



Meridian.



POWERSHOP

Meridian Energy Australia & Powershop Australia

Annual Accountability Disclosure Report



The Energy
Charter

Report 1 – 2019

Reporting Period: 1 January 2019 up to 30 June 2019

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Executive Summary

Meridian Energy Australia Pty Ltd (MEA) and Powershop Australia Pty Ltd (Powershop) are pleased to submit our first ever Accountability Disclosure Report as part of our role as a signatory to the Energy Charter. This report provides an honest and transparent evaluation of our business, offering an honest assessment of areas of our business that we're proud of, as well as areas in which we believe we can improve.

This report has been created with contributions from team members across our business, with evidence and information being collected from customer feedback, surveys, market research, project learnings, outcomes from initiatives, internal policies and more. The resulting report shows that as a business, MEA and Powershop are well placed to meet the Energy Charter principles and importantly, we already have a culture committed to continuing to make things better for customers, working together with other signatories and the entire energy industry, government, stakeholders and communities.

Writing this report has been a beneficial exercise for reflecting upon our business and its impact. We've found that while there is a lot to be proud of in the work we have done, there are always areas of our business that we can improve upon.

We're proud because:

- **Customer's interests are in our DNA** – to be an energy company that puts customers first is one of the reasons we first launched in Australia five years ago. We know that our work has an impact on our staff, our customers, our community and the planet. This perspective makes us really conscious of how our decisions can make a difference, all the way from hiring new staff to our management team being responsible for responding to social media enquiries on weekends (see 1.2).
- **We take energy affordability seriously** – being able to find cost savings for our customers is an objective for every single part of our business, including operations, technology, service, innovation and generation. Our 2018 investment in three hydro assets allowed us to reduce energy prices for all our Victorian customers (see how we were able to do this in 2.1).
- **Safety is the most important part of our business** – maintaining the highest standards of safety ensures that we are looking after ourselves, our customers, our partners, our communities and the planet. This includes physical and mental safety, service reliability and

looking after everything we have an impact on, like working with local communities for a zero carbon future (see 3.2).

- **Experience is always improving** – Powershop was launched to provide an alternative and better experience for energy consumers. This ranges from innovative new technologies to improvements in day-to-day BAU processes to improve our customer experience, like we did when introducing PowershopLITE (see 2.2).
- **Empower our people to look after vulnerable customers** – we’re committed to looking after customers facing vulnerability by having effective BAU processes and, most importantly, empowering our staff to tailor creative solutions to meet individual needs (see 5.3).

While we’re proud of where we’re at as a business, we’re always looking at ways to ensure we keep improving, setting the bar higher and meeting the needs of customers by operating effectively in the ever-changing energy environment and across the supply chain.

There are four key areas that this report has identified as improvement opportunities for MEA and Powershop. The key areas were agreed on during a business wide workshop about the Energy Charter and how we can better meet the principles (see Appendix 2 for more details on this workshop), and while we’ve given examples of how the customer outcomes could play out, we’ve still got to do more work to make sure they’re the right solutions for customers. We’ll do this by ensuring we involve customers, customer facing members of our team, and anyone else with the right insights, in the development of solutions to all our improvement opportunities.

We have also identified a number of innovation opportunities throughout the rest of the report and there are always a bunch of projects we’re working on throughout the year in pursuit of better customer outcomes. None of this work will stop, however the four key areas below are what we think are most relevant for this report.

MEA Group’s future improvement opportunities

Continue to help make energy less confusing to empower consumers, by giving customers more information and transparency.

Area of improvement	Objectives and approach	Customer outcomes
We hear all the time from customers and front-line agents that the energy industry is confusing. While we’ve always worked really hard to remove some of this confusion, from advocating for policy change to developing technology to help consumers better understand their usage, we know there is still work to do.	Discover from customers the points of confusion and develop solutions that provide as much clear, simple and understandable information across their experience as possible based on customers’ feedback.	Customers are better informed about their energy experience and the industry so that they are more empowered to manage and reduce their energy bills. Three possible areas we think we can impact: <ul style="list-style-type: none"> ● energy efficiency – continuing to improve our technology offering; ● onboarding – keeping customers in the know about their sign up and new account; and ● billing – improving information available on our bills.

Expand our product offering to provide more flexible options that better suit customer's needs (even if that solution doesn't necessarily suit us).

Area of improvement	Objectives and approach	Customer outcomes
<p>Feedback from some of our customers has indicated that the Powershop billing model can be confusing and we acknowledge that it is a unique experience compared to some traditional retailers.</p>	<p>While we have already made inroads here and launched new offerings in response to this feedback in the last 12 months, we will work to challenge and expand Powershop's available products and experiences and will engage customers in the product development process.</p>	<p>Get customers on the right product and experiences/features that suits them. Areas we may look at include:</p> <ul style="list-style-type: none"> ● billing cycles – e.g. introducing quarterly billing or a 'Smooth Pay' option; ● health checks – where we proactively look at whether a customer can get a better outcome e.g. tariff optimisation; and ● sign up optimisation – assisting customers to self-select the most appropriate experience at sign up.

Improve the support we provide to vulnerable customers and those facing hardship.

Area of improvement	Objectives and approach	Customer outcomes
<p>We approach the safety of our vulnerable and hardship customers the same way we approach the safety of our team and community; we take it very seriously. There are always more ways to provide compassionate and effective support to these customers.</p>	<p>Engage energy consumers, and community representatives in the vulnerable customer space, to understand and develop the right product(s) for customers facing hardship, improve how we interact and engage with hardship customers, and look for opportunities within existing regulatory requirements where we might be able to do more, without impacting compliance.</p>	<p>Improve outcomes for vulnerable customers and those facing hardship by offering the right product(s), information and support. For example:</p> <ul style="list-style-type: none"> ● develop a dedicated hardship product; and ● training/collaboration from community representatives in the vulnerable customer space to improve services and processes impacting these customers.

Work with the energy industry to make processes more efficient and innovations more possible to improve customer outcomes.

Area of improvement	Objectives and approach	Customer outcomes
<p>We are still a young and comparatively small retailer and our resources are often tied up improving internal processes rather than working with industry colleagues. Working more closely across the industry is something we want to do better.</p>	<p>Collaborate with industry colleagues and work to identify where energy rules or jurisdictional regulations may be limiting better service delivery, and engage with rule makers and AEMO where required to find efficiencies to improve customer outcomes.</p>	<p>Improve service delivery across the supply chain, allow more innovation and assist in the development of rules and regulations that improve customer outcomes that could include:</p> <ul style="list-style-type: none"> • having regular meetings with distribution networks across the National Electricity Market (NEM) to improve outcomes for customers (right now we're only meeting with Victorian distributors regularly – see 3.6); and • working with industry (including metering businesses) to improve the successful installation rate of smart meters.

Introduction

MEA and Powershop were proud to be amongst the first group of companies who committed to the Energy Charter concept before the framework was established. Throughout this document we'll refer to ourselves as the MEA Group or 'we', unless what we're talking about specifically relates to one side of the business or the other, in which case we'll say Powershop or MEA.

Who are we?

Powershop Australia was launched in 2014 by Meridian Energy Limited (our parent company), Australasia's largest 100% renewable generator with wind farms and hydro power stations in three Australian states and various renewable assets in New Zealand.

Powershop was originally launched to turn the Australian energy industry on its head - putting customers and the environment first – something we saw was lacking in the Australian marketplace and something we knew customers were hungry for. We currently have over 140,000 customers across Victoria, New South Wales, South Australia and South East Queensland, with our sights set on a brighter and greener future for all. The MEA Group currently employs 82 people around Australia, working on our renewable energy sites in Victoria, NSW and South Australia and in our head office in Melbourne. We also have an additional team in our customer contact centre in New Zealand.

What's our purpose?

Our ambition is to provide clean energy for a fairer and healthier world. In practice, everything we do is aimed at creating this better energy future that we believe Australians need and deserve.

It's what guides everything we do. From the way we treat our customers and fight hard to keep power prices low for them, to pushing for positive policy change at government level and especially to being the only power company in Australia that is accredited 100% carbon neutral by the Australian government – it's all part of our mission.

Who are our customers?

Working closely with our front-line staff, employing robust customer feedback processes and conducting regular market research has helped us better understand Australian energy consumers and who the Powershop customer is.

The Powershop customer is an engaged, savvy and sustainably-minded person. Recently we have seen that more and more energy consumers are taking on these traits, as energy affordability and the state of the environment become more prevalent issues impacting all Australians.

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 business' culture so as to be aligned with Energy Charter Principles

MEA Group's business culture has been aligned with the Energy Charter principles since its beginning in 2010 (back before Powershop Australia existed). MEA Group is owned by Meridian Energy Limited, whose statement of purpose epitomises our alignment with Energy Charter principles: "Clean energy for a fairer and healthier world". This is pivotal as it encompasses protecting our customers not only for today but for tomorrow as well. From providing fair and transparent pricing, to generating only from renewable resources, to protecting our planet for future generations, this goal has been set by the Meridian Energy Limited Board of Directors and management team and is articulated into how we operate in Australia.

This statement of purpose is put into practice by the following BAU procedures that we undertake:

- The MEA Board actively reviews customer interaction data (such as Net Promoter Score (NPS) results, customer comments, post-interaction surveys, social media, contact centre metrics (average wait times and more) to keep its finger on the pulse of the retail business (this includes reading verbatim comments directly from customers in monthly reporting – some of which you can see in Appendix 3);
- On a TV screen in the middle of the MEA Group head office, we have a live feed of our NPS score (some of these comments in Appendix 3). That is - we ask customers everyday how we're going and we see those responses and comments in real time appear in the office. For example, as we're writing, Bill (not their real name) just gave us a 9 with the comment "*Great service & pricing while not killing the planet*". Thanks Bill. Having live customer feedback in such a prominent position in the office ensures the whole team, including executive management and the board, are in constant contact with customer feedback; and
- Powershop's Chief Customer Officer attends board meetings to present on key customer initiatives.

1.2 Have management operationally accountable for embedding a 'customer at the centre' culture

There are lots of ways we keep our management operationally accountable for our 'customer at the centre' culture, and this has been present since the beginning of the business.

The 'Mum Test':

The MEA Group has always had a 'Mum Test' policy, which is a simple way for us to see whether an initiative or decision is worth being pursued (is it good for customers, communities and the planet). We ask ourselves whether we would be proud to tell our mum what we did at work today, and if the answer is no then we know it's not right for us as a business.

This customer-centric culture has evolved with our growth as a business and we have recently introduced a new team rewards and recognition program called 'How To Be'. The 'How To Be'

program is designed to drive positive behaviours in our business and reward the contribution our people make to the organisation - all of which contribute to how we treat our customers.

How To Be awards:

The 'How To Be' awards align with MEA Group's mission of clean energy for a fairer and healthier world. People across the business can nominate their peers for an award under one of three categories which represent and guide how we work as a company and a member of society.

These are:

1. 'Be gutsy' – workmates nominated for this have had a crack at something outside of their day-to-day work, and have done so with rigor and ambition.
2. 'Be in the waka' – a waka is a Māori canoe (the phrase is equivalent to "be a team player") and workmates are nominated for this for working hard as part of a team to achieve an objective.
3. 'Be a good human' – workmates are nominated for this for demonstrating humility, inclusiveness and kindness to customers, their workmates and the community in general.

The 'How To Be' awards are held every month and we celebrate the amazing examples of this culture together as a team.

Management on the front-line:

One of the most effective ways of keeping our management team operationally accountable for our customer culture is getting them to speak to customers directly.

One of the places our customers get in touch with us is through our social media channels, which are open 24/7. To make sure we look after customers reaching out to us for help on our social channels out of business hours, we have a weekend social media roster which includes the retail management team, members from the wider executive management team and the CEO.

This is a really simple way to ensure our management teams are always in contact with customers, hearing genuine issues, concerns and feedback. It ensures our leaders are staying close to the customer and are involved in solving customers' problems in real time, in a public forum. It has the added benefit of inspiring innovation in customer service, product design and communications as management think of new ideas thanks to their customer interactions, an example of this is the creation of our video content series 'Power Pointers' that explain areas of customer confusion we hear often in customer feedback.

Management also listen to customer phone calls and are able to "double-jack" (listen in) with agents on the phones. Hearing what is concerning customers directly is essential to driving further customer innovation. We know these things aren't fancy initiatives; they are not expensive to implement and we didn't build anything new or shiny to achieve this. However, it works and it brings management closer to customers to enable them to solve problems and potentially innovate within hours of hearing of an issue.

An area of improvement:

Unfortunately, we have seen staff de-prioritise double-jacking with agents when work is busy (which it tends to be a lot of the time). Reaffirming the importance of listening to customers with all staff and scheduling firm times to do this every month is a good opportunity for the team to reconnect with the Powershop customer. We have recently (September 2019) moved to a cloud-based phone service allowing staff in Melbourne to live listen to calls remotely and calls received by our team in New Zealand as well, which will help with this area of improvement.

1.3 Ensure their work force is engaged and incentives are aligned to drive positive customer outcomes

Our 'How To Be' awards (see 1.2) are a great example of our team engagement and alignment with driving positive customer outcomes, in addition to this monthly award program, the MEA Group conducts an annual engagement survey (and a half yearly check-in) with the team to understand how employees think the business is performing in the following areas:

- The business in general;
- The employees own role contribution;
- Management;
- Company culture;
- Diversity and inclusion;
- Growth and development;
- Sustainability;
- Overall Engagement;
- People and teams;
- Action; and
- Customer.

The most recent survey conducted in the first half of 2019 shows that our team are onboard with our commitment to our customers:

- 91% believe the business' commitment to social responsibility (e.g. community support) is genuine;
- 89% believe given our purpose, and in relation to our size, this business is taking the right level of action on environmental challenges;
- 90% believe this business delivers on the promises it makes to its customers; and
- 91% believe that they are encouraged to be innovative even though some of the initiatives may not succeed.

We're really proud of these findings, but the real benefit of the engagement survey is identifying where we need to improve as a business.

In the same survey, our team let us know that there are areas of our business that we need to work on:

- 85% of our team are aware of the business' sustainability plans and goals;
- 83% agree that the business acknowledges people who deliver outstanding service; and
- 77% believe the business effectively directs resources (funding, people and effort) towards company goals.

We tackle the challenges we identify thanks to the engagement survey (or any employee or customer feedback) as a team. After the engagement results are presented to the team, we run a facilitated workshop to come up with ideas on how to improve in the identified areas. It's important for the whole team to have a voice and people are encouraged to speak up outside of these sessions as well. For example, it's surprising to hear our sustainability goals had an awareness of 85% given our business' green credentials – but it shows that documentation and continuous communication and engagement is always valuable.

As our team grows in number, this is a part of our culture we're particularly committed to preserving. The reason we are a successful team is because we have a diversity of knowledge and voices contributing to our business, and so it is critical that this diversity is maintained.

An area of improvement:

The three findings above will be addressed with working groups. We will uncover the underlying issues for the feedback and then put some things in play to see if we've got it right. Our sustainability committee is working on making our teams more aware of our sustainability plans. Our People and Culture Team will address how to further acknowledge outstanding service and as a management team we must address how to communicate our resourcing decisions clearly.

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

Community needs where we have a footprint: The MEA Group owns and operates two wind farms and three hydro power stations across Victoria, New South Wales and South Australia, and we're privileged to be able to share these renewable assets with local communities and stakeholder groups. We meet regularly with these various groups for feedback and consultation.

Community need for education and connectedness: Through our partnership with Museums Victoria we received feedback that many of their members wanted to know more about renewable energy. So in 2018, we took 150 Museum Victoria members to our Mt Mercer wind farm near

Ballarat. The excursion gave the members an up close and personal experience of renewable energy; the members learned about how a wind farm contributes to the grid and how as a country we can continue to grow renewable energy as a part of the energy mix. One of the local land owners of the wind farm hosted all our guests on their farm, which was a wonderful way to highlight the community's pride in renewable generation.

We can't take people to our wind farms every day (although that'd be pretty fun), so on a day to day basis we have other processes in place to capture customer and community needs.

Customer feedback and input:

- Powershop has a group of super customers who have all volunteered to be 'Powershop Test Pilots'. Our Test Pilots get early access to new versions of our mobile app before the new version is released to all our customers. Looking after our relationship with our Test Pilots is really important; they've volunteered to test new features and improvements without any incentives and they do it in their own time. It's thanks to them that we have such a great, industry leading energy app available to all our customers. Read more about our Test Pilot program here: <https://www.powershop.com.au/blog/become-a-powershop-test-pilot/>
- We also get daily feedback from our NPS and Exit Survey programs, as well as our Customer Satisfaction surveys that are collected after an interaction with one of the Customer Team. These sources of constant feedback are analysed to find improvement areas. Given the data is reported at the board level, accountability is high to deliver improvement initiatives.

Our challenge as a business is that we often get incredible, innovative and truly valuable feedback on how to improve the experience for our customers, but we constantly have to prioritise our resources towards meeting new and ever-changing regulatory requirements. No business has unlimited resources for improvements, but we wish we had more so we could do more things like launch solar insights in the Powershop app (see 4.3).

Community Needs:

Powershop runs a grant program called Your Community Energy (YCE) which is funded by our wonderful customers. YCE gives grants to organisations investing in renewable energy or sustainability projects that will have a positive impact on the environment: <https://www.powershop.com.au/your-community-energy/>. Not-for-profit organisations, charities, social enterprises and philanthropic businesses in need of support can apply for funding to help them with a project that will have a positive physical or social environmental impact.

An area of improvement:

We recognise that all the above play a role in supporting a customer centric culture. But we can always make more time and allocate more resources into digging deeper into our customer feedback data (especially Exit Surveys) to construct initiatives based on actual customer insights that will have a meaningful impact on our customer experience.

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.

Powershop has been leading innovation in the retail market since we launched the retail business in 2014. We were the first retailer with a mobile app and online portal giving customers full transparency over their energy usage and how much it costs them in close to real time (making their smart meter data, or energy reads data available to them in an easy to digest format).

However, the energy market has changed dramatically since our humble beginnings and what customers need and what is impacting the industry is very different to the pressures facing them five years ago. So we have continued to innovate, with two key examples being:

1. Our consumer demand response program

In 2017, the MEA Group was awarded funding from the Australian Renewable Energy Agency (ARENA) to participate in a three-year program trialing the concept of consumer demand response. At Powershop this program is called Curb Your Power (CYP) and Victorian customers can join the program and voluntarily lower their energy usage when required, for example when the supply of electricity from the market is low and/or demand is high. We let customers who opt-in know when this is happening (which is most often on very hot days in summer), and we reward them for participating.

We had almost 20,000 Powershop customers registered for CYP by its second year (2018). To make sure that we were continuously improving the program we partnered with the Behavioural Insights Team (BIT), a behavioural science consultancy, to help us make our second season of the trial even more successful through a Randomised Control Trial (RCT). The learnings and outcomes of which have been published and shared with ARENA for others to learn from.

The BIT report on CYP can be found here: www.arena.gov.au/knowledge-bank/applying-behavioural-insights-to-powershops-curb-your-power-program.

Going into our third year, we are participating in Energy Insights Forums organised by ARENA (most recently sending panel members to speak at both the Generation and Retailer streams) and reviewing the CYP program based on the RCT findings. Proving demand response as a viable concept for residential and small business energy consumers will have a massive contribution to the improvement of the Australian energy market, ensuring it's got a brighter and cleaner future.

2. Working together with the University of Melbourne:

We also have a relationship with the University of Melbourne who we work together with as part of the Melbourne Energy Institute (MEI) Network. This involves:

- MEA staff voluntarily speaking at educational events;
- sponsorship of the MEI Network, including being a founding partner of the yearly Energy Hack where students and young professionals get together to solve energy issues and compete for big prizes; and
- staff acting as mentors and volunteers at the yearly Energy Hack – sharing our knowledge, ideas and relevant data with students.

Powershop also has a regular hosting arrangement for energy PhD students within our office, providing a space for them to work on projects to support their study and development.

Right now, we have two students from the University of Melbourne working with our team on developing innovative techniques to improve 5 minute ahead, unconstrained intermittent generation forecasts for our wind farms (we know it's a mouthful). The project will develop a real-time wind forecasting system, which will optimise information from a number of data sources and forecast models. Both proven and yet to be developed techniques will be used to provide 5 minute ahead self-forecasts to AEMO for the Mt Mercer and Mt Millar wind farms to allow AEMO to better understand how much energy will be produced in order to better balance electricity supply with demand in real time across the NEM. The learnings here will be shared with ARENA and will benefit wind generators across the market.

For further information please visit: www.arena.gov.au/projects/wind-forecasting-demonstration-project.

Principle 2: 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.

One of the benefits of being both a generation and retail business is that all parts of our business operate as a whole for our customers. As a business, the MEA Group has an interest in growing our retail position so that we can continue our ambition to invest in more renewable generation in

Australia. The best way to grow our retail business is to ensure we can provide customers fair and transparent product offerings. The two elements of our business are closely linked.

Investing in renewables to save customers money:

As a business we aim to generate more renewable energy into the grid than our customers use at an aggregate level. In 2018, we put into action two big initiatives to this effect and to benefit our customers. They were the:

- acquisition of three existing hydro power stations in NSW (including one at Hume Dam); and
- entry into power purchase agreements (PPAs) with two new renewable generators.

While we can't get this renewable energy straight to our customers power points, we can get it into the grid and it helps benefit our customers hip pockets in these ways:

- Expanding our asset portfolio to be more balanced allows us to more effectively (with greater cost efficiencies) manage risk in the wholesale market.
- The PPAs not only assisted in secured funding for more renewable energy assets to be built but also mean we have secured the purchase of renewable energy which will provide long term cost benefits to our customers.

Together these initiatives allowed us to pass on a price drop to our Victorian customers almost immediately (March 2018) and also allowed us to hold our prices for customers in all states as steady as possible.

Other than the cost benefits for customers, we want to contribute to a renewable future for our community and all Australians, so this was a no-brainer.

Smart meters to give customers control of their energy:

On the retail side of the business we're constantly investing in ways to improve our customer's experience. A simple but effective example of this is our smart meter offer which has been available since 2015.

While smart meters were rolled out in a compulsory government scheme in Victoria, smart meter installations are retailer-led in NSW, QLD and SA.

Powershop offers a free standard smart meter installation to all our customers in NSW, QLD and SA. We regularly run campaigns encouraging customers to organise an installation. In August 2018, we launched solar insights in the Powershop app and used it as a chance to get in touch with a group of our solar customers who didn't have a smart meter to get them to arrange an installation, ensuring they get access to the solar insights we offer in their Powershop app: <https://www.powershop.com.au/help-centre/power-pointers/power-pointers-solar-insights/>

Having a smart meter makes a big difference to an energy consumer. It means:

- No estimated bills – with a smart meter a retailer receives a customer's usage data once a day (for the previous day) so their bills are more accurate and up to date. For customers without a smart meter, their meter has to be manually read by their distributor or meter provider generally every three months. This means that a customer's monthly bill can be based on an estimate of their usage for part or all of their billing period. This can cause confusion, bill shock, and is a terrible customer experience.
- For Powershop customers in particular, having a smart meter means they get the most out of the usage tools in the Powershop app and online portal. Seeing their usage in half hourly increments allows customers to know when they're using energy so they can make changes to use less (and therefore pay less).

Investing in our team:

The most important investment we make as a business is our staff, so hiring team members who have a commitment to the customer is a priority. We've got a 'customer at the centre' culture thanks to our team and this manifests in continuous improvements to the customer experience. We provide training for our customer teams to empower them to provide 'surprise and delight' moments, like sending flowers to customers who call to change their name because they've recently been married. These kinds of small actions add up; we have a 93% average customer satisfaction rating thanks to our wonderful front-line staff.

An area of improvement:

In the past, we have experienced some logistical and communications issues working with distributors and metering providers that have impacted the smart meter installation timeframe and experience for our customers. We want to improve this experience by working better with industry and rule makers to improve the efficiency of smart meter installations.

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.

Prior to September 2018, Powershop had one energy deal that customers could sign up to; the deal offered customers access to all our usage tools, the app, and the Powershop Shop which is a unique way to pay for power. Customers buy Powerpacks – discounted packs of power – which are used against their monthly bill. Different packs offer different features and benefits, such as the Mega Pack which offers a discount for paying in bulk, or Future Packs, which give customers savings for buying power in the future.

This experience (which we call Shopper) encourages customers to become really engaged with their energy usage and how much it's costing, which we see as a way to allow customers to get full transparency over their energy bills. But it's not for everyone and we had feedback from some customers who didn't like this engagement-led model, so about a year ago we launched PowershopLITE.

PowershopLITE customers get all the great benefits that Shopper customers do (usage tools and the app), just without the shop element. Instead they get a simple bill debited monthly. We introduced this low-engagement option because some of our customers told us they wanted it. ¹

Since introducing PowershopLITE, we have launched a number of new offers into the market to best meet the needs of new and current customers. We are trialing a 'Secure' energy contract for customers who prefer the security of locked-in rates for an extended period, and most recently an electric vehicle tariff designed to reduce costs for customers with an electric vehicle.

Ensuring that our customers are on the right deal for them isn't limited to the time they sign up though. We try to recognise when a customer might not be happy with the deal they're on and take steps to change it. If we receive a response to an NPS survey which sounds like the customer's not 100% happy, we give them a ring to help answer any concerns and, in some cases, to let them know what other options are available.

An area of improvement:

Our challenge is to come up with ways to effectively recognise when a customer may not be on the right deal for them. Right now we have a dedicated member of our customer team who goes through all our customer feedback and reaches out to those who might be happier on a different offer, but as we grow as a business we will need more automated ways to achieve this, and ideally before the customer has to tell us themselves.

2.3 Work cooperatively across the supply chain and with other stakeholders to improve affordability over the short and long term.

¹ Of the 2,455 customers surveyed since 2017 who provided a score of 0-6 (out of 10) and provided commentary on why they provided this score, 952 pieces of the feedback related to 'Billing' or 'Experience'.

Since acquiring our hydro-electric assets (see 2.1), we have been working closely with the Murray-Darling Basin Authority and Water NSW on better ways to manage water release requirements while generating renewable energy for Australians. The benefit of this collaboration was demonstrated during heat wave conditions in January when we were able to generate up to 20% more from Hume Power Station during peak demand periods and up to 50% more from Burrinjuck Power Station, while meeting the requirements of downstream water users. More flexible utilisation of existing electricity generation can help to support the transition to renewable generation at a much lower cost than new-build infrastructure.

In our retail business we have been working closely with our colleagues at Energex on an innovative solar sharing solution to bring solar energy to renters and home owners and encourage the uptake of rooftop solar, through two new innovative products called 'SunYield' and 'StoddartPay'. This project has been co-developed by Stoddart Energy and Powershop in conjunction with Reposit Power and Metropolis Metering Services.

Not only does this project allow consumers (renters) to benefit from solar panels without direct investment, there are also indirect cost reductions for other stakeholders. The new connection process was reconstructed for this project which provided builders with site power from the meter within weeks of starting construction. Typically, a builder wouldn't have power from the meter until month three meaning the builder is required to hire a diesel generator which is expensive and dirty. Providing site power from the meter early reduces the demand for onsite generators lowering costs and limiting the use of fossil fuels.

As at June 2019, there were hundreds of active SunYield and StoddartPay sites with installed rooftop solar, which would not have been possible without the collaboration between multiple stakeholders across the electricity supply chain.

For further information on these projects please visit:

- SunYield: www.sunyield.com.au
- StoddartPay: www.powershop.com.au/stoddartpay

An area of improvement:

As mentioned in 2.1 we have a great opportunity to refine the smart meter program for our customers. Given this program involves our retail arm, distributors and metering providers, it's a clear demonstration of working cooperatively across the supply chain. Improvement of this process would ideally lead to a greater uptake in smart meters, which will enhance customer transparency with accurate usage data. Greater understanding will ideally result in behavioural changes to how our customers save more on their bills.

2.4 Innovate to deliver competitive energy solutions for business and residential customers.

For residential customers, the product innovation summarised in 2.2 highlights how Powershop has been innovating to try and bring more competitive offers to customers based on what suits them – that is, how they want to engage with us, how they want to pay for their energy and how long they want to stay with us. In section 2.1, we demonstrated how the work we do in the generation and energy risk management sides of our business helps keep our retail prices as low as possible.

For businesses in particular, to help them better manage their energy costs, Powershop's business team has built the ability to provide customised offers to better suit their energy load and usage behaviours. This approach is offered to businesses of all sizes (not just commercial and industrial or multi-site). Given the volatile wholesale environment over the past few years, Powershop has also experimented with different contract lengths and the ability to offer fixed or variable rates for business customers. By providing this dedicated service, we've been able to offer more appropriate rates for different customers rather than just a flat rate, meaning savings for our customers.

We've also found that by giving customers control over their energy – via transparency and data – we're able to help them find additional ways to save.

2.5 Advocate on behalf of customers to improve energy affordability through engagement in regulatory and policy processes.

MEA Group is a supporter of competitive retail markets and a transition to a decarbonised energy system. Throughout our history we have challenged government and regulators to allow innovation through clear and simple rules designed to promote competition while protecting customers, and advocated for a more streamlined regulatory process to reduce operational costs. For example, when the Renewable Energy Target was under review by the Abbot government, MEA Group advocated strongly for it to remain in place to help industry transition to a decarbonised energy system.

MEA Group have made a number of submissions supporting changes that make it easier and less confusing for customers to engage in the market, some examples are:

- AER's 'Draft Benefit Change Notice Guidelines' consultation where we supported the concept of retailers stipulating a 'do nothing amount' in benefit change notices to help customer make an informed decision; and
- ESC's 'Building Trust Through New Entitlements in the Retail Energy Market' consultation we supported the introduction of retailers being required to put their best generally available market offer on the bill. We also went a step further and encouraged the ESC to consider including win-back and retention offers as generally available so they could be presented to the customer as the best offer on their bill, prior to the customer going to the effort of switching.

In all of our submissions the MEA Group encourages harmonisation between the National Energy Customer Framework (NECF) and Victorian Energy Retail Code. Different jurisdictional regulatory requirements add unnecessary complexity to the market and increases retailers' cost-to-serve.

MEA Group will often speak to the media to try and drive customer education around the importance of understanding energy bills and whether customers on the best offer. For example, Powershop commissioned market research this year to determine Australians' understanding of the importance of understanding their energy bills and shopping around for the best deal. Ed McManus (previous CEO MEA Group) was then quoted in the Herald Sun saying "Inertia could be hitting customers' hip pockets hard and they should be reviewing their deals annually."²

This is just an example of the MEA Group team working hard to ensure customers are hearing advice and education through the media that helps them ultimately save money and make the right decisions when it comes to their energy.

Principle 3: We will provide energy safely, sustainably and reliably

3.1 Maintain the highest standards of safety for its people, the community and the environment.

The physical and mental safety of our team is the most important part of our business. Ensuring the highest standards of safety ensures that we are looking after ourselves, our customers, our partners, our communities and the planet.

MEA Group has a number of health and safety initiatives across all of its sites in both generation and retail. Some of these initiatives are:

- we report to our board on health and safety in our monthly board meetings and management reviews;
- in the 2019 financial year we saw:

² Elsworth, S., "This energy bill trap could be catching you out", *Herald Sun*, 3 June 2019

- Lost time injury frequency rate and total recordable injury frequency rate of 0;
- 1 reportable incident occurred on one of our generation sites; and
- No material environmental incidents.
- in depth safety training program for all generation personnel;
- drug and alcohol testing program across all sites, including head office;
- detailed health and safety audit program;
- we have majority of staff trained in first aid (the training is open to all staff);
- safety moments are called out at team huddles (which occur twice a week) and tool box meetings to ensure everyone is constantly aware of safety related issues;
- site safety induction processes are mandatory for all visitors across all sites, including office locations;
- employee safety program (including travel, flu vaccinations, skin checks);
- emergency SMS communications system established for critical incidents near sites;
- all incidents are reported to the Safety Manager for documentation;
- safety, wellness & sustainability commitment across all sites;
- mental health program run for all staff called 'Healthy Minds';
- Employee Assistance Program free to all staff and families 24/7;
- Domestic Violence Leave Policy; and a
- dedicated OH&S officer for people 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.

As a business we always prioritise engaging our community in any projects we are doing.

Engaging communities with Hepburn Wind:

A great example of this is our ongoing relationship with Hepburn Wind, which is Australia's first community owned wind farm. MEA Group provides maintenance management and energy market support for the wind farm, providing our expertise and networks to support its success. This allows the two wind turbines (named Gale and Gusto) at Leonard's Hill in Victoria to generate enough clean energy to power over 2,000³ homes. For further information on the Hepburn Wind project please visit: www.hepburnwind.com.au.

Engaging communities for a zero-carbon future:

The MEA Group has community partnerships with organisations such as the Australian Energy Foundation (formerly Moreland Energy Foundation) through their Positive Charge program. The Positive Charge program exists to support communities transitioning to a zero-carbon future, with energy saving advice, services and products for households, businesses, schools and community groups. For more information on the MEF program, please visit: www.powershop.com.au/p/positive-charge-and-powershop.

An area of improvement:

We want to get better at sharing our knowledge and learnings from our work across various projects and initiatives, such as, with the community and other stakeholders that could benefit. Sharing our knowledge and learnings will help develop and grow customer-based projects and better outcomes for the community and the planet, as demonstrated by our work on demand response with the BIT team and ARENA (see 1.5).

3.3 Develop business strategy and manage operations to respond to the shift to a cleaner energy system that is already underway.

Supporting the shift to a cleaner energy system is at the centre of our business strategy and operations:

- We are in a unique position as our generation portfolio is 100% renewable energy and our stated corporate mission is a cleaner and fairer future for all.

³ Based on average residential household usage of 5MWh p.a.

- The MEA Group and its parent company Meridian Energy Limited are renewable energy generators with no fossil fuel assets, and our ambition to ensuring our renewable generation volume is above our customer load (see 2.1) means the stronger our retail business, the more renewable generation we will hopefully need to meet the retail demand.
- When the Renewable Energy Target was under review by the Abbott government, MEA Group advocated strongly for it to remain in place to help industry transition to a decarbonised energy system.
- In the 2014-15 financial year MEA Group made the decision to accredit our business as carbon neutral under the Federal Governments National Carbon Offset Standard. MEA Group obtained two accreditations:
 - an 'Organisation' accreditation for our corporate activities (e.g. office electricity usage, flights, taxi's etc.), which reiterates our business' and employee's commitment to reducing our impact on the planet; and
 - a 'Product/Service' accreditation for Powershop's retail electricity product. Then in 2018, when Powershop started retailing gas in Victoria, we obtained accreditation for our retail gas product. This was a strategic decision as we can't control which energy is delivered to our customers' homes or businesses, but at least we can help them limit their impact on the planet. This carbon offsetting is done at no extra cost to our customers and does not require them to opt-in.
- Powershop has been ranked Australia's greenest power retailer since 2014. The rankings are decided by Greenpeace and the Total Environment Centre against a number of criteria including emissions, decarbonisation, fossil fuels and transparency. While we don't do any work in pursuit of awards or accolades, the Greenpeace ranking is one way to see how retailers are performing in an environmentally responsible manner. Read more here: <https://www.greenelectricityguide.org.au/>
- We work with our partners to carbon offset major events, most recently the 2019 Sydney Gay and Lesbian Mardi Gras, and our most recent Powershop brand campaign (<https://mumbrella.com.au/powershop-and-white-grey-launch-australian-first-carbon-offset-campaign-597165>).
- Historically, we have facilitated investment in small scale renewable energy development through our Your Community Energy program which provides grants to community organisations building renewables to help their community. The project has now expanded to include any project that has a positive environmental impact.
- Powershop customers can choose to purchase GreenPower when they pay for their power, a government accredited program helping investment in renewable development in Australia.
- We provide lots of educational content on our website for customers to help them understand how as a retailer and a consumer we can help in Australia's cleaner energy future. See some of this content here: <https://www.powershop.com.au/blog/category/green-initiatives-and-renewables/>

3.4 Work with government, other energy businesses, and the community and industry bodies to develop a planned transition to a cleaner energy system.

One of the key reasons we joined the Energy Charter is to better work together to find more ways to support each business across the supply chain.

We know that collaboration works. For example, without working closely with Energex and other partners we would not have been able to launch the innovative solar products, SunYield and StoddartPay (see 2.3). Thanks to our relationship with these industry bodies and a lot of hard work on both sides we have been able to launch a product to encourage the uptake of rooftop solar on new build properties to benefit both renters and home owners, reducing their dependence on the grid and traditional energy sources.

We've also had positive experiences working with innovative start-ups, using our knowledge and networks to help them bring their products and services to a wider community. Grid Impact is a good example of working with a super innovative and unique start-up from Canberra who have created an incredibly impressive piece of technology that has allowed us to launch a Virtual Power Plant – customers with a solar battery and the Reposit technology can earn GridCredits®, which are payments for letting Powershop activate their solar batteries at certain times.

An area of improvement:

We see the Energy Charter as a key channel for us to work more collaboratively with other energy businesses and community groups to navigate the way to a cleaner energy system. As the results come to light and our disclosure draws attention to further areas for improvement across the supply chain, we have an opportunity to work together to 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.

As part of our business strategy for a cleaner energy future, we facilitate new services and technologies to support sustainable solutions for the changing market.

Here are some examples of the new services and technologies we have, or are investing in and facilitating, for the changing market:

- Charge Force – Powershop's Virtual Power Plant (VPP), customers with batteries are virtually connected with other participating customers and 'activated' when the cost of electricity spikes or when demand is high. Read more: <https://www.powershop.com.au/p/chargeforce/>
- Grid Impact – a dedicated plan for customers with Reposit technology that allows them to earn GridCredits®, which are payments for letting Powershop activate their batteries at certain times. Read more: <https://www.powershop.com.au/join-grid-impact/>
- SunYield/StoddartPay – Innovative solar sharing solution bringing rooftop solar and its benefits to both renters and home owners in new build properties (see 2.3 and 3.4).
- Your Community Energy – Powershop's grant program funded by our wonderful customers, that gives grants to organisations investing in renewable energy or sustainability projects that will have a positive impact on the environment: <https://www.powershop.com.au/your-community-energy/>
- Your Neighbourhood Solar – was a way for Powershop customers to support their neighbours with solar by paying a little bit extra for their energy which is then pooled and redistributed to solar customers in their neighbourhood. Read more: <https://www.powershop.com.au/blog/your-neighbourhood-solar/>
- Curb Your Power – Powershop's demand response program, where customers can help reduce demand on the grid by curbing their power usage at certain peak demand times (and be rewarded for it).
- Better Solar – a solar advisory service for customers (and non-customers, we don't discriminate!), where Powershop puts them in touch with solar installers with the best reputations to take the stress out of looking for an installer.
- Electric Vehicle tariff – a dedicated offer for customers with an electric vehicle featuring a super off-peak overnight tariff to make charging cheaper: <https://www.powershop.com.au/electric-vehicle-tariff/>
- Providing the Powershop app and online tools to give customers' insights into their own energy usage to allow them to make educated decisions on their energy usage (including appliances).

3.6 Implement solutions across the supply chain:

- **that support energy connection, service and reliability that meets customers' needs.**
- **to resolve service issues that impact customers and the community.**

MEA Group representatives, including the CEO, aim to meet regularly with Ombudsmen and regulators in each state to report back on findings, trends appearing in the market, upcoming

changes and their potential customer impacts and work together for better outcomes. We believe a key outcome here is that by working together and sharing information we can help the Ombudsman assist customers and share insights and learnings to benefit customers and communities.

Powershop's operations team has regular monthly meetings with most distributors in Victoria to work through any operational issues relating to connections, service and reliability with the aim of working together for better outcomes for the customer and the community.

An example of a challenge that we have overcome through collaboration with United Energy is where a business customer of ours had recently started operations onsite, but due to a mix-up with their electrician they were running their business off the builders' temporary supply. Due to the limited amount of electricity that can be consumed through the temporary supply the customer was running a diesel generator which was costing them a lot of money per day. As soon as the customer reached out to us and explained what had happened onsite and that they were stuck using a generator until their electrician rectified the issue, Powershop immediately escalated the issue to United Energy who engaged their own contractors and by the afternoon of the same day, the customer had electricity running and the site correctly metered for the amount of electricity they used.

We know that the best and only way to ensure connection and service reliability is to tackle any issues by working side by side with stakeholders across the supply chain.

Principle 4: 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.

The way we enable customers to get fair outcomes regardless of their ability or desire to participate in the energy market is to listen to them.

Listening to customers to provide better outcomes:

We have processes in place so we're constantly receiving and acting on customer feedback (4.3). We send a daily NPS survey, an exit survey for all customers leaving us, regularly commission external market research and we make sure our non-customer facing staff spend time phone-jacking (listening in) to one of the Customer Team on the phone with our customers. Staying close to the customer is really important to understanding what their ideal experience is.

Importantly, to listen to customers we have to ensure they have plenty of ways to get in touch with us. We know not everyone wants to (or is able to) make a phone call. Customers can reach us via phone, email, mail and social media. A few months ago we also launched Live Chat on our website for those customers who prefer that type of communication. We also have a comprehensive self-help section on our website for customers to find information in their own time.

In 2.2 we summarised how we launched PowershopLITE in direct response to feedback from customers that they do not want to engage, and therefore the original Powershop 'Shopper' model was not appropriate for them. As we grow as a business and as the industry and market continues to change (with more new regulations, a shift in energy sources etc.) we will continue to listen to our customers to make sure that the experiences and outcomes we're offering them are meeting their expectations.

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**
- c) streamlining access to, and portability of, customer energy data.**

Powershop has always been about empowering energy customers. Our first Powershop brand tagline was 'power to the people' and our online usage tools, energy usage heatmap (showing

30min usage) and app are specifically designed to empower users to take control of their energy usage by giving them the knowledge to do so.

Keeping communications clear to empower customers:

We have always championed clear language in our customer communications. We never use industry jargon (except where regulations require us to), confusing product constructions, or confusing advertising (for example, we do not have or advertise confusing discount structures). The Powershop blog and website are filled with content trying to demystify energy concepts (such as carbon offsetting, how the energy market works, the process involved in switching retailers) and much more.

Powershop also empowers our Customer Team to provide the same level of jargon-free, clear and accessible assistance in all their communications with customers. We provide 'Health Check' training to the team; whenever an agent is speaking to a customer for any reason they do a quick health check on the customer's account to make sure they're getting the best out of Powershop. For example, if a customer doesn't have the app downloaded we might suggest getting it to help with monitoring usage data, or if we can see the customer's concession card is about to expire we'll remind the customer they'll need to send us the new details once they have the new card.

Knowledge is power:

Since launch, Powershop customers have had access to their energy usage data via our app or online portal. Customers can see, in easy to understand graphs, how much energy they are using in 30-minute increments. This data can also be downloaded and there's a brief overview of these tools here: <https://www.powershop.com.au/blog/usage-heatmap-can-tell-you/>

Customers can set up alerts to remind themselves to grab some pre-purchased power (if that's the way they like to pay) rather than relying on us to send their bill every month. For customers without a smart meter, they can enter self-reads whenever they like (well before recent rule changes made it mandatory) and we encourage them to take advantage of our free standard smart meter installation offer (see 2.1) so they can get even more out of their Powershop experience.

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.

Powershop introduced the 'PowershopLITE' product (see 2.2) in response to feedback from some customers that our original engagement model (called Shopper) felt "time-consuming". We designed this new product in response to customers' needs and preferences.

Around the same time, we also made changes to our Shopper product to reduce confusion and simplify their experience. Our weekly exit survey to customers leaving us told us that around 10% of them indicated that our billing system was the main reason they were leaving, so we initiated a project to improve the experience by simplifying the discount structure. This change resulted in around a 40% decrease in 'I don't like Powershop's billing system' as the main reason for leaving.

Solar insights in the Powershop app:

Powershop continually analyses feedback trends to identify common issues, and looks to implement improvements in website content, app and account features to improve customer experience. We launched our 'Solar Insights' tab on the Powershop mobile app in August 2018 (<https://www.powershop.com.au/blog/solar-energy-insights-in-the-app/>). Our solar customers had been crying out for the solar tools available to them in their desktop account to be available in the mobile app, so we developed a solution to this feedback. We would've like to do this earlier, but development resources are often tied up meeting new regulatory requirements, changes in industry operations or other changes that we're required to prioritise so we can continue to operate as a retailer.

Powershop's challenge now is to continue to reduce confusion and improve customer experience while operating in a forever changing regulatory and political environment, and meeting any other industry changes that will impact how we operate our business in the future.

Introducing the Power Panel:

Inspired by some early conversations in the Energy Charter process, we have recently convened a 'Power Panel.' The Power Panel is a group of Powershop customers who volunteer to participate in surveys, focus groups and other fun customer stuff to help us understand what our customers want and whether our solutions are right. These customers will eventually help us understand our customer's needs and preferences so we can utilise these insights for product design, understanding whether industry rules are working for customers, and whether government policy is working on behalf of the community. Read more about the Power Panel: <https://www.powershop.com.au/join-the-powershop-power-panel/>

An area of improvement:

We want to further refine and update our app and back-end system to help remove human error (where possible). While our customer service team is on the ball, there have been some circumstances where - due to human error - we've missed or got connection/disconnection dates wrong. Although we own these mistakes as best we can (we set the customer up in a hotel, pay for any expenses as a result of the error, and comply with regulatory reporting), we know some development improvements could help reduce the risk of these experiences occurring and improve the connection/disconnection process for customers.

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.

Powershop has an effective dispute resolution process available on our website for all customers to access should they need it. When a customer wishes to make a complaint, Powershop ensures that the complaint is escalated to a Customer Team member with the experience and responsibility to resolve the customer's concerns at the first point of contact. Where a customer makes a complaint to the Ombudsman, Powershop's success rate for resolving the electricity complaint at the referral stage in Victoria was over 80% for FY18/19. For gas complaints, the resolve rate at the referral stage was over 90% for FY18/19.

We also proactively contact customers who provide a low score in response to our NPS survey, or those who it's obvious may not be having the best experience as a customer. Out of the 4,565 NPS surveys responded to between 1 January 2019 and 30 June 2019, we have contacted approximately 800 customers. Here's an example: Sally (not their real name) ranked us a 6 (not a great score but not terrible) for whether she'd recommend us to friends and family and commented "I don't completely understand the billing and how much I am paying and why it varies". Claudia (also not her real name), our dedicated NPS team member, gave Sally a call to help her understand how the billing works, why the cost varies and assured her she's getting the most out of Powershop. Sally is still a customer today. Our customer contact system also provides Claudia the ability to set a reminder to check back in with Sally in the future to ensure things are actually clear and on track.

We have an NPS dashboard on a TV screen in the middle of our office and contact centre which shows how we're tracking for the rolling 30-day period and a live feed of customer comments as they come in, so that every member of staff is engaged with what our customers are saying. This encourages the same proactive responses from our team in the office that is demonstrated by Claudia in our Customer Team on a daily basis.

Having an effective dispute resolution policy is important, but at Powershop we'd prefer to prevent customers needing to use it where possible. Staff training, effective feedback processes and a customer-centric culture all help our team achieve this.

Please refer to Appendix 1 for a summary table of the survey response for the reporting period.

An area of improvement:

Staff from both offices (our head office in Melbourne and our customer contact centre in Masterton, New Zealand) travel across the Tasman each month to share experiences, run

training sessions and ensure there's a company-wide focus on continual improvement. Looking forward, the trips to Melbourne will coincide with any training sessions that the Ombudsman runs for scheme participants - meaning that customer service agents meet face-to-face with external dispute resolution schemes. In addition, we will look to ensure that New Zealand staff dials in to any webinars that state schemes are running to ensure that their dispute resolution skills continue to develop.

Principle 5: 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.

We understand how stressful it must be for customers at risk of vulnerability and facing hardship. As a business we're focused on early intervention and have processes in place to promote early customer engagement, which include:

- Contacting customers within a few days of a missed bill in order to discuss payment options and, if required, offer payment arrangements and other payment related assistance;
- Ensuring that the customer is on a market offer which best suits them. This happens regardless of whether they are facing payment difficulties but is even more important in such scenarios;
- Proactively contacting customers to provide advice and payment assistance in the event that a customer's usage is significantly above expected or historical levels;
- Powershop's unique mobile app which allows customers to break up the payment of their bills on their own terms (a customer can pay daily if it helps them budget); and
- Dedicated 'Payment Help' pages available on our website which detail how customers can access payment assistance: <https://www.powershop.com.au/payment-help/>.

Importantly, we have a dedicated team to help customers manage any payment difficulties. Our aim by having the customer speak to a dedicated team is that the customer is placed on an arrangement which is not only affordable given the customer's individual circumstances but also does not allow the outstanding balance of the account to grow unnecessarily causing potential hardship in the future.

5.2 Provide products and services that are tailored to customers facing vulnerable circumstances and support them to get back on track.

We know that things happen that can make paying your energy bills really hard, so we have products, services and processes (see 5.1) available to customers facing vulnerable circumstances to help get them back on track, and ideally prevent them from falling into hardship.

Powershop have different market offers available to all customers depending on their needs and preferences and we provide appropriate advice and assistance based on each customer's individual circumstances.

An area of improvement:

Our aim is to further expand the products and services that we provide to customers facing payment difficulties beyond what we already provide to ensure that customers experiencing hardship and vulnerability have the option to move onto a product specifically designed for their circumstances.

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.

Powershop has a dedicated team to help customers manage any payment difficulties (see 5.1). Our aim is to speak with customers on an individual basis to provide appropriate support and advice depending on their circumstances. Payment assistance and support has one primary goal which is to ensure that customers can afford their energy bills and ensure they do not fall deeper into debt causing more hardship in the future.

Importantly, there is no requirement on the customer to provide sensitive information or proof of their circumstances in order to access any payment assistance measures that Powershop provide.

To reduce barriers and encourage people to get in touch, we provide the following:

- the customer can make contact through a representative, with the customer's consent;
- translator and relay services on the phone and online – including a translation option on our website with 14 language options available; and
- various contact channels including phone, email, social media and Live Chat.

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.

Powershop is looking to expand its collaboration with community service organisations to help our front-line staff develop their skills and ensure we are doing all we can to assist customers in the most seamless and proactive way possible.

An area of improvement:

Over the coming months Powershop will aim to be working with community services and government to develop our Family Violence Policy.

More broadly we will also be looking to become involved with organisations such as Thriving Communities and Kildonan in order to improve and expand the services and support that we provide customers facing payment difficulties.

Declaration

To the best of my knowledge, the information provided in this Annual Accountability Disclosure Report is true and correct and meets the requirements of MEA Group's reporting requirements as a signatory to the Energy Charter.

Signature:



Catherine Anderson
Interim Chief Executive Officer
Meridian Energy Australia & Powershop Australia

Appendix 1 – Net Promoter Score (NPS) Summary: 1 Jan 2019 – 30 Jun 2019

Average NPS Score during this time period: +53.5

Score	Count	%
Detractors (0-6)	569	12%
Passive (7-8)	983	22%
Promoters (9-10)	3,013	66%
Total	4,565	100%

Appendix 2 – Energy Charter Friday Session: Meridian Energy Australia and Powershop Brainstorm Session

At MEA we run regular Friday afternoon sessions, where the whole team squeezes into the boardroom for a workshop about a certain topic or general training. To harness the collective knowledge of the business (generation, wholesale and retail) we ran a Friday session on the Energy Charter with the objectives being:

- Get the team across what the Energy Charter is and why it's important that we're involved;
- Find out what we do well in respect of each principles and principles in action;
- What we could do better; and
- Ideas on how to improve our outcomes against each principle.

In the table below, we have captured the high-level feedback and questions from the team. Where possible the MEA Group will look at initiatives to address this feedback, and we will consider where we can improve on existing initiatives. Any actions taken will be reported on in future Energy Charter reporting periods.

Principle	Feedback: Ideas & further questions
1. We will put customers at the centre of our business and the energy system	<ul style="list-style-type: none"> Education: Putting customers in the centre by informing them on how the industry works, so they understand our company's role in the energy supply chain and how we work with other organisations and groups. Accountability: <ul style="list-style-type: none"> Are management operationally accountable for customer experience? What more could be done? How engaged is the Board in the Australian business culture? Incentive alignment: Ensure areas of the business are incentivised around positive customer outcomes, not just customer facing people. Advocacy: Could we be doing more joint advocacy?
2. We will improve energy affordability for customers	<ul style="list-style-type: none"> Product: What other products can we bring to market that might help customers save? Collaboration: Work with distributors to get better information for customers (for example for guaranteed service level payments). Collaboration: Work with third- parties to provide and identify opportunities for energy efficient appliances. Collaboration: Volunteer to help with external research projects.

3. We will provide energy safely, sustainably and reliably	<ul style="list-style-type: none"> ● Collaboration: Monitor our own supply chain sustainability and make improvements where possible. ● Community: Ongoing support of community energy projects. ● Education: Help our customers to transition away from gas. ● Product: Electric vehicle support in tariffs and charging infrastructure. ● Company policy: Build/ buy more renewable generation. ● Product: support the uptake of solar and batteries through bespoke products. ● Education: Help customers better understand their solar. ● Education: Help customers understand the importance of insulation and the support/ incentives available for better insulation. ● Product: Continue to grow and refine demand response.
4. We will improve the customer experience	<ul style="list-style-type: none"> ● Education: Provide information to customers who don't want to engage about the availability of Powershop LITE. ● Marketing: Further promote Powershop's smart meter program to basic metered customers. ● Technology: Continue to develop Powershop's customer facing technology (Powershop app and online portal). ● Education: Teach our community about things that contribute to emissions (for example, waste, water, energy usage etc). ● Billing: Should paper bills be an option? ● Technology: Focus on usage data and provide tariff optimisation. ● Billing: Quarterly billing options. ● Technology: Further APIs for data?
5. Supporting vulnerable customers	<ul style="list-style-type: none"> ● Billing: Create better payment arrangements ● Better promote 'LITE' ● Explore more 'secure/lock-in rate offers to give customers certainty. ● Collaboration: Energy efficiency information and appliance replacement programs for vulnerable customers. ● Collaboration: Work with organisations such as Thriving Communities and Kildonan. ● Collaboration: Distribution networks and generators contribute to debt customer reduction activities to reduce the burden on retailers while helping customers.

Appendix 3 – Powershop Customer Feedback: Random collection of feedback from Powershop customers during FY18/19

The following feedback has been randomly taken from NPS responses received during the 2018/19 financial year. We've included it as an example of some of the customer feedback that we watch on a daily basis to show what customers say about us – the good, the bad and the in-between. As mentioned in our report, the live feed of this commentary is on a screen in the center of our office. We have taken the comments below verbatim from our NPS tool and so haven't cleaned up any of the grammar or spelling, so please excuse the errors.

Powershop customer feedback

Others are cheaper

Generally, I'm very happy with Powershop supply. The only issue I have is with information overload in the statement. I'm really only interested in how much and when I need to add cash to the account.

I find the service good but accounts hard to understand.
Renewable energy, good app.
A very friendly and responsible power company.
Good price, lots of choices, simple system, transparent.
Quite satisfied so far with Powershop
finding that the pricing so far isn't that much cheaper than with NRG Australia...
Good experience so far but too early to tell
You're expensive
Good price. Some people might find the concept of pre-paying for electricity hard to grasp.
Powershop supports renewables, offsets carbon, but to get the best prices requires active participation by customer, which is not for everyone.
Because it's a renewable energy supplier
Too soon to say for sure. Seems cheap and carbon neutral.
It's not as good a price as it used to be
The billing system confuses me and I get too many emails. I'm never sure when it is due and I feel like I'm paying too much for my tiny unit.
Overall your good on the phone answer questions I have cheaper power then other companies,
Very complicated to understand how much we have paid each month and why, and also to collate at the end of the year for tax (home office).
It took a while to get hooked up and was a bit of a process to get done.
good price and good tracking/online usage data availability. Buy in advance when finances suit.
Convenience
Like the concept. Appears good value. Bonus for referrals.
I would like a reminder 1 week before paying my bill. Buying power bundles is confusing and time consuming
Details of the bill and monitor system
Because I'm enjoying the whole process of more involvement in my power usage- easy to understand- any help I've needed has been readily given with a ph call- I like the buying power options. (I do need to do some comparing- as I was told by an ATA expert that my off peak rate is rather high.) I have spoken about Powershop to many people- unfortunately- none are interested in this interactive model.
so easy to use. the website and phone app make managing my power costs simple
Easy to deal with, lower cost. Same power.
the app is a great way to be engaged with something as mundane as your power usage, and the option to prepay or pay little portions whenever you like is very handy for managing your money
Because I think you have a well-priced structure.
Good pricing, easy to use app, environmentally friendly
Clean, somewhat green and most importantly for supporting renewables!

Too confusing. Far more than I'm used to paying for a much larger property.
Good visibility of power use and cost and easy to manage. Prices are lower as well.
It's simple, transparent and fair. I also like their attitude to environmental sustainability
You are easy to deal with and I love the app
Your greenpower option - and general support and understanding of the climate crisis