate target. Energy Queensland's employees are also highly engaged to serve customers with an engagement score of 73%, an increase on last year's score of 67%. It is also well above the Australian and New Zealand (ANZ) benchmarking average, employee engagement score of 61% from our service provider.

We continue monthly progress reporting on customer initiatives and activities and quarterly to the Audit and Risk Committee of our Board where we provide analysis of customer issues and complaints data to monitor trends and impacts.

We expanded our business-as-usual customer forums to establish two new network-focused working groups that tackle customer related challenges – the Demand Flexibility and Innovation Working Group and the Network Pricing Working Group. These working groups will look at demand and flexibility for customers and network tariff reforms respectively across the spectrum of customer cohorts for our business. We work hard to be inclusive of all voices in our customer forums and have welcomed the Indigenous Consumer Assistance Network (ICAN) to our Customer and Community Council.

Working with customers' requirements and needs is at the centre of our plans for the renewable future. Ergon Energy Network and Energex have worked with industry representatives on an Electric Vehicle Roundtable to ensure that we are working in partnership with this rapidly growing space. We also provide our employees with updates on our #BetterTogether initiatives and Energy Charter journey.

Energy Queensland launched its second Energy Queensland Reconciliation Action Plan (RAP) during the year and established three new First Nations identified roles to help guide our second RAP, via community engagement and cultural learning. This year all employees were offered upskilling and awareness opportunities. This has included the new online interactive Middy Yarnin sessions hosted by our First Nations employees, the Board and Executives undertaking cultural capability sessions and truth telling sessions with all apprentices. We are active members of the #BetterTogether First Nations Community of Practice.

Focus Areas for 2023-24

Implement customer journey mapping for key customer issues

Energy Queensland has redeveloped our customer journey training as we see this as a vital tool to understand pain points for customers when interacting with our business. Our customer advocates have completed the training and will now look at ways to roll this out to customer facing teams to ensure they can capitalise on customer focused insights and improvement opportunities.

Increase opportunities for customers and customer advocates to meet with our Board and Executive and to be involved in our strategy and planning to ensure a 'customer voice' is incorporated into business decisions

Members of our Board and Executive have continued their attendance at regulatory engagement activities alongside the existing Board stakeholder events program across Queensland. In addition to this they have continued their attendance at events for our Customer Advocate working groups including the Customer and Community Council and Agriculture Forum ensuring that our customers and Customer Advocates have more frequent access and are allocated additional time for direct dialogue with Energy Queensland's Board and Executive than ever before.

Future Commitments

Evaluate and refresh our Customer Strategy and Customer and Stakeholder Engagement Framework to continue to have a customer voice in our business decision making.

Improve our customer-focused culture through the roll out of the refreshed Customer Strategy and Customer and Stakeholder Engagement Framework.



Principle 2



We will improve energy affordability for customers.

We stay at Evolved for Principle 2

We have built a comprehensive Empowering Customers Initiatives Tracker to document how Energy Queensland is assisting customers around affordability. This has been shared with our Customer and Community Council.

Our key initiatives include:

- **Enable Grants Program:** Provision of network businesses to support community organisations (Queensland Council of Social Services (QCOSS), Council on The Aging (COTA) and other stakeholder organisations) to develop energy efficiency awareness programs to empower customers to reduce their energy bills. These programs are targeted to Queenslanders experiencing vulnerability, including renters and community centres.
- **Energy Analysis:** Provide Ergon Energy Retail customers with energy analysis tools and services (e.g., household energy use calculator, energy saving tips etc.) to better understand appliance usage and to manage their energy behaviour.

The Queensland Household Energy Survey (QHEs), conducted annually on behalf of Ergon Energy Network, Energex and Powerlink Queensland, tracks customer sentiment on a range of energy-related topics, including electricity affordability. The average quarterly electricity bill stated by this year's survey participants increased by \$54 to \$410 (2022-2023:\$18 to \$356.) This is the third consecutive bill increase recorded by the survey since 2020. Additionally, the 2024 survey indicates that electricity bill concern is rising in line with other cost of living pressures, with 56% of customers indicating high bill concern this year (2022-2023: 53%).

The network businesses are actively addressing energy affordability concerns through a comprehensive overhaul of network data meter reports. The new improved meter reports (designed with feedback from members of the Customer and Community Council) will provide customers with detailed, easy-to-read breakdowns of their electricity usage and generation. This initiative aligns with findings from the Queensland Household Energy Survey (QHEs) 2024, which revealed increased consumer concern about energy bills and a growing trend towards customers actively engaged with their energy usage. A key part of this project has been to provide the templates for the meter reports to energy retailers to collaborate and improve the experience for shared customers. The new and improved meter reports are designed to support the 37% of households who identified in their answers to the QHEs that they are now more aware of their current tariffs and the 49% who are actively checking their bills for rebates.

Ergon Energy Retail employees are enhancing their understanding of affordability through for example, participation in our newly launched Smart Meter Ambassador program for staff that enables them to gain firsthand experience with the technology, ensuring they can provide knowledgeable support to customers for the Smart Meter features in 'My Account'. By offering them first access to features like usage monitoring, budget alerts, and tariff comparisons, employees can better understand and communicate the affordability benefits to customers. To date, 59 employees have participated in Smart Meter Ambassador training sessions. In support of the roll out, proactive campaigns to target customers to these products and services in 'My Account' are being developed for 2024-25.

Our customers told us during the network regulatory engagements that affordability is their number one concern, and at the same time, they expect us to uphold reliability, resilience, service, and safety. Responding to this feedback, the network businesses have sought to balance necessary network investments with cost considerations. The network businesses aim to limit annual increases in distribution network charges for households and small businesses to 5% for 2025. This goal is supported by a 2% reduction in the requested revenue allowance, application of a 1% productivity factor, and exclusion of certain ICT capital expenditure differences.

This goal is supported by a 2% reduction in the requested revenue allowance, application of a 1% productivity factor, and exclusion of certain ICT capital expenditure differences.

Principle 1

Principle 2

Principle 3

Principle 4

Principle 5

Focus Areas for 2023-24

Implement a new Network Pricing Working Group (which will include Customer and Community Council members) and a network affordability strategy with customer advocates and other stakeholders to assist Queenslanders.

The Network Pricing Working Group (NPWG) works in partnership with the network businesses to provide customer and stakeholder backed consensus on load control arrangements, Dynamic Connections, and storage tariffs. This is to ensure customer needs are identified and incorporated in our approach to network tariff reform and the Tariff Structure Statement.

Align where possible with the Australian Energy Regulator's 'Game Changer' programs.

Ergon Energy Retail has participated in Payment Difficulty Framework consultation sessions as part of the Australian Energy Regulator's 'Game Changer' program. Scoping has been undertaken around these initiatives which will gain more focus after the full implementation of the new customer service operating model detailed in Principle 4.

Increase rebate awareness campaigns for customers

The Queensland Government's Community Service Obligation (CSO) subsidy for the year is \$619 million. Ergon Energy Retail receive CSO payments from the Queensland Government in support of its delivery of the Queensland Government's Uniform Tariff Policy (UTP). The UTP provides, where possible, surety that small standard retailer contract customers and large non-market customers of the same class should pay the same for their electricity as customers in South East Queensland, regardless of their regional geographic location. For the 2023-2024 period, Ergon Energy Retail further offsets electricity bills by passing on a \$700 Queensland Government Cost of Living Rebate to vulnerable households. This was in addition to the existing \$372 Queensland Electricity Rebate for eligible vulnerable households,

seniors, and concession card holders. A \$550 Cost of Living rebate was also provided to all other Queensland households, and a \$650 rebate for small businesses. An average household electricity bill during the year was \$1,926. After the rebates have been applied for most households this went down to \$1,376 and for vulnerable households to \$854. In April 2024, the Queensland Government boosted the Cost-of-Living rebate to \$1,000 for all Queensland households for 2024-25, alongside the other rebates, with the amount to be automatically credited to 700,000 eligible accounts from July 2024. The Queensland Government will also apply Commonwealth Government rebates for 2024-25, of \$300 for residential and \$325 for business, which will be paid quarterly. These rebates will assist most residential Queenslanders with managing the costs of their electricity in the 2024-25 period.

Energy Queensland has requested further alignment from the Federal Government on rebate eligibility with the agreement being reached by ministerial council recently.

The network businesses and Ergon Energy Retail continue to run social media campaigns to boost awareness about available rebates.

Increase awareness of Ergon Energy Retail 'solar soaker' tariffs for customers

The Solar Soaker tariffs were first made available to customers from 1 July 2023 and are providing residential and small business customers with much lower daytime rates, with the savings made possible by the increased penetration of solar in the grid. Awareness campaigns will ramp up in the 2024-25 period as smart meter penetration increases.

Future Commitments

Continue to work with community groups to empower customers with access to energy efficiency and energy literacy information.

Develop and enhance energy literacy information for Ergon Energy Retail customers.

Principle 1

Principle 2

Principle 3

Principle 4

Principle 5

Principle 3



We will provide energy safely, sustainably, and reliably.

Safety, sustainability, and reliability continue to be at the centre of our business, and we continue to assess ourselves as evolved against Principle 3

Our Network businesses have a continual focus on community safety messaging with long established campaigns around extreme weather preparedness, shocks, and tingles. Our *Look Up and Live* and *Spot It Report It* campaigns encourage our customers and communities to practice awareness and stay safe around our networks. We are also building the capability of more than 120 employees to work with children at over 100 Queensland primary schools through our annual Safety Heroes education program during the year.

Overall, for 2023-24, our networks' reliability was impacted by severe/adverse weather experienced across the state.

This is reflected in the outcome for both Ergon Network and Energex; each network met their targets for network-wide unplanned outage frequency (SAIFI), but not for unplanned outage duration (SAIDI).

The network business' Isolated Network Strategy progresses the decarbonisation of microgrids and remote communities in Far North Queensland by integrating more renewable generation and battery energy storage systems to reduce the reliance on fossil fuels. This included the refurbishment of Thursday Island's wind turbines, which has improved their reliability and efficiency, and saved several thousand litres of diesel a week. Since 1997, the wind turbines have generated more than 18,921MWh of renewable energy and saved over five million litres of diesel. They will now continue to reduce emissions for the island community.

Also, a streetlighting energy efficiency replacement program continues with pilot projects installing energy efficiency LED bulbs in Boulia, Burketown, and Doomadgee.

The network businesses launched the Local Renewable Energy Zone (LREZ) pilots in Caloundra and Townsville, the first of its kind in Australia, that aims to integrate local solar, battery storage, Electric Vehicle (EVs), and other appliances to maximise the value for energy at the community level. As part of the pilot, we will be partnering with universities and peak body organisations, such as the Smart Energy Council, to research key elements of the pilot program to inform customer incentive programs, economic models, customer adoption and behaviour, and technical standards. This research will inform the future design and development of LREZs across Queensland. The LREZ pilot will engage with the local community to share the benefits of renewable energy, including exploring options for renters and vulnerable customers to access solar power.

During the year, in line with the Queensland Energy and Jobs Plan, the network businesses have accelerated the deployment of utility-scale batteries and advanced our neighbourhood and community battery initiatives. Our Local Network Battery Plan is enabling our networks to store the excess clean energy being made locally in the community, during the day, for use locally when electricity demand is high, which is usually at night. The rollout of batteries continues to involve extensive engagement with various stakeholders, including our customers and communities, to address any concerns regarding this new infrastructure and to ensure greater awareness of the

benefits associated with batteries and our renewable energy transformation in general. Stage 1 of the Local Network Battery Plan already has six utility-scale batteries connected to the network across regional Queensland. During 2023-24, Stage 2 commenced, with 6 of 12 network connected battery projects well underway as of the end of June 2024, with the remaining to be rolled out over the coming year across Queensland.

Throughout the Queensland Household Energy Survey (QHEs) 2024, 71% (2022-2023: 73%) of survey respondents strongly agreed that they receive a reliable energy supply and 73% (2022-2023: 75%) thought the existing balance between cost and reliability was about right.

Our Future Grid Roadmap 2.0 focuses on enabling the transition to a more dynamic distribution network. It includes six strategic priorities including Customer Centric Energy Transition to ensure Queensland's electricity grid incorporates and is modernising to support rapid uptake by customers of rooftop solar, electric vehicles, and network batteries.

As part of Queensland's move towards 70% renewables by 2032, our network businesses have developed and released Dynamic Customer Connections to enable more households and businesses to install rooftop solar by unlocking the network's spare capacity, optimising smart asset use, empowering customers to manage their own energy consumption and foster a customer-centric approach to energy management with 1,000 customers connecting during the year.

Principle 1

Principle 2

Principle 3

Principle 4

Principle 5

Focus Areas for 2023-24

Co-designing an inclusive Remote and First Nations Clean Energy Strategy including streetlights program, as part of the pathway to net zero

The network businesses co-designed an energy system with the Palm Island community by engaging with the local council and community members, gaining valuable insights into their aspirations and opportunities for renewable energy integration. Discussions included potential rooftop solar projects, centralised renewable generation, and education programs to enhance energy literacy and efficiency. This collaborative approach is crucial for decarbonising isolated communities and aligns with the Queensland Energy and Jobs Plan, aiming to reduce emissions and customer bills.

Advancing a roll out of Ergon Energy Network's stand-alone power systems (SAPS) solution

Ergon Energy Network is continuing to ensure that it will be ready to roll out its stand-alone power systems (SAPS) solution for individual remote and fringe of grid customers when Queensland opts-in to the Distribution Network Service Provider (DNSP) led SAPS framework. Ergon Energy Network are currently trialling network support SAPS which include, a renewable energy generation source, such as solar, and battery storage, along with back-up diesel generation. Networks can offer SAPS, where it is a more viable supply solution than a traditional poles and wires supply, when Queensland opts-in to the SAPS framework.

Recent advances in battery management systems and reductions in the cost of batteries means that SAPS are becoming more economically viable when compared to a traditional network solution of poles and wires. We will engage with customers every step of the way to ensure they understand the benefits.

Trialling battery technologies to improve future manufacturing capabilities and user experiences for customers

The installation of a vanadium flow battery at the Energex Berrinba Depot allows Energex to explore vanadium flow technology as an alternative for energy storage in a market currently dominated by lithium. This project also incorporates the existing rooftop solar and a new Electric Vehicle (EV) charging station as part of a dynamic connection arrangement. As a first, this level of integration will help us understand the benefits and challenges that may face commercial and industrial customers across Queensland as they embrace dynamic connections to unlock electric fleets and additional renewables. Extra safety precautions have been incorporated into the design, including a roof structure and bunding. Learnings from this trial are already benefiting the network's two other flow battery initiatives. The project is in the final stages of construction with commissioning scheduled in late 2024 and the lessons learned will inform the connection of batteries to our distribution networks.

Future Commitments

Establish and evaluate LREZ pilots in Caloundra and Townsville to demonstrate the benefits of coordinating local energy storage

Develop Distribution System Operator (DSO) capability to deliver targeted customer outcomes

Principle 4

We will improve the customer experience.

We remain as evolved against Principle 4

The Customer Satisfaction (CSAT) score measures customer satisfaction with services received across all our customer facing brands, with an indexed score provided for Energy Queensland. This year our CSAT score was 70.3/100, a decrease from 2023's 72.9/100. All other brands that Energy Queensland is benchmarked against have also seen a decrease in their CSAT scores during the year. According to customer comments, affordability and cost of living concerns have negatively impacted sentiment towards Energy Queensland.

The network businesses have updated website content with a background on network tariff reform, what it could mean for customers, a new animation to help explain demand tariffs, and how customers can adjust to non-flat tariffs. This initiative aims to empower customers with the knowledge needed to make informed decisions about their tariff options, effectively engage with their retailers and optimise their energy usage under new tariff offerings. Planning for the smart meter rollout and the associated Legacy Meter Retirement Plan has begun, including consultation with our Customer and Community Council and other stakeholders to ensure priority is given to customer experience and safe access.

Most customer experience data is received from our well-established Voice of the Customer research program which surveys customers post a direct interaction with the business across different touch points, for example contact with our Customer Contact Centre. This year, the network businesses made significant advancements in reviewing the survey results to ensure customer feedback was actioned and improvements

made to processes. A specialised team reviewed negative sentiment and used this feedback to assist employees to provide better outcomes for customers. During the year more than 900 opportunities to 'close the loop' with customers based on their feedback were completed. From these, more than 65 resulted in training for employees to improve the customer experience and more than 135 follow up calls with customers to ensure their feedback was adequately captured and acknowledged. This program has led to enhanced training initiatives, increasing employee engagement, and refining of internal processes to enhance customer experience outcomes.

Recent enhancements to the network business' Queensland Electricity Connection Manual (QECM) have introduced new benefits for customers looking to install Electric Vehicle Safety Equipment (EVSE), making the transition to electric vehicles more accessible and cost-effective. By allowing large EVSE devices to be connected to single-phase connections, customers can now avoid costly upgrades to their properties or the network, enabling more homeowners to install Electric Vehicle (EV) chargers without extensive modifications. Customers with solar photo-voltaic (PV) systems can now charge their EVs directly from their solar installations, reducing charging costs and improving energy efficiency. These benefits were implemented based on research undertaken after engaging with customers via surveys and interviews about their user experience. These new solutions not only provide greater flexibility for EV owners but also enable broader connection opportunities for EVSE installers, potentially increasing the availability of services and putting downward pressure on costs. This comprehensive approach supports customers by offering more affordable options, leveraging the

existing system, and encouraging uptake in EV ownership.

Since 2019, Energy Queensland has measured the success of our customer experience by reducing the number of dissatisfied customers who seek Ombudsman support. This year, Ergon Energy Retail experienced an increase in Ombudsman related complaints due to a number of factors – increased call wait times during the transition to the new customer service operating model (see page 15), and a hotter summer period, combined with the 1 July 2023 price rises, resulting in customers receiving higher than usual electricity bills. With the new technology and operating model now fully integrated, Ergon Energy Retail continues to drive improvements to the customer experience by providing access to visualisation tools where customers can see their meter data and usage patterns to help them choose how they use their energy.

Summary of customer enquiries and complaints to Ombudsman

	2022-23		2023-24	
	Network	Retail	Network	Retail
Enquiries				
Refer Back	0.06	3.58	1.24	10.24
Refer Higher Level	0.58	2.19	0.74	16.42
Complaints (Notice of Investigation)				
Level 1	0.24	0.37	0.13	0.60
Level 2	0.01	0.25	0.03	0.16
Level 3	0.00	0.08	0.00	0.01

All figures in table are per 10,000 customers. The total customer figures recorded for Ergon Energy Retail was 772,000 and for Ergon Energy Network and Energex, 2.35 million.



Focus Areas for 2023-24

Examine the customer journey mapping from the residential network tariff trials and implement improvements where possible to enhance the customer experience for network and retail customers.

The customer journey mapping has enhanced Ergon Energy Retail's Energy Analysis tool to empower customers to monitor their overall appliance usage and assist with managing their energy costs.

Examine the customer insights from the regulatory proposal engagement and implement where possible any that enhance customer and user experience.

The establishment of two 'Voice of the Customer Panels' – one for Energex in the South East and one for Ergon Energy Network in Regional Queensland - as part of network regulatory engagement activities has provided a residential customer voice that improved the development of the network businesses' regulatory proposals. Panel members recommended implementing a customer service incentive scheme was not required and the design and pace of change of network tariffs. Feedback from the Panels has influenced the customer service metrics that the network businesses report on and led to further discussions with the Customer and Community Council to improve the transparency and disclosure of these metrics and what a network business customer service performance scorecard could look like in the future with further discussions.

In addition, engagement activities included face-to-face Customer Focus Groups in Townsville and Brisbane to improve business decision making on key regulatory issues such as the pace of electric vehicle uptake, more equitable legacy metering costs across all customers and considerations for those customers unable to invest in new technologies.

Implement new customer platforms in Ergon Energy Retail to enhance customer experience capability for customers.

Ergon Energy Retail's new customer service operating model and technology platform was successfully implemented during the year. It moves away from the traditional energy utility model of a call centre and has been replaced with a flatter structure, where cohorts of customers are provided a dedicated team of energy specialists who are responsible for the management of that specific customer, across their entire lifecycle. This results in a more personalised customer service experience, leads to a deeper understanding of the customer and tailors service decisions to ensure the best energy outcomes, without the need to handoff to specialist teams. This has also changed the user experience for call handling, moving from the 'press 1 for... etc' to connecting the customer directly with a real person who will be their own energy specialist/expert. As with any system change, impacts to the customer experience have occurred, but with more than 200 Energy Specialists upskilled in the new system there is a focus on improving the customer experience into the future.

Future Commitments

Monitor the customer experience for Ergon Energy Retail customers.

Progress the Customer Service Performance Scorecard working with Customer and Community Council and Voice of the Customer Panels

Improve the customer experience in Ergon Energy Retail's card operated meter communities

Implement new customer management platform for the network businesses to enhance the customer experience capability for customers.

Principle 5



We will support customers facing vulnerable circumstances.

We have assessed at Evolved which is down from Empowered last year against Principle 5

Providing support to customers facing vulnerable circumstances is part of our core business values. However, given the current economic situation and associated cost of living pressures being experienced by customers that has seen more customers fall into vulnerable circumstances than in previous years, we have this year assessed ourselves as Evolved. This recognises that whilst we have continued to provide much needed support there is an opportunity to redouble our efforts in the coming year in collaboration with our industry partners and key stakeholders.

In recognising the financial stress being experienced by many customers, this year, we have primarily focussed on continuing to raise awareness of concessions and rebates programs available to customers and importantly, awareness of, and ease of access to, support Ergon Energy Retail provides to customers in vulnerable circumstances through our financial hardship program.

Ergon Energy Retail has 8,652 (2022-23: 6,186) of its residential customers on its hardship program. This is an increase of 40% and highlights the success of Ergon Energy Retail's Hardship Program in assisting customers struggling with cost of living pressures. During the year, Ergon Energy Retail successfully transitioned 2,186 customers off its hardship program. This number is down when compared to the 5,134 customers transitioned off hardship in 2022-23, which further suggests cost of living pressures are continuing to impact regional Queensland customers. Ergon Energy Retail acknowledges the assistance being provided by the State and Australian Government's Cost of Living Rebate payments, with 1,075 already applied to residential

customer accounts on 1 July 2024 to assist with bill relief. Ergon Energy Retail successfully verified 214,667 customers were eligible for and were paid an electricity rebate. Rebate eligibility is not a decision of Ergon Energy Retail. Rather, Ergon Energy Retail's role is to administer the rebate to customers deemed eligible by Government rebate programs.

In response to the increase in enquiries around hardship support, and to ensure appropriate support to vulnerable customers in financial hardship we provided frontline Ergon Energy Retail employees specific Hardship Assistance training with the contact centre transitioned from a specialist team to its new customer service operating model with over 200 Ergon Energy Retail operatives now able to aid vulnerable customers facing financial hardship.

We continue to build on the success of the Energy Charter Knock to Stay Connected Customer Code #BetterTogether initiative, with about 70% of customers who fall within the remit of the program avoiding disconnection. Our efforts, and those of other initiative participants, to avoid disconnections where possible for these customers, many of whom are found to be in vulnerable circumstances, were recognised through winning the 'Innovation' category in the 2024 Shared Value Project Awards.

Additionally, we are members of the #BetterTogether Life Support Customers initiative, which brings together the medical profession, customer and patient representatives and the energy sector to develop better customer and community outcomes. Through this initiative, we are looking to highlight health consumers with lived and living experiences of life support equipment in the home. We will use their personal stories to assist

with a better understanding of customer requirements that could lead to better energy processes.

More than 300,000 homes and businesses were without power because of the natural disasters Queensland experienced over the 2023-24 summer season. The Network businesses placed a priority on providing details about restoration progress on our websites and embedding site specific details into our online Outage Finder.

The network businesses also introduced a new communication channel during the response to Cyclone Kirrily, with an online news blog providing updates in real time for customers who do not follow our social media channels. It proved successful in its first use and will form an ongoing channel in future disaster response communications. The news blog received significant praise from customers for the transparency and supportive tone of the daily social media updates, with over 70% average positive sentiment, and dedicated community engagement activities at local community hubs. We placed a priority in our ongoing communications on providing details about restoration progress on our website, embedding site specific details into our online Outage Finder. Throughout Cyclone Kirrily and other weather events we managed hundreds of media enquiries, with local team leaders the face of live news updates, and our radio interviews providing a vital channel of communications to the community.

The network businesses worked with the Electrical Trade Union's long established electrical contractor program, Operation Energise, to mobilise no-cost customer assistance to make premises safe after disasters. Within a strict eligibility criterion, it supports those under financial hardship, uninsured and non-profit

and community groups. The following Ergon Energy Network customers were supported under the program during Tropical Cyclone Jasper.

- 25 Pensioners
- 1 Community Club
- 16 uninsured
- 4 not-for-profit organisations
- 1 other with extenuating circumstances

More than thirty of these customers were still residing at the de-energised premises.

We are active members of the #BetterTogether Resilience initiative to help enhance our services and safety and to support our customers with tools and information to empower them to be in control of their own preparedness.

Focus Areas for 2023-24

Outwork the refreshed PowerSavvy energy literacy program and update to support the energy transition.

Ergon Energy Retail has continued to engage with customers in isolated Queensland communities, having face-to-face conversations in Townsville, Rockhampton, Aurukun, and the Torres Strait sharing knowledge on the various support schemes available to assist them with the cost of living (see below PowerSavvy energy literacy program). Yurika has installed digital meters for Ergon Energy Retail with another community-wide digital meter installation across Thursday Island, Horn Island and to businesses in the Northern Peninsula Area.

Ergon Energy Retail worked with community representatives and key stakeholders to launch our PowerSavvy Energy Literacy Program. This program promotes greater awareness of the energy sector and our role in the renewable energy transformation, as well as to improving energy literacy in remote communities.

As part of the Queensland Energy Jobs Plan, the Queensland Government funded program was developed in partnership with local not-for-profit organisations, who were provided training as PowerSavvy Champions and are now delivering Household Energy Health Checks in their communities. The program also offers whitegoods rebates for customers gaining access to and/or upgrading to 4-star energy efficient appliances to help families save energy and money. The program also involves visiting schools within these remote communities to educate the next generation about energy efficiency, electrical safety, and renewable energy.

Below is a summary of some of the achievements so far:

- 5 schools engaged (through multiple visits) to organise running education programs; 2 underway with 3 more planned.
- 11 business energy sessions delivered.
- 116 home energy 'health checks' delivered in the Northern Peninsula Area and 6 in Thursday Island

- 6 community awareness events held.
- 10 Community representatives trained as PowerSavvy Champions
- 3 local jobs generated as full-time PowerSavvy Champions
- Approximately \$174,700 in appliance rebates delivered.

Ergon Energy Retail has undertaken extensive engagement with local communities and listened, learned, and implemented improvements to the program, such as introducing Creole language education material as it is the most common language spoken in the region.

How will this support customers?

- Remote First Nations communities are empowered by training, education, and customer assistance to understand and get the best from the renewable energy transition; putting control in their own hands.
- Codesign of this program with representatives of the community means their lived experiences are incorporated in the design, implementation, and continued improvement (e.g., inclusion of Creole language education material).
- Savings provided from both education on energy efficiency as well as rebates to support upgrades to more energy efficient appliances.
- Raised awareness on electrical safety for the whole community, including preparing the next generation.

Future Commitments

The network and retail businesses will provide support to customer energy education and awareness programs in partnership with stakeholders such as those customer advocacy groups delivering programs for vulnerable customers through the Queensland Government Enable Grants programs of activities