

Energy Charter Disclosure Statement 2023-24



Introduction

Our key challenge is to balance affordability with securing existing network capability and reliability and **facilitating new ways our customers want to connect and use our services.**

We are pleased to present Essential Energy's Energy Charter Disclosure Statement, summarising our focus on customer-centricity for the period 1 July 2023 to 30 June 2024.

The energy transition has continued to accelerate through our sixth year as an Energy Charter signatory. To keep pace, we've taken our first steps in applying artificial intelligence and machine learning to our digital twin network modelling, uplifting network visualisation and analytics to better inform investment decisions.

Greater understanding of our distribution network is helping us leverage a range of opportunities to support regional decarbonisation. Right now, we're enabling an unprecedented volume of large-scale renewable generation and storage connections to our high voltage network. Further initiatives to unlock overall capacity and invest in new technologies that improve network performance and flexibility are helping us expedite small and medium-scale connections and maximise solar exports across regional NSW.

We're also working with industry and Government to develop ways to increase the use of consumer energy resources like electric vehicles, rooftop solar and battery storage, and trialling Dynamic Connection Agreements to help customers maximise their solar exports.

These initiatives, coupled with strategically-placed network-owned battery storage, Stand Alone Power Systems (SAPS) and microgrids, are positioning us to deliver modern, reliable, low-cost energy solutions for our customers and progress critical drivers towards achieving *Net Zero by 2050* targets.

To help local communities find out more about the industry's transition, we're offering a series of Future Energy roadshows, beginning in Wagga Wagga in April, followed by Port Macquarie in May and Dubbo in June, and continuing in other centres in 2024-25. Experts from across the business offer insights into the benefits of distribution renewable energy zones, solar connections to the grid, battery storage solutions, SAPS, electric vehicles, and electrification. They also discuss our innovation trials and other initiatives we're exploring to enable a network of the future.

To learn more about our customers' current and emerging needs, our Executive and senior managers are listening to their voices, regularly reviewing random samples of calls received via our Contact Centre. To drive informed service delivery improvements, we're empowering our employees to act on real-time customer feedback received through a new, automated survey methodology.

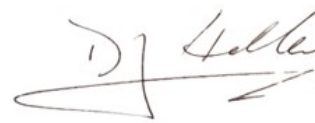
We've also moved to a new customer satisfaction measure that better reflects and helps us understand and respond to changes in customer sentiment. Based on the percentage of satisfied customers, rather than an average, this new measure shows that of more than 41,407 surveys completed in the eight months to 30 June 2024 some 56% of customers were either satisfied or extremely satisfied with their experience across a range of service areas.

Our key challenge is to balance affordability with securing existing network capability and reliability and facilitating new ways our customers want to connect and use our services.

We've worked hard to make every dollar count over the 2019-24 regulatory period, but unfunded costs of changes in licence conditions, COVID-19 impacts (including on the supply chain) and increasing inflation throughout all sectors of the economy have resulted in increases in distribution charges since 2019. These, together with upfront investment in building future network capabilities, have meant that over the past five years typical residential and small business customers have experienced average nominal increases in distribution charges of \$36 and \$135 a year respectively.

Customer perceptions of the value exchange around service delivery, affordability, overall experience and social licence will become increasingly important as we navigate towards a renewable future through a new five-year revenue period commencing in 2024-25. Business-wide customer knowledge and focus and the agility to tailor our services to align with rapidly changing expectations will remain critical success factors.

Insights from our Customer Advocacy Group and Essential People's Panel continue to guide our strategic direction and ensure our operations remain customer focused and equitable. We welcome their review of our 2023-24 disclosure statement.



Doug Halley
Chair



John Cleland
Chief Executive Officer



Acknowledgement of Country: The lands on which we work and live is Country for 48 First Nations. We acknowledge the Traditional Custodians of these lands and their continuing connection to land, water and community, and pay our respects to ancestors and Elders, past and present.

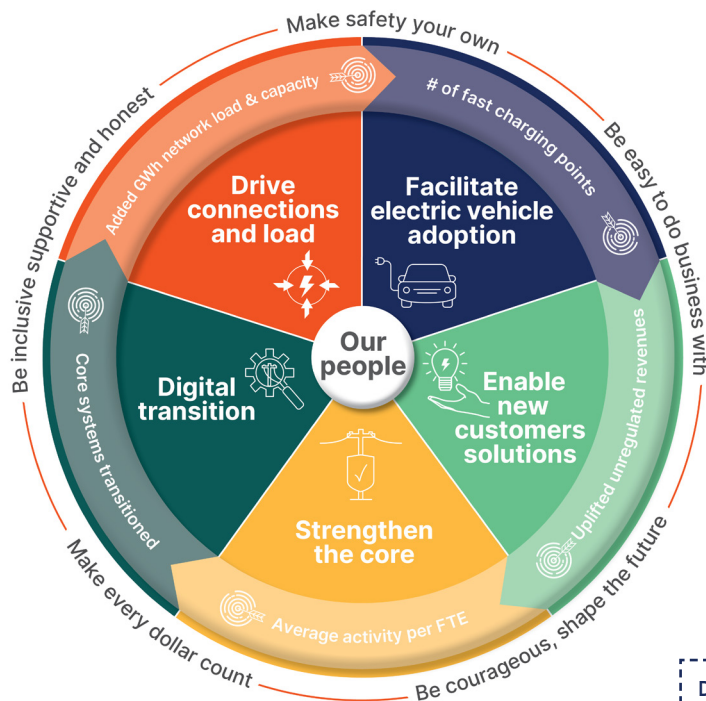
For enquiries about Essential Energy's Energy Charter Disclosure Statement, contact: Mike Cole, Head of Customer, **E: mike.cole@essentialenergy.com.au** **M: 0408 094 719**

Essential Energy distributes electricity to more than 890,000 customer & business premises located in regional, rural & remote communities across 95 per cent of NSW & parts of southern Queensland.

Our corporate drivers

Our values, targets and strategic pillars


Our vision is to empower communities to share and use energy for a better tomorrow...




... and deliver for our customers and our shareholders.

Our customers



2023-24 key highlights

Our customers

Listening and responding to our customers' voices

As part of our Customer Strategy, we're progressively rolling out a Voice of Customer program that helps us actively listen to our customers and capture real-time insights into their experiences across the majority of interactions with Essential Energy, and across multiple communications channels and touch points.

Building on existing surveys of customers who interact with our Contact Centre and Complaints Resolution teams, we're now sending automated satisfaction surveys to customers who experience planned and unplanned outages and interact with us about public lighting and new connections. Satisfaction and dissatisfaction drivers and other key performance metrics are captured in real-time, drillable dashboards that are shared with senior leaders and customer-facing teams in our integrative Elevate program (see Principle 1 Key achievements).

Regular review and consideration of results is ensuring that our decision-makers gain deep insights into customer sentiment and help facilitate faster customer service issues resolution.

Our partners

Information exchange with Accredited Service Providers (ASPs) and electrical contractors

We've expanded our regular forums to update all ASPs and electrical contractors around safety, engineering, network assurance and our connection processes to include a series of Ask us Anything sessions for Level 2 ASPs and electrical contractors. These additional sessions provide opportunities for us to share where to find information on our [website](#) and [Essential Engagement](#), and for participants to ask questions about their projects and offer us ideas on how to streamline the connections process.

We're listening and progressively improving our connections process flow and portal usability.

Strengthening council relationships

We're building relationships with newly-appointed council public lighting managers by offering one-on-one induction meetings to introduce our services and obligations and deliver a supporting information pack.

We're working with council vegetation managers to progressively replace incompatible vegetation growing near powerlines with suitable low-growing species, and finalising Memorandums of Understanding for managing vegetation on council-owned or controlled land in a joint consultative approach that balances community expectations with each organisation's objectives and legislative responsibilities.

Our two dedicated Council Planning Liaisons are working directly with key contacts at each council on current and future planning projects, including joint street-scaping and network improvement synergies.

Genuine two-way discussion is ensuring clear understanding and building productive relationships.

Our stakeholders

Customer Advocacy Group

Our Customer Advocacy Group includes representatives of consumer groups, low-income households, vulnerable customers, senior citizens, people from non-English speaking backgrounds, people with disabilities, residential, small business customers, industrial and commercial customers, primary producers, rural and remote customers and local government.

Our latest annual survey* shows members believe we have further increased our customer-centricity performance, but indicate there is still room for further improvement.

Performance rating	Mean score out of 10
Customer focused: puts customers' needs first	9.2 (↑ 1.0)
Affordable: keeps their costs as low as possible	8.3 (↑ 0.8)
Trustworthy: listens and has customers' interests at heart	9.3 (↑ 0.6)
Consultative: informs and engages with the community	9.1 (↑ 0.3)

* December 2023

Other key industry stakeholders

We've also surveyed other key stakeholders to understand how they rate our organisational performance*.

Net meeting or exceeding expectations by segment	Percent
Government	90
Regulators	100
Industry and suppliers	92
Advocates	100
All stakeholders	95

* September 2023

Our operating environment

Uplifting our Sustainability Strategy

During 2023-24 we completed a 'double materiality' assessment to identify the sustainability topics that are most significant for Essential Energy and our stakeholders.

This will inform a refresh of our Sustainability Strategy during 2024-25, as we seek to maximise sustainability opportunities and mitigate sustainability risks.

Electrification Strategy

Our Electrification Strategy and roadmap are supporting our work with a wide range of customers, from residential to large industrial, to identify their unique electrification challenges and understand how we can support them in their energy transition.

As part of this, we're exploring innovative network capacity access and tariff design to drive efficient use of the network and supporting development of new products and services. Current projects include electrification of gas boilers, and helping customers access lower cost and lower carbon energy through innovative thermal battery storage technology.

In a channel partnership with [Australian Alliance for Energy Productivity](#), we're advocating for industrial and commercial electrification through several initiatives, including the National Boiler Mapping Project and supporting industry decarbonisation knowledge sharing events.

Shared learnings and trials are helping us evolve our strategy and customer support mechanisms, and facilitating affordable decarbonisation for our customers.



Principle 1: We will put customers & community at the centre of our business & the energy system

Objective: Be customer-centric

Combined initiatives are transforming the way our business understands our customers' evolving needs and helping us adapt and respond to these effectively, without compromising the quality and value of ongoing service delivery.

Customer Satisfaction Index: 56% of all customers satisfied with experience or interaction.

Maturity assessment



Metrics

Customer Satisfaction Index by segment	Percent satisfied with experience or interaction
Life support customers	73
Non-CER owning residential and small business customers	54
CER owning residential and small business customers	55
Commercial and industrial	53

Key achievements

Elevating customer centricity

We're using what our customers are telling us to empower our customer-facing employees to achieve meaningful change in the way we deliver services through a new Elevate continuous improvement program.

Focusing on specific operational areas, teams can access detailed customer statistics and insights to understand customer experiences and achieve quick service-level improvement wins. Toolkits support business case development and fast-track more complex issues and solution options to senior leaders and other decision makers. Elevate members also receive:

- ▶ monthly immersion sessions aimed at building capability to identify and generate customer-driven solutions
- ▶ practical advice and support from a network of specialised internal experts
- ▶ transformational seminars leveraging industry best practice.

These Elevate teams are broadening our understanding of customer needs and expectations, and driving powerful changes that solve real problems and improve outcomes for our customers.

2023-24 Employee engagement survey results	
Q: In the past 30 days, I have heard a story about how we impacted a customer to improve their business or life	Company average: 3.41 out of 5 (↑0.04)

Evolving customer-centricity training

The new evolution of our company-wide Customer-Centric Training program offers a range of courses to increase our employees' capabilities across four skills streams:

- ▶ building excellence into every customer experience
- ▶ offering superior customer service
- ▶ driving a brilliant customer-centric culture
- ▶ developing relationships with high trust and impact.

Courses are fit-for-purpose for both office and field-based employees, delivering short, sharp, self-paced learning. Options for on-demand e-learning and face-to-face sessions help employees gain the practical, emotional intelligence and soft skills required to ensure we offer our customers consistently high-quality services.

Foundation, intermediate and advanced learning levels are structured to support employees' varying development needs and foster a customer-centric culture.

2023-24 Employee engagement survey results	
Q: I have grown in my ability to positively impact our customers	Company average: 3.98 out of 5 (↑0.04)

Getting to know our large commercial customers and partners better

In addition to our regular research program, we're engaging in deep-dive sessions with our commercial customers and partners to jointly identify gaps and opportunities for service offering improvement.

These sessions are helping us strategically assess how we can best deliver our services to these customers and partners now, and inform how we can support them into the future.

'A pat on the back to the Essential Energy team members, who are approachable, accessible and switched on. We're appreciative of the effort they have made to understand our project, including visiting the project site and putting forward solutions proactively, based on their understanding of our needs and goals.'

Large commercial customer

Public policy consultation

Essential Energy is continuing to work with the Australian and NSW governments to develop policies and strategies that can help customers derive more value from their consumer energy resources (CER). We're advocating for electricity distributors to own and operate front-of-meter storage that will help share benefits across all customers, regardless of their capacity to install CER.

Supporting local economies

Changes to NSW Government procurement policy are offering Essential Energy opportunities to negotiate goods and services supply up to \$250,000 (excluding construction) directly with small and medium businesses across our distribution area.

This helps us support positive economic activity and outcomes for the communities we serve.

In the next reporting period

We will expand our Voice of Customer surveys to include customer interactions around vegetation management, meter reading and asset inspections.

We also plan to measure employee internal service experience across the business and introduce internal Elevate teams as part of our continuous improvement program.



Principle 2: We will improve energy affordability for customers & communities

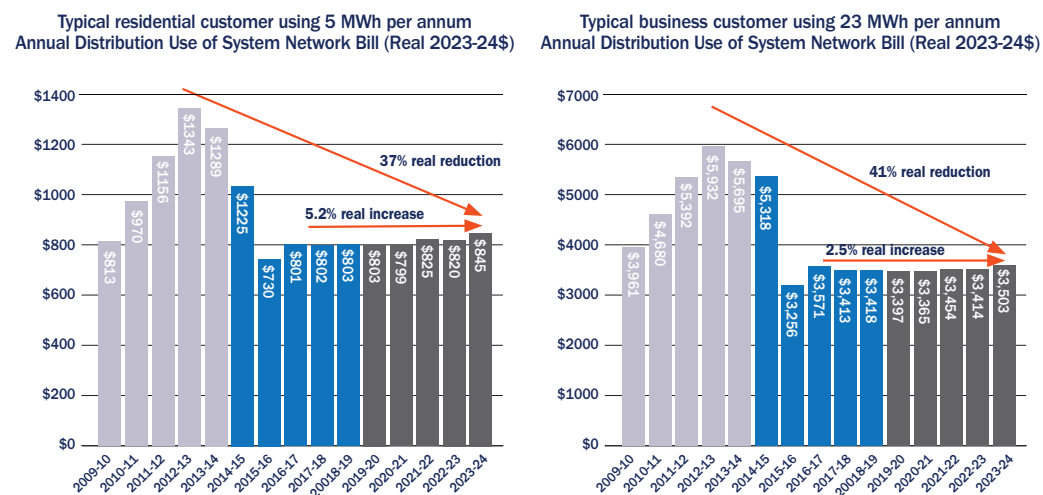
Objective: Deliver value

Aligning the prices our customers pay for using the network with the cost of service delivery improves fairness for everyone, and can help us address network demand challenges, defer or avoid expensive network upgrades and improve integration of consumer energy resources.

Target: Achieve a 3.8% real reduction in the distribution component of electricity charges for the average residential customer and a 6.4% real reduction for the average small business customer over the 2019-24 regulatory period.

Actual outcome:

While we have continued to maintain downward pressure on the network component of electricity bills through efficiency and capability uplifts over the 2019-24 regulatory period, unfunded costs of licence condition changes, COVID-19 impacts and increasing inflation have contributed to increases in our distribution charges.



In real \$FY24 terms, from their peak in 2012-13 of \$1,343 per annum, a typical residential customer's annual distribution network charge reduced to \$845 in 2023-24 – a saving of \$497 per annum, or 37%.

Over the same period, a typical small business customer achieved an annual saving of \$2,429, or 41%.

Maturity assessment



Metrics

Our Corporate Strategy is designed to help achieve energy decarbonisation and support economic growth in regional, rural and remote NSW while securing long-term market sustainability and energy affordability. Lower costs directly contribute to lower network charges for customers across regional NSW. Our performance this year is evidenced in productivity graphs in Appendix 1.

Key achievements

Small customer tariff trials

This year we've completed trials in collaboration with Red Energy, Discover Energy and Amber Electric, using consumer education and different pricing prompts to test household and small business behavioural change.

As a result, our new small customer default tariff – a Sun Soaker two-way price – will apply from 1 July 2025. It will encourage customers to use electricity between 10am and 3pm when solar generation is highest. This can help us address network peak demand challenges in other time periods.

We're also incorporating an export rebate from 1 July 2025, which will reward customers for exporting power they generate to our network when it's most needed, during our evening peak demand period from 5pm to 8pm.

The majority of residential and small business customers who receive a new smart meter from 1 July 2024 will pay a lower distribution charge as they are moved from our current Anytime tariff to the Sun Soaker two-way price from 1 July 2025.

'... since I've been on this program, I've changed my way with using power. I never really took a lot of notice of what I'm doing.'

Trial participant

Substation design digitisation and automation efficiencies

We're significantly reducing substation design costs by transitioning to an intelligent digital design system for major projects that directly support renewable energy connection. Using low-cost 3D reality models, clash detection and automated workflows, the intelligent system has improved overall design quality and efficiencies while minimising redesign and reducing the need for travel and its associated carbon emissions and safety risks.

The system has already delivered a significant reduction in design costs and further enhancements will continue to drive improved efficiency.

The Queue

Our new work scheduling and dispatching tool, the Queue, optimises how work is scheduled and dispatched to field crews through electronic work instructions, replacing the need to use printers and paper-based instructions for tasks relating to customer premises.

As a first phase, we're annually removing over 25,000 paperwork instructions from circulation.

Procurement savings

While we face a range of global supply chain pressures, we have successfully renegotiated several large contracts to achieve real cost reductions of \$2.9M for the financial year.

Contract renegotiation cost savings are helping us maintain downward pressure on the network component of electricity pricing.

In the next reporting period

In the second phase of the Queue, to be delivered over the next two financial years, we'll digitise and optimise scheduling for network-related tasks and incorporate planning and scoping modules into the application.

We'll also work to digitise our Access Permit – the authorisation that must be obtained from Essential Energy prior to working on, or near, our network – and link this to our digital Hazard Identification, Risk Assessment, and Control tool. We estimate this will remove over 50,000 paper forms annually.



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

Objective: Be safe, reliable and sustainable

Safety, reliability, resilience and sustainability remain our key priorities as our network operations become more dynamic to flexibly integrate consumer energy resources and large scale renewables, and accommodate two-way energy flows through network and community storage solutions.

Target: Achieve overall network availability of 99.95%.

Actual availability: On target at 99.96% and exceeding independently audited reliability requirements.

Maturity assessment



Metrics

Internal benchmark outcomes



Key achievements - External

Safety

Copper theft mitigation

To mitigate safety risks associated with a 225% increase in copper thefts across our network over a nine-month period to March 2024, we've been working with scrap metal dealers and sharing incident data with NSW Police to help target thieves. We're also deterring future incidents by replacing stolen copper earths with anti-theft rods.

Deterrent measures reduce potential for thieves to contact live parts of the network, and mitigate risk to our network and service delivery.

Sustainability

Learning more about renewable energy integration with our network

Our new testing laboratory, Nexus, is dedicated to helping us develop the technical capability, process intelligence and systems we need to optimise integrating consumer energy resources (CER) into the energy ecosystem. Initially we're testing technologies for automatically managing exports from solar,

batteries and electric vehicles, with an aim to roll out flexible connection options for customers as these technologies are developed and proven.

Dynamic export limit technology will help us broaden inverter export limits, offer customers optimised returns on renewable energy system investments and support transition to net zero.

Electric vehicle facilitation

We're working with electric vehicle charge point operators and councils to support installation of more electric vehicle charging infrastructure across the network. As connection and installation applications are evolving, we're trialling different methods to map out best-practice options.

Mechanisms that allow chargers to be mounted on our poles are helping charge point operators roll out chargers more quickly and cost effectively. The first pole-mounted charger was installed on our network in Hawks Nest as part of a trial with EVX in July 2023 and two more have since been deployed in Byron Bay.

'Essential Energy's network capacity map is currently gold standard in Australia, demonstrating the potential of sharing existing data in an accessible way.'

[Electric Vehicle Council's State of Electric Vehicles Report 2023](#)

We're actively engaging in development of vehicle to grid (V2G) services, with support in development of standards, technical trials and participation in industry bodies such as the Electric Vehicle Council and Energy Networks Australia.

We're also investigating tariff opportunities to support electric vehicle adoption and efficient charging behaviour.

We're playing an active role in supporting the transition to electric vehicles across our network area in line with the [NSW Government's Electric Vehicle Strategy](#).

Reliability

Stand Alone Power Systems (SAPS)

We've obtained consent from 27 customers currently supplied through long fringe-of-grid and low resilience network connections or who are in high bushfire-risk areas to transition to SAPS.

Transferring these customers to SAPS as alternatives to grid supply creates shared value by increasing power supply reliability and resilience, and reducing our operating costs.

Dynamic voltage control

We installed our first distribution transformer with built in on-load tap changer (OLTC) in late 2023 in a residential area of Queanbeyan with a high density of connected solar and power quality issues. Trial results show improved power quality and voltage control. Following this success, we plan to install another OLTC on a single wire earth return (SWER) transformer in Balranald in August 2024.

Improved voltage control is enhancing power quality and facilitating increased solar generation exports from customers' systems.



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

Network-owned and operated batteries

In May 2024, we installed two pole-top batteries on constrained low voltage networks in Clarence Town to trial how these can improve power quality outcomes and manage solar exports.

If successful, we will roll these out as solutions in other locations with similar constraints, unlocking additional productive local generation during the day.

In the next reporting period

Community batteries deployment

Supported by \$1.5M grant funding through the Australian Government's Community Batteries for Household Solar Program, we'll deploy ground-mounted community batteries in Goulburn, Leeton and Maloneys Beach to support greater levels of rooftop solar. Participating customers will be able to store excess solar-generated energy in a local battery that Essential Energy owns and operates.

Pole top battery deployment

In partnership with Origin Energy, we'll trial a total of 35 pole top batteries in Wagga Wagga, Bathurst, Dubbo, Port Macquarie, and Armidale to better understand how shared storage can improve customer outcomes.

Key achievements - Internal

Safety

In partnership with the OPUS Centre we've surveyed employees to identify key workplace psychosocial hazard risk areas, formed working groups across the organisation to develop mitigation plans and commenced implementing priority actions, including:

- ▶ training leaders to identify and manage psychosocial risks and hazards
- ▶ ensuring any psychosocial hazards raised during team or individual meetings are addressed.

In October 2023, the OPUS Centre facilitated webinars for all employees to improve understanding of psychosocial hazards and best practice approaches to manage these.

We've also partnered with Australian Psychological Services to review and ensure we have the right governance in place for ongoing management of psychosocial hazards in our workplace.

'It's important to be aware of psychosocial hazards, not only for myself, but for my colleagues.'

Employee feedback

'The organisation is thinking about mental health and is prepared to assist their employees.'

Employee feedback

Sustainability

Climate-related risks and opportunities reporting

We completed a climate-reporting gap assessment and roadmap during 2023-24, ahead of planned reporting for NSW Government entities from 2024-25, aligned to new international climate reporting standards (released in 2023) and associated draft Australian standards.

By implementing the roadmap, we will mature our management of climate-related risks and maximise benefits from climate-related opportunities (such as facilitating more renewable energy generation) and prepare for reporting compliance – building on Task Force on Climate-related Financial Disclosures (TCFD) reporting since 2021-22.

Fleet electrification

We're focused on transitioning large numbers of our existing fleet to electric by 2028-29, taking into consideration market availability and lifecycle cost implications. To support this, we're assessing charging infrastructure and renewable technology optimisation for our depots, and uplifting our employees' capabilities in these areas.

Electrification will help us reduce greenhouse gas emissions, air and water pollution and traffic noise.

Trialling full SAPS sustainability

Our 18-month trial of a hydrogen SAPS that doesn't require a back-up diesel generator, completed in February 2024, has demonstrated benefits in noise reduction, environmental risks and potentially lower operating and maintenance costs. Discussions are now underway to determine the commercial viability of this technology.

The trial indicates that a hydrogen SAPS can become a 100% renewable solution.

Reliability

Re-prioritising bushfire risk management zones

Modelling completed by the University of Melbourne in 2022 has significantly enhanced our understanding of network-initiated fire risk across our network area. As a result, we've revised our bushfire priority zones and commenced transitioning asset inspection, asset maintenance and vegetation management activities to align with this.

To date, we've re-prioritised our pre-summer aerial bushfire inspection and asset maintenance scheduling, and trialled new priorities for three Vegetation Management Areas.

Outcomes will help us mitigate network-initiated fire risk and manage asset resilience in line with updated bushfire risk levels.

In the next reporting period

We plan to commence transition of vegetation treatment to revised bushfire risk priority zones in 2025 (subject to funding approval from the Australian Energy Regulator).

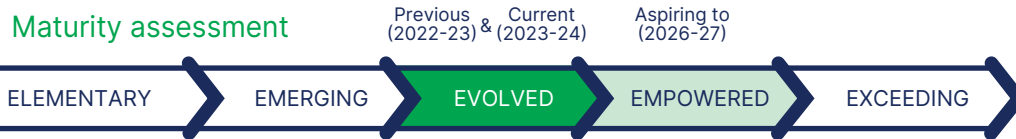
Principle 4: We will improve the customer & community experience

Objective: Be easy to do business with

Continuous monitoring and analysis of needs and expectations across customer segments is helping us envision, design and deliver improvements across the entire customer journey.

Customer ease: 65% say we are easy or extremely easy to do business with.

Maturity assessment



Metrics:

A total of 229 complaints relating to Essential Energy were referred to the Energy & Water Ombudsman NSW (EWON). This is an improvement on the number of complaints opened last financial year (2.8 per 10,000 customers in 2022-23).

Enquiries	Number per 10,000 customers
Enquiry / General Enquiry	0.0
Complaint Enquiry / Refer to Member / Refer to Customer Service / Unassisted Referral / Referral / Refer Back	1.0
Refer Higher Level / Assisted Referral	0.9
Complaints	0.5
▶ Level 1 / Conciliation / Stage 1	0.2
▶ Level 2 / Consultation / Stage 2	0.2
▶ Level 3 / Investigation / Stage 3	0.1
Total	2.4

Customer ease scores

Customer ease by segment	Percent satisfied with experience or interaction
Life support customers	66
Non-CER owning residential and small business customers	45
CER owning residential and small business customers	43
Commercial and industrial	44

Key achievements

Customer demand management research

Essential Energy and the Queensland University of Technology have partnered with the industry-led cooperative research centre RACE for 2030 to understand customer needs and expectations of demand side management (DSM) strategies aimed at modifying household energy usage, including high energy consumption alerts and ability for energy distributors to limit household appliance use during peak demand periods.

Key findings published in [Giving Power to Energy Networks: Are Australian Households Willing to Adopt Demand-Side Management Programs](#) indicate that customers are broadly supportive of DSM programs if they are optional and can be implemented over time.

Outcomes will help us develop solutions that encourage customers to modify their consumption and help maximise use of locally-generated renewable energy.

Simplifying and supporting community energy project management

We've developed a [one-stop web page](#) that helps community energy groups understand key project development processes, and how and when to liaise with Essential Energy. It also provides links to external tools, guides and templates to help these groups deliver their projects. Ongoing engagement with key stakeholders will help us further improve the project management experience.

This will help make community energy project management simpler, easier and more consistent.

Dynamic connections

We've commenced offering Dynamic Connection Agreements (DCAs) to customers. These agreements allow us to manage customers' solar inverter settings to achieve higher export limits when the network can accommodate it, enabling system owners to gain a better return on their investment. In February 2024, DCAs were offered to five customers with eligible solar systems in Tea Gardens who are participating in our [Smart Energy Communities trial](#). DCAs have also been offered to two electric vehicle charging stations to enable flexible access to network capacity.

DCAs offer flexible options so that customers can get the most out of their solar, battery or flexible load installations, while helping Essential Energy better manage network operational limits.

Optical dark fibre deployment

Organisations like councils can lease sections of our network of unused fibre optic cable, which extends over 1,600 kilometres across regional NSW either underground or on our utility poles. Just like a highway without any cars on it, this 'dark' fibre is a pathway for information that hasn't been activated, or 'lit', yet. Councils can create their own private fibre networks, connecting high-speed communications between their head office and other facilities like water treatment plants, sewage plants and sports centres, and CCTV systems.

Dark fibre offers better reliability than radio networks, networks can easily be expanded to meet future needs and long contract terms make this a cost-effective option.

Helping ASPs through process change

We're offering Level 1 ASPs individual training in the newly-automated Construction component of our Essential Connections Platform, with one-on-one guidance through real-time projects and comprehensive support material to help them navigate the new portal.

We're ensuring a better connections process for these ASPs and their customers.

In the next reporting period

We plan to roll out DCAs in Ivanhoe and Tibooburra Smart Energy Communities.

'Dark fibre has become the backbone of our connectivity infrastructure, providing us with unparalleled speed, security and simplicity.'

Dubbo Regional Council



Principle 5: Supporting customers & communities in vulnerable circumstances

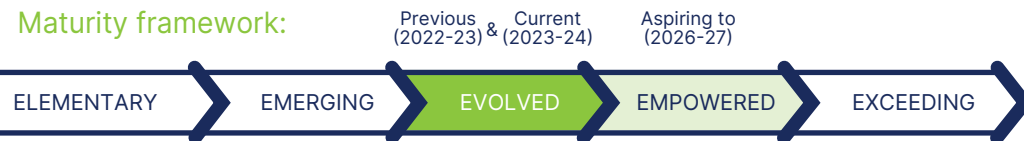
Objective: Be trusted and supportive

We aim to understand the differentiating characteristics of customer vulnerability and respond to each customer's specific circumstances and individual impacts through targeted communications and flexible service provision and support, tailored to existing and emerging needs.

Target: Flexible response to meet the needs of customers in vulnerable circumstances.

Response during the reporting period: Pro-active support provided to customers in vulnerable circumstances, tailored to their needs.

Maturity framework:



Metrics

Customer Support Policy access

Of 78 customer support applications submitted during the reporting period, customers pursued a total of \$313,828.73 through the assessment process and were deemed eligible for financial support under the policy, with a total amount of \$181,864.43 paid. Additionally, we provided support through waiving network damage debt and recoverable works payments on compassionate grounds.

Key achievements

Enhancing outcomes for life support customers

We're proud to play a key role in ensuring better support for life support customers through our involvement in the Energy Charter's Life Support #BT initiative. We're funding a lived experience panel that will help the industry better understand critical energy needs of the most at-risk life support customers. As panel members will be exploring sensitive topics, we're also providing them access to our employee assistance program.

Outcomes will help ensure appropriate energy service delivery and inform a proposed rule change for life support customers which will be submitted in 2024-25.

Indigenous engagement

Our new Indigenous Engagement Team is building meaningful relationships with First Nations communities and cultural authorities in our network area, and working to better understand the challenges and opportunities faced by our First Nations customers.

Personalised interactions are helping us deliver stronger outcomes for a just and equitable energy transition.

Face-to-face engagement

This year we've participated in EWON's Bring Your Bill and Community Assist outreach days in Far West, Central West and North Coast NSW locations, engaging face to face with customers to help them better understand our energy distribution services and learn about their concerns first hand.

'When are you coming back to do more of this, and also talk to our community about Apprenticeship opportunities?'

Wilcannia resident

Our employees can answer questions and address most issues on the spot, while gaining valuable insight into local service delivery improvement opportunities.

Personalised face-to-face interactions help customers feel heard and valued.

Uniting energy advice and support case study: May 2024

Since October 2021, Essential Energy has partnered with Uniting Financial Counselling to support customers in vulnerable circumstances.

Kevin* is the sole income earner for his young family. He was referred to Uniting's Energy Support Program after a series of issues, including loss of uninsured home contents during a flood event, rental payments increasing by \$100 per week and his recent job loss left him behind with his rent and with an accumulated energy bill of more than \$10,000.

Kevin had been skipping meals for himself so his family could eat and had sold what household items he could to raise cash for essentials. He'd also stopped using the heater during winter to reduce his electricity bills and was putting the kids to bed earlier to help them stay warm.

He was unable to ask friends and family for financial help, realising he could never repay them, and hadn't sought help from a community agency as he didn't think he would be eligible for support and was worried about the stigma of reaching out.

The Uniting team helped Kevin apply to Centrelink for unemployment income and a concession card, and access his electricity retailer's appliance replacement program to replace the family's broken fridge.

Noting that Kevin's electricity bills had been estimated for over 12 months, Uniting arranged for his meter to be read to obtain accurate billing data, then helped Kevin apply for NSW Energy Accounts Payment Assistance (EAPA) vouchers to reduce his electricity debt.

They also helped him access his retailer's hardship program, move to a significantly cheaper electricity plan and have a matching payment plan set up through which, when Kevin makes a payment, the retailer pays an equivalent amount off his bill. The Uniting team has also advocated for the retailer to waive a portion of Kevin's debt.

Appliance and other energy efficiency advice and referrals to other local community programs, including financial counselling, are helping Kevin look forward with confidence.

*Not his real name

In the next reporting period

Essential Energy has secured close to \$1 million in funding under the Australian Government's Telecommunications Disaster Resilience Innovation Program to acquire six portable SAPS that can be rapidly deployed to restore power to telecommunications towers when natural disaster events impact the electricity network.

This will support Essential Energy's crews and emergency services teams who rely on radio communications while they work to protect impacted communities. SAPS delivery and enabling work is expected to be completed by June 2025.



Appendix 1: Productivity outcomes

Workforce efficiency

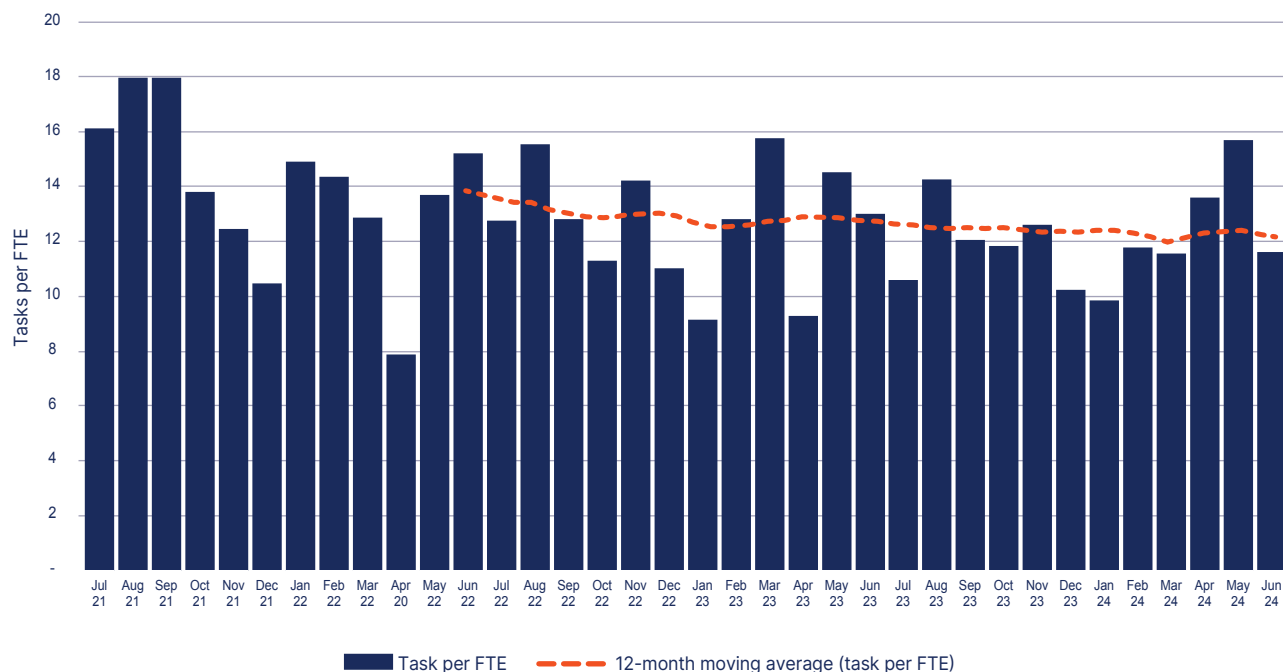
During 2023-24, Essential Energy has focused on maintaining outstanding tasks at historically low levels to minimise network risk, while at the same time delivering a record capital program including \$255.5M of regulated capital and \$39.8M of non-contestable capital, an overall increase of \$41.2M compared to 2022-23. This has resulted in 12.1 average tasks delivered per month per employee in 2023-24, a reduction from the 2022-23 result of 12.7.

During 2022-23, labour efforts were more focused on individual maintenance backlog tasks in the order of 10-30 labour hours, whereas capital tasks may include several thousands or even tens of thousands of labour hours per task (project). Additionally, unfavourable weather events have impacted deliverability in 2023-24. Winter and Spring 2023 temperatures were above average for NSW, while both Summer and Autumn 2024 recorded above area-average rainfall across most coastal and central areas of NSW*. There were also significant bushfires in the State through October with widespread Total Fire Bans being declared for nine regions on 1 October 2023. Seasonal variations, peaks in winter and troughs in summer holiday periods, also impact task completion results.

Positively, the task per FTE result has improved by approximately 33% since the previous regulatory period (2014-15 was an average of 9.2 tasks per FTE).

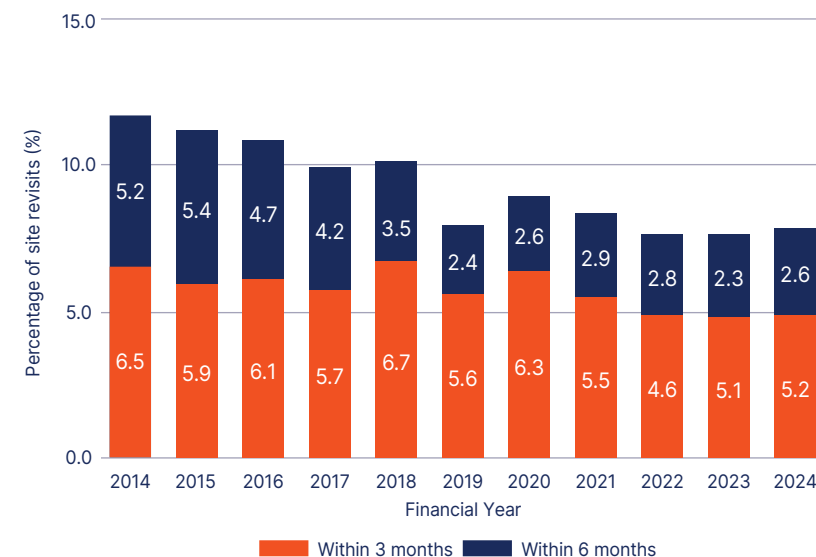
*Information source: Bureau of Meteorology

Completed tasks per full time equivalent (FTE) (Monthly)



Operational efficiency

Operational efficiency- return visits to poles





Appendix 2: Fulfilment of commitments made in 2022-23

Principle	Commitment	Outcome
Principle 1: We will put customers & community at the centre of our business and the energy system	We will introduce a Voice of Customer program that can deliver new insights into customer experiences across the majority of customer interactions (such as unplanned outages, vegetation management and asset inspections) and across multiple communications channels and touch points. Implementation is planned for August 2023 and will provide real-time, deep insights into what is working well and facilitate faster response to improvement opportunities.	Completed – see 2023-24 Key highlights: Our customers.
Principle 2: We will improve energy affordability for customers & communities	High voltage customers investigating investment in renewable technology to offset their electricity consumption and carbon footprint can take up to three years in meeting the connection requirements of the National Electricity Rules. This is coupled with financial investment in study and network augmentation costs required to facilitate the project connection point. Following success with an initial trial project that was facilitated within six months and enabled the customer to substantially reduce study and network augmentation costs, Essential Energy is working on internal process options that will enable customers to utilise renewable technology behind their point of connection metering and offset their existing maximum demand. This arrangement will be dependent on the customer electing to have a zero generation export.	We are continuing to support customers whose projects can benefit from behind the point of connection renewable generation.
Principle 3: We will provide energy safely, sustainably and reliably	We will trial distribution on-load tap changing (OLTC) transformers at two locations on our network. These transformers dynamically adjust voltage at customer connection points as solar generation occurs during the day, helping to improve customer-owned solar system performance and better manage power quality on the low voltage network.	Completed – see Principle 3, External reliability: Dynamic voltage control.
	We aim to complete our Critical Control Risk Framework project by June 2024.	The Critical Controls Framework has been implemented. We aim to complete risk and control owner training by the end of 2024 to facilitate regular risk reviews in line with our corporate Risk Management Policy.
Principle 4: We will improve the customer & community experience	To ensure benefits of our new Essential Connections portal are realised and processes are optimised over time, we'll seek feedback through a register end-users can use to raise issues and enhancement ideas. The system will deliver consistent process performance analysis that will enable the business to target areas for uplift.	Feedback process established and ongoing.
Principle 5: We will support customers & communities facing vulnerable circumstances	We will include Uniting NSW's details on the customer assistance leaflet delivered with the notice to non-paying customers of intent to disconnect their power supply in selected trial areas across our network to gauge take up.	Funding support for Uniting has been ongoing. A decision was made not to include Uniting NSW's contact details with the notice of intent to disconnect, as customer demand was anticipated to have exceeded the organisation's ability to adequately respond at current resourcing levels.
	We will continue to provide funding support for Uniting to support customers experiencing vulnerable circumstances.	