

# The Energy Charter 2021-22

## Review + Reflect



We proudly acknowledge the Traditional Custodians of the land on which we work and live and pay respect to their Elders, past, present, and emerging. We recognise and value the continuing rich culture and the contribution of Aboriginal and Torres Strait Islander people to the Australian communities.

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We are the Energy Charter: a unique coalition of like-minded energy organisations with a shared purpose and passion for customers and communities.

Energy customers rely on *all* of us. We all use energy every day. It lights our homes and powers businesses. We're all part of the same ecosystem, so working #BT is vital now and into the future.

Our purpose is to empower one another across the energy supply chain to deliver better energy outcomes for customers and communities. Our vision is that together, we can create a better energy future for all Australians.

For us, the opportunity is to keep humans at the centre of the design and delivery of energy solutions; to navigate the changing needs of customers and communities as we transform to a cleaner energy future.

There really is no other collaboration like us; and the work we do, together, has never been more important than it is today.

We are #BetterTogether.

Our strengths are our CEO-led guidance and our diverse representation across industry, customer and community groups. But what gives us power, is our ability to take a whole-of-sector view; to collaborate, innovate and strive for better. To share knowledge and connections from all sides and, importantly, to proactively co-design customer-led solutions.

Transitioning to a low-emissions future needs collaboration. Our role is to encourage the difficult conversations and to amplify the customer's needs. To bridge the gap between 'hard-to-do' and 'can-do'; to go beyond what any one of us could achieve alone.

**Together, we are the Energy Charter.**

**Empowering one another**

**to deliver better energy outcomes for all.**

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## 1. Introduction

### The Energy Charter Accountability Process

As part of their commitment to the Energy Charter, [Full Signatory](#) CEOs agree to publicly disclose how they are delivering against the [Energy Charter Principles](#) through public [Disclosures](#).

In 2022, following a 3-Year Strategic Review, the Independent Accountability Panel process was replaced with a decentralised accountability framework comprising effective 'feedback loops' leveraging existing stakeholder engagement structures within signatories. This allows for more direct feedback from customer and community advocates and other stakeholders to signatories on areas of continuous improvement.

As part of this process, Full Signatories detail their engagement with customer/community councils or stakeholder forums, through [Feedback summaries](#), which are published alongside the annual Disclosure reports on the Energy Charter website.

The Energy Charter also publishes an annual #BetterTogether disclosure which sets out how collaboration through the [#BetterTogether initiatives](#) have delivered tangible outcomes for customers and communities, themes of focus for future #BetterTogether initiatives and identifies areas for continuous improvement.

### About this Review + Reflect

The purpose of the Independent Accountability Panel was to constructively assess outcomes delivered by individual signatory businesses and the whole energy sector over time. It reviewed signatory disclosures, engaged with CEOs and stakeholders and published an annual Independent Accountability Panel Report.

In place of the Independent Accountability Panel Report, the purpose of this document is to provide Energy Charter signatories and stakeholders with:

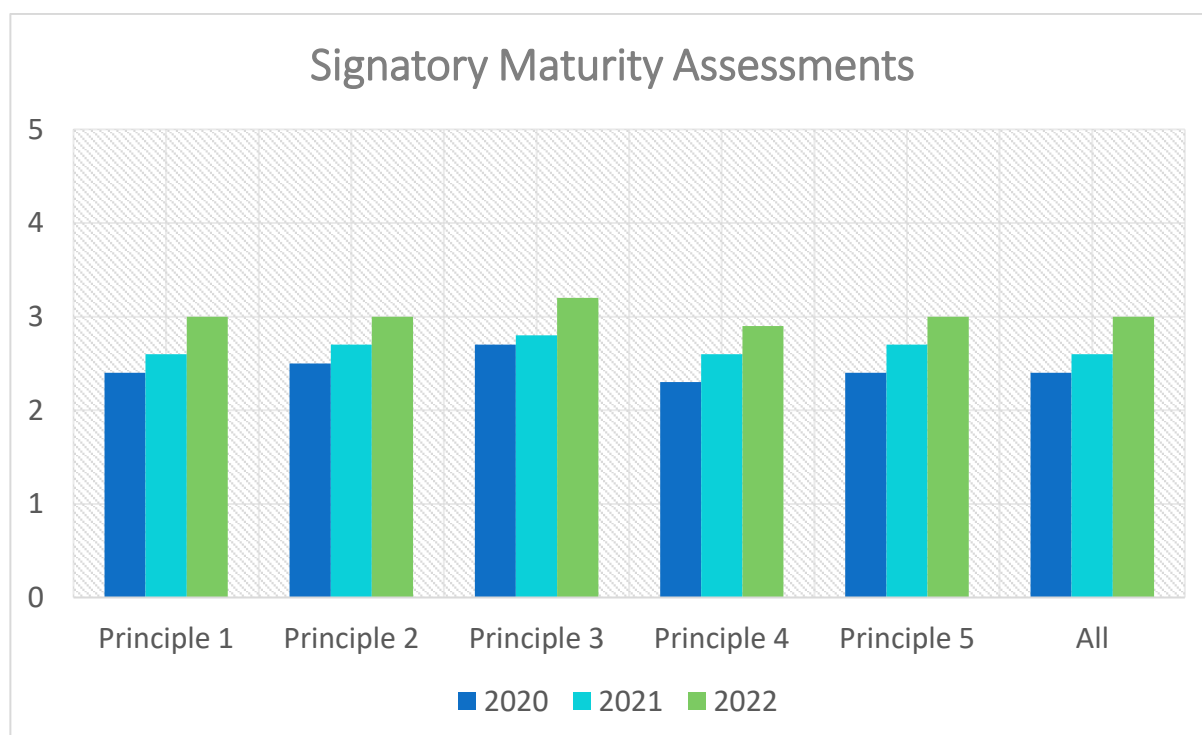
1. A collective view of signatory maturity across Energy Charter commitments to customers and communities
2. A summary of the themes contained with Disclosures and Feedback summaries to identify gaps and opportunities and generate a pipeline for future #BetterTogether collaborations
3. Some general reflections the 2022 decentralised accountability process to support continuous improvement in outcomes for customers and communities

This report reflects the observations of the Energy Charter, drawing from signatory Disclosures and the stakeholder feedback summaries. It sits alongside the independent review of the effectiveness and robustness of the Decentralised Accountability Process in 2022, by former Independent Accountability Chair, Clare Petre.

## 2. Maturity Observations

Each year signatories assess their maturity against the Energy Charter [Maturity Model](#), indicating where on the maturity scale they are, where they intend to progress to, over what period and how they plan to achieve this.

Looking across all signatories' incremental growth is evident across all Principles, with self-assessed maturity moving from an average level of 'Emerging' (2) to 'Evolved' (3), which translates to an 'evolved and defined approach to the majority of the Principles in Action and implemented.'



### 3. #BetterTogether Themes

Looking across 2021-22 signatory Disclosures and Feedback Summaries, **energy affordability** and the **transition to renewables** have remained central to signatories' commitments and the feedback provided by customer and community representatives. However, since the IAP first identified these core themes in 2020 – the ways in which they are being considered has evolved.

For energy transition, actions have become less abstract with signatories demonstrating a more nuanced understanding of the customer and community issues at play, through a range of much more defined commitments. For many, 'preparing' and 'planning' for the transition, is now 'navigating change' with customers and communities.

Similarly, hypotheses around the 'potential benefits' of new technologies, such as neighbourhood batteries, are now being tested through pilots and trials. Affordability is also now being looked at through a post-pandemic lens, with programs that originated as crisis-responses, being transitioned to 'business-as-usual' practices, with signatories acknowledging the impact of rising energy costs.

*“Recent global events and other disruptions to our energy markets along with changes associated with the clean energy transition have resulted in tighter supply conditions and rising prices for customers” – EnergyAustralia*

For simplicity, the themes of energy affordability and transition are presented in separate sections below, however, there is broad acknowledgment that a well-designed transition can deliver better affordability outcomes for those most at risk, and that the two themes are inherently linked.

## Energy Affordability

Signatory disclosures considered affordability through a broad variety of customer and community problems, and potential solutions. At a thematic level, these can be summarised as:

- ‘Know Your Customers and Communities’
- Improving energy efficiency
- Leveraging technology
- Increasing business efficiency

### Know Your Customers and Communities

The theme ‘Know Your Customers and Communities’ (also the name of a current #BetterTogether initiative) was a feature across several disclosures, acknowledging the need for **targeted communications** and **tailored customer solutions**, that respect the wide diversity energy consumers, and the many faces of vulnerability.

For some signatories, particularly those that do not have a direct relationship with energy consumers, this was acknowledged as ongoing challenge.

*“It’s a challenge to understand customers across our business because many of our staff do not have face-to face contact with them” – Powerlink*

In some instances, signatories highlighted projects to build internally capabilities, including through **customer segmentation**, customer journey mapping, improved CRM and digital system capabilities. Building knowledge and data for **small business customers** to better inform support mechanisms, is also part of this work for some retailers.

Others are taking a data-based approach, including dedicated Voice of Customer programs that capture **customer insights** using surveys, contact centre reports and community engagement events to inform decision making – including at Board level.

### Leveraging technology

The role of new technologies to improve customer affordability outcomes was also highlighted in several different ways. Some signatories are focused on **Distributed Energy Resources (DER)** and the delivery customer and community benefits through initiatives, such as **community solar and battery systems**. For some network business, the focus was more on overcoming the technical barriers of increased renewable energy on system, so that more customers can install rooftop solar and reduce their energy bills.

Also spotlighted across several disclosures was the creation of **electric-vehicle friendly neighbourhoods, products and services**, including providing public charging infrastructure, designing affordable tariffs and offering services, such as electric vehicle subscriptions.

*“We are cognisant of balancing our customer priorities of affordability and reliability while facilitating the adoption of emerging renewable technologies, including solar generation, batteries and electric vehicles” – TasNetworks*

Within the DER narrative, signatories and stakeholders have identified the need to support **equitable access to renewable energy solutions** to improve energy affordability for those who need it most.

The theme of new technology also presented as ongoing investments in **digital customer services** building on advanced/smart meter capabilities. This included enhanced digital self-service tools and apps, so that

customers have greater control over their energy usage and can more effectively self-manage their energy costs.

### Improving energy efficiency

For retailers and some network businesses, promoting **energy efficiency behaviours** and supporting the uptake of **energy saving appliances** within homes and businesses to assist customers lower energy costs continues to be a key area of focus within the broader theme of affordability. This includes community and government partnerships, as well as dedicated programs for **customers experiencing hardship**.

### Improving business efficiency

Within the frame of affordability, signatories also placed a high emphasis on delivering more affordable services by looking for **more efficient, cost-effective ways to do business**. Many signatories referenced **pricing and revenue strategies** as evidence of this work. Activities included investing in innovation that avoids excess capital expenditure (for example, grid-scale batteries), as well as efficient **workforce planning** within the context of the energy transition.

*“Our role is to achieve the biggest energy transformation of our lifetime – as efficiently as possible – without sacrificing grid security and reliability to which our customers have become accustomed and while keeping our people and the community safe” - Transgrid*

## Energy Transition

As with affordability, actions and commitments related to the transition to renewables presented in several sub-themes:

- Supporting customer uptake of renewables (*addressed above*)
- Community and landholder social licence
- Action on climate change

### Community trust and social licence

Disclosures and feedback summaries from transmission signatories, included a sharp focus on **engagement with landowners and communities** to help minimise the impact of projects, while maintaining their obligation to deliver infrastructure in the most cost-effective way to keep energy prices as low as possible. The general narrative recognised that **social licence** is far from a ‘buyable’ commodity and highlighted the criticality of both distributional and procedural fairness.

Some signatories described projects to improve engagement practices to work more sensitively and compassionately with landowners and communities, while others focused on support through **landowner assistance programs**, or **community partnerships** to build healthy and resilient rural communities.

*“To ensure frequent and ongoing engagement to our remote towns outside of our regional depot locations, we developed our Customer Service on the Move program. The program provides our customers with an opportunity to seek information and share their opinions and service requests with us” – Horizon Power*

Notably, signatory commitments also included the development of **fairer compensation frameworks** and **community benefit sharing** programs to support more equitable sharing of benefits among host communities.

## Action on climate change

Within the frame of the energy transition, some signatories identified transparent action on climate change as a customer and community expectation. This has resulted in the development of **Climate Change Action Plans**, as well as carbon offset programs. For one signatory, this included contributing new modelling to support the transition to a low-carbon future by modelling the implications of six possible scenarios for Australia's energy system over the next 30 years to 2050.

The theme of **Resilience** – in relation to both community and infrastructure – also came through strongly in preparation for increased natural disasters and environmental hazards. While community resilience was highlighted, resilience 'mentions' were mostly in relation to maintaining a reliable network, in line with the standards communities have become accustomed to.

For some, this theme also included building community trust by managing **Environment Social Governance (ESG) risk** and understanding material impacts and opportunities. This aligns with a more general acknowledgement that a transparent, socially responsible approach to Environmental, Social and Governance (ESG) performance, is emerging as an expected norm for energy businesses.

*"We are uplifting our environmental stewardship by enhancing our environmental management system, our training programs, and our due diligence processes" - APA*

## Building customer centric cultures

While most of the activities and commitments of signatories 2021-22 neatly align to the themes of energy affordability and transition, it is evident that signatories are also focussed on building customer-centric business cultures, including through the lens of diversity and inclusion.

The activities and commitments within this theme largely align to *Principle 1 – we will put customers at the centre of the energy system*. They reflect a greater focus on ways of working and an acknowledgement that growing maturity against this Principle requires dedicated and sustained action to build customer-centric cultures, and uplift innovation capability through collaboration.

Across this theme, signatories have flagged **cultural transformation** programs to help ensure customers' experience is at the heart of their decisions.

**Diversity and inclusion** activities and awareness also appeared to be a greater focus in 2021-22, including more culturally aware and responsive customer and community engagement. This aligns with references to inviting **lived experience perspectives** in the development of policies, programs and services, particularly of those facing vulnerable circumstances.

For others, the focus is on **improving accessibility**, including through more inclusive community engagement and education programs, and by investing in community capacity building programs (for example, to support digital literacy).

Several signatories also highlighted the development and/or implementation of **Reconciliation Action Plans (RAP)** as core to their customer and community commitments for 2022-23.



## Summary of key themes

	Principle 1: We will put customers at the centre of our business and the energy system	Principle 2: We will improve energy affordability for customers	Principle 3: We will provide energy safely, sustainably and reliably	Principle 4: We will improve the customer experience	Principle 5: We will support customers facing vulnerable circumstances
<b>2021-22 Signatory Disclosure commitments and actions</b>	<ul style="list-style-type: none"> <li>- Customer insights through lived experience</li> <li>- Development and/or implementation of Reconciliation Action Plans (RAP)</li> <li>- Cultural transformation programs to help ensure customers' experience is at the heart of decisions</li> <li>- Community engagement and education programs to improve accessibility</li> <li>- Building resilient communities</li> </ul>	<ul style="list-style-type: none"> <li>- Distributed Energy Resources (DER) such as community solar and battery systems</li> <li>- Designing affordable electric vehicle tariffs services, such as electric vehicle subscriptions</li> <li>- Promoting energy efficiency behaviours and supporting the uptake of energy saving appliances</li> <li>- Support equitable access to renewable energy solutions</li> <li>- Digital self-service tools and apps, for greater control over energy usage</li> <li>- Promoting energy efficiency behaviours and supporting the uptake of energy saving appliances</li> </ul>	<ul style="list-style-type: none"> <li>- Electric-vehicle friendly neighbourhoods, products and services</li> <li>- Digital customer services building on advanced/smart meter capabilities</li> <li>- Addressing technical barriers of increased renewable energy on system</li> <li>- Transition workforce planning</li> <li>- Pricing and revenue strategies that enable more efficient, cost-effective ways to do business</li> <li>- Climate Change Action Plans</li> <li>- Environmental, Social and Governance (ESG) performance</li> <li>- Resilience infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>- Building CRM and digital customer services capability</li> <li>- Customer segmentation, customer journey mapping</li> <li>- Engagement with landowners and communities and social licence to operate frameworks</li> <li>- Landowner assistance programs and community partnerships</li> <li>- Compensation frameworks and community benefit sharing programs</li> </ul>	<ul style="list-style-type: none"> <li>- Targeted communication campaigns and tailored customer solutions</li> <li>- Dedicated programs for customers experiencing hardship.</li> </ul>
<b>Current #BT initiatives</b>	<ul style="list-style-type: none"> <li>- #BetterTogether - First Nations Engagement</li> <li>- #BetterTogether - Know Your Customers and Communities</li> </ul>	<ul style="list-style-type: none"> <li>- #BetterTogether - National Customer Code for Energy Brokers, Consultants and Retailers</li> <li>- #BetterTogether – National Customer Code for Energy Comparators, Connections Services and Retailers</li> </ul>	<ul style="list-style-type: none"> <li>- PRIORITY #BetterTogether - Landholder + Community Social Licence</li> <li>- #BetterTogether – Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>- PRIORITY #BetterTogether - Knock to Stay Connected</li> <li>- #BetterTogether – Resilience</li> </ul>	<ul style="list-style-type: none"> <li>- PRIORITY #BetterTogether - Cost-of-Living Supports</li> <li>- PRIORITY #BetterTogether -Voices for Power</li> <li>- #BetterTogether - Life Support</li> </ul>
<b>2023 pipeline opportunities</b>	<ul style="list-style-type: none"> <li>- Community of Practice – Innovation</li> <li>- Mapping research with WSAA</li> <li>- #BetterTogether - Know Your Customers and Communities focused sessions on lived experience and accessibility</li> </ul>	<ul style="list-style-type: none"> <li>- Fit for purpose tariffs for agricultural businesses (large, seasonal peaky loads (considered as part of PRIORITY #BetterTogether - Landholder + Community Social Licence)</li> <li>- Equitable access to renewable energy solutions</li> </ul>	<ul style="list-style-type: none"> <li>- Capability uplift in socially responsible and transparent and ESG</li> </ul>	<ul style="list-style-type: none"> <li>- CoP equitable benefits sharing for major infrastructure projects</li> </ul>	<ul style="list-style-type: none"> <li>- #BetterTogether - Know Your Customers and Communities focused sessions on vulnerable customers</li> </ul>

## 4. Reflections on Accountability

Being the first year of the new Decentralised Accountability Process, the CEO Council commissioned an independent review of the new decentralised accountability approach by Clare Petre, the former IAP Chair. The purpose of the review was to provide an independent review decentralised process to ensure that it is both robust and authentic now, and into the future. The Decentralised Accountability Report can be found [here](#).

In addition, signatories also participated in review and reflect workshop on the decentralised process through the Measures, Metrics and Maturity Working Group. The below provides a summary of their collective feedback:

What Worked
<ul style="list-style-type: none"> <li>• More direct conversation with advocates and consumer representatives:               <ul style="list-style-type: none"> <li>- Greater opportunity for direct relationship building between CEOs/senior leaders and advocates</li> <li>- Feedback specifically targeted to business</li> <li>- Greater opportunities for culture shift through more inclusive events</li> <li>- Opportunities to talk through a solutions-lens and discuss opportunities for collaboration</li> <li>- Opportunities for more interaction and engaging discussion</li> <li>- Less intimidating process with participants more open and engaged genuinely</li> <li>- Customer Councils or equivalents appeared motivated to be involved and speak directly with business leaders</li> <li>- More control over process increased accountability</li> </ul> </li> </ul>
Challenges
<ul style="list-style-type: none"> <li>• Higher internal resource requirements to coordinate thorough engagement</li> </ul>
Opportunities
<ul style="list-style-type: none"> <li>• Higher levels of CEO/Executive involvement; and not limited to Disclosure process</li> <li>• Collaboration across jurisdictions, or parts of the supply chain</li> <li>• Based on Review and Reflect outcomes, further guidance on process and better practice approaches to support:               <ul style="list-style-type: none"> <li>- consistency and a meaningful decentralised accountability process for signatories, advocates and consumer representatives.</li> <li>- signatories those who do not yet have established Customer Councils or established internal engagement capability</li> </ul> </li> </ul>

### Signatory Disclosures

In previous years, the IAP made several observations and recommendations on the content of signatories Disclosures. Reflecting on this commentary in the context of 2022 Disclosures, it is evident that the majority – if not all – signatories have acted on this feedback, demonstrating a commitment to continual improvement.

	THEN	NOW
<b>Action</b>	“Not clear from the 2019-20 Disclosures where recommendations from the 2019 Panel Report were considered” IAP 2020	✓ Most Disclosures in 2022 explicitly referred to, and highlighted action, or against IAP previous recommendations
<b>Consistency</b>	“Most companies embraced the opportunity to use the Maturity Self-Assessment Model” IAP 2020	✓ Every 2022 Disclosure reported against the Maturity Model. Some also included breakdowns against individual capabilities within the matrix.
<b>Measures</b>	“While many Signatories foreshadowed, they would ‘improve’ in a particular aspect in coming years, fewer were specific about precisely the kind of improvement, the level of achievement at which they were aiming, or the timetable.” IAP 2019	<ul style="list-style-type: none"> <li>✓ All Disclosures included a view of maturity progress and aspiration over time, using the maturity model.</li> <li>✓ All have a high level of consistency between measures year-to-year.</li> </ul>
<b>Engagement</b>	“Ensure their self-assessments under the Maturity Model incorporate opportunities to back up the ratings with data and stakeholder input, including by involving their Customer/Community Council in development of Energy Charter Disclosures.” – IAP Recommendation 2020	<ul style="list-style-type: none"> <li>✓ Most engaged on maturity assessments in draft, some include statements from Customer Councils</li> <li>✓ All signatories committed to decentralised accountability based on effective feedback with stakeholders</li> </ul>
<b>Content</b>	“Broader and clearer implementation of the guidance that Disclosures should identify Signatories’ “top 3-5” actions. IAP 2020/21	✓ Highlights section / top 3-5 actions a feature across all Disclosures.