



Energy Charter Feedback Summary

2023-2024

Introduction

AusNet’s purpose is to connect communities with reliable, affordable and sustainable energy. During 2024 we have made some major changes to our whole business and its operations to deliver better outcomes for communities and customers moving forward. We have refreshed our corporate strategy to place communities and customers at the centre of everything we do, we have materially enhanced our operating model, and we have established a new leadership team to focus on improved delivery.

As the owner and operator of regulated electricity distribution, electricity transmission and gas distribution networks and, in addition, a competitive energy infrastructure and services business, we understand how impactful our business is in delivering positive societal outcomes and supporting a transition to net zero.

As we strive to deliver improved outcomes for the communities and customers that we serve, we need to obtain timely, quality feedback on our performance. We then use this feedback to focus our collective efforts on making a difference.

We have recently published our inaugural Energy Charter Disclosure Report (2024), having joined the Energy Charter as a Full Signatory in mid-2023. This Disclosure Report Feedback Summary outlines how we have engaged with the Customer Consultative Committee to receive their feedback to develop and finalise our Energy Charter Disclosure Report (2024). The Customer Consultative Committee’s feedback has been the primary input in validating and confirming the assessment of AusNet against the maturity model, and for highlighting areas for ongoing improvement.

Our engagement approach

An all-day, in-person, workshop was held with the Customer Consultative Committee (CCC) on 29 July 2024 at AusNet's Melbourne headquarters, where the following topics were covered:

- Introduced The Energy Charter and what it means for AusNet to be a Full Signatory
- Reflected on our current year, and the performance and stories that defined it
- Reviewed the Energy Charter's five principles and engaged on:
 - assessment of AusNet's position against the maturity model (to establish baseline)
 - the specific Reporting Metrics to be used (for each of the five principles)
 - the specific case studies to be included (that adequately demonstrate performance)
 - the optimal areas for improvement in 2025 (to focus management attention).

In preparation for the Workshop, pre-reading materials were shared with the CCC Members. These materials included AusNet's preliminary self-assessed maturity model, supporting case studies and associated metrics. Given the high level of ongoing engagement with the CCC, many of its members had a level of familiarity with the content.

This approach enabled members to come prepared and actively participate in the workshop discussions.

AusNet's CEO, its four business leads (three regulated networks plus competitive business), and several of its senior leaders assisted in designing and facilitating the sessions on the day. This group included:

- **David Smales**, Chief Executive Officer
- **Jon D'Sylva**, Chief Development Officer
- **Elizabeth (Liz) Ryan**, Executive General Manager Transmission
- **Andrew Linnie**, Executive General Manager Distribution
- **Fran Duiker**, Executive General Manager Gas and Metering
- **Tom Hallam**, General Manager Strategy & Regulation (Transmission)
- **Charlotte Eddy**, General Manager Strategy & Regulation (Distribution)
- **Chris Bartley**, General Manager Program Management

The Energy Charter had two of its senior leaders, Bec Jolly and Martine Holberton, attend the Workshop and support discussions throughout the day.

About our Customer Consultative Committee (CCC)

AusNet's Customer Consultative Committee (CCC) was established in 2016. It plays a vital role as an informed, constructive challenger to AusNet. This role is key in guiding our decision-making and strategic execution. With eight years of ongoing engagement, the CCC has developed a deep understanding of AusNet's performance in delivering for customers, whilst maintaining full independence and championing their cause.

The CCC provides a forum to discuss AusNet's plans and covers a range of customer and community issues. The CCC members hold expert knowledge in their respective fields.

The CCC is made up of a cross-section of representatives from a broad range of segments, including customer interest and community groups. Current members include:

- **Peter Eben**, Chair
- **Andrew Richards**, Energy Users Association Victoria
- **Carole Hammond**, Goulburn Murray Climate Alliance
- **Darren McCubbin**, Gippsland Climate Change Network & Customer Advocate
- **David Markham**, Australian Energy Council
- **Gavin Dufty**, St Vincent De Paul
- **Maxime Di Petta**, Clean Energy Council
- **Tennant Reed**, Ai Group
- **Tricia Hiley**, Customer Advocate

Refreshing our Customer Consultative Committee (CCC)

Throughout the last 8 years, the Customer Consultative Committee has continuously adapted to meet the changing needs of our customers and the evolving energy landscape.

As part of the commitment to continual improvement, we have agreed with CCC members to refresh the make-up of the group and update the Terms of Reference.

This refresh aims to better reflect the dynamic challenges and opportunities currently facing the energy sector, ensuring that the CCC remains at full strength, impactful, and has the ability to challenge and guide AusNet's strategic decisions.

In refreshing the CCC it is very important that a level of continuity and challenge is maintained, therefore several members will continue in their role going forward.

However, opportunities do exist now to welcome new members who can contribute fresh perspectives and ideas beginning early 2025.

Expressions of Interest (EOI) are open until 12 January 2025. Please do contact us if you wish to participate!





Key feedback

The CCC provided AusNet with some excellent guidance and feedback, that was well received. This included the following important points:

- AusNet should take a holistic ('whole of business') approach to evaluating customer performance. This was in recognition of our diverse customer base, given that we own and operate four 'lines of business' (three regulated networks plus competitive business).

With this in mind, we have made a concerted effort to include metrics and case studies from all three networks and our unregulated business to inform our maturity model assessment.

- AusNet's Disclosure Report should be an honest review, encouraging us to not shy away from areas of poor performance.

This guidance was a key factor in selecting our three customer highlight stories, particularly those focused on the Western Renewables Link (WRL) Project and the extended power outages experienced by communities and customers during the February 2024 extreme weather event.

The CCC raised that whilst these have been problematic for customers, they have been key topics in defining our performance for customers. Both the Western Renewables Link and the February outages have prompted extensive reviews, leading to the implementation of more customer-centric processes which will improve long-term outcomes for customers.
- In addition, the CCC members provided suggested changes to The Energy Charter's Accountability Framework, which subsequently have been incorporated by The Energy Charter.

AusNet remains committed to providing an honest and accurate assessment of our maturity and ongoing performance. We recognise that the CCC plays a key role in independently challenging our assessment, and this a role that we highly value.

▼ Principle 1 | We will put customers and communities at the centre of our business and energy system

We heard	We did / will do
<p>It's important for AusNet to acknowledge the challenges that have impacted customers and to focus on the things that are top of customers' minds in the Disclosure. The CCC suggested the three stories that had most defined our year were AusNet's new strategy and operating model, the Western Renewables Link project, and the significant outages caused by the February 2024 storm. They said the Disclosure should include what is occurring and why, and anything AusNet is doing to get better outcomes for customers in the future.</p>	<ul style="list-style-type: none"> • We directly reflected this feedback in our 2023/2024 Disclosure Report, featuring the case studies suggested and with acknowledgement of opportunities for improvement, any remedial actions we've taken and/or our plans to reduce the risk of similar issues occurring in the future.
<p>AusNet needs to involve local government in conversations and collaborate with stakeholders across the system to work towards achieving the best outcomes for the majority of customers.</p>	<ul style="list-style-type: none"> • We will continue our work with local councils and governments and have committed to take more of a leadership role to advocate and influence key stakeholders including governments, regulators, customer and industry participants. The focus for this will be to put customers at the centre of the system, not just our business.
<p>As AusNet manages gas distribution, electricity distribution and electricity transmission, it is well-positioned to make strategic trade-offs across these networks, with the goal of delivering long-term benefits to customers.</p>	<ul style="list-style-type: none"> • This is something we are extremely mindful of, and is one driver of the new operating model, which gives us a clear whole-of-AusNet strategy and narrative for each of our lines of business. • The Victorian government is actively encouraging electrification of residential gas loads, and we are planning across all three of our networks to support this transition. This includes the ElectrifiAIRcation trial taking place on our electricity distribution network and supporting an electrification trial in Ballan that the State Electricity Commission is leading. • Through price reviews, we are having extensive challenging conversations with customers and stakeholders. This involves making decisions that disadvantage some for the benefit of customers' overall. We are not shying away from discussions on complex trade-offs and long-term planning in customers' interests. This includes the Variation Proposal we recently lodged for our Gas Access Arrangement Review 2023-28, focussing on how we best prepare for a declining gas network and ensure those least able to electrify are not left carrying the load.
<p>It's important for AusNet to be open and transparent with the community energy data they hold, and be willing to work together with community energy groups, to help them achieve their energy goals.</p>	<ul style="list-style-type: none"> • We have employed a full time Community Energy Engagement Advisor to support community energy groups. We have also committed to being more open and transparent about community energy data and will look to further our work with community energy groups. • Our Electricity Distribution Pricing Review (EDPR) 2026-2031 proposal includes a team of customer relationship managers who will provide dedicated support to all community energy groups, commercial customers and local government across all regions of our network. This will include facilitating customer connections in the context of local community energy projects by being the 'go to' person for all customer project enquires, providing data to support project development, and updates on the progress of projects.



▼ **Principle 2** | We will improve energy affordability for customers and communities

We heard	We did / will do
<p>AusNet has a crucial role in educating customers to help inform them and increase their awareness of how they can become more energy efficient.</p>	<ul style="list-style-type: none"> We run campaigns throughout the year to build customers' understanding of energy efficiency and safety. We aim to reach all customers with our campaigns by using various channels including targeted SMSs, emails, letters, social media, radio, digital screens and ads on catch-up TV. We have committed to continue looking for opportunities to improve our communications campaigns to help build customers' agency around energy-saving activities, and expect these activities to increase significantly over the next few years. We are also planning education materials on some more complex topics like tariffs, solar exports and network resilience. We will also continue to support and participate in The Energy Charter's campaign activities.
<p>It's important for AusNet to understand how much customers are willing to pay to make the network more resilient, and for customers to understand the trade-off between increasing resilience and cost.</p>	<ul style="list-style-type: none"> In developing our price review proposals, including our Electricity Distribution Pricing Review 2026-2031 and Transmission Revenue Reset 2027-2032, we engage extensively with customers to understand their needs and preferences for the energy network. This includes robust and transparent conversations about trade-offs between resilience and cost, which are then reflected in our pricing proposals.
<p>Customers and AusNet can utilise non-network solutions to help increase resilience and lower costs.</p>	<ul style="list-style-type: none"> All relevant AusNet business cases include consideration of non-network solutions, and we are critically assessing investments for ancillary benefits. We are using Battery Energy Storage Systems (BESS) in select circumstances to support the existing network and lower costs for customers.

▼ **Principle 3** | We will provide energy safely, sustainably and reliably

We heard	We did / will do
<p>It's important for AusNet to share their scope emissions plan and their plans to reduce emissions.</p>	<ul style="list-style-type: none"> In our disclosure report, we publicly shared our goal of achieving net zero Scope 1 and 2 CO2-e emissions by 2045. In pursuit of this goal, AusNet has set an interim target to reduce Scope 1 and 2 emissions by 50 per cent by 2030 (relative to a 2021/22 baseline). To achieve this, we're concentrating on two key areas: network loss emissions, which account for around 97% of our total emissions, and in-house emissions, which make up 3%. We are actively working to reduce network loss emissions by connecting new renewables as quickly and efficiently as possible, increasing network capacity through new high-voltage transmission infrastructure, and integrating consumer energy resources onto our distribution network.
<p>Agricultural customers need additional support from AusNet to reduce emissions, compared to other customers.</p>	<ul style="list-style-type: none"> We have committed to addressing issues in our control that prevent agricultural customers from connecting to solar, such as low-spanning lines. We have also committed to continue supporting all customers and landholders to reduce their emissions by: <ul style="list-style-type: none"> making it easier to connect solar enabling more rooftop and small-scale solar into the grid via our Flexible Exports program and modest network investment.
<p>It's important for AusNet to provide guidance on where customers can get help and access support during outages.</p>	<ul style="list-style-type: none"> We have invested in initiatives to increase community resilience during unplanned outages, which includes a fleet of Emergency Management Mobile Assistance (EMMA) vehicles and increasing communications about the locations of emergency response hubs. This is part of our broader commitment to ongoing investment in emergency management and coordination, ensuring that power is restored quickly after major outages. We have committed to continuing to explore ways to keep customers informed on safety, particularly during major storms and unplanned outages, including through co-leading The Energy Charter's Resilience #BetterTogether initiative.

▼ Principle 4 | We will improve the customer and community experience

We heard	We did / will do
It's important for AusNet to build and maintain relationships with local community partners to help support customers during power outages.	<ul style="list-style-type: none"> We have committed to continue to build our community outreach programs and strengthening our relationships with councils, large and critical customers, and community groups. Our EDPR 2026-2031 proposal includes a team of customer relationship managers who will support all commercial customers, local government and community energy groups across all regions of our network. This will include reducing the impact of planned and unplanned outages on customers and communities – working with commercial customers directly to negotiate the best time for planned outages, and providing on the ground support to communities during unplanned outages and storms.
It's difficult to prevent outages caused by extreme weather events but it is critical for AusNet to continuously improve and support customers during these events.	<ul style="list-style-type: none"> We have introduced new tools and processes to enhance customer experience during unplanned outages. This has included: <ul style="list-style-type: none"> Automating communications for timely and consistent updates to keep customers informed throughout an outage. Adding a new online form to make it easier for customers to manage their communication preferences and report outages. Offering targeted advice on preparing for and managing outages, helping customers feel informed and supported. Continuing to improve the customer experience and accessibility of our website and Outage Tracker.
AusNet needs to have processes to facilitate customer input and feedback, so it can lead to change.	<ul style="list-style-type: none"> We have committed to continue progressing step-change improvements to our feedback loops on customer experience, establishing new lines of sight and strengthening existing programs to ensure we understand our customers' experiences and can better identify and act on opportunities to improve them. We will also continue to explore how we might track other interactions such as landholders' experiences with AusNet to provide us with a more complete view of our performance.

▼ Principle 5 | We will support customers and communities facing vulnerable circumstances

We heard	We did / will do
It's important for AusNet to update their customer life support list to reduce the number of people who no longer need to be on it and help AusNet focus attention towards those who remain on the list.	<ul style="list-style-type: none"> We have been and will continue to work with government and regulators to streamline the life support registration process and allow better prioritisation of customers with urgent needs. This includes supporting the Energy Charter's Life Support Customer #BetterTogether initiative. We are running a campaign for our life support customers to remind and educate them on what being a life support customer means, AusNet's responsibilities to them, and build their agency to help keep themselves safe and informed.
People who are not otherwise vulnerable can become vulnerable through extreme weather events, highlighting the importance of AusNet in supporting them.	<ul style="list-style-type: none"> Following the February 2024 storms, in addition to administering Prolonged Power Outage Payments (PPOP), we provided hardship grants for AusNet residential and business customers. This was available for customers who were without power for more than 72 hours but were not eligible for PPOP because their power was restored within a week. We have committed to continue collaborating with others such as councils, other utilities and community service organisations to better support customers during and after major power outage events.
It can be difficult to motivate customers to electrify, particularly if they have low energy literacy.	<ul style="list-style-type: none"> We are investing \$1.5 million in a trial aimed at understanding how low-income households can benefit from electrification. This trial will help us understand the opportunities and challenges of electrification for Victorian households, which include bill savings.



Our engagement performance

The Customer Consultative Committee provided the following comments on AusNet's Disclosure Feedback Summary Report:

"AusNet engaged meaningfully with the committee, involving senior management and the Chief Executive Officer in robust conversations about the organisation's performance and activities. It was a very productive discussion and appreciated AusNet recognising its past mistakes and is actively working to transform its workplace culture and improve outcomes for its customers."

"AusNet has taken a hard look at their shortcomings, particularly in customer communication during severe storms and the resulting outages. While they were perhaps overly critical of themselves – given the unpredictable severity of such storms in a rural area – they have taken genuine steps to improve."

"There is more to be done to accelerate AusNet's efforts to reduce emissions by enabling better connectivity to renewable energy sources."

We will use this valuable feedback to help guide our future efforts. We will build on what has been successful to date and will continue to address areas that require further improvement.

We wish to express our sincere thanks to all CCC members for their support during this important review and challenge process.




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