



Energy Charter Disclosures Engagement Summary

FY21/22

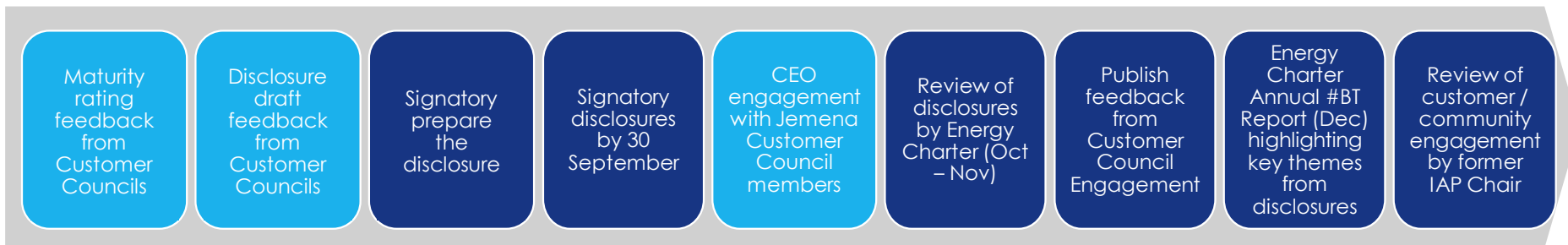
Overview

Background

In 2021, the Energy Charter performed a 3-year Strategic Review and as a result changes to the Energy Charter Disclosure review process occurred. Instead of the Independent Accountability Panel reviewing each signatory's Disclosures it was recommended that signatories leverage their business' stakeholder consultation structures. As this is the first time that the review process will be undertaken in this way, the Energy Charter has requested feedback to help improve future engagement processes.

This report provides an outline of Jemena's engagement with our Customer Councils throughout the process of developing and reviewing our Energy Charter Disclosure, together with the feedback received from the Customer Councils on the Disclosures and our engagement with them.

FY 21/22 Customer Council Engagement Overview



 = Direct engagement with Jemena Customer Councils

Description of Jemena Customer Council

Customer Council

Jemena has two distinct Customer Councils, one is focussed on the Gas Networks side of our business and the other on our Electricity Networks business. These Councils were established to assist with Jemena's regulated revenue and pricing determinations and meet on a quarterly basis. They provide a regular forum to engage and ensure that customers' preferences, expectations and priorities are understood and considered so that Jemena can deliver services which better align with customers' long-term interests.

Customer Council members represent a broad spectrum of Jemena Network's diverse customer base, spanning residential, small business, and industrial and commercial customers. The following lists the organisations currently represented on each Customer Council:

Gas Network Customer Council

- Bluescope Steel
- Council on the Ageing NSW
- Energy & Water Ombudsman NSW
- Energy Users Association of Australia
- NSW Business Chamber
- Orica
- Public Interest Advocacy Centre
- St Vincent de Paul Society
- Borg Energy
- Urban Development Institute of Australia

Electricity Network Customer Council

- Energy Users Association of Australia
- Australian Energy Council
- North Link
- CSL Behring
- Brotherhood of St Laurence
- Clean Energy Council
- Alternative Technology Association/Renew
- Ai Group
- LaTrobe University
- Northern Alliance for Greenhouse Action
- Hume Council
- Merribek Council
- Clean Energy Council

Insights and Lessons Learnt from Engagement with Customer Councils

Engagement	Description	Outcomes
Energy Charter change in process communications	<ul style="list-style-type: none"> We engaged both Customer Councils via our quarterly meetings to inform of the Energy Charter change in process on 19 and 20 July respectively. We asked them for feedback and encouraged them to 'opt in'. This was followed up by emails on the upcoming Disclosure review process. 	<ul style="list-style-type: none"> A limited number of members expressed an interest to opt in.
Maturity rating feedback	<ul style="list-style-type: none"> Customer Council members were emailed a summary of relevant initiatives in-progress or delivered by Jemena in 2021-22 and a link to a survey. The survey asked members to rate Jemena's maturing rating for the 5 Energy Charter Principles. 	<ul style="list-style-type: none"> A very limited number of survey responses were received.
Disclosure draft feedback	<ul style="list-style-type: none"> Customer Council members were emailed a draft copy of Jemena's Energy Charter Disclosure and were requested to provide feedback. A selection of Customer Council members were invited to meet individually with Jemena's GM Customer & Commercial to provide and discuss feedback. 	<ul style="list-style-type: none"> A very limited number of responses to the email were received providing feedback. More in-depth feedback was received in the meetings, however the response rate to the meeting invitations was also not high (50%).
CEO engagement for Disclosure review	<ul style="list-style-type: none"> A 2.5hr virtual workshop was held on 16 November 2022. Frank Tudor, Jemena Managing Director, together with Shaun Reardon, Executive General Manager – Jemena Networks, led the workshop to seek feedback on our Disclosure and our engagement with Customer Council members in relation to the Energy Charter. 	<ul style="list-style-type: none"> Early engagement is preferred to move away from after-fact reporting and to use Customer Councils to input into ideas/decisions. Ongoing reporting would assist with tracking progress of commitments made with the Customer Councils. This will assist in measuring the impact of Customer Councils' contributions and prioritise efforts. Greater visibility and feedback loops desired, however noting that being a Council member is already a time-consuming commitment. Details of the feedback that was received on our Disclosure is provided in the following pages.

CEO Engagement Feedback

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

What we heard

Our response

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| <ul style="list-style-type: none">Jemena's gas and electricity distribution networks operate in very different environments and in different States, so delineation of performance in these networks is suggested. | <ul style="list-style-type: none">A change to the structure of our Energy Charter Disclosures to separate achievements between our gas and electricity networks will be considered for future publications. |
| <ul style="list-style-type: none">There is potential to draw more on customer feedback to inform the maturity rating; measure success in this customer-focussed principle and move away from an intrinsic self-assessment. | <ul style="list-style-type: none">We sought an assessment and feedback from our Customer Councils to incorporate the customer lens in determining our maturity ratings. Feedback received was limited, so a review of how our Customer Councils were engaged in this piece, and for the Energy Charter work overall, will be reviewed to facilitate greater participation. |
| <ul style="list-style-type: none">'Community' could be included in the definition of 'customer' and narrative. Jemena has done well in focussing on concrete achievements in addition to #BetterTogether initiatives. | <ul style="list-style-type: none">We have considered the community to be encapsulated within the definition of 'customer'. However, based on this feedback in the future we will specify the definition of the communities we serve and also elaborate on the benefits to both our customers and communities in future Energy Charter Disclosures. |
| <ul style="list-style-type: none">Suggestion that some achievements are simply Business As Usual (BAU) activities and what a good business should be doing. Encouragement that there is more value in focussing on activities that go beyond BAU. | <ul style="list-style-type: none">In the future we will endeavour to highlight and more clearly articulate our actions and achievements that are over and above BAU and how they go beyond good business practise. |
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CEO Engagement Feedback cont.

Principle 2 We will improve energy affordability for customers

What we heard

- Key metrics over time are focussed only on residential customers. An opportunity to include non-residential metrics e.g. commercial and industrial.
- Electrification costs (gas disconnection costs) needs network support to accelerate the transition, especially for vulnerable customers. How can we be more transparent in our fee structure and reduce fees. Is there a middle ground?
- Sense of uncertainty in gas network and the broader context of global gas markets is not being fully covered under this principle.

Our response

- We will look to include non-residential insights into future reporting
- Our Gas Networks 2050 will deep dive into this topic with our customer and expert panels to help review future gas disconnection and transition options. We will provide the current fee structure for full transparency to the customer council.
- With a 10-page limit for the Disclosures prescribed by the Energy Charter it is difficult to include all the contextual background to our initiatives and achievements. We will provide this additional explanatory information in our ongoing briefings to the Customer Councils and going forward include this information in our Disclosures where suitable.

Principle 3 We will provide energy safely, sustainably and reliably

What we heard

- Gas leakage trial was favoured and encouraged to continue.
- Could consider including work around improving the resilience of networks and communities. Improving resilience would improve safety, sustainability, reliability.

Our response

- We are encouraged by this feedback and will inform the Council members on our future plans through our regular meetings.
- We intend to continue to work with Government to look at long-term options beyond like-for-like asset replacement in events of asset damage and working with the broader community to plan for different solutions to improve the reliance of our networks.

CEO Engagement Feedback cont.

Principle 4 We will improve the customer experience

What we heard

Our response

- Achievements in this principle are the strongest for Jemena. The extension of the Gas Meter Mate app is welcomed and encouraged to continue, digital gas meter trials (in limited scenarios) is a positive, as is participation in Knock to Stay Connected.

- We are encouraged by this feedback and are continuing to make improvements to the Gas Meter Mate app.
- We continue to push ahead to trial digital gas meters and the Knock to Stay Connected program.

- Suggestion to include power quality as a metric, in addition to reduced network interruptions and outages.

- We will include relevant network reliability measurements into our future Energy Charter Disclosures.

- The improvements we have made in the last 12-18 months in respect to communications and account management has been much appreciated.

- We are encouraged by this feedback and will look to continue our improvement in this area.

- Appears that the maturity self-assessment does not align to the change in the metrics shown. Maturity rating goes up, but metrics have not all improved.

- Multiple metrics are looked at internally and all metrics have not been displayed due to space limitations. Some metrics, particularly Customer Satisfaction (CSAT), have been negatively impacted by external forces, such as major weather events and COVID.

- Consider how robust Jemena's IT systems are in light of the recent spate of hacking. Vulnerability and sensitivity points include data surrounding Knock to Stay Connected program and high energy users data.

- Jemena's IT security is very much already on our agenda and being reviewed to protect our customers' and communities' sensitive information.

CEO Engagement Feedback cont.

Principle 5 We will support customers facing vulnerable circumstances

What we heard

Our response

- Entrenched vulnerabilities - how can Jemena support getting these customers off gas as quickly as possible to make them less vulnerable?

- A multi-faceted conversation is required for this. Will be touched on through Gas Networks 2050. Now on the agenda for consideration with the broader context of ensuring no customer is left behind as the energy system transforms

- Reminder that all gas customers become/are vulnerable unless future of gas is articulated, communicated and adopted within energy framework - 2050 is too late.

- As above, multi-faceted conversation required to consider this. Will be touched on through Gas Networks 2050. In addition, a Frontier Economics study estimated \$5,000 - \$50,000 for a household to transition from gas to electricity.

- Current initiatives applauded but opinion is that this is scratching the surface in terms of vulnerability in community. Strong encouragement to increase support now and in future years.

- We will continue to support our customers and communities through the Voice for Power and Uniting Energy Assist Programs. We have also committed to developing a Vulnerable Customer Strategy to define our broader support for customers experiencing vulnerability and to also engage customers and community for their perspectives.
- We are in support of the Energy Charter's proposed #BetterTogether Cost of Living initiative and will continue to investigate and assess additional measures to provide assistance to at-risk customers and communities.