



Energy Charter FY20 Report



Progress for life



A message from the CEO

For more than 180 years AGL has been committed to growing and innovating with our customers, in line with community expectations, and with technological advancements.

Be it lighting the first gas street lamp in Sydney in 1841, importing and installing the first gas-cooking stove in 1873, or being at the forefront of developing, building and running some of Australia's largest solar and wind farms in the 21st century, we have embraced innovation to make the lives of Australians and their businesses better. This is our passionate belief in progress – human and technological. We have a relentless determination to make things better for customers, our communities, the Australian economy, and our planet.

No one could have expected this year to play out the way it has. The crises of the COVID-19 pandemic, summer bushfires and drought have reinforced the important role essential services providers play in keeping the lights on and gas flowing for millions of Australians. Our purpose, Progress for life, and strategic priorities of Growth, Transformation and Social Licence, have guided our response to these challenges and opportunities over the year. We have focussed on building deep, trusted relationships with customers and supported those experiencing vulnerability and hardship when they needed it.

Our COVID-19 Customer Support Program (CSP) provided fast relief to more than 39,000 residential, small and medium enterprise (SME) and commercial and industrial (C&I) customers. As one of Australia's leading essential services providers, reaching more than 28% of Australian households, the targeted support we provide to our customers when they need it will be important for the broader recovery of the Australian economy.

We know one of the key concerns of many Australians is the environment and global warming and during the year we released our Climate Statement which outlined the next step in our decarbonisation journey. It is grounded in our belief that the energy transition will be led by three things: customer demand, how communities act and how technology evolves. It continues our response to achieving net zero emissions by 2050.

As we look forward, the coming year will have its challenges as we continue to support our customers and the communities where we operate recover from the crises of 2020. Part of this is ensuring the support we provide is fair and that those who can pay do pay so we can support those in genuine need. AGL remains committed to do the work needed to drive lasting change within our business and to work together with other signatories of the Energy Charter to collectively continue building trust in the energy sector. We have been proud to participate in a range of projects and other activities with signatories from across the energy supply chain, and will continue this in the new financial year.

I am committed to delivering real and lasting change for our customers and the community at large. I am proud of what AGL has achieved over the FY20 financial year, and look forward to the opportunities of FY21.

Thank you for reading this report.

Brett Redman
Managing Director & CEO

Progressing the principles of the Energy Charter

This report builds on our comprehensive [FY19 report](#), highlighting the progress we are making against our commitment to the five principles of the Energy Charter.

1. We will put customers at the centre of our business and the energy system
2. We will improve energy affordability for customers
3. We will provide energy safely, sustainably and reliably
4. We will improve the customer experience
5. We will support customers facing vulnerable circumstances

Our self-assessment has been discussed within the business including with our Social Licence Council, Customer Markets Leadership team, Executive Team, AGL Customer Council and AGL Board Sub-Committee. We have self-assessed as either **Empowered** or **Evolved** based on the descriptions in the [Maturity Model Framework](#). We believe our systems and structure support this assessment against this framework as we work to:

- continuously improve the experience of being an AGL customer, providing tools, information and support to keep essential services running
- evolve the way we use data to understand our customers' needs and priorities and create value for them from our services, particularly as customers become more connected and empowered
- find efficiencies in our operations from both a generation perspective and in our cost-to-serve to improve affordability for customers
- fulfil our responsibility as an essential service provider to support customers facing vulnerable circumstances.

While we can demonstrate 'best in class' for many principles, we also acknowledge that there are examples where we can improve and there is always more we can do to drive better customer outcomes. We are working to ensure these examples are the exception, that our systems pick up issues quickly when they occur and that we respond to them in a way that is appropriate and delivers fair outcomes for customers.

This report includes forward-looking statements at the end of each principle indicated by this sign:

These statements are based on current expectations, best estimates and assumptions of AGL's management as at the date of this report, many of which are beyond AGL's control. These forward-looking statements are not guarantees of future outcomes but indicate where we are focusing efforts to improve outcomes for customers and make progress against the Energy Charter principles. They involve known and unknown risks which may cause actual results to differ materially from those expressed in this report. We will report progress against these targets in our FY21 Energy Charter Report.

Understanding our customers and communities

To understand our customers and their changing needs, we have well-established ways to capture the voices of our customers and engage with the communities in which we operate.

Partnering with the communities in which we operate

To ensure our decisions are in line with community expectations, we need to engage effectively and on a regular basis. Highlights from our FY20 [community engagement program](#) include an extensive [listening campaign](#), investments to support local community groups impacted by [bushfires](#) and drought, resolving numerous community complaints and rebuilding positive and respectful relationships surrounding the [Macarthur Wind Farm](#), and identifying opportunities for economic diversification and job creation in the Hunter region ahead of the retirement of [Liddell Power Station](#).

Details about our corporate community contributions including employee giving can be found [here](#).

Capturing the voice of our customer



To help inform and understand our customers' key pain points and what our customers value, we have scaled up our continuous measurement program. We now capture feedback from over 80,000 customer interactions a month across our voice and digital channels, turning open-text verbatim into data to enable analysis and identification of issues. Insights are shared with relevant business owners to be actioned and we have a process to ensure customers who require follow up are contacted to acknowledge their issue and that we respond appropriately.

Hearing customer stories first-hand

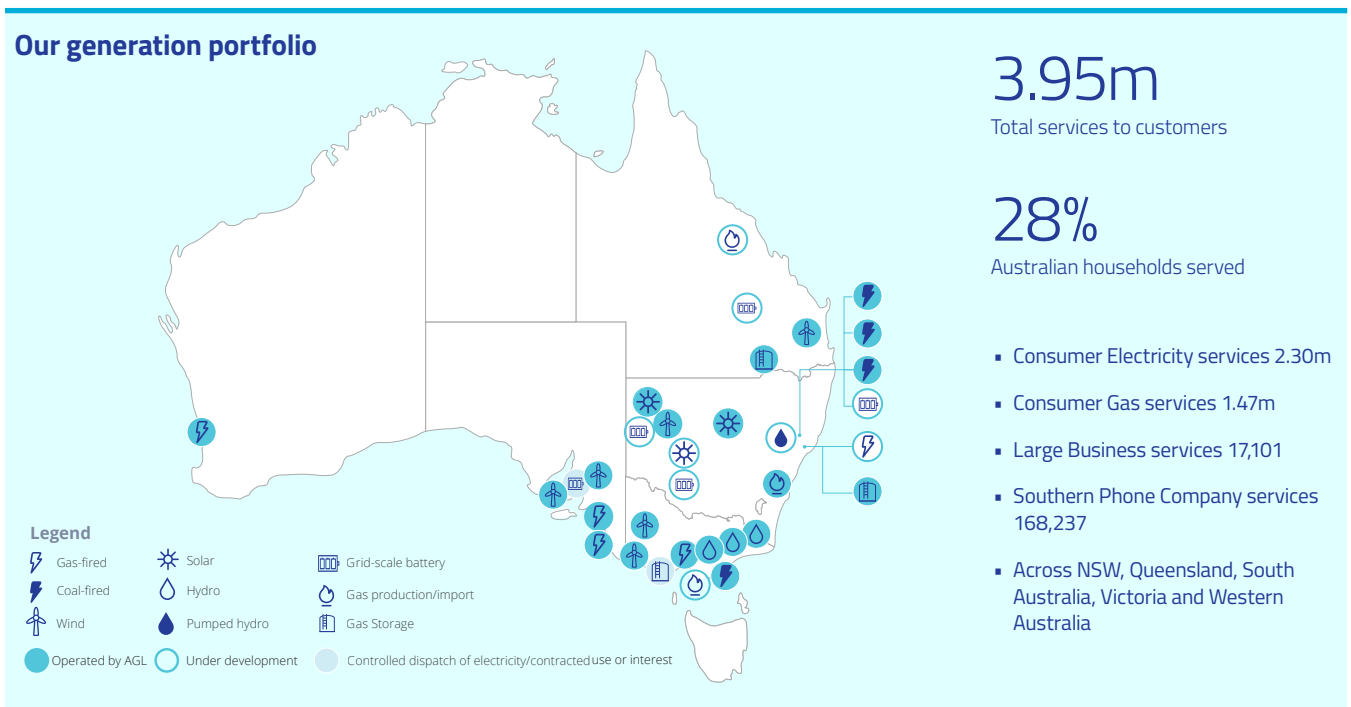
Our Customer Moments program involves leaders participating in customer immersion workshops, call listening booths, research groups and site visits to hear the real voices of customers sharing their own experiences. Since August 2019, regular participation in this program has been a requirement of the Enterprise Leadership Team (50 most senior leaders), with 396 Customer Moments during the year. Our Board also participated in the program in November with a number of Directors listening to live customer calls in booths in our contact centre in Adelaide.

Listening to advocates

In April we refreshed membership of our Customer Council (which has been operating continuously since 1998) to diversify the group and represent older Australians and culturally and linguistically diverse communities. We seek to engage with members when we are grappling with issues at the point where their input can inform our decision-making.

- 
 Develop a new [Social Impact Framework](#) to ensure AGL meets community expectations in relation to engaging with respect and fairness in the communities in which we operate
- 
 Expand customer feedback to 1 million+ surveys per year and measure at least two new customer NPS events
- 
 Further expand access to our Customer Moments program so it is available to all leaders and managers across AGL

AGL operates Australia's largest private electricity generation portfolio, with a total capacity of 11,330MW, which accounts for more than 20% of the total generation capacity within Australia's National Electricity Market. We are an active participant in gas and electricity wholesale markets with 3.8 million services to customers, including residential, small and large business and wholesale customers. In December 2019, we acquired Southern Phone Company and now also have over 168,000 customer accounts in broadband, home phone and mobile in our portfolio



Principle 1: Putting customers at the centre of our business and the energy system

Last year we acknowledged that we had sometimes lost the customer perspective in our decision making and that we have been working on creating cultural change through our Social Licence program. We want to exceed rising customer and community expectations, taking a long-term view that if we do the right thing by our customers then we will maintain a strong business. A big healthy, engaged, positive customer base is a great asset for the business and so investing in that is an easy decision. **We have self-assessed ourselves as Empowered.**

Many key indicators and metrics show we have delivered a step-change improvement over FY20. This includes:

- customer growth - +78k customer services with reduced churn of 14.3%
- improved reputation and advocacy measures - strategic NPS up by +13.4 points to +2.3 and RepTrak improved +6.9 points to 68.3
- employee engagement improved +5% for All AGL (73%) and +7% for Customer Markets (80%).

A new customer-focussed question was added to our employee engagement survey this year showing that 69% of people across AGL and 81% of people in Customer Markets agree that we consistently factor the customer into our decision making. This will be an important metric to track over time.

This year we continued to invest in systems and structures that put the customers at the centre of our business and tie measures around cultural change and customer advocacy to remuneration.

Driving a culture of customer-centricity

Governance and strategic level oversight for customer outcomes has been further elevated this year including:

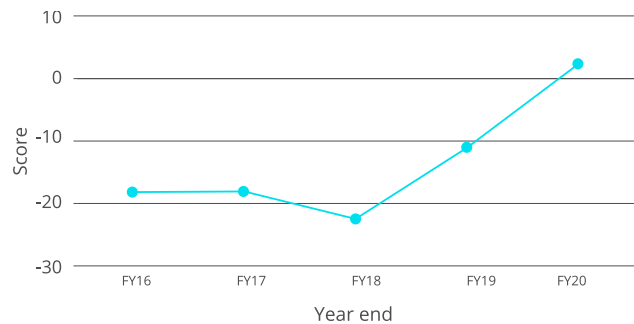
- renaming the Safety, Customer & Corporate Responsibility (SCCR) Committee, reflecting the Board's increasing focus on customer issues and strategic objective of being the energy industry leader in service delivery and customer management. The Board closely tracks a range of customer measures and metrics and programs including the Social Licence program
- appointment of a new Chief Customer Officer, Customer Advocate and establishment of a new Customer Advocacy and Experience team within Customer Markets to amplify the voice of customer across the organisation, challenge internal processes and influence decision-making as it occurs.

Social Licence as a strategic priority

Focus areas of the Social Licence program for FY20 included:

1. Our People: Becoming a purpose and values-led organisation
2. Our Customers: Recognising customers for their loyalty
3. Our Communities: Partnering with the communities where we operate

Strategic Net Promoter Score (NPS)



In FY21 our program is focussed on affordability and customer vulnerability, climate and environment, economic recovery and resilience and making and shaping markets to deliver better consumer and community outcomes.

Using data to improve our customers' lives

This year we established a new Data & Analytics Centre of Excellence to help us make better decisions using data driven insights and analytics. We receive millions of points of data, including 45 million digital interactions with our customers each year, and 175 million reads from devices like smart meters each day. We have extensive programs of work to improve data quality and find new and exciting ways to use it to better serve our customers such as more accurately identifying customers showing early signs of hardship, helping larger customers participate in demand response programs or identifying changes in output from a customer's solar panels, potentially indicating a problem.

Advocating on behalf of customers in regulatory and policy processes

AGL works collaboratively with other energy market participants, including consumer advocates and regulatory and rule-making bodies, to share knowledge and experiences and therefore promote positive regulatory and policy outcomes. Two key reforms that AGL participated in this year included Post 2025 Market Design for the National Electricity Market (NEM) and the Consumer Data Right (Energy). We made 104 submissions to energy sector reviews and inquiries (all [publicly available](#)), many with a strong focus on benefits and protections to customers.

- RepTrak score above 70 by FY24
- Employee engagement (all AGL) score ≥ 73 in FY21
- Expand Customer Advocacy and Experience team to drive a culture of customer obsession and create a new Customer Engagement and Performance team that will use data to create value for customers
- Drive change through aligning the work of the Energy Charter with the Social Licence program by focusing on key priorities and ensuring appropriate resourcing and governance is in place

Principle 2: Improving affordability for customers

We have self-assessed ourselves as Evolved for this principle. As an integrated energy wholesaler and retailer, AGL generates, trades and retails energy to residential, SME and C&I customers. We serve over 28% of Australian households so we have a clear role to play in ensuring energy is reliable, sustainable and affordable. We also play a vital role in Australia's energy market transition. Programs are in place to maximise the performance of our

existing asset base, including investment in coal handling efficiency. We have a strong track record of investments in renewables, peaking and storage to deliver affordable and reliable energy. We are also working with customers on demand management and other orchestration options that deliver value for customers but also system-wide benefits by reducing the load on networks during peak demand.

Wholesale market reform to support electricity prices

We are closely engaged in energy market reform to support the energy market transition in the least cost to customers. This will involve further integration of decentralised energy resources into wholesale markets, as well as greater signals for network security services and efficient investment in network infrastructure.

We are also taking efforts to improve the efficiency and performance of our existing generation fleet and continuing to invest in new resources. Improving supply will help to keep electricity prices affordable for our customers.

Firming our gas position and increasing gas supply

AGL continues to actively firm our gas position for the short to medium terms. While in the short-term gas spot prices have softened, according to the AEMO, supply from the southern states is expected to decline by 35% over the next five years and potential shortfalls on high demand days could be experienced from 2024 due to infrastructure constraints¹. AGL's proposed LNG import terminal in Crib Point would address this supply shortfall in southern states and help to minimise the cost of gas for customers.

Making energy more affordable for customers

AGL aims to deliver value through retail pricing that is competitive and easy for customers to understand. We are continuing to shift away from conditional discounts and are working to further simplify our products. Over one million customer accounts are now on our simple low rate Essentials family of energy plans - which are rate-based offers for electricity and gas with guaranteed value. In FY20, 89% of customers were on market contracts and we are looking to increase this over the next year.

We continue to progressively narrow price dispersion by proactively identifying customers on market rates above the

Victorian Default Offer (VDO) or Default Market Offer (DMO) and transitioning them to existing in-market offers with more competitive rates. This year we proactively reduced prices for 90,000 customer services in Victoria to be equal to or be less than the 2019 VDO rate, post any existing benefits being applied and we migrated around 52,000 customer accounts in other states from legacy products with low discounts to in-market better offers. At the end of June 2020, we announced that there would be no electricity price increases in NECF (National Energy Customer Framework) states and delivered average price reductions for most of our electricity customers.

Average % price changes for standing offer customers^{2,3}

	July 2019 ^{4,5}		Jan 2020 ^{6,7}		Jul/Aug 2020 ⁸	
	Electricity	Gas	Electricity	Gas	Electricity ⁹	Gas
VIC	-21.1%	n/a	7.8%	2.7%	n/a	n/a
NSW	-8.5%	3.5%	n/a	n/a	-0.3%	-3.25%
SA	-3.6%	4.5%	n/a	n/a	-5.6%	4.60%
QLD	-7.1%	3.5%	n/a	n/a	-3.9%	2.75%

Delivering fair outcomes

The [loyalty safety net](#) was introduced for gas customers in FY20 (introduced for electricity customers in FY19), providing automatic discounts for all residential and small business gas customers who have been on standing offers for more than one year. The safety net applies automatically, without requiring customers to take action, as a way to protect those who don't engage with the market and ensure loyal customers are rewarded, not penalised.

Almost 140,000 customers received a 5% discount to their relevant gas standing offer usage and supply charges, with average savings of between \$44 and \$80 per year. For the more than 6,000 small business customers, the 5% discount provided average savings of between \$122 and \$317 a year¹⁰.

¹ AEMO Gas Statement of Opportunities, March 2020

² Combined residential and small business customers

³ All current AGL standard contract prices are available at [agl.com.au/help/rates-contracts/standard-contracts](https://www.agl.com.au/help/rates-contracts/standard-contracts)

⁴ <https://www.agl.com.au/about-agl/media-centre/asx-and-media-releases/2019/june/agl-cuts-electricity-prices-for-victorian-families-and-businesses-on-standing-offers>

⁵ <https://www.agl.com.au/about-agl/media-centre/asx-and-media-releases/2019/june/agl-cuts-prices-for-electricity-standing-offer-customers-with-implementation-of-dmo>

⁶ <https://www.agl.com.au/about-agl/media-centre/asx-and-media-releases/2019/december/agl-announces-victorian-electricity-prices-for-2020>

⁷ Public Notice was published in the Herald Sun, 18 December 2019

⁸ Electricity price change effective from 1 July 2020, Gas price change effective from 1 August 2020

⁹ Residential only (without controlled load)

¹⁰ Savings based on a residential customer who uses between 10.3 and 53.1 gigajoules (GJ) per year and small business customers who uses 70.9 and 181.2 GJ per year, and depending on what state they live in.

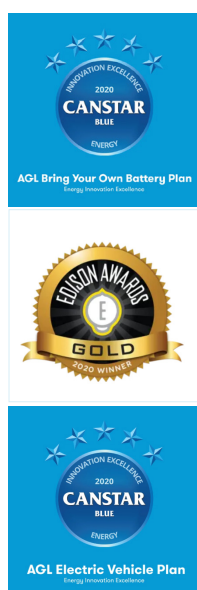
Rewarding customers for reducing energy use

This past summer, more than 8,000 customers were involved in the [Peak Energy Rewards demand response trial](#) in NSW and more than 11,000 customers joined when the trial was extended into Victoria. Customers were rewarded for making changes to their energy consumption during a two-hour peak demand period and saved an average of 30% on their usage during peak events.

Orchestrating solar and battery assets to create value for customers






Our Virtual Power Plant (VPP) orchestrates over 1,000 residential batteries to support grid stability and reliability, whilst rewarding customers for using their solar energy - [up to \\$280 in the first year](#) for customers bringing their own battery and discounts of [up to \\$1,000 if buying through AGL](#). The program won Gold at this year's [Edison Awards \(Energy Grid & Networks Enhancements\)](#) and our Bring Your Own Battery product won a 2020 [Canstar Blue Innovation Excellence Award](#).

Our [Electric Vehicle \(EV\) program](#) was awarded a [2020 Canstar Blue Innovation Award](#).



Providing affordable and sustainable solutions for C&I customers

We installed solar energy solutions for 65 C&I customers across 97 sites, delivering innovative solutions to their energy problems. For example, we helped Santos harness solar energy backed up with battery storage to power some of their most remote oil wells, resulting in reduced diesel consumption and the associated costs and complexity of re-fuelling and servicing generators in remote parts of Australia¹¹.


-  Continue to invest in electricity generation, storage and demand management to support the energy market transition, with a particular focus on storage. We have a target of up to 850MW of grid scale battery storage and 350MW of distributed storage and demand response capacity by 2024
-  Continue to build optionality and flexibility into our gas portfolio through diverse contracting both for supply and storage and projects like [Crib Point](#)
-  Invest further to reduce price dispersion across our customer base
-  Help customers take control of their energy use and save money by offering our Peak Energy Rewards program to up to a million customers with smart meters
-  >3,000 connected solar batteries in the VPP program by end FY21

Principle 3A: Delivering energy safely

AGL is a large and complex business with people working in power stations, offices and in the field. Our Towards Zero safety program is our number one priority as keeping everyone safe in every environment takes sustained effort and any injury of an AGL person or contractor is not acceptable. **We have self-assessed ourselves as Evolved** (highest available) for this principle with more detail available in our [FY20 Annual Report](#) and [ESG Data Centre \(People\)](#).

Safety as our number one priority

Our response to safety in relation to COVID-19 is outlined under 3C (Reliability). Mental health has also been a key focus over FY20, especially during the peak of the bushfires and throughout COVID-19.

-  Deliver Enterprise Leadership Team safety targets¹² and provide ongoing mental health training and support

Health and safety performance - combined employees and contractors

	FY20	FY19	FY18	FY17	FY16
TIFR employees	2.6	2.1	1.2	2.0	4.3
TIFR (employees + contractors)	3.3	3.6	2.4	3.1	6.2
Fatalities (employees + contractors)	0	0	0	0	0
High potential near miss: recordable incident ratio	0.9:1	0.9:1	Not reported	Not reported	Not reported

¹¹ [Renew Economy, 31 Jan 2020, Santos turns to solar and storage to power remote oil wells](#)

¹² [AGL FY20 Annual Report, Page 19](#)

Principle 3B: Delivering energy sustainably

We have self-assessed ourselves as **Evolved** for this principle. On 30 June 2020 we released our [Climate Statement](#), committing to net zero emissions by 2050.

Transitioning to net-zero carbon emissions

AGL's five climate commitments include: offering customers the option of carbon neutral prices across all AGL products, supporting the evolution of Australia's voluntary carbon markets, continuing to invest in new sources of electricity supply, responsibly transitioning AGL's energy portfolio and being transparent. Many customers share our interest in shaping a more sustainable future and over 10,000 residential customers had signed up to go carbon neutral on their electricity service as at mid-September at a cost of \$1 per week.

AGL carbon neutral electricity products achieved Climate Active certification in 2020.



- By the end of FY21 we will offer a carbon neutral option for every product we sell including for all commercial and industrial customers
- By FY24, 20% of total revenue from green energy and carbon neutral products
- Introduce carbon transition metrics in AGL's Long-term Incentive Plan (LTIP) for key management personnel
- 34% of electricity capacity from renewables and clean storage by FY24

Principle 3C: Delivering energy reliably

We have self-assessed ourselves as **Empowered** for this principle. We closely monitor reliability measures and have efficiency and reliability uplift programs in place to maximise the performance and reliability of our existing asset base. Given the increasing need in the market for dispatchable power to reflect the new supply-demand dynamic, our investment in flexible assets, including gas firming, hydro and grid-scale batteries, will enable the transition to renewables while capturing value for AGL as the market changes.

Keeping the lights on as we manage the transition

AGL's diverse and flexible energy supply portfolio delivered resilient generation in FY20 despite the unplanned outage at Loy Yang Unit 2 which reduced output in the first half of the financial year. Overall electricity system demand has marginally reduced with impacts of COVID-19, energy efficiency and new supply. Volumes in the NEM are forecast to remain relatively flat in the next few years. Electricity forward curves have decreased.

Generation sold to the pool increased by 0.2% since FY19. This was driven by higher generation from AGL Macquarie due to improved reliability and increased volume of coal deliveries, increased generation from Silvertown and Coopers Gap wind farms, and the inclusion of Perth Energy volumes. This was partly offset by decreased generation at AGL Loy Yang due to the Unit 2 outage, and lower generation from Victorian hydro assets.

We have continued to invest in wholesale markets in anticipation of thermal exits and the need for assets that can help maintain a secure and reliable system. In FY20 the 210 MW [Barker Inlet Power Station](#) commenced operation in South Australia, ahead of the peak summer period. We continued upgrades to the [Bayswater Power Station](#) to improve efficiency and reliability, and completed construction of the [Coopers Gap Wind Farm](#). We also committed to battery offtake agreements for [100MW in QLD](#) and [200MW in NSW](#).

Reliability of supply and customer service through COVID-19 lockdowns

AGL has outlaid \$18 million to ensure employees and contractors can work safely and securely at AGL generation sites to ensure ongoing supply of power during the pandemic restrictions. Teams whose roles are essential to maintaining generation have been provided appropriate support to ensure they can continue to work on site, including splitting teams, providing 24-hour medical assistance, increasing deep cleaning and adding temperature testing. Site-specific pandemic plans have been put in place across our operations, and with our flexible, diverse portfolio, we are well-placed to manage any issues that may arise.

Our call centres operated continuously as the pandemic hit Australia, with almost all agents in Melbourne and Adelaide contact centres being able to quickly shift to working from home, and offshore agents following shortly after. The transition to work from home for office-based teams was done relatively seamlessly.

- 850MW grid scale batteries installed and managed and 350MW of distributed storage and demand response capacity by FY24

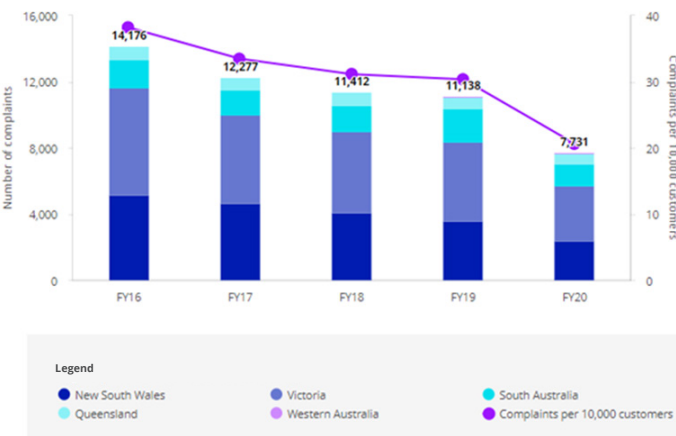
Principle 4: Improving the customer experience

We have combined our self-assessment for principle four as many elements contribute to customer experience (CX) and self-assessed ourselves as Empowered. Areas we are focused on include driving digital adoption, using data to put customers in control of their energy use, fixing customer pain points, making customer communications easy to understand and making it easier to find support or make a complaint.

FY20 Ombudsman complaint driver reduction against FY19



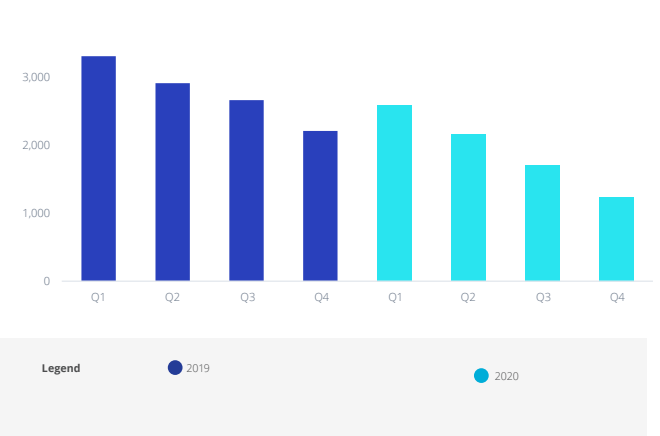
Ombudsman complaint volumes (past 5 years)



Annual residential and small business complaints to the regulator¹³

	FY19	FY20
AER - Electricity and gas ¹⁴	3.00%	1.81%
ESC - Electricity	3.14%	1.84%
ESC - Gas	2.18%	1.30%

Ombudsman complaint volumes (by quarter)



Identifying and fixing customer pain points

Customer First was launched at the beginning of FY20 to bring together people from across the business to identify and analyse customer pain points and find ways to fix them. The program:

- further improves consistent capture, investigation, resolution, reporting and root cause data on complaints
- Uses that data to identify customer pain points, determine ways to fix problems and redesign processes. This includes simplifying processes in contact centres and providing frontline staff with the information they need to resolve customer queries at the first point of contact rather than requiring follow up
- Empowers frontline agents to 'own it', giving them the time and tools needed to have value-add, educational and troubleshooting conversations with customers to resolve issues, ideally on the first call
- KPIs have been reviewed and updated to reflect the 'own it' strategy and ensure we measure the right metrics that deliver the right outcomes for customers.

While we have seen falls in all categories of customer and ombudsman complaints¹⁵, billing remains the top driver.

Making it easy to self-serve

Great digital experience increases customer satisfaction as demonstrated by digital channel NPS (+39)¹⁶. We continue to drive digital adoption as the investments we make in technology and digital systems improve the way we interact with customers, improve customers' experience, enable us to respond quickly to market changes and deliver operational cost savings. In FY20, 37.1% of customer accounts were digitally active, by FY24 we want this to be 65%.

Using data to unlock customer savings

Customers have greater visibility of their electricity usage through our Energy Insights tool that uses smart meter data and clever algorithms to break down individual electricity usage, estimating the breakdown of bills (i.e. heating, cooling, lighting, laundry, standby and more). We continue to improve our Energy Insights reports and in FY20 they became more accurate and tailored as customers could elect to complete their own personalised home profile.

¹³ As a % of total number of customers (contracts)

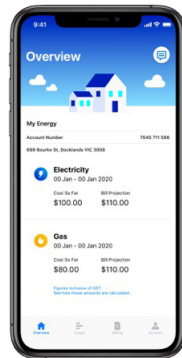
¹⁴ AER reporting is not split by fuel

¹⁵ We note the pandemic has further reduced Q4 volumes which we expect to stabilise over coming months.

¹⁶ AGL FY20 ESG Data Centre (Customers)

Principle 5: Supporting customers facing vulnerable circumstances

AGL App rated Australia's #1 energy app as ranked by the App Store and Google Play store in July 2020



Our industry leading mobile app has 2.2 million monthly interactions, up 69% from FY19. Customers are increasingly electing to interact digitally, with around 70,000 monthly messaging interactions via our mobile app and web, up 50% from FY19.

Making a complex industry simpler to understand

We launched a communications effectiveness program in FY20 to transform how we communicate with customers to use a consistent tone of voice with helpful and down-to-earth language as if we were talking to a friend. For our regulatory change communications, we viewed this as an opportunity to engage with our customers in a meaningful way by explaining the benefits of the changes from their point of view.

Making communications accessible for all

With one in five Australians speaking a language other than English at home and 44% of Australians having low levels of English literacy, we have also focused on developing [Accessible Communications](#) and in FY20 launched eight Easy English guides in partnership with Scope and translated our bill explainer into five commonly spoken languages.

- Improve the quality of conversations agents have with customers through better agent training and deployment of a new Knowledge Management Tool
- 65% of energy services are digitally active by FY24
- Launch Energy Coach, an interactive home energy audit tool to help customers manage their energy use
- Continue to invest in effective communications that make it easier for customers to engage with AGL and understand their energy use
- Use data analytics to review how Easy English guides and translations are being used by customers to guide next phase of work

Part of our role in keeping the lights on includes making sure that our customers know we are there to support them when they need it, particularly when they are at their most vulnerable. **We provide significant support to customers facing vulnerable circumstances and have self-assessed as Empowered**, noting our focus areas to:

- intervene with offers of support to customers we identify as showing early signs of hardship, with plans to expand this work in FY21
- provide a range of products to support customers in vulnerable circumstances (above and beyond our regulatory obligations) as well as to the financial counsellors who support them
- partner with a range of organisations to provide support to customers, including Thriving Community Partnerships where we are working to solve problems beyond energy.

Total number of customers disconnected for non-payment¹⁷

Year	FY19		FY20	
	Electricity	Gas	Electricity	Gas
AER	1.50%	0.43%	0.75%	0.27%
ESC	1.83%	0.80%	1.29%	0.66%

Total number of customers (contracts) in AGL hardship programs¹⁸

Year	FY19 Q4		FY20 Q4	
	Electricity	Gas	Electricity	Gas
AER	1.19%	0.76%	1.32%	0.82%
ESC ¹⁹	1.61%	1.53%	1.09%	1.10%

¹⁷ As a % of total number of residential and small business customers (contracts) as a Q4

¹⁸ As reported to the AER as at Q4 in FY19/FY20

¹⁹ As reported under indicator AS020, who have arrears of over \$55 and cannot pay their ongoing usage

	FY20	FY19	FY18	FY17	FY16
Number of customers on Staying Connected	28,051	30,083	26,657	31,463	39,366
Average level of debt of customers on Staying Connected	\$2,293	\$2,301	\$2,502	\$2,171	\$2,255
Total average debt across mass market customer portfolio	\$319	\$331*	\$501	\$438	\$422

* During FY19 AGL updated the methodology used to calculate total average debt across mass market customer portfolio to incorporate all AGL customers rather than just those with debt.

This year we shifted our language from ‘supporting vulnerable customers’ to ‘supporting customers experiencing vulnerability’, broadening our focus in recognition of the fact that any customer can suddenly find themselves in vulnerable circumstances. This can be due to a range of reasons including bereavement, illness or family violence, but never has this been more clearly demonstrated on a large scale than by drought, bushfires and the COVID-19 pandemic.

Supporting through crisis, beyond our regulatory obligation

Customers on our hardship programs receive a higher level of assistance than is required by the various regulatory frameworks including:

- Staying Connected payment matching program launched in December 2019 where AGL pays \$1 for every \$2 paid by participating customers
- Targeted debt relief and payment incentives
- 1:1 case management for at risk hardship customers

We continue to look for ways to improve outcomes for customers and in FY20 we conducted quantitative and qualitative research to understand the effectiveness of our Staying Connected program. Analysis of the research is now underway and we will respond to findings in FY21.

Bushfires

[Deferred billing and debt and fee waivers](#) were applied to 173,000 customer accounts held in bushfire affected areas and we thanked more than 1,200 eligible volunteer firefighters and SES volunteers with a \$150 credit on their gas and electricity bills.

Drought

\$454,000 provided to small and medium businesses in drought-affected regions through access to debt relief and financial assistance on the installation of solar panels, part of our \$2 million [Farmers and Business Assist program](#).

Predicting hardship and changing behaviour

Using our predictive analytics tool, we identify customers who are showing early signs of hardship and in FY20 we proactively contacted 326,770 customers with offers of help and support. In FY21 we will trial a program that rewards customers for embracing sustainable payment practices that help get them back on track.

Supporting financial counsellors to help the vulnerable

Established new dedicated pathway through the Customer Advocate for financial counsellors to escalate customer complaints and created a new comprehensive directory on the range of tools²⁰ and support for AGL customers, the [AGL Assist Toolkit](#).

Making it easier to access support services beyond energy

[Thriving Community Partnerships' One Story One Stop Hub](#) will make it easier for customers experiencing vulnerability to access help through a cross-referral platform that means customers don't need to retell their story over and over again. We are partnering with Telstra, Commonwealth Bank, Transurban and Yarra Valley Water on the next stage of the project with the platform scheduled to be ready to pilot by July 2021.

²⁰<https://www.safca.org.au/articles/introducing-agl-s-industry-advocate.html>

COVID-19

We responded quickly to the unfolding pandemic with our CEO reaching out to all customers to provide reassurance that we will be there to support customers to keep the lights on. This was quickly followed by our specific COVID-19 Customer Support Program (CSP), launched the same day as the Australian Energy Regulator (AER) issued their Statement of Expectations. Offers of support featured in emails, SMS reminders (for direct debit customers), paper bills and electronic communications.

The program provided:

- Unqualified, fast-tracked access to support measures for all residential and small and medium enterprise customers
- simple access to the program online, through SMS messaging or by talking to someone in our contact centre
- a range of tools and resources to help customers understand and manage their energy usage including prompting them to see if they may be eligible for a concession.

More than 39,000 customer services were registered for this program, which ran to the end of July. Pleasingly, at 31 July, more than a quarter of those who entered the CSP program had a balance of less than \$10 (or were in credit) and reverted to AGL's standard billing process. All residential customers were sent targeted communications, and whilst over 10% of customers responded within the first 30 days, further work has happened to transition customers to the next phase of support. We also continue to work closely with small and large business customers to embed tailored arrangements.

COVID-19 performance indicators (30 June 2020)

Measure	Performance
COVID-19 Support Program (residential/SME)	
Number of applications (residential)	30,622
Number of applications (SME)	6,501
Overdue debt registered under this program	\$31,691,687
Total debt registered under this program	\$38,004,651

COVID-19 impacted C&I Customers

Number of applications (C&I)	544
Overdue debt registered	\$9,059,071
Total debt registered	\$13,587,826

1. Each fuel (i.e. electricity and gas) is counted as a separate application.

The impacts of the pandemic will continue and there will be customers going forward who will come to us for support. We will work with each of them to tailor the support to their needs. We have also set up new [COVID-19 Customer Resource Centre](#) to provide easy access to payment extensions, instalments plans, check eligibility for government support and energy usage tips.

An energy efficiency campaign has helped customers manage and reduce their energy usage, covering topics from reducing energy when working from home with kids, to tips for seniors, to running commercial refrigeration for business customers.

Dedicated affordability and energy literacy fund

We have a dedicated Energy Literacy fund, some initiatives are highlighted below, which run in addition to other programs of work.

First Australian energy retailer to translate materials into **Easy English**



Translation of our residential electricity bill explainers into Chinese, Arabic, Vietnamese, Korean and Italian



Helping complete concessions paperwork for customers in Queensland with more than 700 rebate forms completed and over \$450,000 applied to customer accounts



Appliances Online appliance retrofit program to assist vulnerable customers safely reduce their consumption



Installation of solar systems to save almost \$85,000 on upfront costs and up to 25 per cent per year in ongoing energy usage at three Ronald McDonald Houses



New partnership with **Department of Planning, Industry & Environment (NSW)** for Appliance Retrofit Program, to co-fund appliances for vulnerable customers



Sustainability Victoria partnership to upgrade 54 customer homes in the Latrobe Valley with home energy efficiency upgrades



YES! Home Energy Audits provided in customers' homes or over the phone, delivered by Your Energy Saving Solutions (YESS)



Solar AGOLA project saw 142 community housing properties in NSW upgraded to be more affordable for low income tenants to live in



-  Pilot use of incentives and rewards with up to 1,000 customers to assess if they influence payment behaviour of customers identified as showing early signs of hardship and help them get back on track
-  Investigate enduring funding models to help subsidise the cost of energy for the most disadvantaged
-  Work with Thriving Community Partnerships and other partners to develop the One Story One Stop Hub pilot