

2019 ENERGY CHARTER DISCLOSURE



EXECUTIVE SUMMARY

Aurora Energy is a customer focused, low cost Tasmanian energy retailer committed to proactively delivering practical energy choices for all of its Tasmanian customers. Aurora Energy's core focus is ensuring that Tasmanians' energy experience is one that they value.

Aurora Energy has been a supporter of the Energy Charter since its inception and the Principles strongly align with Aurora Energy's focus on putting Tasmanian customers at the centre of our business. In particular, energy affordability is a key concern for many Tasmanians, as it is for customers in other jurisdictions, and our commitment to the Charter reinforces our focus on supporting Tasmanians experiencing vulnerability or affordability issues.

This document presents Aurora Energy's disclosures against each Principle in Action. It summarises activities Aurora Energy has undertaken against each Principle in Action and describes customer outcomes that have been demonstrated to 30 June 2019.

A high level self-assessment of Aurora Energy's progress against each Principle in Action is presented below. This self-assessment, which is based on the activities and customer outcomes disclosed in this report, summarises the progress Aurora Energy believes it has made against each Principle and identifies areas in which the business is currently focussing its efforts to deliver improved customer outcomes. A more comprehensive self-assessment of the business' maturity against each Principle will be made in early 2020 once feedback from the independent Accountability Panel has been received and the Energy Charter's maturity model has been developed.

	We	will put customers at the centre of our business and the energy system	
	1.1	Have a Board that actively oversees the business' culture so as to be aligned with Energy Charter Principles	•
	1.2	Have management operationally accountable for embedding a 'customer at the centre' culture	•
Principle 1	1.3	Ensure their work force is engaged and incentives are aligned to drive positive customer outcomes	•*
	1.4	Have robust processes to determine customer and community needs and be accountable on how feedback has been considered and incorporated into decision making	•*
	1.5	Demonstrate a culture of innovation and collaboration for positive customer outcomes, including through the sharing of insights with government, research institutions and across the supply chain, as well as joint advocacy on regulatory, policy and operational issues	•
	We	will improve energy affordability for customers	
	2.1	Ensure that investment, commercial and operational decisions are cost efficient, and explain how customers benefit from these decisions	•*
	2.2	Offer customers energy deals that best meet their needs, supported by effective tools and incentives for customers to manage their energy use and cost	•*
Principle 2	2.3	Work cooperatively across the supply chain and with other stakeholders to improve affordability over the short and long term	•
	2.4	Innovate to deliver competitive energy solutions for business and residential customers	•*
	2.5	Advocate on behalf of customers to improve energy affordability through engagement in regulatory and policy processes	•

	We	will provide energy safely, sustainably and reliably	
	3.1	Maintain the highest standards of safety for its people, the community and the environment	•
	3.2	Engage with customers and the community on investments, and manage operations in line with their expectations, demonstrating how communities' benefit	•
Principle 3	3.3	Develop business strategy and manage operations to respond to the shift to a cleaner energy system that is already underway	•
	3.4	Work with government, other energy businesses, the community and industry bodies to develop a planned transition to a cleaner energy system	•
	3.5	Facilitate new services and technologies that support sustainable energy solutions that meet the changing needs of the market	•
	3.6	 Implement solutions across the supply chain: a) that support energy connection, service and reliability that meets customers' needs b) to reach a common interview interview and the community 	•

	We	will improve the customer experience	
	4.1	Enable customers to get fair outcomes regardless of their ability or desire to participate in the energy market	•
Principle 4	4.2	 Empower customers by: a) Making sure all communication is clear, in plain terms, accessible and understandable; b) Providing insightful and useful information and accessible tools; and c) Streamlining access to, and portability of, customer energy data. 	•*
	4.3	Ensure that innovation and design in products and services, as well as communication platforms and tools, are driven by customers' needs and preferences	•*
	4.4	Have effective and accessible dispute resolution processes, co-ordinated across the supply chain, to resolve customer issues and implement process improvements in response	•

	We	will support customers facing vulnerable circumstances	
	5.1	Have processes to enable early identification of and engagement with customers at risk of vulnerability, coupled with intervention measures that can prevent customers falling into hardship	•
Duin sin la F	5.2	Provide products and services that are tailored to customers facing vulnerable circumstances and support them to get back on track	•
Principle 5	5.3	Provide flexible solutions that are easy to access and are provided by specially trained frontline staff with expertise in supporting those customers who face additional barriers to engaging with the energy market	•
	5.4	Take a collaborative approach, partnering across the energy supply chain, and with government and community service organisations to implement innovative solutions that improve outcomes (affordability or experience) for customers facing vulnerable circumstances	•

Key to self-assessment against each Principle in Action:

- = Strong progress; committed to ongoing continuous improvement
- = Making progress; opportunities to improve have been identified
- = Progress yet to be made; opportunities for improvement not yet identified
- \star = Key focus for improvement in 2019-20

MESSAGE FROM THE CHAIR AND CHIEF EXECUTIVE OFFICER

On behalf of the Board and management of Aurora Energy, it is our pleasure to present Aurora Energy's first disclosure against the Energy Charter principles.

Aurora Energy is proud to be a founding signatory to the Energy Charter. The Energy Charter Principles strongly align with Aurora Energy's vision and strategy which are focused on putting Tasmanian customers at the centre of our business.

This 2019 Energy Charter Disclosure has been endorsed by the Chief Executive Officer and approved by Aurora Energy's Board. It evidences Aurora Energy's progress against the Principles and Principles in Action up to the end of June 2019.

Aurora Energy acknowledges that there are areas in which our business can improve to better deliver positive customer outcomes. While our disclosure highlights areas of continuous improvement that the business has currently identified in relation to each Principle for the coming 12 months, Aurora Energy intends to use feedback received from the independent Accountability Panel to refine our goals and targets going forward. This feedback will also be used to inform our assessment against the Energy Charter maturity model that will be developed in early 2020.

Aurora Energy is committed to embedding the Energy Charter Principles within our business and looks forward to continuing to work collaboratively across the supply chain to achieve better customer outcomes.

Mary O'Kane Chair On behalf of the Board of Aurora Energy Pty Ltd

Rebecca Kardos Chief Executive Officer

OVERVIEW OF AURORA ENERGY

OUR CUSTOMERS

Aurora Energy provides electricity and gas retail services to residential, small and large business customers throughout mainland Tasmania. As at 30 June 2019, Aurora Energy was the retailer for over 280,000 Tasmanian electricity customers and over 4,500 gas customers.

Affordability is a key concern for many Tasmanians, with 33 per cent of Aurora Energy's customers receiving some form of electricity concession in 2018-19. This rate of access to concessions is higher than that observed in other Australian NEM jurisdictions.

OUR BUSINESS

Aurora Energy is a non-generation backed, stand-alone retailer owned by the Tasmanian Government. Established in 1998 under the Tasmanian *Electricity Companies Act 1997*, Aurora Energy's two Shareholders are the Minister for Energy and the Treasurer. Aurora Energy pays dividends to the Shareholders which are used by the Government for the benefit of the Tasmanian community. As part of its retail offering, Aurora Energy offers a range of electricity and gas products tailored to the needs of customers through tariffs, market contracts and payment options.

Aurora Energy's <u>2018-19 Statement of Corporate Intent</u> summarises Aurora Energy's strategic direction during the 2019 Energy Charter disclosure period, including its strategic vision:

Tasmanians' Energy Experience Reimagined.

This vision reflects that the energy experience Aurora Energy provides its Tasmanian customers is paramount to its success as a stand-alone energy retail business. In delivering this vision, Aurora Energy will engage closely with Tasmanians and leverage customer insights to provide its customers with the experience, products and services, value and choice they expect, and where possible exceed those expectations.

Aurora Energy's vision is supported by its purpose, 'To proactively deliver practical energy choices for all Tasmanians'.

As at 30 June 2019, Aurora Energy employed 237 FTEs who are based in one of its two offices in Hobart and Launceston, both of which have a dedicated Customer Service Centre.

OUR OPERATING CONTEXT

At a national level, one of the most significant yet challenging opportunities is the transition of the National Electricity Market (NEM) to low-emissions generation sources while maintaining system reliability and keeping electricity prices affordable. However, the market in which Aurora Energy operates is unique compared to other NEM jurisdictions, with price regulation for the majority of Tasmanian customers and predominantly renewable energy generation.

As the State's Regulated Offer Retailer, Aurora Energy is required to offer all small electricity customers regulated standing offer contracts. The Tasmanian Economic Regulator (TER) approves the maximum prices that Aurora Energy can charge its regulated electricity customers. This ensures that customers on regulated standing offer contracts are paying a price that reflects the efficient costs of supplying energy. As at 30 June 2019, the majority of residential and small business customers were on a regulated contract.

Since July 2017, the Tasmanian Government has placed a cap on regulated residential electricity price increases at no more than the Hobart Consumer Price Index (CPI). Increases were capped at 2.05 per cent in 2018-19 and 2.0 per cent for the 2019-20 regulatory period. The price cap is set in legislation until 30 June 2021.

Given that this retail price regulation exists in Tasmania, many of the community concerns regarding electricity pricing practices identified in mainland states are not directly relevant in Tasmania.

Whilst the Tasmanian electricity retail market has been fully contestable since 2014, Aurora Energy has historically been the only residential retailer in the State. As a result of a new competitor entering the Tasmanian market in February 2019, Aurora Energy now faces competition for its residential customers for the first time. The emergence of competition has presented a range of new challenges and opportunities for the business. Aurora Energy fully supports customer choice, and the business remains focused on improving customer outcomes by providing customers with all the information they need to make an informed choice.

The Tasmanian market is also unique in terms of its energy supply. Tasmania's on-island energy supply is already predominantly supplied by renewables (baseload hydro-electric power and wind

generation), supplemented by gas-fired generation as required. Imports over the Basslink interconnector also support the State during periods of low inflows to its hydro-electricity catchments. The Tasmanian Government has set a target of the State being 100 per cent self-sufficient in renewable energy by 2022.

Importantly, Tasmania's energy system is not capacity constrained, with sufficient installed hydroelectric baseload generation capacity to meet Tasmania's peak demand which occurs in the winter months as a result of Tasmania's heating load requirements. This differs from other NEM jurisdictions, which generally experience capacity constraint issues during periods of peak demand in the hotter summer months.

Tasmanian customers also use more electricity than those in other jurisdictions because gas is unavailable as an alternative fuel source to the majority of households and businesses.

These differences between Tasmania and mainland NEM jurisdictions provide important context to Aurora Energy's 2019 disclosure against the Energy Charter Principles, including our active role in raising awareness that Tasmanian customers should not disproportionately pay for developments aimed at transitioning the entire NEM to a cleaner, more reliable energy system without receiving commensurate benefits.

DISCLOSURES

The following disclosures summarise activities Aurora Energy has undertaken against each Principle in Action and describe customer outcomes that have been achieved to 30 June 2019. Where possible, measures and metrics have been used to demonstrate customer outcomes, however this has not been possible in all instances. Aurora Energy has identified this as an area for improvement going forward.

For each Principle, current focus areas for continuous improvement during the 2019-20 reporting period have been identified. A more comprehensive self-assessment of maturity against each Principle and opportunities for continuous improvement will be undertaken by the business in early 2020 once feedback from the Accountability Panel has been received. The Energy Charter's maturity model (once developed) will also be used to identify where Aurora Energy currently sits on the maturity scale. This will enable the business to more fully consider the maturity scale it intends to progress to for each Principle, over what period and how it plans to achieve this progress.

PRINCIPLE 1: WE WILL PUT CUSTOMERS AT THE CENTRE OF OUR BUSINESS AND THE ENERGY SYSTEM

1.1	Have a Board that actively oversees the busine Charter Principles	ss' culture so as to be aligned with Energy
ACTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
Energy appro includ impro Aurora its Visi	oard approved Aurora Energy committing to the y Charter in 2019. The Board has reviewed and ved the disclosures made within this report, ing the areas identified for continuous vement against each Principle in 2019-20. a Energy's 2018-19 Corporate Strategy, including ion and Purpose, was approved by the Board and ngly focused on putting Tasmanian customers at entre of our business. In particular, Customer	By committing to the Charter, Aurora Energy's Board has demonstrated its commitment to putting customers at the centre of our business. Aurora Energy's Corporate Strategy, Vision and Purpose have a direct focus on improving Tasmanian customer outcomes, including improving the customer experience (described under Principle in Action 1.2).

across a range of Aurora Energy's customer activities and programs, including the Voice of the Customer program (refer Principle in Action 1.4), the Tasmanian Energy Efficiency Loan Scheme (TEELS; refer Principle in Action 2.3) and the Your Energy Support (YES) program (refer Principle in Action 5.2).
for embedding a 'customer at the centre'
CUSTOMER OUTCOMES TO 30 JUNE 2019
Aurora Energy's customer satisfaction and loyalty KPI is disclosed under Principle In Action 1.4.
ves are aligned to drive positive customer
CUSTOMER OUTCOMES TO 30 JUNE 2019
In April 2019, employee engagement across the business was at 42 per cent, which was lower than the targeted 65 per cent. Articulation of mission was at 50 per cent and customer service focus across the business was at 31 per cent. A higher result for customer service was recorded for staff who interact directly with customers or deliver products and services to meet customer

experience that drives the business' desired customer experience. Aurora Energy measures culture every two years. A culture survey was not undertaken during the disclosure period, with the next biennial assessment due to be undertaken in 2020. Employee engagement and progress against key focus areas is measured every six months. 'Articulation of Mission' and 'customer service focus' are key factors assessed during the survey. The results of these surveys are shared across the organisation. Aurora Energy's reward and recognition program encourages employees to nominate individuals and teams who exemplify the values and behaviours of the business, including Customer Excellence, United, Accountable, Open & Honest, Achieving, Trusted, and Passionate & Innovative.	The results have provided important insights as to where the business needs to focus its investment to improve employee engagement and support the embedding of a customer centric culture across the organisation.
1.4 Have robust processes to determine customer how feedback has been considered and incorpo	-
ACTIVITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
The Voice of Customer program is Aurora Energy's mechanism to listen to its customers, measure performance and assist the business to identify opportunities for improvement. This is done by proactively following up with customers who have contacted Aurora Energy for any reason and asking questions regarding their experience under five key pillars: Easy, Expertise, Proactive, Responsive, Ownership. In-market trials were undertaken prior to launching Aurora Energy's new Aurora PAYG+ product (described under Principle in Action 2.2) to ensure that the product and the customer journey design met customers' needs. Aurora Energy participates in regular whole-of-industry Electrical Contracting Industry Liaison (ECIL) meetings as a means of sharing information and seeking feedback as to expectations from its members (including electrical contractors and associations, building industry representatives, Consumer Building and Occupational Services (CBOS), TasTAFE, TasNetworks and State Government departments). By participating in ECIL, Aurora Energy receives important insights to jointly improve customer outcomes. A whole-of-industry metering workshop initiated by Aurora Energy to improve metering installation processes is described under Principle in Action 3.6.	Aurora Energy's rolling 12 month Voice of the Customer loyalty score metric was recorded at +48 to the end of June 2019. This was above the 2018-19 target of +36 and is an improvement of +8 from 2017-18, demonstrating a higher level of customer satisfaction. Customer feedback on how Aurora Energy managed deceased accounts led to a change in policy and approach in 2019 (described under Principle in Action 3.6). More than 70 Aurora Energy customers of varying ages and degrees of digital experience participated in the trial of Aurora PAYG+. The trial provided valuable learning, improvement and insights in a number of areas that were used to refine the product and customer experience prior to the launch of the product. Feedback received at ECIL meetings has assisted Aurora Energy to improve its contact channels for electrical contractors, including offering a dedicated helpline and improving the Electrical Works Request process. These amendments have improved the connections process for customers.

Group impor	a Energy's Vulnerable Customer Stakeholder (described under Principle in Action 5.4) is an tant forum from which feedback on vulnerable ner issues is sought to inform decision making.	
1.5	Demonstrate a culture of innovation and collak including through the sharing of insights with g the supply chain, as well as joint advocacy on r	overnment, research institutions and across
ACTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
innova with t achiev manag Schem provid (refer Aurora produc (descr Aurora Loan S under Aurora the Ta Tasma facilita to imp Aurora Queer provid progra on er issues Univer Togeth Farme TasWa Energy for Wo partici of 202	a Energy supports and implements a range of ative programs and initiatives in collaboration the Tasmanian Government that are aimed at ying positive customers outcomes, including ging the Tasmanian Energy Efficiency Loan the (TEELS; refer Principle in Action 2.3) and ling a Tasmanian Farm Energy Advocate service Principle in Action 2.2). The Energy has innovated to develop a new digital ct (Aurora PAYG+) for residential customers ibed under Principle in Action 2.2). The Energy's collaboration with the No Interest Scheme (NILS) Network of Tasmania is described Principle in Action 5.4. The Energy actively shares customer insights with asmanian Government, TasNetworks and Hydro mia to support informed decision making and ate joint advocacy on regulatory and policy issues prove outcomes for Tasmanian customers. Ta Energy has built a working relationship with hasland University of Technology (QUT) and led insights and in-kind support to their research ams and proposals. These are primarily focussed hergy affordability and vulnerable customer . A similar relationship is being explored with the rsity of Tasmania. Ther with the Tasmanian Government, Tasmanian the with the Tasmanian Government, Tasmanian the stand Graziers Association, TasNetworks, ater and Tasmanian Irrigation Pty Ltd, Aurora y collaborated in the development of a Charter orking on Private Farm Land. The Charter, which ipants will be asked to approve in the second half 19, establishes principles for co-operation and al recognition between parties to build relations upport improved outcomes on private farm land, ing biosecurity.	 TEELS customer outcomes are disclosed under Principle in Action 2.3. Aurora PAYG+ and Farm Energy Advocate customer outcomes are disclosed under Principle in Action 2.2. In June 2019, Aurora Energy, together with its digital product development partner RXP Services, was awarded the iAward in the Public Sector & Government category at the TasICT Awards in recognition of the innovation demonstrated in the Aurora PAYG+ digital product option (described under Principle in Action 2.2) which enables customers to better understand and manage their energy use. NILS customer outcomes are reported under Principle in Action 5.4. In conjunction with TasNetworks and its Metering Coordinator, Aurora Energy has participated in two CBOS events and presented at Master Builders and Housing Industry Association quarterly updates to communicate upcoming changes to metering and associated timeframes. This facilitated whole-of-industry awareness of these changes. Examples of joint advocacy outcomes: Aurora Energy identified that a proposal for advanced notice of price changes would incur costs of around \$300,000 and would negatively impact Tasmanian customers for no commensurate benefit. Following advocacy by both Aurora Energy and the Tasmanian Government with regard to customer impacts, the AEMC determined that retailers subject to jurisdictional retail price regulation should be exempt from this requirement. Aurora Energy worked in collaboration with TasNetworks to extend its

temporary regulatory dispensation from the Australian Energy Regulator (AER) for the continuing provision of faults management services to prepayment meter services. This outcome ensures that prepayment customers who experience a meter fault can have their power restored in the most optimum timeframe possible.

Focus areas for continuous improvement (July 2019 - June 2020)

- Continue to implement Aurora Energy's Customer Experience Strategy, including updating business frameworks, processes and tools across the business to embed an ongoing customer centric approach across the organisation and continuing to embed the Energy Charter Principles.
- Implement identified People Experience strategic initiatives to improve employee engagement and ensure that Aurora Energy's people experience drives a positive customer experience. Aurora Energy is targeting a 5 per cent increase in employee engagement in 2019-20, and for three years thereafter.
- Continuous improvement identified for considering and incorporating feedback from vulnerable customer advocates into internal decision making is described under Principle 5.

PRINCIPLE 2: WE WILL IMPROVE ENERGY AFFORDABILITY FOR CUSTOMERS

2.1	Ensure that investment, commercial and opera explain how customers benefit from these deci	-
ΑCTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
review focus remain cases	a Energy's Commercial Investment Policy was yed in late 2018 to increase the organisation's on the customer, while ensuring that cost ns a key focus. A key consideration in all business is an evaluation of the customer benefit arising he investment.	All investment decisions are made under the revised Commercial Investment Policy, and include an assessment of the customer benefit arising from the investment.
manag	ficiency Strategy has been committed to by gement for the period 2018-19 to 2021-22 to r a sustainable, efficient underlying operating ase.	

2.2 Offer customers energy deals that best meet the incentives for customers to manage their energy	
ACTIVITIES UNDERTAKEN	CUSTOMER OUTCOMES TO 30 JUNE 2019
Aurora Energy is committed to its regulatory obligation to providing customers with billing data on their request in the required format to supporting them in understanding their energy use. Aurora Energy's customer service centre advisors are trained to provide advice to customers as to the tariff that best meets their energy usage and other needs (e.g. payment methods).	Aurora PAYG+ helps customers remain in credit and avoid bill shock by providing them with transparency of their energy consumption and account balance. The product gives greater convenience and control in how and when customers view and pay their electricity bills, as well as providing visibility of daily consumption data to help them better manage their energy use.
Beyond its regulatory obligation, Aurora Energy released its new <u>Aurora Pay as You Go Plus (PAYG+)</u> product offering in 2019, which enables customers to better understand and manage their energy use through a convenient, easy-to-use opt-in digital portal. The product is initially being offered to existing Aurora Pay as You Go (PAYG) customers whose meters will reach the end of their functional life in December 2019 and will no longer be supported. The product will then be offered more widely to Tasmanian customers with advanced meters. In-market trials were undertaken prior to launching Aurora PAYG+.	The Aurora PAYG+ trial provided valuable learning, improvement and insights in a number of areas that were used to refine the product and customer experience prior to the launch of the product. Aurora PAYG+ customer testimonial: "Having been a user of the previous Pay As You Go service for several years, I find Aurora PAYG+ to be easy to use and full of useful information on my energy usage, plus there's
Customers who choose not to, or are unable to, opt-in to the Aurora PAYG+ digital portal still have the choice of opting in to the same tariff offered by Aurora PAYG+ (without the digital portal) or an alternative tariff option.	the obvious bonus of being able to manage it all from the app on my phone." Aurora Energy acknowledges that some Tasmanian customer advocates have raised concern regarding the inability for some
For business customers, Aurora Energy offers flexibility in contracting periods and provides advice on network tariff optimisation to ensure the customer is on the best offer for their individual circumstances.	Tasmanians to access Aurora PAYG+, including those that do not have (or choose not to have) access to the internet and/or may choose not to pay, or be unable to afford, the opt-in product fee to access the
Aurora Energy provides a Farm Energy Advocate service that offers specialist advice and information to help farmers better manage energy usage and costs, including reviewing account set ups and tariff assessments, as well as referrals to other tailored support services. Aurora Energy proactively provides tips and tools to assist Tasmanian customers manage their energy use	digital portal. In these instances customers are offered alternative product choices (e.g. standing offer contracts) specific to their circumstances. Aurora Energy continues to examine options to improve its base service offering for all of its standing offer customers, and will continue to engage with Tasmanian customer advocates in this regard (refer Principle 5).
via a range of forums. This includes an annual winter energy efficiency campaign (via radio, newspapers, social media) and attending community events such as Agfest and the DairyTas All About Energy Days.	Following attending DairyTas' All About Energy Days, Aurora Energy has analysed and provided insight to more than 100 farms from Circular Head to Scottsdale, with many found to benefit from a change in their tariff or contract arrangements.
	As a result of customer feedback, at 30 June 2019 Aurora Energy initiated over 300 meter

	upgrades for over 50 small agribusiness customers.
2.3 Work cooperatively across the supply chain an affordability over the short and long term	d with other stakeholders to improve
ACTIVITIES UNDERTAKEN	CUSTOMER OUTCOMES TO 30 JUNE 2019
 Aurora Energy supports and implements the Tasmanian Government's energy affordability policies, including: supporting the capping of Tasmanian electricity price increases to protect regulated residential and small business customers from increased national wholesale electricity costs; and administering payments for the Tasmanian Government's \$10M Commercial and Industrial (C&I) energy rebate. Up until April 2019, Aurora Energy managed the Tasmanian Energy Efficiency Loan Scheme (TEELS), a joint initiative with the Tasmanian Government and Westpac to assist residential and small business customers to purchase energy efficient products such as solar panels, heat pumps and double glazing via no-interest finance of up to \$10,000. Principle in Action 5.4 describes Aurora Energy's collaborative activities to improve energy affordability for customers experiencing vulnerable circumstances. Aurora Energy has participated in Energy Consumers Australia's "Power Shift" research program to help identify practical steps that customers can take to reduce their energy usage and improve their energy affordability. 	The Tasmanian Economic Regulator determines the maximum prices that Aurora Energy can charge its regulated customers. This ensures that customers on regulated standing offer contracts are paying a price that reflects the efficient costs of supplying energy. These prices are set annually so prices for regulated customers cannot change suddenly. In February 2019, Tasmanian electricity standing offer (regulated) prices were amongst the lowest in Australia (refer Tasmanian Economic Regulator Comparison of Standing Offer Energy Prices). Tasmanian regulated electricity price increases remain capped at 2 per cent for 2018-19 and 2019-20. The C&I rebate has directly reduced the impact of increasing wholesale prices on unregulated business customers in Tasmania. Since its introduction, Aurora Energy has worked to refine the rebate process to make it as simple as possible for customers. TEELS has assisted Tasmanian customers to make practical, cost-effective differences to their energy running cost since launching in May 2017, with 4,192 approved applicants at the closure of the two year scheme. TEELS customer testimonial: <i>"Solar panels weren't really an affordable option. We had just built a house so cash flow was non-existent and TEELS enabled us to get</i>
	solar panels on straight away after finalising the build."
2.4 Innovate to deliver competitive energy solutio	
ACTIVITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
Aurora Energy has a planned program to install advanced meters beyond its regulatory obligations under the Power of Choice reforms. Aurora Energy proactively makes advanced meters	Aurora Energy has installed/exchanged approximately 25,000 advanced meters across Tasmania since December 2017. This is approximately 35 per cent more than
available to customers in instances where there are	

regulated metering exchange requirements for advanced meters. Customers on an advanced meter are able to obtain information that will give them greater visibility and control over their usage, and enables resolution of issues associated with estimated reads. Customer outcomes from Aurora Energy's commercial renewable energy solutions are
described under Principle in Action 3.5. Aurora PAYG+ customer outcomes are disclosed under Principle in Action 2.2.
nergy affordability through engagement in
CUSTOMER OUTCOMES TO 30 JUNE 2019
Consistent with Aurora Energy's advocacy, the Australian and Tasmanian Governments,
as well as TasNetworks, have now acknowledged that Tasmanian customers should only pay for the cost of Marinus Link and Battery of the Nation projects that is commensurate to the benefit they receive.

Key examples of submissions in which Aurora Energy has argued for avoided costs for Tasmanian consumers in 2018-19 include:

- <u>TasNetworks' 2019-24 regulatory proposal</u>
- <u>Project Marinus Initial Feasibility Study</u>
- <u>2019 Regulated Feed-in Tariff Rate</u> <u>Investigation and Determination</u>
- <u>Australian Energy Market Commission</u>
 <u>Advance Notice Price Change Rule Change</u>

Focus areas for continuous improvement (July 2019 - June 2020)

• Progress Aurora Energy's Optimisation Strategy to deliver a sustainable, efficient underlying operating cost base in order to meet the business' internal efficiency savings target by 2022.

Aurora Energy's submission.

in Action 1.5.

Examples of customer outcomes arising from joint advocacy are described under Principle

- Continue to make representations to national and state decision makers and provide submissions to regulatory and policy processes where Aurora Energy can support the case for improving customer affordability. A key area identified to date for influencing in 2019-20 is advocating that Tasmanian customers should not disproportionately pay for additional interconnection and transmission developments within the State that will benefit mainland customers for no commensurate Tasmanian benefit.
- Proactively collaborate with other organisations (e.g. Energy Consumers Australia, Housing Tasmania, Neighbourhood Houses Tasmania, Mission Australia) to develop and distribute

industry-wide plain language materials (e.g. brochures, flyers, energy saving kits) for different audiences to assist customers to manage their energy usage and cost.

• Focus areas for improving affordability for vulnerable customers are described under Principle 5.

PRINCIPLE 3: WE WILL PROVIDE ENERGY SAFELY, SUSTAINABLY AND RELIABLY

3.1	Maintain the highest standards of safety for its environment	people, the community and the
ΑCTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
does r organi and o provic Aurora Emerg respon emerg Aurora pride priorit During worke	a Energy's Work, Health and Safety Policy and gency Management Plan set out roles and nsibilities in relation to employee safety and gency management procedures. a Energy partners with service providers who themselves on safety being their number one cy. g severe bushfires in early 2019, Aurora Energy ed collaboratively with TasNetworks and its ing Coordinator to ensure a proactive and orative approach to the emergency where	One medical incident was reported for Aurora Energy during the latter half of 2018- 19, resulting in a lost time injury (against a target of zero). Management is currently giving consideration to improving incident management across the business. By working together with its Metering Coordinator and TasNetworks, Aurora Energy contributes to providing energy safely to Tasmanian customers.
3.2	Engage with customers and the community on with their expectations, demonstrating how co	
ΑCTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
Cattle (descr	a Energy is providing financial support for the Hill wind farm in Tasmania's central highlands ibed further under Principle in Action 3.4) in line ommunity expectations.	Customer outcomes from the Cattle Hill project are described under Principle in Action 3.4.
3.3	Develop business strategy and manage operati energy system that is already underway	ons to respond to the shift to a cleaner
ΑCTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
policy sustai	Aurora energy does have an environmental , the business does not currently have a nability or internal emission reduction strategy. a Energy is providing financial support for the	Customer outcomes from the Cattle Hill wind farm project are described under Principle in Action 3.4.
Cattle Hill wind farm in Tasmania's central highlands (described further under Principle in Action 3.4).	I de la construcción de la constru	
	-	

 emissions footprint by providing advice on energy saving measures (refer Principles in Action 2.2 and 5.2), an option to purchase an accredited GreenPower product (<u>AuroraGreen</u>) and the option to receive their bill electronically. 3.4 Work with government, other energy business develop a planned transition to a cleaner energy 	· ·
ACTIVITIES While Aurora Energy acknowledges the importance of a planned transition to a cleaner energy system, the Tasmanian circumstances are different to the rest of the NEM owing to there being predominantly renewable energy generation. Notwithstanding this, Aurora Energy has chosen to partner with Goldwind Australia to develop the Cattle Hill wind farm which supports the Tasmanian Government's renewable energy target. This demonstrates the business' commitment to investment in renewable energy. The first of 48 wind turbines was erected at Cattle Hill in May 2019. The construction of the 148.5 MW wind farm enhances Tasmania's renewable energy credentials, while also providing a major boost to the local economy. Once operational, Cattle Hill Wind Farm will produce enough clean energy to power approximately 63,500 Tasmanian homes. Broad community engagement for the project during construction includes a Local Information Centre while the project is under construction, information sharing initiatives and sponsorship of local community groups and events Independently to the Cattle Hill project, which will assist to make the State 100 per cent self-sufficient in renewable energy, Aurora Energy has engaged government, developers, transmission network providers and rule and policymakers to raise awareness that Tasmanian customers should not disproportionately pay for additional interconnection and transmission developments aimed at transitioning	CUSTOMER OUTCOMES TO 30 JUNE 2019 Tasmania's on-island energy supply is already predominantly supplied by renewables (baseload hydro-electric power and wind generation) supplemented by gas-fired generation as required. Through its financial support for Cattle Hill Wind Farm, Aurora Energy is supporting the Tasmanian Government's goal of being 100 per cent self- sufficient in renewables by 2022, in line with community expectations. The project is providing a major boost to the local economy. For example, Tasmanian firm Hazell Brothers is the main contractor for the civil and electrical works, and a major tower supply contract was awarded to Crisp Bros. and Haywards, which will see 20 per cent of the tower components required for the turbines manufactured in Launceston. Examples of Aurora Energy's advocacy activities and outcomes are described under Principle in Action 1.5 and 2.5.

3.5	Facilitate new services and technologies that support sustainable energy solutions that
	meet the changing needs of the market

ACTIVITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
In 2017, Aurora Energy started to investigate the role the business could play in the delivery of renewable energy solutions for commercial customers. Aurora Energy teamed up with Beon Energy Solutions and in 2018 installed one of the largest commercial photovoltaic (PV) solutions in the State at Tasmanian- owned transport company SRT Logistics, across two of its distribution centres in Launceston and Devonport. Based on its learnings partnering with local businesses on this project, Aurora Energy continues to offer solar renewable energy solutions to commercial customers aimed at delivering their best energy outcome.	The state-of-the-art 2,546 panel, 831kW solar system generates over 1 million kWhs per year (equivalent of powering 143 homes) and reduces SRT Logistics' annual electricity spend for these sites.
Aurora PAYG+ (described under Principle in Action 2.2) is currently based on moving customers onto a cost reflective time-of-use tariff that encourages consumers to shift their usage into non-peak periods.	
3.6 Implement solutions across the supply chain:	
a) that support energy connection, service arb) to resolve service issues that impact custo	-
ACTIVITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
Aurora Energy understands the importance of staying connected for all its customers and regards disconnection for non-payment as last resort. Its connection policy and procedures mandate a number of additional steps, beyond national rules, that its operators must take to ensure customers are afforded multiple opportunities to engage with Aurora Energy on how to manage their bill payment difficulties. Aurora Energy has established timelines and thresholds above and beyond regulated requirements for metering installation timeframes. Aurora Energy continues to challenge its processes beyond regulatory requirements to get the best outcomes for its customers.	Aurora Energy performed 632 disconnections (0.2 per cent of customers) for non-payment across residential and small business customers during 2018-19. This volume has reduced by 15 per cent from the previous financial year. New meter installation times have been consistently delivered in two days (rather than the regulated six day requirement) to improve the customer experience. Aurora Energy has innovated to establish additional steps to contact customers throughout the installation process to keep
In September 2018, Aurora Energy coordinated a whole of industry metering workshop to seek feedback on the new connection and meter exchange processes. Facilitated by a third party, the workshop was attended by a range of industry associations (including the National Electrical and Communications Association, Master Builders Association, Housing Industry Association, Master Electricians Australia,	them informed which are above and beyond regulated planned interruption notice obligations. As a result of the metering workshop, Aurora Energy has made a number of improvements to its processes to ensure that they are not a barrier to installation times. Principle in Action 1.5 describes

Aurora Energy 2019 Energy Charter Disclosure

Aurora Energy has reviewed and amended its	Aurora Energy has recorded two
Deceased Estate Policy to improve the customer	non-compliances with the metering
experience involved with managing a deceased	installation timeframe rule since its
account. These include removing barriers to providing	commencement. In each case, the reason for
evidence of a death and relaxing credit follow up	not meeting the timeframe was due to
processes to allow sufficient time for estates to be	process errors by an external party that have
settled.	since been rectified. No complaint was
As a retailer, Aurora Energy is not directly responsible	received from either customer.
for reliability issues and does not undertake any direct activities in this regard. However, the business works closely with TasNetworks and its Metering Coordinator to ensure customers are informed as to when outages will occur.	Recognition of the trauma associated with managing a deceased person's account has driven Aurora Energy to change the process for notification and recording of a deceased estate as well as credit cycle arrangements. This is aimed at reducing stress for surviving family members.

Focus areas for continuous improvement (July 2019 - June 2020)

- Continue to improve the metering installation experience for Tasmanian customers by collaborating across the supply chain and with other Tasmanian electricity industry participants to identify areas for improvement.
- Planned advocacy efforts in support of Tasmanian customers not disproportionately paying for additional interconnection and transmission developments to support the NEM's transition are summarised under Principle 2.

PRINCIPLE 4: WE WILL IMPROVE THE CUSTOMER EXPERIENCE

4.1	Enable customers to get fair outcomes regardle the energy market	ess of their ability or desire to participate in
ΑCTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
requir standa or de Tasma maxin regula	e Regulated Offer Retailer, Aurora Energy is red to offer all Tasmanian customers regulated and offering contracts, regardless of their ability sire to participate in the energy market. The anian Economic Regulator approves the num prices that Aurora Energy can charge its ated customers. This ensures that customers on ated standing offer contracts are paying a price effects the efficient costs of supplying energy.	As at 30 June 2019, the majority of Tasmanian residential and small business customers were on a regulated contract, with prices increases for these customers capped at the Hobart Consumer Price Index until 30 June 2021. Aurora Energy acknowledges that there is more progress to be made in providing Tasmanian customers with practical energy choices that not only meet their needs but that they also value.

4.2	 Empower customers by: a) Making sure all communication is clear understandable; b) Providing insightful and useful information of the streamlining access to, and portability is streamlining access to and portability is streamlining access to and portability in the streamlining access to and portability is streamlining access to a streamlinining access to a streamlining access to a streamlinining ac	tion and accessible tools; and
ΑCTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
been i signific suppor custon Energy provid inform Princip produc	he end of 2018, Aurora Energy's website had not nvested in in many years and as a result it was cantly outdated and not fit for purpose for rting Aurora Energy's move towards being a ner-centric organisation. In May 2019 Aurora y launched a new <u>website</u> with the aim of ing updated, clear, consistent and accessible nation and tools for Tasmanian customers. ole in Action 2.2 describes the new Aurora PAYG+ ct which was launched in 2019 and streamlines to, and portability of, customer data.	 Website outcomes observed to 30 June 2019 include: Number of web pages reduced from 540 pages to 114 core pages. Average number of clicks required to find information reduced from seven to three. Language used averages Grade 3 (compared to Grade 9 on the old website), tested using the Hemmingway Readability Audit Tool. The new website adheres to Web Content Accessibility Guidelines (WCAG 2.0). 30 per cent higher session times throughout June 2019 compared to the old website in June 2018. Aurora PAYG+ outcomes are reported under Principle in Action 2.2.
4.3	Ensure that innovation and design in products a platforms and tools, are driven by customers' r	
ACTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
resear custon 2019, establi benchi unders forwar custon In-mar Aurora	a Energy has undertaken internal and external ch to better understand what Tasmanian ners are seeking from their energy provider. In a brand tracking program commenced to ish a baseline for customer satisfaction. The mark research has allowed Aurora Energy to stand the impact of its initiatives moving rd, and where to prioritise resources to enhance ner satisfaction. Tket trials were undertaken prior to launching a Energy's new Aurora PAYG+ product (described Principle in Action 2.2) to ensure that the	Aurora PAYG+ customer outcomes are described under Principle in Action 2.2.
produc	ct and the customer journey design met ner's needs.	

4.4 Have effective and accessible dispute resolution chain, to resolve customer issues and implement	
ACTIVITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
Aurora Energy's approach for recording customer complaints is to capture any level of customer dissatisfaction recorded by its Customer Service Officers to enable the business to capture all complaint instances and identify trends. Customer representative complaint handling training has been updated to ensure that officers are aware of the expectations in recording complaints.	Supporting the approach of proactive recording of customer complaints, Aurora Energy recorded a complaint frequency rate of 0.61 per cent per 100 customers during 2018-19. This result is an increase from the previous year (0.58 per cent) but within the target parameters of 0.4 per cent to 0.9 per cent.
 Where practical, disputes are encouraged to be resolved at the first point of call through Aurora Energy's Customer Service Centre, however this is not always possible. A dedicated Customer Advocacy team provides direct follow up to customers. They are empowered to settle disputes by fixing the cause, compensating where appropriate, or providing escalation paths for customers to the Ombudsman. Aurora Energy's Complaints Management Policy and its website provide advice on how to contact the Tasmanian Energy Ombudsman Office if a customer is of the view that their complaint has not been resolved to their satisfaction. Aurora Energy proactively meets regularly with the Tasmanian Energy Ombudsman Office, including monthly meetings and quarterly meetings between senior management and the Ombudsman. Aurora Energy is owned by the Tasmanian Government, and in some instances complaints are raised directly with its Shareholding Ministers. Any referred Ministerial matters are responded to by the Customer Advocacy team in conjunction with the Corporate Affairs & Stakeholder Relations team in order to provide a consistent and timely response. 	The highest percentage of complaints was related to billing issues associated with access difficulties and estimated reads. Aurora Energy is aiming to address these issues through its advanced meter roll out program (refer Principle in Action 2.4). Referral to the Ombudsman recorded at 0.51 per cent in 2018-19 against a target of 4 per cent, demonstrating the commitment of Aurora Energy's Customer Advocacy team to resolving customer issues without the need for escalated referrals. The Customer Advocacy team now acts as the direct referral point for all deceased account management, providing a consistent and empathetic service.
Focus areas for continuous improvement (July 2019 - July 2019 - Ju	une 2020)

• Aurora Energy's commitment to improving the customer experience is described under Principle 1, including the Customer Experience Strategy which is aimed at moving the business' goal from mere customer satisfaction to the delivery of customer experience.

PRINCIPLE 5: WE WILL SUPPORT CUSTOMERS FACING VULNERABLE CIRCUMSTANCES

5.1	Have processes to enable early identification vulnerability, coupled with intervention meas hardship	of and engagement with customers at risk of sures that can prevent customers falling into
ACTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
assist trigge vulner throug Your	ated training is provided to all frontline staff to in early identification of customers by assessing r words and situations that may indicate rable circumstances. Customers identified gh this process are referred to Aurora Energy's Energy Support Program (described under ole in Action 5.2).	Described under Principle in Action 5.2.
5.2	Provide products and services that are tailore circumstances and support them to get back of	-
ΑCTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
Tasma Progra reside difficu conne beyon isolati energ afford Throu •	a Energy is committed to supporting vulnerable mians through its <u>Your Energy Support (YES)</u> am, which actively identifies and supports ntial customers who are experiencing lties paying their bill and helps them to remain cted. The YES Program, which goes above and d national hardship obligations, provides on of debt and focusses on managing ongoing y usage first, with debt payments brought in as ability increases. gh the YES Program, Aurora Energy provides: phone and in home energy audits for customers struggling the most with high usage; a heater exchange program to swap out ineffective, high usage standalone heaters with more energy efficient heating option at no cost to customer; financial counselling; and incentive payments to promote and encourage continuing changed payment behaviours. thership with Anglicare, Aurora Energy hosted	As at 30 June 2019, 4,090 customers (1.5 per cent) are being assisted by the YES program. A continued focus on expanding the reach and impact of the YES program has enabled 563 customers to successfully complete the program in 2018-19. The program has assisted over 9,600 customers since its inception in 2014. A total of 28 home visits were performed during 2018-19, including three heater exchanges. A further 50 over the phone energy audits were performed during 2018-19 to assist vulnerable customers in reducing their energy usage. Incentive payments with a combined value of value of \$103,851 were provided to 976 customers in 2018-19. YES program customer testimonial: <i>"I have been a customer of Aurora Energy for</i> <i>over 3 years since living in Tasmania. Imanaged to get a little behind in my gas and electricity accounts and [entered] the YES</i>
during vulner provic Energy energy	ncial counsellor onsite for two days per week 2018-19 to provide a direct referral service for able customers. This was extended to ling home visits with both Anglicare and Aurora y employees in attendance to provide specific y related advice and overall financial advice to cussed within the customer's home.	program, to allow myself to pay my bills in instalments while still maintaining my connections. As a low income earner this has been really helpful. Every quarter I discuss my accounts with very friendly staff who are prepared to go the extra mile to help keep my bills down. I grew up in New South Wales and several other energy companies I have been

		through have never offered this form of assistance. Every time I have had an account issue, I've always been greeted with exceptionally friendly and respectful service. I honestly can't complain about anything Thank you to the girls in the YES team for respecting my position at times when money is tight. You're respectfulness couldn't be more appreciated. Keep up the great work. I have no intentions of going anywhere else."
5.3	Provide flexible solutions that are easy to acc frontline staff with expertise in supporting the engaging with the energy market	ess and are provided by specially trained ose customers who face additional barriers to
ACTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
Princip	ple in Action 5.1 and 5.2 describe activities and c	outcomes in support of this Principle in Action.
5.4	Take a collaborative approach, partnering acr government and community service organisat improve outcomes (affordability or experience circumstances	tions to implement innovative solutions that
ACTIV	ITIES	CUSTOMER OUTCOMES TO 30 JUNE 2019
Loan S conces 50 pe efficie	a Energy provides funding to the No Interest Scheme (NILS) Network of Tasmania to offer ssion customers the opportunity to apply for a er cent subsidy for the purchase of energy ent household appliances and a no-interest loan e balance of the purchase amount.	Aurora Energy contributed \$215,000 to the NILS program in 2018-19 to support over 190 low income customers to purchase energy efficient appliances. Since November 2015, Aurora Energy has provided over \$1.8M in funding to the program.
Energy on-site provid YES Pr In 201 with N reach netwo becom increa Aurora provid	scribed under Principle in Action 5.2, Aurora y has partnered with Anglicare to provide an e Financial Counsellor and home visits to de energy efficiency and financial advice to its rogram customers. 18, Aurora Energy commenced a partnership Neighbourhood Houses Tasmania to expand the of the YES program across its state-wide ork of 35 houses, with the aim that each House nes an active advocate of YES and assists to use referrals at the grass-roots level. a Energy's <u>Community Program</u> is designed to de targeted support to not-for-profit and nunity organisations that reduce disadvantage	 NILS Energy Saver Loan and Subsidy program recipient testimonial: <i>"I used to have gas heating and found it very expensive to run. I would usually spend \$60 a week in winter but that's been reduced to \$10 a week now – it's a huge saving."</i> Aurora Energy supported more than 80 notfor-profit community organisations and activities throughout the year both state-wide and in regional communities across Tasmania. Cancer Council relief payments were provided to 202 customers to provide financial relief for their energy bills whilst undergoing cancer treatment.

Aurora Energy convenes a Vulnerable Customer
Stakeholder Group to enable engagement between
organisations that support and advocate for
vulnerable Tasmanians in regards to energy use.
Aurora Energy uses this forum to gain valuable
feedback on vulnerable customer issues.

Focus areas for continuous improvement (July 2019 - June 2020)

- Facilitate the establishment of a Tasmanian <u>Thriving Communities Partnership</u> (TCP) Chapter in collaboration with TCP, vulnerable customer support organisations and relevant utilities. Aurora Energy has committed a senior resource to progress this initiative in 2019-20.
- Identify opportunities for improving the operation and value of Aurora Energy's Vulnerable Customer Stakeholder Group. This includes facilitating deeper discussion and consultation on issues which pertain to vulnerable customers, and developing mechanisms to incorporate feedback in internal decisions making.
- Investigate new opportunities to partner with Tasmanian vulnerable customer advocates to further develop practical solutions to support customers facing affordability difficulties through the YES Program.
- Engage with Tasmanian vulnerable customer advocates and other Energy Charter signatories to identify opportunities for energy concessions reform and coordinate advocacy efforts. This is being pursued as a collaborative effort in support of the Energy Charter "Better Together" initiatives.