

Holding us to account for better customer outcomes

Endeavour Energy continued its ambitious program to dramatically improve customer engagement in 2021-2022. We sincerely engaged throughout the year with members of our Peak Customer and Stakeholder Committee (PCSC) and its subcommittees on substantive issues listed in our Disclosure Report, page 3.

Our PCSC members represent richly diverse customer segments located in some of Australia's fastest growing communities. Their constructive guidance and insight has helped us to co-design programs that will shape the experience of energy customers for generations to come.

With a goal to instil an ensuring and customer centric culture, our PCSC meetings are attended by the CEO, Executive team and subject matter experts. We pride ourselves on being open to challenge so we can constantly our lift performance for customers and welcomed ongoing and open dialogue with committee members.

This year marks the transition to a new, devolved accountability model, where we invited the PCSC members to critically review and challenge our efforts explained in our Disclosure Report. Ahead of finalising the Disclosure we welcomed the PCSC's feedback, guided by the questions below. This led to important amendments to the draft Disclosure, summarised in this report.

We recorded our accountability interview which can be viewed here:
<https://vimeo.com/776474872/88948ff888>

The PCSC also offered their reflections on our efforts throughout the year to account for our performance, noting:

"There is much to celebrate about the progress that Endeavour has made on each of these principles for which you should be proud... Thank you for all your hard work on the Energy Charter."

We sincerely thank the following people and companies for their keen interest, advocacy and enthusiastic support for our customers throughout the year:

Annie Kiefer	NSW Country Women's Association
Bruce McClelland	Business Western Sydney
Cristina Talacko	NSW Multicultural Association
Doug McCloskey	Public Interest Advocacy Centre
Elisabeth Ross	Elisabeth Ross Consulting
Iain Maitland	Ethnic Communities Council NSW
Jan Kucic-Riker	Public Interest Advocacy Centre
Mark Grenning	Energy Users Association of Australia
Mark McKenzie	Australian Convenience and Petroleum Marketers Association
Mike Swanston	The Customer Advocate
Nic Pasternasky	Western Sydney Organisation of Councils
Simon Moore	Business NSW
Rory Campbell	Electricity and Water Ombudsman NSW (observer)
Clare McIntosh	Australian Energy Regulator (observer)



Guy Chalkley
Chief Executive Officer
Endeavour Energy

The new process

PCSC members interviewed our CEO and Chief Customer and Strategy Officer post publication of the Disclosure on 22.11.22. Key themes that emerged centred around the need to do more to address affordability; the need to be transparent about the year's disappointments; a request to engage with the PCSC on the development of measures and metrics in future years; and questions related to better understanding our sustainability strategy. These questions guided the conversation:

- Is the content meaningful and relevant to you as a customer advocate?
- Do the case studies bring to life the efforts made to improve outcomes for customers?
- Is it a 'warts and all' account of what has worked, what hasn't?
- Are we measuring progress using the right measures and metrics?
- In a rapidly changing and uncertain environment, have we helped set the scene for the future?
- How accessible is the content, noting the 10-page limit?
- What are the gaps and opportunities for improvement?
- What recommendations does the PCSC have for #BT initiatives

Our response to the key themes is summarised below.

Theme	You said	We will
Accountability	It is not appropriate for the PCSC to include a foreword drafted by Endeavour in the Disclosure, given the newly devolved accountability model	We recast the proposed PCSC foreword as a backgrounder to the PCSC, the issues we engaged on and the accountability model.
Transparency	Some PCSC members were disappointed that the draft Disclosure Report did not include more 'up front' coverage of the Life Support AER fine until the last page of the report and asked us to improve transparency.	We accept feedback that the draft Disclosure Report needed to be clearer about our disappointing performance for life support customers. Comments were added to the Chair and CEO foreword and regular progress reports are given in each meeting.
Customer segmentation	How did you decide the descriptions of what different customers/stakeholders want on page 3?	This was prepared with subject matter experts and is being updated with input from our People leaders and our regulatory engagement program: for PCSC's consideration early 2023.
Case studies	<p>Case studies do bring to life the efforts made to improve outcomes for customers with good case studies for Principles 1, 3, 5.</p> <p>Case study for Principle 4 should have more data to show the level of improvement and why it justifies the self-assessment – more on measures and metrics needed.</p> <p>Need a better case study for affordability as the current one had very little impact. Use on where there has been a material impact on affordability.</p>	<p>Noted. Your feedback will be shared the responsible teams.</p> <p>This case study summarises detailed data presented to the PCSC throughout the year. It is based on reputational study that commenced in October 2021. We will report progress over time in our FY23 Disclosure.</p> <p>This case study was included as we wanted to share innovative ways we try to create value for customers. We note that they aren't always successful. In this case, the program folded after the Australian Energy Foundation ceased operations after more than 20 years.</p>

Theme	You said	We will
	<p><i>NB: Readers should also review our Draft Regulatory Proposal which addresses affordability at length.</i></p>	
<p>Measures and metrics</p>	<p>The use of concrete, measurable targets wherever possible is good, such as the 1.4% real reduction in annual network charges through to 2024 to contribute to Principle 2.</p> <p>Similarly, some of the "in progress" and "future" tasks are very clear (e.g. investing \$650,000 in a Black Spot pole relocation program) while others are a little vague e.g. from p6 "<i>to create value for customers, we will continue our focus measurable improvements in efficiency, productivity and innovation and ongoing customer engagement</i>"</p> <p>It is difficult to understand the criteria used to assess maturity, and it is not clear that this is used consistently across each business. Is there a possibility to conduct a peer review across the three NSW networks?</p>	<p>We will work with the PCSC to agree measures and metrics for the FY23 Disclosure, noting Committee members guidance on concrete, measurable goals and targets.</p> <p>We also note PCSC are interested to better understand the maturity model and criteria used to make specific assessments and further information will be provided to detail the criteria used to make assessments. We will also consider the request to conduct peer reviews of maturity assessments in future years.</p>
<p>Affordability</p>	<p>Appreciate all the work Endeavour is doing in this space, but the narrative in Principle 2 focuses predominantly on ICT, which could use more specificity in terms of outcomes for customers. Are there any concrete examples of how customers are sharing in the benefits of productivity improvements and operational efficiencies?</p> <p>Will Endeavour Energy run another trial or implement an energy concierge service? (p 6)</p>	<p>Customers are directly benefitting from real time outage information on our website which is only possible due the investments made in the Advanced Management Distribution System. ADMS provides Endeavour Energy real time information about the state of the network. This system feeds the outage information on the home page of our website. Providing detailed information about planned and unplanned outages addresses one of the top customer complaints.</p> <p>We will continue to promote energy efficiency programs such as Power Savers in partnership with local councils. We don't have immediate plans to trial another energy concierge service for residential customers.</p>
<p>Engagement</p>	<p>Suggest amending the last sentence in point 2 under the 'in progress' column to reflect that Endeavour is not just looking</p>	<p>Noted. The final Disclosure Report was amended to reflect this sentiment.</p>

Theme	You said	We will
	for stakeholders to respond to their future plans but is inviting stakeholders to actively shape these plans—a small change in wording but this better captures the sentiment.	
Sustainability	<p>Great use of sustainability case studies</p> <p>It would be good to make clear how Endeavour has directly driven emissions reductions and its scope to expand these efforts in the next regulatory period.</p> <p>How are greenhouse gas emissions measured, noting line losses are excluded. Why is this?</p>	<p>Noted. Encouraging greater energy efficiency means reducing energy demand.</p> <p>We are exploring how we can integrate carbon emissions avoidance quantification into our planning and development activities to help understand our positive impact on aiding emissions avoidance among our community. We have worked with Councils to expedite the transition to LED streetlighting, where the average reduction per light is 85.59 watts.</p> <p>Greenhouse gas emissions are measured following the National Greenhouse and Energy Reporting scheme (NGERs). Reporting to NGERs is part of Endeavour Energy's annual compliance obligations. Greenhouse gas emissions associated with line losses are accounted for and are included in Endeavour Energy's long-term emissions reduction targets to achieve Net Zero and Climate Positive by 2040. Due to the limited range of influence Endeavour Energy has on reducing line losses, as this is highly dependent on the source of energy generation, the business has excluded line losses in its interim target to reduce emissions by 40% by 2030 (scope 1 and scope 2, excluding line losses).</p> <p>We incur Scope 2 emissions associated with our role in distributing electricity. Around 4% of the electricity that flows on to the network is consumed by the network itself (losses)</p> <ul style="list-style-type: none"> - This energy is the energy required to move electricity from one point to another and is mostly 'lost' in the form of heat generated when electrical equipment conducts electricity due to the physical properties of the (mostly) metals that make up these assets - Endeavour can do little to influence the level of line-losses, it is merely an engineering output that results from the distribution process and

Theme	You said	We will
	<p>In reference to the EV partnership with Jolt could you clarify how the energy flowing to the charging stations is produced (i.e. does Jolt have a green PPA, offset with carbon credits, or is this energy sourced straight from the grid?). If it's the latter, just be careful about any claims that EVs in and of themselves are zero emissions (this also applies to transitioning Endeavour's fleet to 100% electric).</p>	<p>will be similar for other electricity distribution networks.</p> <ul style="list-style-type: none"> - To the extent that the electron that is distributed is from fossil fuel, then Endeavour Energy accounts for its share of the CO2 attributed to the lost electrons - Under the regulations Endeavour is not able to influence the electricity mix that flows on to the network and can do little to manage the level of line losses, even if it completely replaced the existing network with new equipment - The annual level of line losses is largely determined by customer usage and climatic conditions, in that the more electricity used by customers on the network, the greater the line loss. <p>Jolt has confirmed they do have green PPA in place.</p>
<p>Vulnerable customers</p>	<p>Given the AER fine for life support breaches, it might be helpful to focus more on Endeavour's efforts to address this issue. The narrative seems to shy away from this. It's great that Endeavour is owning its shortcomings, but more could be done to detail how Endeavour is working to ensure this doesn't happen again and how it can go beyond the required actions set out by the regulator (i.e. efforts to coordinate with retailers and DNSPs)</p>	<p>We amended the draft disclosure in response to this feedback. We established our Powering Hope program to improve our processes and the customer experience for Life Support Customers. We are also a member of the #Life Support Better Together, now advised by an expert medical committee</p> <p>This issue and Endeavour Energy's response is reported at PCSC meetings throughout the year.</p>