

2023-24 Energy Charter disclosure statement accountability assessment

Our sixth annual disclosure statement was developed with input from subject matter experts across the business. Our performance against the Energy Charter Maturity Framework was informed and rated by our senior leaders.

Covering the period 1 July 2023 to 30 June 2024, this year's disclosure highlights our Voice of Customer program, which is helping us actively listen to our customers and capture real-time insights into their experiences across the majority of interactions with Essential Energy. A new Elevate continuous improvement program empowers our customer-facing employees to use these insights to achieve meaningful change in the way we deliver services.

Operationally, we've highlighted key initiatives aimed at sustainably evolving our network to keep pace with an accelerating energy transition. These include taking our first steps in applying artificial intelligence and machine learning to our digital twin network modelling and uplifting network visualisation and analytics to better inform investment decisions.

We've noted how gaining greater understanding of our distribution network and trialling Dynamic Connection Agreements are helping us expedite small and medium-scale connections and increase the use of consumer energy resources like electric vehicles, rooftop solar and battery storage. These initiatives, coupled with strategically-placed network-owned battery storage, Stand Alone Power Systems 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.

Consultation processes

Our [Customer Advocacy Group](#) provides a CEO-led proactive, ongoing quarterly forum for consultation, engagement and insight across our customer base, on any matters relating to our operations. The group comprises members of regional organisations or are active members of their communities who reside within our distribution area and can provide feedback and advice on electricity network distribution topics relevant to the communities and organisations they represent.

Complementing this, our Essential People's Panel of connected residential and small business customers provides another direct voice and perspective on customer impacts arising from Essential Energy's existing operations and any proposed initiatives or operational improvements.

Accountability assessment

Ongoing feedback mechanisms

We've obtained feedback from members of our Customer Advocacy Group and Essential People's Panel during their regular meetings. This collaborative and constructive guidance has helped balance our perspectives on issues and opportunities and informed our end-of-year Energy Charter disclosure reporting for this financial year.

Disclosure review

We offered each member opportunities to gauge our customer-centricity performance and maturity self-assessment, and help identify gaps and areas for future customer experience improvements. A short survey helped ensure that the views of customers they represent could be heard, understood and acted on. A Zoom session held on 24 October 2024 invited verbal comment.

Our customers and partners, other stakeholders and members of the general public were also encouraged to have their say via a public survey.

Submissions were open from Monday, 30 September to Thursday, 31 October 2024.

Feedback summary

The customer feedback we received was minimal, but generally positive. This report is based on feedback provided by our end user Essential People's Panel.

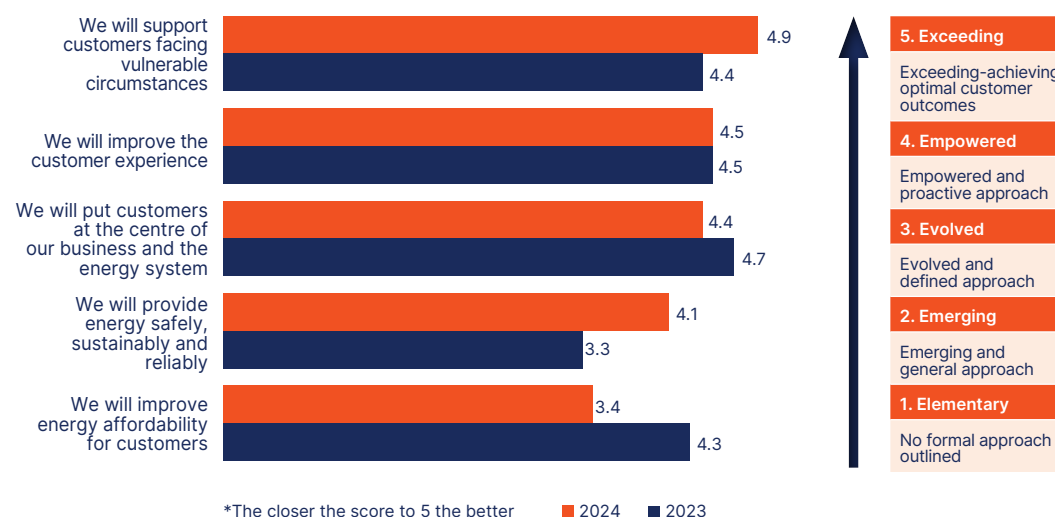
Disclosure content

'It's a good summary and If they are doing what they say they are doing, that's good.'

'Their obligations to their customers – they are exceeding.'

Performance ratings

Participants were asked to rate Essential Energy's performance on each of the principles on a scale from 1: Elementary to 5: Exceeding.



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Survey results placed Essential Energy's performance within the top three ratings when measured against the Energy Charter Principles. A customer-centric culture and support for customers facing vulnerable circumstances were noted as Essential Energy's greatest strengths.

'They are making lots of effort to make sure customer advocacy exists, and upskilling staff in treating customers well.'

'They have persuaded me that they are listening to us.'

'They are going above and beyond – they are doing a lot. They are out there.'

'I don't think I've ever come across another company that does as much as Essential Energy.'

'Support for vulnerable customers is really important – dealing with rural and remote disconnected communities.'

'They're doing well because they're knocking on people's doors and telling them before they disconnect.'

'I'm a Life Support customer – I got a letter with all these ideas; with a check list.'

Results for Principle 3: 'We will provide energy safely, sustainably and reliably', increased significantly from 3.3 to 4.1. This principle was seen to be the core priority for Essential Energy – in particular, delivery of electricity in a safe and reliable manner.

'I think they're doing quite well on this, and it's improved.'

'Essential Energy are doing a lot more than they are supposed to or need to do.'

'Affordability is important in this day and age, but it is not as important as reliability.'

Respondents also agreed that Essential Energy:

- ▶ listens to customers and their voice is crucial to informing our business decisions
- ▶ is focusing on a strategically consolidated transition to a sustainable future
- ▶ is working collaboratively across the energy sector to improve outcomes for customers.

A number of respondents acknowledged the difficult energy industry operating environment:

'They are doing a fair bit, but they are constrained by other industry participants to some extent.'

'Performance wise they are doing better than a lot of other providers, but some of it is out of their control.'

Areas for improvement:

Ratings for 'We will improve energy affordability for customers' decreased significantly from 4.3 to 3.4, reflecting increases in energy costs generally. Participants agreed that we should continue our future focus on affordability, while acknowledging the difficulties that we face in ensuring that cost efficiency gains are passed on to customers

'They don't have control over affordability. It's hard for them to be able to ensure that the savings they are making can be passed onto customers.'

The Energy Charter structure

Overall, industry collaboration through the Energy Charter accountability framework was seen as critical to supporting the energy transition. The table below compares the importance of each Principle to respondents in FY23 with their importance in FY24:

Principle	Mean importance out of 10 2023	Mean importance out of 10 2024
We will put customers at the centre of our business and the energy system	8.3	9.3
We will improve the customer experience	9.5	9.0
We will provide energy safely, sustainably and reliably	10.0	10.0
We will improve energy affordability for customers	7.3	8.0
We will support customers facing vulnerable circumstances	10.0	9.0

Outcomes

Overall, our customers and stakeholders agreed that our [Corporate Strategy](#) – informed by ongoing customer research and data and industry trends assessment and based on strategic pillars that are robust and forward looking – promotes a responsible and viable approach that is successfully supporting our transition to resilient and sustainable infrastructure and a business-wide customer-focused culture.

In line with customer and stakeholder feedback on areas for improvement, affordable and sustainable transition to a decarbonised future will remain a prime area for strong future focus.

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