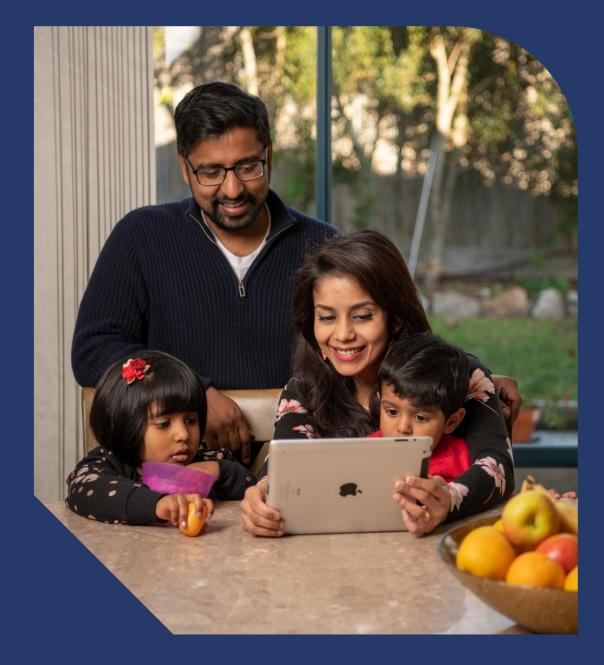


Electricity Distribution Price Review 2026-31

Engagement Plan

Version 3 | December 2023





Acknowledgement of Country

AusNet acknowledges Aboriginal peoples as the Traditional Owners and Custodians of the lands on which we live and work. We celebrate Aboriginal peoples' enduring connection to Country, and to the sun and wind that power our future. We pay respects to Elders past, present and emerging.



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Foreword

I am delighted to share with you our updated Electricity Distribution Price Review (EDPR) Engagement Plan. The plan has been updated to include our progress in 2023 and how we plan to continue to engage with you in the coming year.

As the new CEO of AusNet, I have been pleased to learn about AusNet's approach to meaningful EDPR engagement over the past few years, and its strong commitment to embedding customers' views in its business plans. The level and quality of engagement since the plan was first published in late 2022 has been impressive, with a combination



of grassroots customers research—including innovative projects such as Quantified Customer Values and genuine collaboration with our Coordination Group and dedicated customer panels on key EDPR themes and Focus Questions. This integrated approach has meant that engagement and research outcomes over the past year will meaningfully continue to shape our Draft and Regulatory Proposals.

I have also been pleased to see AusNet's openness to honest and genuine engagement, not shying away from difficult conversations and engaging on all topics of interest to you. As we look to 2024, this approach will become even more important as we move into the detailed planning stages of the Draft and Regulatory Proposals. The Board and I, along with the AusNet team, remain committed to maintaining the honesty and openness of our approach, which is critical to building trusted relationships and the overall success of the program.

There has never been a more pressing time to bring our customers' views to the forefront of our regulatory proposals and decisions. I am committed to genuine and inclusive engagement to help us collectively deliver an orderly energy transition to the benefit and wellbeing of all AusNet customers and beyond. On the behalf of AusNet, I would like to thank everyone involved in the process so far and express my enthusiasm for another collaborative and productive year ahead.

David Smales

Chief Executive Officer, AusNet



How to use this document

We welcome your feedback on this document and the concepts within it. Below are 5 questions that you may choose to use as 'thought starters' as you read this document.

Section 7. Shape Our Plans outlines how you can share your feedback and responses to these questions and shape future iterations of this document. Contact information is also outlined at the back of this document.

- Does this engagement plan reflect expectations you have as a customer or stakeholder? Why or why not?
- What information would you like to see about our EDPR 2026-31 plans or process?
- Has this document helped you to better understand our approach to engagement with customers and stakeholders as part of our EDPR 2026-31? If not, what's missing?
- What other suggestions do you have to help us better understand the needs and preferences of our customers?
- What suggestions do you have to help us better understand engage with our customers and stakeholders throughout the EDPR 2026-31 process?

Industry terms and acronyms

Moving (distributing) electricity around the grid is technical and the energy system that connects us with customers and communities is complex. The energy industry also has several acronyms and abbreviations that are frequently used.

We are committed to minimising the use of technical terms during our engagement processes. In this document we first use the full term or name, followed by an abbreviation in brackets. Notwithstanding this, to help you better understand acronyms and abbreviations the <u>Australian Energy Regulator</u> and the <u>Australian Energy Market Operator</u> provide a guide to acronyms and a comprehensive list of industry terminology.

1. Engagement and the Price Review Process

The Electricity Distribution Price Review (EDPR) is the formal process undertaken every 5 years with the Australian Energy Regulator (AER) to develop the expenditure plans for our network - in this case starting 1 July 2026. Our 5 -year plan, referred to as a Revenue Proposal, must be lodged with the AER by 31 January 2025. The AER will assess our plan and set our revenues, which affect the price customers pay for electricity, the types and quality of services and level of customer service we deliver. Ensuring that our proposals are consistent with the National Electricity Objective – that is, that they meet customers' long-term interests and are efficient and help achieve decarbonisation of energy systems – is very important.

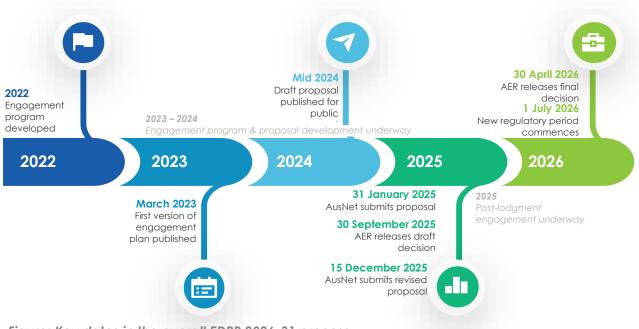


Figure: Key dates in the overall EDPR 2026-31 process

The purpose of this document is to outline our approach to engaging with customers and other stakeholders for the purpose of informing our EDPR 2026-31 proposal.

This document is designed to do so in a way that:

- is transparent, clear, and available to the diverse range of customers and other stakeholders we engage with
- explains our approach in light of relevant environmental and contextual factors
- aligns to relevant engagement guidelines, including the AER's Better Resets Handbook.

Our electricity distribution network is a complex piece of infrastructure to maintain and operate. When adding in the importance of energy to our customers, and the diverse and complex interactions they have with energy, it is easy to see how challenging and critically important it is to get our plans right.

While we recognise the complex and interconnected nature of the energy system, the **scope** of this document is on the approach we will take to **engage** with customers and other stakeholders on our plans for the period 2026-31, for the AusNet electricity distribution network in eastern Victoria.

While important, the generation of electricity, the distribution of natural or renewable gas, or electricity transmission or distribution in networks across other states and territories are types of issues that are outside the scope of this document and process.

1.1. A living engagement plan

This engagement plan is a living document. It outlines the engagement we will undertake on our EDPR 2026-31 program until we submit our proposal to the AER in early 2025.

This engagement plan is the result of a co-design process with customer representatives and other stakeholders that built on their perspectives and experiences, AusNet's ongoing customer research and experience engaging across our three regulated networks, other electricity distribution businesses' experience, and engagement guidelines and good practices.

This intention is for this document to change over time, as our customer engagement program and operating environment evolve, and as detailed planning progresses.

Checking in and adjusting

In mid-2023, we took the opportunity to reflect on the first 6 months of our engagement approach and program. We engaged panel members in this review, noting and seeking their feedback and listening to their suggestions and ideas on ways that we could refine our approach. We also took the opportunity to ask panel members how they were finding the process, how they felt their skills, expertise, and availability aligned to the panels they were part of.

Based on feedback and suggestions from panel members and our own observations, we refined aspects of our engagement program to ensure we remain on track to meet our engagement objectives. Information regarding formative evaluation or our engagement to July 2023, and feedback that informed changes to our approach, is available in Appendix 1.

Subsequent updates to this document are expected and will be shared via the EDPR 2026-31 pages on <u>Community Hub</u> throughout 2024 and 2025.

Information sources that informed our review:

- Check-in phone calls with panel members
- Feedback via post-meeting evaluation forms
- Community Hub engagement
- Email and ad-hoc feedback
- AusNet self-reflection

What's changed since Version 2?

Resulting changes are integrated throughout this document and summarised below. At a **strategic or whole-of-program level**, we have:

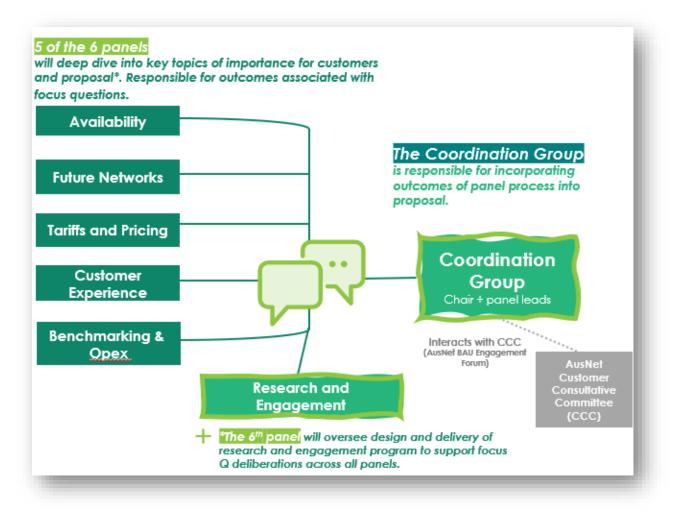
- Disbanded the Stakeholder Reference Group and re-launched the sub-panels as stand-alone panels.
- Appointed a Coordination Group with an independent Chair, responsible for working with AusNet to coordinate the panel outputs into the overall proposal and to engage with AusNet on other important and technical considerations not addressed elsewhere in the engagement program. We empowered the Group to define its role and responsibilities and the group now comprises a representative from each panel to reflect that panel's interests in the coordination of the overall proposal case.
- Formed a new panel, the Research and Engagement Panel, to work with AusNet on the design of research and further engagement activities to support the proposal and panels' deliberations. The Research and Engagement Panel has taken this responsibility over from the Stakeholder Reference Group.
- Co-designed a series of focus questions with each Panel to better focus engagement and help
 provide clear links between desired customer outcomes and proposal inclusions (see Appendix



2). These questions have also informed forward engagement plans and enable gaps and overlaps to be identified and managed.

- Added more time for panels to meet and engage during 2023, so a broader range of topics could be included and allow for more in-depth discussions during meetings.
- More clearly articulated how the deliberations and involvement of panel members will inform the development of our draft proposal.
- Expanded the remit of the Benchmarking panel to include operating expenditure (Opex).
- Welcomed one new panel member, while one decided to exit the process. A further 2 panel members changed panel to better align to their expertise and availability.
- Added 2 new members to our Customer Consultative Committee (both are EDPR 2026-31 panel members) to further strengthen the customer focus of this group and links between Price Review and business-as-usual engagement.

Figure: The revised engagement panel structure is below. Not shown on this diagram, but underpinning the work of all panels, is an extensive program of broader research and engagement outlined on pages 16 – 28.





How customers and stakeholders have shaped the evolution of this engagement plan

In addition to extensive engagement on proposal specifics and outcomes to be achieved in the next regulatory period, there are many examples from the past 6 months of panel members have directly shaped **specific activities or initiatives** within our broader research and engagement approach. These include but are not limited to:

- The Coordination Group was empowered to define its role when it was established in mid-2023.
- Every panel collaborating on the development of focus questions (22 in total), putting the decision on what topics are investigated and what inputs are brought to those discussions directly in Panels' control. This has resulted in 22 "themes" for detailed deliberation through the process, many of which were directly proposed by panel members including:
 - consideration of Worst Served Customers into the engagement and work program, and co-designing criteria to define these
 - building dedicated regional resilience engagement sessions into the engagement plan for 2024
 - minimising adverse impacts of outages, power variability and quality on customers, which has been the topic of joint panel discussions
 - unlocking the value of CER for customers and the energy system.

The panels also decided the format for addressing the focus questions – deep-dive sessions, typically 2-3 hours long and ideally focussing on a single topic, and mostly discussion with an expectation of pre-reading – in which the outcome to be achieved in AusNet's proposal would be decided.

- Research & Engagement Panel members have contributed extensively to:
 - the selection of a provider and design and implementation of a series of customer workshops
 - the scope, section of supplier and detailed design of the Quantifying Customer Benefits research. This has included delaying this research so we can spend more time up-front scoping and amending the benefits to be tested.
- The development of a Network Aspiration to guide the focus of AusNet's proposal.
- Panel members who feel comfortable doing so are encouraged to liaise with and engage directly with their communities about their involvement in the EDPR 2026-31 Engagement program. This has seen information shared via community websites, radio programs, events and networks.
- All panel members had the opportunity to shape the design and delivery of our first all-panel in-person meeting, including the content of sessions, location and timing.
- All panel members are consulted regarding their preferred dates and times for meetings.
- Taking specific "business as usual" actions based on conversations with panel members e.g. communications on system outages in Mallacoota.

The engagement context Trends and issues impacting customers and electricity distribution

Understanding the context in which engagement takes place is an important early step in the design of an engagement program. This plan purposefully acknowledges key contextual factors impacting Victorian electricity consumers and communities who depend on electricity distribution networks. These factors provide the backdrop against which our engagement, and the Electricity Distribution Price Review 2026-31 process more broadly, occur. We also acknowledge that the operating environment is evolving and will likely continue to evolve quickly. We commit to keeping abreast of this evolution and changes over time as we prepare our proposal.

This plan was drafted and updated amid a time of considerable change to the energy ecosystem. Interconnecting factors add complexity, including:

- policies to encourage decarbonisation, in particular the transition from fossil fuels to electrification (from renewable sources) to mitigate further impacts of climate change
- rapid advancements in technology are creating new opportunities for electricity generation, distribution and management. However, technological changes also require investment to replace aging assets and safeguard them from emerging threats
- uptake of distributed/consumer energy resources (DER/CER) is seeing decentralisation of the energy market, whereby consumers can become prosumers who both consumer and produce electricity. In turn, this sees electricity networks evolve to accommodate 2-way flows
- developments in technology are making it more feasible for some customers and communities to go "off-grid", generating and storing electricity independent from the network.
- changes to energy consumption and patterns of use, such as those associated with electric vehicle uptake and changes to work patterns and lifestyles as a result of COVID-19
- manifest impacts of climate change (e.g., through severe weather events such as storms, floods and fire) and the resilience of the energy network and the communities we serve when faced with these challenges.

Amid this transition, demand for energy in Victoria is predicted to increase. Delivering electricity safely, affordably and reliably throughout the transition remain key. Amid ongoing concerns about rising costs of living, energy affordability presents a key challenge to customers, regulators and those involved with energy supply, distribution and retail. While distributors do not sell electricity to residential consumers and organisations, they nevertheless must remain mindful of economic conditions, consumer concerns about affordability and cost-of-living pressures, and the expectation to deliver "the best possible outcomes for consumers to ensure the energy transition is delivered at least-cost" (AER, 2022a). Importantly, we are sensitive to customers experiencing vulnerability, the diversity of ways in which vulnerability can be experienced and moves to reform the way vulnerability is approached by other stakeholders in the energy system.

These challenges highlight the importance of delivering on our commitments and supporting customers now and into the future, as we transition to renewable energy and ensure our customers have access to affordable, resilient, reliable, and sustainable essential energy services.

Changes impacting the energy sector occur alongside changes to the ways in which organisations engage with communities. Organisations are expected engage with communities in a way that enables them to take a meaningful role in discussions, decisions and the implementation of projects that impact them. The connection between engagement and gaining and retaining social licence, and contributing to social capital, has also been established (Johnston & Lane, 2018). Arguably, the role for sincere and transparent community engagement is even more important amid an environment where both trust in social institutions has declined in recent years, and where businesses are expected to play a greater societal role.



2.2. Customers in regulatory resets

The role of customer engagement in regulatory resets has similarly evolved to meet changing expectations, challenges, and the dynamic nature of regulatory frameworks (AER, 2021, 2022b). Among these, the following have played a particularly influential role in shaping our customer engagement approach for the EDPR 2026-31 proposal:

the <u>New Reg</u> process, which AusNet trialled in the development of its EDPR 2021-25 proposal. This trial saw a Customer Forum established to negotiate parts of the proposal with AusNet. The Forum acted on behalf of customers and with the intent that customer preferences would drive the network's proposal. Independent <u>evaluation</u> concluded the process delivered important learnings and successes that provide important insights for future negotiated settlements.

Following the New Reg trial, the <u>AER's Better Resets Handbook</u> provides valuable guidelines on how distribution businesses can conduct genuine engagement with consumers to inform high-quality regulatory proposals.

International Association of Public Participation's (IAP2) principles, values and <u>Public Participation</u> <u>Spectrum</u>.

3. Working together

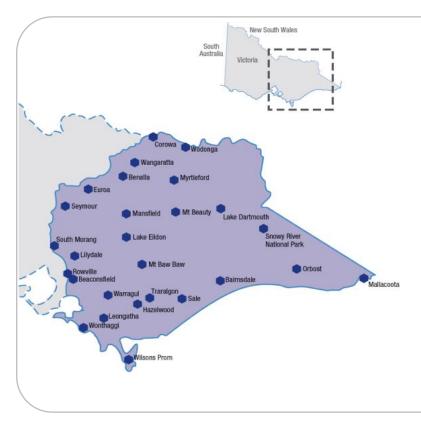
3.1. About AusNet

AusNet owns and operates 3 regulated networks: electricity distribution, gas distribution and the statewide electricity transmission network in Victoria. Our electricity distribution network delivers electricity to customers in the east of the State.

AusNet's electricity distribution network delivers electricity to more than 800,000 homes, businesses, farms, community facilities, schools and hospitals in the eastern half of Victoria. Our network services an 80,000km2 area, 93% of which regional and/ or remote areas. Approximately 60% of our customers are in regional locations, with the remaining 40% in the outer northern and eastern Melbourne Metropolitan area. Our poles-and-wires distribution network takes electricity from the transmission network to our customers. We also contribute to a sustainable future by connecting renewable energy to the grid and helping communities with storage, energy management systems and mini-grids.

Ensuring our customers have access to safe, reliable and affordable energy services is key for the communities our network services. Our values guide the actions of all our people, every day.

- We work safely: We never compromise on safety and we care for the wellbeing of people.
- We do what's right: We act with integrity and in the best interests of our company and our customers.
- We're one team: We work together as a united team to achieve great results. We treat our people fairly, value their differences and support their development.
- We deliver: We're accountable to customers, communities, shareholders and each other. We adapt through innovation, continuous improvement and change.



AusNet and our electricity distribution network at a glance:

- We employ than 1,500 people
- Our 'poles and wires' electricity distribution network is a vital link between the high voltage transmission network and the electricity in Victorian homes, workplaces and communities.
- Our network covers an 80,000km² area, with our electricity distribution business covering the east of Victoria.
- Our network includes alpine, coastal, forest, farming and urban areas.
- We have more than 400,000 power poles across our network.
- 93% of our network is in regional or remote areas.
- We serve 10 customers/km^{2.}
- We power 90,000 streetlights.

3.2. Customers and other stakeholders who interact with us

Customers are at the heart of everything we do. Understanding customers' evolving energy needs and preferences about electricity distribution and placing customers at the centre of our plans are the fundamental drivers of our EDPR engagement activities.

Customers at the end of our electricity distribution poles and wires are diverse, and include homes, businesses, factories, schools, hospitals and more. Our customers are being greatly impacted by environmental factors and the changes impacting the energy ecosystem (and outlined in section 2.1). Understanding customers involves far more than just demographics or numbers.

As a fundamental step to better understand our customers as part of the EDPR 2026-31 process, in late 2022 we asked customers about their needs, expectations and attitudes towards electricity. Combining this with as well as demographic information and patterns of use means we can better understand and communicate with our customers. This information is being incorporated into our plans, alongside relevant insights from our ongoing program of <u>customer research</u>.

Fast facts about our customers:

Victorian homes, businesses, factories, schools, hospitals and more rely on our electricity network.

Of the almost 2 million people served by the AusNet distribution network:

- 41% are in urban, 59% in rural areas
- 89% are residential customers, 10% are non-residential customers.

Compared to Victorian averages, our residential customers are:

- slightly more likely to be older
- more likely to be couples with children, living in a large, detached houses, and to have a mortgage
- more likely travel by car to work (and have multiple cars)
- less likely to work from home.

(ABS Census data, 2021)

A variety of other stakeholders play a key role in enabling us to deliver energy to customers safely, reliably, efficiently, and in accordance with community expectations. Ensuring we understand and engage with these other stakeholders throughout the EDPR 2021 process is also essential. As depicted in the figure on the next page, these other stakeholders include but are not limited to social service organisations, retailers, generators, regulators and policy makers, tradespeople, developers and others.

Customers or stakeholders?

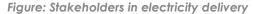
These terms can mean different things to different people. In this document we use the terms to mean:

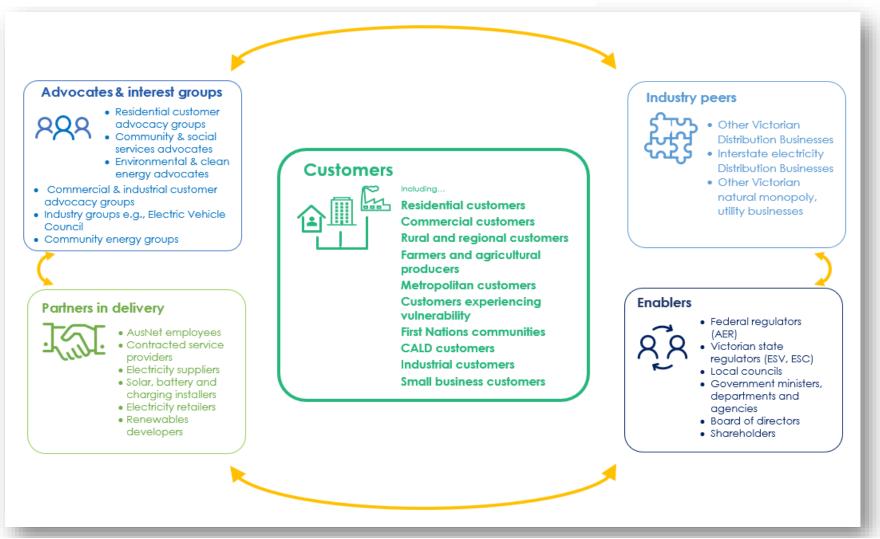
Customers are those people, or organisations, who buy and use our services. Customers include both individual people, and collective households and businesses connected to the network.

Stakeholders are individuals, groups or organisations who can impact or are impacted by our actions (including customers).

Both customers and stakeholders can also be grouped according to characteristics such as where they are located, or the type of work they do.

We understand customers to be a very important group of stakeholders. Engagement with customers is the primary focus of our EDPR 2026-31 engagement program. However, there are many other stakeholders who can impact or will be impacted by our plans so we will also need to discuss our engagement activities and plans with them the coming months.





Note: this figure is intended to portray key stakeholder and customer groups at a high level. The categories are not mutually exclusive e.g., metropolitan customers can be residential and small business, and might also belong to a community energy group. There are also many subgroups within each of the categories outlined above.



4. Our engagement approach

Our approach to customer and stakeholder engagement for EDPR 2026-31 was designed through a 5phase process, comprising early preparation, internal planning, engagement plan co-design, drafting, and monitoring and updating.

As outlined further in Appendix 4, '**Bringing customers' voices into the design process'** was key to the program's design. Research into customers' energy needs and preferences, collected through several research programs over several years, ensured customers self-identified needs were included in the engagement process. Via a co-design workshop, engaged and credible customer representatives and experts represented customers' interests in the planning process, including those aspects that are complex, "back-end", speculative, or that customers typically would not think about.

As depicted in Appendix 4, monitoring and updating of this approach (and this document) will continue in coming months as we progress our revenue proposal.

Objectives

The following objectives have guided the design of our EDPR 2026-31 engagement program and continue to serve as a North Star throughout its implementation.

What are we trying to achieve?

Be evidence-based
Focus on the "right" topics and be flexible
Welcome open, honest and challenging conversations
Allow for both broad and deep engagement
Involve the right people in the right conversations and make it easy and practical for interested parties to engage
Clearly demonstrate how customer and stakeholder input has shaped our plans and customer outcomes
Help build participants' capacity to influence

Further detail on how we will go about achieving these objectives can be found in Appendix 4.

Engagement process

The engagement process consists of four stages, three interlinking engagement streams, and 6 focus areas. This process is summarised and presented visually below, with more detail available in Appendix 4.

The engagement process emphasizes transparency, collaboration, and responsiveness to customer needs, with ongoing involvement and coordination among different groups throughout the stages.

Figure: Overview of AusNet's EDPR 2026-31 Engagement Process

Building on business-as-usual research & engagement C-SAT research	25 customer workshops 5 rounds, 5 groups in each	One-on-one meetings with large customets over 3 rounds	Joint network series with social service organisations	Joint network series on framework and approach		Building depth through 6 panels, collaborating on answers to focus questions i.e.	Electricity Availability	Customer Experience
Energy Sentiments Customer Consultative Committee Developer Consultative Committee Innovation	Customer Segmentation research	Quantifying Customer Values research	Joint network series on community and network resilience	Joint network forum on tariffs	Ð	outcomes to be achieved in proposal	Fut Netw Tariffs & Pricing	
Advisory Committee • Customer experience improvements	Survey and one-on-one meetings with generation proponents	Community Hub online engagement platform	Extensive engagement with government	Planned further engagement with councils, large customers & generators and more being added!	Ð	Additional conside	erations & top	pics

Proposal brought together with the Coordination Group.

Focused on overall balance of proposal, reflecting outcomes of panel discussions in proposal case, and catch-all for other topics of importance best suited to engagement at this level of detail.

AusNet

4 stages of engagement

- 1. Understanding needs & defining focus areas (Completed in 2022)
- 2. Exploring focus areas & answering focus questions (Chiefly 2023)
- 3. Drafting and finalising proposal (2024-2025):
- 4. Post-lodgement engagement (Post-2025 submission).

3 interlinking streams

- 1. Targeted customer and stakeholder research and engagement
- 2. Co-ordination Group
- Panels (Electricity Availability, Customer Experience, Future Networks, Tariffs & Pricing, Benchmarking & Opex).

Connected to AusNet's ongoing engagement activities - Customer

Consultative Committee, ongoing customer research programs, and various committees and platforms.

5. Customer-informed decisions

Research with end-user customers helps us understand customer needs and prioritise preferences, and ensure decision-making is based on robust methodologies such as surveys and focus groups. As depicted in the figure below, existing and available data from customer touch points such as the AusNet customer contact centre, Customer Relationship Management (CRM) platform, and reports from government agencies will ensure data from both AusNet initiated research and engagement and customerinitiated contact is considered. These

Understanding customers' needs is not a one-in-5year event

AusNet continuously invests in understanding and engaging with customers. We undertake around a dozen or more research studies each year on specific or one-off topics. AusNet seeks to leverage research and engagement undertaken outside the EDPR process in the panels' deliberations along with EDPR-specific activities.

insights are supplemented by targeted research and engagement with customer and other key stakeholder groups to enable more complex and qualitative discussions where these are needed, such as via workshops and one-on-one or small group meetings.

Building on business-as-usual research and engagement • Customer Satisfaction (C- SAT) research • Energy Sentiments	25 customer workshops comprising 5 rounds each with 5 groups	Series of joint 5 network ch engagement with ch engagement ch engagement with ch engagement ch engag	Segmentation	
 Customer Consultative Committee Developer Consultative Committee Innovation Advisory Committee Customer 	Series of joint network engagement on framework and approach	Extensive engagement with government	Quantifying Customer Values Research	Joint network forum on tariffs
 Costorner Experience Improvements CRM Reports from government agencies Data from AusNet customer contact centre 	Survey and one- on-one meetings with generation proponents	Community Hub online engagement platform	Series of joint network engagement on community and network resilience	Further engagement with councils, large, customers, generatorsand more

Figure: Research and engagement methods to build understanding of customer needs and preferences

5.1 Targeted customer research and engagement methods

To ensure our decisions align with customers' priorities, our panel deliberations are supplemented by both our BAU program of research and targeted research and engagement initiatives.

Customer workshops

Five rounds of customer workshops, each with 5 groups of customers are being held. Specially, 3 faceto-face workshops are being held with residential customers in Epping, Morwell and Wangaratta, in addition to one online workshop each for residential and small and medium business customers.

The workshops provide opportunities for direct and meaningful engagement with a diverse range of customers and community members from across our Victorian electricity distribution network on a variety of identified topics and issues. Workshops will start at a high-level, aiming to test and fill gaps in existing understanding of key topics, then gradually deepen as we develop our plans. They will seek business and residential customers' feedback on potential solutions we're developing and that complement deliberations happening in the Panels. As such, the level of participation in these workshops is aimed at **consulting** and **involving** customers, consistent with the <u>IAP2 Public Participation</u> <u>Spectrum</u>.

Community Hub

<u>Community Hub</u> is a central, online engagement and research space for our regulated businesses, including electricity distribution. Community Hub offers a way for customers and community members to find information and engage with us at a time or place that better suits them.

Since late 2022 we have considerably expanded the EDPR-related part of Community Hub to reflect our engagement program and progress, and opportunities to participate. Late 2022 and 2023 focused on calls for panel members, supported by information about the design and overall approach to EDPR engagement. As we moved to Phase 2 of the engagement program, we added separate pages, with information about the focus areas, publicly available meeting summaries, and the opportunity for enduse customers to their story or experiences with us. Site engagement has increased strongly, with views of EDPR related content increasing more than 5 times since December 2022 and 2023.

Generator survey & meetings

The annual Generator Survey recognises generators as a key customer segment. The research combined an online survey with 21 distributed network customers and consultants in October 2023, who represented a diverse range of technologies, project sizes and stages in the application process.

The research captures the experience of applicants going through the connection process, identifying positive aspects and pain points, as well as overall satisfaction of generators. It provides valuable insights and suggestions on how AusNet could better meet and exceed customer expectations going forward.



Joint engagement

Beyond our own engagement program, we also participate in working groups with Victorian Distribution Businesses Jemena, CitiPower, Powercor and United Energy. These groups have been created for joint engagement opportunities, where it makes sense to align with other Victorian electricity networks, including on the topics of:

- **Tariff structures**, including developing a timeline for the tariff structure statement (TSS), developing common baseline tariffs across the networks, and considering opportunities for further engagement on common tariff matters.
- Frameworks and approaches, including service classifications and other matters relating to new and emerging issues.
- **Network resilience**, such as include common studies on climate impacts, actioning the Department of Environment, Energy and Climate Action's (formerly the Department of Environment, Land, Water and Planning) resilience review, valuing the impact of resilience, and other resilience matters.
- **Supporting customers experiencing vulnerability**, such by identifying opportunities to better support these customers, and promoting consistency in customer experience.

These joint engagement opportunities can provide a more efficient way for stakeholders and customers to engage with multiple networks at the same time. Open invitations to most of these events also broaden participation.

Large customer one-on-ones and forums

Commercial and industrial customers have distinct needs and considerations of their energy supplies. Understanding these changing needs, priorities and expectations is critical for us developing fit-forpurpose plans for our network.

In April 2023 we conducted a series of in-depth interviews with commercial and industrial customers from a variety of sectors including primary production, health, water, and foods and beverages. These insights as well as collaboration with the Energy Users' Association have informed a major customer forum, held in December 2023. The Forum provides the opportunity for commercial and industrial customers them to share feedback with us that we should consider in the preparation of our EDPR proposal on topics including tariffs, large customer connections and EV charging, as well as reliability and resilience. Further engagement will be planned with Commercial and Industrial Customers in 2024.

Quantifying Customer Values (QCV)

Customers' interactions with the grid and their expectations of it are evolving. While current level of service offered may be adequate for customers, potential improvements (or degradation) could be made, and new services introduced, to align more closely with customers values.

The QCV research project will quantify the value customers place on potential improvements or degradations to the service levels provided by our distribution network. It aims to establish statistically valid figures that reflect the preferences of AusNet customers and can be readily applied to our costbenefit analyses that will underpin our proposed investments. This work is complex, and different approaches are available to quantify and understand evolving customer priorities and values. A QCV working group, comprised on interested panel members, has been formed to guide both quantitative and qualitative elements.



Customer Segmentation Research

Electricity distribution networks need to accommodate peaks in energy use - understanding households' patterns of usage are of major interest to AusNet. In 2023 we completed a groundbreaking segmentation study to understand customers' energy usage behaviours, the drivers of them, and the propensity for them to change. To do so we drew on smart meter data, combined with a comprehensive online survey involving 3,250 to customers and in-depth interviews with 25 customers.

The project has given us a deeper understanding of what's going on 'behind the meter', including the relationships between appliance mix, attitudes, household composition and usage patterns across various cohorts so we can better forecast electricity usage trends and understand the impacts of various network decisions on different groups.

Further research and engagement

- Engagement with state and federal government occurs in an ongoing capacity. In addition, the above initiatives provide opportunities for further engagement with government. For example, our Customer Segmentation Research has prompted 5 briefings and discussions with Victorian, Federal and local government agencies.
- Plans are underway to engage with local councils on the topic of public lighting and through Council Development Officers in 2024. Local Councils have also been invited to take part in our Major Customer Forum.
- Further engagement with Commercial and Industrial customers, building on the interviews and Major Customer Forum held in 2023.
- Customers aged older than 61 also comprise more than 28% of AusNet's residential customer base, slightly higher than the Victorian average. As a considerable customer segment, we are partnering with the Council on the Ageing (COTA) in 2024 to better understand how older AusNet customers experience and perceive energy transition, considering its impact, their vulnerabilities, and potential solutions.

6. Robust challenge and evidenced impact | Proposal focus areas and governance

This section goes into detail on topics being investigated in AusNet's EDPR 2026-31 engagement program. It outlines the governance in place to make sure all trade-offs are considered and customers' long-term interests, with respect to these workstreams, are reflected in the proposal.

This structure has been designed to support *deep* engagement and ensure rigour and detailed challenge on the inclusions and outcomes to be achieved in AusNet's proposal. It is heavily informed by quantitative and qualitative customer insights, but goes into much more detail than is practical to achieve with broad engagement alone. This includes considerations like regulatory constraints, historical performance and activities in-train, regulatory precedent, industry best practice, government policies and positions, detailed costings and other matters.

These workstreams are:

- 1. **Overall proposal and governance**, overseen by the Coordination Group
- 2. **Customer experience**, overseen by the Customer Experience Panel
- 3. **Electricity Availability** covering reliability and resilience, overseen by the Electricity Availability Panel
- 4. **Future Networks**, overseen by the Future Networks Panel
- 5. Tariffs and pricing, overseen by the Tariffs & Pricing Panel
- 6. **Benchmarking and opex**, overseen by the Benchmarking & Opex Panel

plus

7. An additional **research and engagement** workstream that supports the research and engagement aspects of AusNet's process, to prepare the proposal. The Research & Engagement Panel oversees this workstream but they do not directly engage on the expenditure and commitments *in* the proposal.

Actions to share knowledge between panels, to avoid silos and reduce duplication across workshops

- A representative from each panel, who together comprise the Co-ordination Group.
- Members variously sitting on multiple panels.
- Empowering panel members to identify gaps and overlaps between focus questions via a facilitated session, which then also informed forward plans
- Allocating time in panel meeting for recaps of discussions in other panels, as relevant.
- Holding joint meetings, where focus questions are common or similar to 2 or more panels.
- Sharing meeting summaries, slide packs and a weekly communication bulletin with all EDPR 2026-31 engagement panel members. These and other research and engagement resources, such as case studies, are shared via a members' area on Community Hub, our online engagement platform.

6.1 Overall proposal and governance

The Coordination Group is responsible for incorporating the outcomes of panel process into the proposal. Key to this role is working transparently and collaboratively with the panels and AusNet and challenging AusNet, as necessary, to prepare a high-quality evidence-based proposal reflective of customers' preferences.

In 2023 the Coordination Group will play a key role in identifying and raising conflicts or overlaps between panels and working with AusNet to identify value-stacking opportunities across workstreams. As the program progresses, the Group will also look to understand and resolve trade-offs for inclusion in the proposal. From 2024 onward the Coordination Group will get into detail on building blocks (incorporating panel inputs) and the price path. During this time the Group will need to ensure both that the proposal reflects customers' interests and is balanced and efficient. They will also play a key role in ensuring a clear line-of-sight between AusNet's research and engagement program and the proposal.

Following submission of the draft proposal, the Coordination Group will lead on revising the proposal based on feedback received from the general public and the AER. They will also author an independent report(s) required under the *Better Resets Handbook* (AER, 2022) covering items such as the effectiveness of the engagement process in identifying customer preferences and the extent to which these are reflected in the proposal.

Coordination Group members

Peter Eben, Chair

Peter Eben has been appointed as the Independent Chair of the Coordination Group.

Peter has extensive experience working with energy retailers, generators, networks, energy users, governments, market operators and regulators. Peter specialises in providing advice in areas such as risk management, policy and strategic issues.

In addition to post-graduate qualifications, Peter is a Fellow of the Institute of Actuaries of Australia. He brings experience as a member of the Australian Renewable Energy Agency advisory panel, chair of network customer consultative committees and chair of a government assessment panel for a micro-grid initiative. He also has experience working with and for financial services companies and understanding the risk management frameworks and methodologies used by banks and insurance companies.

The Panel Lead role

The Coordination Group is comprised of representatives of each panel (panel leads). The role of the panel lead is to represent the relevant workstream in the Coordination Group's deliberations and responsible for keeping the Coordination Group informed on panel progress and reporting on the panel in the 2 independent reports. Note the panel leads do not have any more influence than other members in panel discussions.

The role of the independent Chair

The Coordination Group Chair ensures the effective operation of the Group by:

- suggesting and developing meeting agendas in conjunction with AusNet staff and maintaining records
- providing independent advice and feedback to AusNet staff on relevant issues and topics as required
- taking an active role in Coordination Group work as appropriate
- participating in briefings and meetings with key AusNet stakeholders (such as the Customer Consultative Committee), AusNet executives and the AER, as needed
- advising AusNet on administrative matters, including panel membership, dispute resolution, and stakeholder management
- balancing consensus among members while respecting a diversity of views.
- leading the development and production of independent reports.

The Chair also agrees to abide by AusNet's Code of Conduct and relevant policies.

Members:

- <u>Peter Eben</u>, Independent Chair
- <u>Kieran Donoghue</u>, Independent consultant, customer advocate
- Mark Grenning, Energy Users' Association of Australia
- Emily Peel, AusNet customer (Euroa area), NBN Co.
- <u>Helen Bartley</u>, Independent consultant, customer advocate
- Gavin Dufty, St Vincent de Paul (Vinnies)
- <u>Dean Lombard</u>, Independent consultant, customer advocate



Role and responsibilities of the Coordination Group

AusNet empowered the Coordination Group to define is role and responsibilities upon its establishment in mid-2023. The Group has committed to:

- working transparently and collaboratively with the panels and AusNet, and where necessary challenging AusNet to prepare a high-quality evidence-based proposal reflective of customers' preferences
- Identifying and raising conflicts or overlaps between panels and working collaboratively with AusNet to identify value-stacking opportunities across workstreams, understand and resolve trade-offs for inclusion in the proposal
- getting into detail on building blocks (incorporating panel inputs) and the price path
- reflecting customers' interests and value in technical considerations of the proposal with a clear line-of-sight from AusNet's research and engagement program
- authoring independent report(s) required under the *Better Resets Handbook* (AER, 2022), covering items such as the effectiveness of the engagement process in identifying customer preferences and the extent to which these are reflected in the Revenue Proposal.

Targeted level of influence

We will target the **Collaborate** level of influence overall when engaging with the Coordination Group (acknowledging that engagement will vary across different "levels" at different times through the process). This means the group will have a high level of influence on the key decisions made through the process for the topics in this group's remit.

Using language from the IAP2's (2020) Spectrum of public participation, to Collaborate means we are:

- setting a goal to partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution, and
- making a promise to look to the group for advice and innovation in formulating solutions and incorporate their advice and recommendations into the decisions to the maximum extent possible.

Customer Experience

This stream of work will be overseen by the Customer Experience Panel. The purpose of the Customer Experience Panel is:

To advise AusNet on the service levels customers value and expect e.g. how customers want to interact with us and how that might change in the future.

Customer Experience Panel members

- Coordination Group Lead Emily Peel, AusNet customer (Euroa area), NBN Co.
- Mark Grenning, Energy Users' Association of Australia
- John Mumford, Independent, AusNet customer (Bass Coast area)
- Jeff Nottle, Independent, AusNet customer (Phillip Island)
- Jonathan Kneebone, First Nations Clean Energy Network
- Tony Robinson, AusNet customer (metro Melbourne), independent customer advocate
- Piang Lilian, Residential and small business customer (metro Melbourne), President of Chin Community Victoria.

Targeted level of influence

We will target the <u>Collaborate</u> level of influence (IAP2, 2020) overall when engaging with the Customer Experience Panel (acknowledging that engagement will vary across different "levels" at different times through the process). This



means the group will have a high level of influence on the key decisions made through the process for the topics in this group's remit.

As noted earlier, and using language from the IAP2, to **Collaborate** means we are:

- setting a goal to partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution, and
- making a promise to look to the group for advice and innovation in formulating solutions and incorporate their advice and recommendations into the decisions to the maximum extent possible.

Focuses of the Customer Experience Panel

The Customer Experience Panel's exact focuses are open to evolution through the process. However, focus questions, co-designed by Customer Experience panel members to provide a clear focus as the panel investigate key topics of importance for customers and AusNet's proposal, are:

- 1. How might we design a Customer Service Incentive Scheme (CSIS) that delivers maximum benefit for customers?
- 2. How might we minimise the adverse impacts of outages on customers?
- 3. How might we ensure fit-for-purpose service for all customers, including those with specialised support needs?
- 4. How might we meet customers' preferences on the form, content and frequency of communication, as well as educational material that improves customer experience?
- 5. How might we design connection processes that meet evolving customer expectations, across all our customers?

Electricity Availability

This stream of work will be overseen by the Electricity Availability Panel. The purpose of the Electricity Availability Panel is to:

- Help AusNet better understand its customers' preferences regarding network reliability, resilience and availability, and ensure our investment plans appropriately balance affordability and reliability. This will take into account the increased frequency and magnitude of extreme weather events, climate impacts and increasing customer reliance on electricity due to electrification and hybrid working.
- Advise on value-for-money of approaches and specific solutions being considered for AusNet's Revenue Proposal.

Electricity Availability Panel members

- Coordination Group Lead Kieran Donoghue, Independent consultant, customer advocate
- Emma Birchall, AusNet customer (Heyfield), MyTown Microgrid Feasibility Study
- Chris Harvey, Independent, AusNet customer (Sandy Point), President of Sandy Point Community Power
- Jeff Nottle, Independent, AusNet customer (Phillip Island)
- <u>Helen Bartley</u>, Independent consultant, customer advocate
- Dr Tricia Hiley, AusNet customer (Mallacoota), Coordinator of Mallacoota Sustainable Energy Group
- Mark Grenning, Energy Users' Association of Australia
- Piang Lilian, Residential and small business customer (metro Melbourne), President of Chin Community Victoria.

Targeted level of influence

We will target the **Collaborate** level of influence (<u>IAP2</u>, 2020) overall when engaging with the Electricity Availability Panel (acknowledging that engagement will vary across different "levels" at different times through the process). This means the group will have a high level of influence on the key decisions made through the process for the topics in this group's remit.



Again using language from the IAP2, to Collaborate means we are:

- setting a goal to partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution, and
- making a promise to look to the group for advice and innovation in formulating solutions and incorporate their advice and recommendations into the decisions to the maximum extent possible.

Focuses of the Electricity Availability Panel

As for other panels, the Electricity Availability Panel's exact focuses may evolve through the process. The following 5 focus questions, which have been co-designed by panel members, provide a clear focus as members investigate availability-related topics of importance for customers and AusNet's proposal:

- 1. How might we efficiently improve reliability for our worst-served customers to a level that is considered value for money to all customers?
- 2. How might we assess how customer characteristics and activities are influencing the value they place on reliability and ensure our investment plans reflect this?
- 3. How might we work with customers and other stakeholders to identify and plan for resilience solutions that meet our customers' needs?
- 4. How might AusNet minimise adverse impacts of power quality and variability on customers?
- 5. How might AusNet best plan its works to minimise adverse impacts of planned outages on customers?

Future Networks

This stream of work will be overseen by the Future Networks Panel. The purpose of the Future Networks Panel is:

To provide input and expertise so AusNet can better understand its customers' preferences around new technologies, including the best ways the network can unlock more value for all customers and support the energy transition.

Future Networks Panel members

- Coordination Group Lead Dean Lombard, Independent consultant, customer advocate
- <u>Chris Harvey</u>, Independent, AusNet customer (Sandy Point), President of Sandy Point Community Power
- <u>Kate Hansen</u>, Independent, AusNet business and residential customer (northern Melbourne metro)
- Gavin Dufty, St Vincent de Paul (Vinnies)
- Professor Luis (Nando) Pizzali, University of Melbourne
- Emma Chessell, Customer advocate (formerly Brotherhood of St Laurence)
- Darren McCubbin, AusNet customer (Sale area), Gippsland Climate Change Network (GCCN)
- Linus Mayes, AusNet customer (metro Melbourne), Student and President, Monash Energy Club

Targeted level of influence

We will target the **Involve** level of influence (IAP2, 2020) overall when engaging with the Future Networks Panel (acknowledging that engagement will vary across different "levels" at different times through the process). This means the group will have a medium level of influence on the key decisions made through the process for the topics in this group's remit.

Using language from the IAP2, to Involve means we are:

- setting a goal to work directly with the group throughout the process to ensure that their concerns and aspirations are consistently understood and considered, and
- making a promise to work with the group to ensure that their concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how their input influenced the decision.



Focuses of the Future Networks Panel

As for other panels, the Future Network's Panel's exact focuses may evolve through the process. The following 5 focus questions, which have been co-designed by panel members, provide a clear focus as members investigate related topics of importance for customers and AusNet's proposal:

- 1. How might we best prepare for, and accommodate, the anticipated electrification of gas and transport loads (and other fuels)?
- 2. How might we support communities to realise their needs and energy aspirations?
- 3. How might we lay the foundations for a low-cost decarbonised future, where everybody can benefit?
- 4. How might we unlock more value for customers and reduce unit costs through an efficient mix of smart grid technology and new capacity?
- 5. Beyond enabling exports, how might we support customers in unlocking other CER value streams?

Tariffs and Pricing

This stream of work will be overseen by the Tariffs and Pricing Panel. The purpose of the Tariffs and Pricing Panel is:

To provide input and expertise to help AusNet design and implement network pricing that reflects customer behaviour and how customers interact with electricity. This includes how best to transition customers to new tariffs as part of the energy transition.

Tariffs and Pricing Panel members

- Coordination Group Lead Gavin Dufty, St Vincent de Paul (Vinnies)
- <u>Chris Harvey</u>, Independent, AusNet customer (Sandy Point), President of Sandy Point Community Power
- <u>Jeff Nottle</u>, Independent, AusNet customer (Phillip Island)
- Kate Hansen, Independent, AusNet business and residential customer (metro Melbourne)
- Dean Lombard, Independent consultant, customer advocate
- <u>Emma Chessell</u>, Customer advocate (formerly Brotherhood of St Laurence)
- Dr Nick Mason-Smith, AusNet customer (Beechworth), Indigo Power

Targeted level of influence

We will target the **Involve** level of influence (IAP2, 2020) overall when engaging with the Tariffs and Pricing Panel (acknowledging that engagement will vary across different "levels" at different times through the process). This means the group will have a medium level of influence on the key decisions made through the process for the topics in this group's remit.

Using language from the IAP2, to **Involve** means we are:

- setting a goal to work directly with the group throughout the process to ensure that their concerns and aspirations are consistently understood and considered, and
- making a promise to work with the group to ensure that their concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how their input influenced the decision.

Focuses of the Tariffs and Pricing Panel

The focus questions, which have been co-designed by Tariffs and Pricing panel members and provide a clear focus as the panel investigate key topics of importance for customers and AusNet's proposal, are:

- 1. How might we allocate revenue across different tariff classes in a balanced, justified and proportional way, that also provides support for customers with specialised needs?
- 2. How might we better analyse and understand customer impact, including understanding the impact of 'doing nothing', to help us make more informed decisions?



- 3. How might we use tariffs to enable and facilitate an energy transition without unexpected downside impact, and reflect the value of CER in the energy system irrespective of their specific technologies?
- 4. How might we build customers' agency on tariff choices, and smoothly support customers to transition to costreflective tariffs?
- 5. How might we ensure tariff design reflects agreed pricing objectives?

As is the case with other panels, the Tariffs and Pricing Panel's exact focuses may evolve during the process.

Benchmarking and Opex

This stream of work will be overseen by the Benchmarking and Opex Panel. The purpose of this Panel is:

To build customers' understanding of the drivers of AusNet's benchmarking performance and implications for the Revenue Proposal and consumer outcomes.

Tariffs and Pricing Panel members

- Coordination Group Lead Mark Grenning, Energy Users' Association of Australia
- Kieran Donoghue, Independent consultant, customer advocate

Targeted level of influence

We will target the Consult level of influence (IAP2, 2020) overall when engaging with the Benchmarking Panel (acknowledging that engagement will vary across different "levels" at different times through the process). This means the group will have a medium level of influence on the key decisions made through the process for the topics in this group's remit.

Using language from the IAP2, to Involve means we are:

- setting a goal to obtain the group's feedback on analysis, alternatives and/or decisions, and
- making a promise to keep the group informed, listen to and acknowledge concerns and aspirations, and provide feedback on how their input influenced the decision.

Focuses of the Benchmarking Panel

The Benchmarking and Opex Panel's exact focuses are open to evolution through the process. Current expectations are that this group will be guided by the following 2 focus questions:

- 1. How might benchmarking be applied to give customers confidence they're paying no more than necessary for an efficient service?
- 2. How might we be confident that AusNet's opex represents value-for-money and prudent and efficient expenditure?

Research and Engagement

The Research and Engagement panel works with and across all panels. This panel's purpose is:

To help ensure our panels have access to customer insights needed for their discussions and shape the design of various research and engagement activities. The Research and Engagement Panel also participates in designing research and engagement activities and assists with prioritisation of resources.

Research and Engagement Panel members

- Coordination Group Lead Helen Bartley, Independent consultant, customer advocate
- Darren McCubbin, AusNet customer (Sale area), Gippsland Climate Change Network (GCCN)
- Dr Tricia Hiley, AusNet customer (Mallacoota), Coordinator of Mallacoota Sustainable Energy Group



Targeted level of influence

We will target the **Collaborate** level of influence (<u>IAP2</u>, 2020) overall when engaging with the Electricity Availability Panel (acknowledging that engagement will vary across different "levels" at different times through the process). This means the group will have a high level of influence on the key decisions made through the process for the topics in this group's remit.

Using language from the IAP2, to Collaborate means we are:

- setting a goal to partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution, and
- making a promise to look to the group for advice and innovation in formulating solutions and incorporate their advice and recommendations into the decisions to the maximum extent possible.

Commercial & Industrial Customer Engagement

The remit of the Research and Engagement Panel is focussed on residential and business customers. Mark Grenning from the Energy Users' Association of Australia represents the interests of commercial and industrial customers in the process and is working with the Research & Engagement Panel on select activities, plus directly with AusNet on activities specifically for commercial and industry customers.

6.2 Governance

In addition to the principles and strategies discussed in this plan (Sections 4 – 6) governance processes and mechanisms will guide the way engagement occurs. Our governance approach includes both AusNet and panelled elements - all panel members and AusNet staff involved in the EDPR 2026-31 engagement program have a role in acting ethically, taking accountability for their decisions and actions, following compliance and administrative policies and processes, and identifying or managing risk.

Panel-led governance

The Research and Engagement panel will play a key role in the governance of grass-roots engagement activities and supporting panel members' engagement with their communities.

The independent Chair of the Coordination Group will also work to ensure trust and accountability in the EDPR 2026-31 engagement program is maintained, through activities such as suggesting and developing meeting agendas in conjunction with AusNet staff, maintaining independent meeting minutes and records and providing independent advice and feedback to AusNet staff on relevant issues and topics as required. Throughout the engagement program, the Coordination Group and Chair are free to suggest additional governance mechanisms and processes.

The Coordination Group will also make public two independent reports covering the quality of the EDPR 2026-31 engagement process and overall satisfaction with the Draft and Revenue Proposal, consistent with the *Better Reset's* Handbook.

AusNet-led governance

AusNet has drawn on existing organisational governance mechanisms and supplemented these to reflect the broad nature of this engagement project and the potential impacts it of our proposal on customers and communities.

AusNet-lead governance initiatives include:

- Recruitment and selection of engagement panel members, whereby:
 - clearly defined position description and terms of reference were developed, published and used to appraise all applications
 - o a communication campaign helped reach a broad audience of potential applicants
 - a selection panel comprised of AusNet staff and the Chair of our Customer Consultative Committee reviewed and interviewed applicants

- on selection, panel members received a letter of agreement clearly stating the terms of their engagement. A generic version of this letter is available via Community Hub and includes remuneration details
- members are asked to declare actual or perceived conflicts of interest, which are recorded via a Conflictof-Interest register, reviewed and managed as appropriate.
- AusNet's company-wide governance policies and mechanisms apply to AusNet staff in their involvement with the EDPR 2026-31 process.
- Members of AusNet's Research and Engagement Team, who work alongside panel members, belong to or are certified by either the International Association of Public Participation or The Research Society.
- While working alongside relevant AusNet staff, panel members will remain independent of, not embedded within, AusNet's business structure.

In keeping with the living nature of this document and our engagement program, we will update our governance mechanisms throughout the life of the program. We will continue to look closely to the guidelines provided within the *Better Resets Handbook* and the IAP2 Code of Ethics as engagement for our EDPR 2026-31 progresses. We also welcome <u>suggestions</u> on additional governance mechanisms or process that we could adopt – these can be made via the EDPR 2026-31 page on Community Hub. Updates to governance processes and mechanisms will be included in future iterations of this document and will also be shared via the EDPR 2026-31 page on <u>Community Hub</u>.

6.3 Monitoring and evaluation

The success of our EDPR 2026-31 engagement program can be evaluated in terms of both its outcomes and the process used to achieve them. Overall, a successful engagement outcome can be described as one in which:

- engagement enables our revenue proposal to demonstrate customer focus, including corresponding to the long-term interests of customers, and customer confidence in EDPR 2026-31 process
- endorsement is given via 2 independent reports for both the quality of the EDPR 2026-31 engagement process and overall satisfaction with the revenue proposal.

Our plans can also be appraised against existing guidelines and best practices, in particular those specified in the *Better Resets Handbook*, as well as those provided by the IAP2, among others.

Summative evaluation of both these outcomes will occur via the 2 independent reports (See 6.2 Governance), and which will assess the quality of the EDPR 2026-31 engagement process and overall satisfaction with the revenue proposal.

Monitoring throughout the engagement program will help ensure we are on track to achieve these overall outcomes (i.e., formative evaluation).

At a minimum, interim evaluation reports, drawing on feedback received from interested customers and engagement panel members and about our engagement approach and program will be published every 6 months, for the periods mid-2023 to late-2025. Importantly we will work to derive actionable insights from this feedback, to help us further refine our engagement approach. The results of our first interim evaluation are outlined in Appendix 1 and draw on feedback received following panel meetings, email in check-in phone calls with panel members and engagement via Community Hub.

The following questions will continue to help monitor our progress and the effectiveness of our approach in the months ahead.



Questions to help monitor the effectiveness of our engagement approach:

Is our engagement approach and program:

- ensuring our EDPR 2026-31 proposal is being underpinned by customer insights, experience and preferences, and corresponds to the long-term interests of customers?
- ensuring credible, value-for-money, and robust customer engagement?
- complementing our ongoing engagement program to build customer confidence in and address concerns about the EDPR process?
- responsive to the changing context in which our customers and stakeholders live and engage with our network?
- on track in terms of timing and budget? Do we need to make modifications to our plans?



7. Shape our plans

As outlined in Sections 4 and 5 of this document, there are several opportunities and ways for interested customers, community members and stakeholders to participate in our engagement activities throughout 2024 and into 2025. These include via customer research, information and updates on <u>Community Hub</u>, and through engagement activities there. At any time, you can also contact us using the traditional and digital channels outlined on the back of this document.

This document itself is designed as a way to engage. Page 4 suggests some questions that you might like to ask about this document. You can engage with us now, responding to the questions asked or sharing feedback on other topics related to electricity distribution via the QR codes or links below, and anonymously if you wish.

Respond to the questions on Page 4 at Community Hub or scan this QR code.



To <u>share insights and</u> <u>feedback</u> on topics related to electricity distribution scan this QR code or visit Community Hub.



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Appendix Appendix 1: Engagement evaluation | January to June 2023

As noted in Section 1.1 of this document, we drew on feedback and suggestions from panel members and our own observations to refine aspects of our engagement program and ensure we remain on track to meet our engagement objectives. Insights from this formative evaluation of our engagement approach, and channels used to inform this evaluation, are outlined below.

Summary of engagement milestones, metrics and reflection (to June 2023)



Post-meeting feedback: While sample sizes were small, panel members who completed post-meeting evaluation forms were broadly satisfied with the quality of materials, meeting organisation and communication, agendas and format and the quality of discussion. Qualitative comments such as those included below helped to refine our approach in 2024.



Community Hub Engagement: Our early focus was to establish a public EDPR 2026-31 presence on Community Hub. This would provide high-level information on the engagement process and program overall, help recruit panel members, and to provide a way for community members to share insights or engage with us. The EDPR 2026-31 Panel Member's Area was also established to provide a central and easily accessible information hub for panel members, as meetings began. Public panel pages were then created to share what was discussed during panel meetings and invite participation from the wider community. Combined, EDPR 2026-31 pages accounted for approximately 12% of all page views, 15% of site visits and 17% of all site visitors between 1 January and 31 July 2023.

EDPR 2026-31 Community Hub Engagement

EDPR-specific content | 1 Jan - 31 July 2023

New pages created: • EDPR 2026-31 Engage		Total Visits	Total Visitors	Top referral sources	
page EDPR Panel member (separate sub-site) Sub-panel pages Panel memberrecrui	1400	1117	593	AusNet website Search engines Facebook	
Community Hu	Jb site-wide enga	- · ·	(
	Jb site-wide enga ^{% of} Total Views	gement 1 Jan	– 31 July 202 Total Visitors	23 Top referral sources	
Most visited projects Research 	% of visits 31%	Total Visits	Total Visitors	Top referral sources	
Most visited projects Research EDPR 2026-31 	% of visits 31%	Total Visits	Total Visitors	Top referral sources	
Most visited projects Research 	% of visits 31%	- · ·	Total Visitors	Top referral sources	

Email feedback: Three key themes can be identified among anecdotal feedback from panel members in early 2023. These related to largely process and input-related topics, consistent with the early stages of the engagement process.

Email Feedback from panel members

AusNet

Theme 1: Community Hub

- Usefulness of Community Hub
 "I commend AusNet on getting the Community
 Hub happening and I find it quite
 com prehensive-it will be a great tool for the
 SRG and subpanels and I hope from the
 broader cust om er base. Im port ant lyI hope
 traffic will be monit oreds as time goes by the
 opport unit yexists to evaluate the reach to the
 AusNet's wider cust om er group and their
 engagement."
- Complaint on Feedback Form (Format & Logic) "There appears to be insufficient room in the answer boxes to provide a full response." "Weirdly I had to m ake comments in the "other" before moving on although I had not hing to add in this column!"

Theme 2: Record Keeping

- Advantage of Weekly bulletin
 "I found the weekly bullet in to be a great way to quickly underst and what had transpired in m y absence. It hen used the em bedded links to seek out more information on what I was interest in or involved with. Good job!"
- Meeting summary: Language and Circulating timing "I feel there is value in terms of transparency and

scrutiny to use active language in the Sum mary, This then demonstrates more clearly two ay dialogue and how the subpanel was informed and engaged with AusNet more clearly than passive language."

meeting the action items were circulated when I still have some det ailed recall of the meeting."

Theme 3: Communication

 Positive feedback on the subpanel meeting

"Great m eeting, highly inform at ive and lots to be getting on with." (Availability)

AusNet's way of responding to panels

"I am happyfor AusNet Engagement responses to this type of em ail to go to all Sulapanel mem bers. And I would be happy to receive the comments made by the other Sulapanel mem bers."

Limitation of Online Meetings
 "The current process feels very siloed. We can
 get around this when we are all meeting in a
 room together. But when the process is prim arily
 online, we all need to work harder to ensure we
 all have the whole picture."

Check-in calls: Three rounds of phone calls with panel members were conducted between January – July 2023. The first was centred around welcoming panel members and ensuring they had information and support needed. The second and third rounds involved seeking panel members feedback on pain points or suggestions for further improvement. The following slides present a summary of discussions from the second and third rounds of calls, and also connect the changes that are integrated into version of the EDPR 2026-31 engagement plan with panel member insights and suggestions.

Check-in calls

What's working well?

- **Sub-panel engagementis clear and focused** and sub-panels are working well together on meaningful and interesting topics
- · Engagement is genuine we are listening
- AusNet isopening up a lot of decisions for the engagement program to meaningfully influence
- AusNet isorganised with high-quality packs and communication now working well
- AusNet isresponsive to feedbackon the process (and has madea number of tweaks already)
- Starting engagementearly is positive
- Offer of additional funds and research staff time is positive
- It's good to have **new faces** involved in the EDPR process which is keeping the process interesting and adding richness to discussions
- "Deep dive" methodology works well
- Great discussions are being had, and even many "seasoned" participants feel they are learning new things!



Check-in calls		AusNet
Opportunities for improvement		How we're responding
Members interested in different issues– for example, some are keen to get into the technical detail of our proposal, others want to be more involved in designing and delivering research and engagement.	•	Have split out 'Research and Engagement' into its own Subpanel.
Potential for silos between subpanels , as there are topics that overlap e.g., export services and pricing; planned outage comms and frequency.		Coordination group charged with understanding and resolving trade offs/ conflicts between the sub-panels (including potential joint meetings where value for money), with members having clear accountability for this.
Not clear where the detailed consideration of building blocks will occurand concern that they will not be adequately engaged on.		Re-focusing Coordination Group on building blocks and authoring report on overall case. Added 'Opex' to scope of benchmarking subpanel.
SRG too big for everyone to participate, and too difficult to coordinate report writing.		Willstreamline tosmaller Coordination Groupto improve efficiency
		1

AusNet **Check-in calls Opportunities for improvement** How we're responding Role of the SRG is not clear and interpreted Have re-defined remit to be more focused on the outputs required for differently by different members. the EDPR process. Will**retain Padlet** prior to meeting (it is optionalthere is some strong support for this and it 'seally usefulfor us) and **focus more on discussion** Mixed response to use of technologye.g., Miro **based sessions** in Sub-Panels (with occasional use of technology as required!). We don't want to engage ontess, but we intent to address through **better matching members to conversations aligned with their interests** Sense that we are "moving too fast" and expertise via revised structureClearer remit and scope for panels (to come with focus questions). Stronger coordination. No face-to-face time to build rapport Organisingface-to-face session in late July/ early August The process feels hierarchical with the SRG at Disbanding SRG and replacing with Coordination GroupRemoving the top and it is not clear how the panel's work "sub" from panels to clearly communicate the importance and standing will be incorporated into the final proposal, and where the "power" lies of panels and their outputs. Coordination group role is largely incorporating panel outputs into proposal case.

and Padlet.

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Appendix 2: Focus questions by panel

Tariffs & Pricing	Future Networks	Customer Experience	Electricity Availability	Benchmarking & Opex
How might we allocate revenue across different tariff classes in a balanced, justified and proportional way, that also provides support for customers with specialised needs?	How might we best prepare for, and accommodate, the anticipated electrification of gas and transport loads (and other fuels)?	How might we design a CSIS that delivers maximum benefit for customers?	How might we efficiently improve reliability for our worst- served customers to a level that is considered value for money to all customers?	How might benchmarking be applied to give customers confidence they're paying no more than necessary for an efficient service?
How might we better analyse and understand customer impact, including understanding the impact of 'doing nothing', to help us make more informed decisions?	How might we support communities to realise their needs and energy aspirations?	How might we minimise the adverse impacts of outages on customers?	How might we assess how customer characteristics and activities are influencing the value they place on reliability and ensure our investment plans reflect this?	How might we be confident that AusNet's opex represents value-for- money and prudent and efficient expenditure?
How might we use tariffs to enable and facilitate an energy transition without unexpected downside impact, and reflect the value of CER in the energy system irrespective of their specific technologies?	How might we lay the foundations for a low-cost decarbonised future, where everybody can benefit?	How might we ensure fit-for- purpose service for all customers, including those with specialised support needs?	How might we work with customers and other stakeholders to identify and plan for resilience solutions that meet our customers' needs?	
How might we build customers' agency on tariff choices, and smoothly support customers to transition to cost-reflective tariffs?	How might we unlock more value for customers and reduce unit costs through an efficient mix of smart grid technology and new capacity?	How might we meet customers' preferences on the form, content and frequency of communication, as well as educational material that improves customer experience?	How might AusNet minimise adverse impacts of power quality and variability on customers?	
How might we ensure tariff design reflects agreed pricing objectives?	Beyond enabling exports, how might we support customers in unlocking other CER value streams?	How might we design connection processes that meet evolving customer expectations, across all our customers?	How might AusNet best plan its works to minimise adverse impacts of planned outages on customers?	

Appendix 3: Detailed engagement timeline FY2024

	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Beyond
Coordination Group	30th▲	TBC▲							
Future Networks Panel									
Tariffs & Pricing Panel	▲ Joint					▲ Joint			
Electricity Availability Panel	<u>۸</u>								
Customer Experience				A					
Opex & Benchmarking						*			
Research & Engagement	*	*		*	*	*	*	*	*
Other panel activities		▲ In∨estment planning mtg		Offsite (all) ▲ Eng ^{mt} re∨iew▲				Offsite (all) ▲ Eng ^{mt} review▲	
Customer Workshops				Round 3					Rnd 4 Jul Rnd 5 Oct
Quantifying Customer Values	Field	lwork	First draft of ∨alues		Reporting				
Business-as-usual engagement	▲ Generation developer survey ▲ Estate developer survey ▲ CCC/TCAP	▲ CCC		 ▲ CCC ▲ Estate developer forum ▲ Innovation committee 	▲ CCC	▲ CCC ▲ Energy Sentiments survey	▲ CCC	▲ CCC ▲ Inno∨ation committee	
Ad-hoc EDPR engagement	▲ Large customers	▲ Large customer forum			▲ Traders groups, orgs, ▲ Medium bi	▲ Councils, ▲ Retaile usinesses	ers, 🔺 Social service		
Proposals							riting draft p writing submission	Draft published \blacktriangle	

Appendix 4: Designing the engagement plan

Our approach to customer and stakeholder engagement for EDPR 2026-31 was designed through a 5-phase process:

- 1. Early preparation
- 2. Internal planning
- 3. Engagement plan co-design
- 4. Drafting this plan; and
- 5. Monitoring and updating this plan, based on feedback and contextual changes.

A summary of what was involved in these 5 stages is detailed over the page.

Bringing customers' voices into the design process

Our customers have been front-of-mind in the development of our engagement program. Their higher-order needs of our network are well known and are monitored closely by AusNet within and beyond the EDPR planning process. Our customers have directly contributed to this plan through their participation in <u>extensive research</u> over several years.

In addition to leveraging this understanding to ensure customers' self-identified needs are addressed in the engagement process, we also engaged a number of credible, engaged customer representatives, who know the AusNet business and our customers well, in the <u>Co-Design process</u>. Their role was to represent customers' interests in the planning process, including on aspects of the planning process that are complex, "back-end" or particularly speculative, and that customers typically would not think about.

The overarching objective of the design process was to develop a plan for further, targeted engagement with a diverse range of customers and other key stakeholders on topics that are important to them (now and/or in the future). Customer and stakeholders' voices are strongly reflected in the evolution of the engagement program, most of which is changing in direct response to requests for engagement.



Early preparation

Some of the activities undertaken include:

Delivering on commitments made in the last regulatory reset

Delivering our business-as-usual engagement and research activities, discussing and monitoring new and emerging priorities

Identifying relevant learnings from prior regulatory resets

- Targeted discussions with key stakeholders and customer representatives about priorities, engagement models
- Ongoing customer research with AusNet customers to stay abreast of priorities, needs and behavioural trends
- Completing other AusNet regulatory resets (for electricity transmission and gas distribution) and observing other networks' processes
- Monitoring evolving expectations of regulatory reset engagement
- Monitoring our broader operating environment and emerging challenges for AusNet and our customers.

Internal planning

Internal planning included activities such as:

Reviewing and discussing outputs of "Early Preparation" stage, and what it means for our proposal and engagement program

Discussing objectives of our engagement program, and draft engagement principles (influenced by organisational culture and broader strategies)

Discussing options for high-level engagement models, and how we best deliver a credible, flexible, valuefor-money and robust program. Select preferred model.

Reviewing resourcing and ensure we have the right people in the right places to deliver the proposal and engagement program

Discussing how much influence stakeholders are able to have on our plans. Select preferred approach

Considering at what stage in our planning we want to start formally engaging, and who with. Select preferred approach

Setting ourselves up administratively (e.g. establishing our Community Hub platform).

Engagement plan co-design

Co-designing our engagement plan with customer representatives and other key stakeholders to:

refine our draft:

- engagement principles
- engagement framework, then

design together:

topics for engagement, and grouping them by work stream what groups should be represented in the work stream, and how

- what sub-topics the work stream needs to address
- timing and frequency of

level of influence engagement program should have on work stream

risks and opportunities of the approach. Key considerations for ensuring it delivers the outputs discussed.

A detailed $\underline{\mathsf{report}}$ on the co-design process is available on Community Hub.



Figure: The process that underpins the development and refinement of this living engagement plan

Engagement objectives

Objectives What we are		How we will achieve these objectives The principles and strategies we will use to achieve the objective		
Be eviden	ce-based	Recognising that evidence can take many forms, we will use different methods to gather evidence and as appropriate to the questions asked. Customer, stakeholder and industry research (in a variety of forms), and independent forecasts will ensure our understanding of customer needs, concerns, preferences and sentiments are accurate and aligned with those of our broader customer base.		
Focus on t topics and	he "right" I be flexible	We will focus on themes and issues that are important to our customers and other stakeholders and where they can influence outcomes and be flexible and responsive to changes in customer sentiments and our external environment, maintaining the option to re-visit topics if circumstances change.		
Welcome and challe conversati		We will welcome difficult conversations and different perspectives, without shying away from complexities, trade-offs and areas of poor performance. We will seek to build on our reputation for genuine and engagement and tough conversations.		
Allow for b and deep	ooth broad engagement	Supported by communication from AusNet, and through our panel members' networks, we will reach many people (breadth) and going into sufficient detail on important topics (depth) and deliver an engagement framework that allows this to be achieved.		
in the right conversati make it ec	ions and asy and or interested	 We will achieve this by: having a strong governance process for the engagement program, and working with customers and other stakeholders on the design of engagement activities providing multiple channels for interested parties to interact and provide feedback engaging efficiently – allowing adequate time but not demanding more of other stakeholders' time than is needed and recognising that some communities are 'consultation fatigued' advertising for key panels widely, and appointing members based on a competitive process, with diversity of membership a key objective (see Appendix 1) appraising possible engagement opportunities for their capacity to help deliver the long-term interests of customers. Clearly communicating the purpose of each activity, and how it fits into our planning process using plain English wherever possible looking for and acknowledging 'quiet' voices and seeking guidance from panel members and representatives how to best engage with and learn from customers including First Nations communities, those from Culturally and Linguistically Diverse (CALD) backgrounds, experiencing vulnerability, or from remote areas adapting engagement program and materials to suit the audience use joint engagement with the other Victorian distributors as appropriate to streamline engagement providing opportunities to engage with our executive team, where appropriate. 		
	mer and er input has ır plans and	We will provide a feedback loop to engagement plan participants, the general public and our regulators on how the engagement program has influenced and shaped our plans. We will maintain the Community Hub site as a central repository for key materials related to this engagement program, such as meeting summaries and materials, customer research findings and workshop outputs.		
	participants' o influence	 We will achieve this by: recruiting participants to panels with diverse backgrounds, domain expertise, and unique perspectives and experiences. Encouraging and facilitating peer-to-peer learning and discussions within and between panels and individuals. facilitate continuity between other regulatory reset and BAU engagement activities to reduce duplication in conversations and help facilitate continuity provide participants with materials and evidence to help them develop informed views and lines of questioning encouraging participants to speak up when they don't feel like they have the knowledge, materials, access to expert advice, or evidence needed to effectively participate providing clear agendas and giving participants time to prepare as needed. 		



Our engagement framework

Our engagement framework has been designed to help us achieve the objectives above. As outlined in the table below It is characterised by 4 stages, 3 interlinking streams and a series of focus areas.

4 Stages	3 Interlinking engagement streams	Focus areas (and aligned focus questions)
Stage 1: Understanding needs & defining focus areas	Targeted customer and stakeholder research and engagement Supported by the Research & Engagement Panel	Overall proposal & governance Overseen by the Coordination Group Research & Engagement Supported by the Research & Engagement Panel
Stage 2: Exploring focus areas & answering focus questions	Coordination Group (CG)	Electricity Availability Overseen by Electricity Availability Panel Customer Experience Overseen by Customer Experience Panel
Stage 3: Finalising proposal	6 Panels Aligned to focus areas (see right).	Future Networks Overseen by Future Networks Panel Tariffs & Pricing Overseen by Tariffs & Pricing Panel
Stage 4: Post-lodgement engagement		Benchmarking & Opex Overseen by Benchmarking & Opex Panel

The 4 stages

Stage 1: Understanding needs and defining focus areas was largely completed in 2022 and involved exploratory customer research and discussions with other stakeholders. This exploratory work:

fed into the co-design of this engagement plan with customer and other stakeholder representatives (as outlined in the previous chapter), and

provided important "scene setting" insights on which to build in Stages 2 and 3.

Stage 2: Exploring focus areas and developing plans to address them involves targeted customer and stakeholder engagement to support detailed planning undertaken in the panel stream, over seen by and with support from the Coordination Group and Research and Engagement Panel.

In early 2023 panel members co-designed a series of focus questions aligned to each of the focus areas outlined above (outlined in Section 6 and Appendix 2). The focus questions are designed to provide a clear focus for each panel, as they deep dive into these key topics of importance for customers and AusNet's proposal throughout 2023 and into 2024.

Methods and format used to explore focus areas vary (including using existing data from customer touch points) and are tested against the criterion of delivering in the long-term interests of customers. The panels expressed a view that "deep dive" sessions, focussing ideally on one focus question at a time, was their preferred methodology for answering the focus questions. Communication with customers and other stakeholders also occurs in stage 2, helping



to raise understanding and awareness of engagement initiatives taking place and encourage participation by interested customers and or their representatives.

Stage 3: Finalising proposal will involve pulling together the proposal case and ensuring that it represents overall value-for-money for AusNet customers and delivers to their long-term interests. There may be some balancing of priorities undertaken in this stage, to ensure the overall proposal is coherent and sets us up to deliver great outcomes for customers in the future while balancing the need for affordability. Around 6 months ahead of submitting our proposal to the AER, we will release a draft proposal for public comment. This will happen part-way through Stage 3, with the remainder of Stage 3 focussed on building out the finer details of the proposal and updating the proposal based on feedback on the draft.

Stage 4: "Post-lodgement" engagement refers to engagement undertaken after we submit our proposal to the AER in early 2025. Stages 1-3 detail our engagement activities up until this time, but engagement doesn't come to a hard stop here. Once we submit our proposal, engagement:

becomes very focussed, specifically addressing the areas of our proposal on which the AER would like to see further work or evidence, and

starts transitioning back to business-as-usual research and engagement, and the AusNet team starts preparing to deliver the commitments and plans made through the EDPR process.

The 3 interlinking engagement streams

Targeted customer and stakeholder research and engagement

Research with end-user customers will help us understand customer needs and prioritise preferences, and ensure decision-making is based on robust, evidence-based methodologies such as surveys and focus groups. Existing and available data from customer touch points such as the AusNet customer contact centre, Customer Relationship Management (CRM) platform, and reports from government agencies will ensure data from both AusNet initiated research and engagement and customer-initiated contact is considered. These insights will be supplemented with targeted engagement with customer and other key stakeholder groups to have more complex and qualitative discussions where these are needed, such as via workshops and one-on-one or small group meetings.

Understanding customers' needs is not a onein-5-year event

AusNet continuously invests in understanding and engaging with customers. We undertake around a dozen or more research studies each year on specific or one-off topics.

AusNet seeks to leverage research and engagement undertaken outside the EDPR process in the panels' deliberations along with EDPR-specific activities.

Stage 1 – A substantial amount of customer research was undertaken in Stage 1. Some of this was "business-as-usual" and some was specifically undertaken (or timed) to align with the EDPR process. Research includes our Customer Satisfaction (C-Sat) monitoring program, our bi-annual Energy Sentiments survey, a customer segmentation study, forward-looking Energy Futures research in collaboration with Monash University, Energy Consumers Australia and Ausgrid, and customer research undertaken for our Gas Access Arrangement 2023-28 (the gas distribution equivalent of this EDPR process).

Stages 2 and 3 – Targeted research and engagement with customers and other key stakeholder groups is being guided by the needs of the panels and aligned focus questions. Research and Engagement Panel engaged across the IAP2 spectrum to shape targeted research and engagement, including collaborating on the design of key activities such as customer workshops and the Quantifying Customer Values study.

Specific activities we're undertaking are described in Sections 11 and 12.

Post-Lodgement Engagement – The role of this work stream in post-lodgement engagement is highly unknown at this stage. Further targeted research and engagement will be undertaken on an as-needed basis. Based on previous experience, the needs of this stream in post-lodgement engagement would be:

highly targeted, focussed on areas the AER has said it would like to see further, more specific research and engagement ahead of AusNet submitting its revised proposal, and/or

very general, double-checking that our understanding of customers' needs and preferences is up-to-date, which could largely be supported by ongoing business-as-usual research and engagement activities.



Coordination Group

The Coordination Group is responsible for incorporating outcomes of panel process into our proposal. In achieving this goal, the Group has committed to:

- working transparently and collaboratively with the panels and AusNet, and where necessary challenging AusNet to prepare a high-quality evidence-based proposal reflective of customers' preferences.
- Identifying and raising conflicts or overlaps between panels, and working collaboratively with AusNet to identify value-stacking opportunities across workstreams, understand and resolve trade-offs for inclusion in the proposal.
- getting into detail on building blocks (incorporating panel inputs) and the price path.
- reflecting customers' interests and value in technical considerations of the proposal with a clear line-of-sight from AusNet's research and engagement program.
- authoring independent report(s) required under the *Better Resets Handbook* (AER, 2022) covering items such as the effectiveness of the engagement process in identifying customer preferences and the extent to which these are reflected in the Revenue Proposal.

These responsibilities were co-designed with the Coordination Group following a review of our engagement approach in May 2023 and its establishment in June 2023. Coordination Group members also represent one of the panels in this forum (and may serve as members of other panels as well). Panels engage in greater depth on five topics (outlined below), and report into the Coordination Group via an allocated representative ("panel lead").

Stage 1 – The Stakeholder Reference Group was established and members recruited in Stage 1, and some of its responsibilities were assumed by the Coordination Group upon its establishment.

Stage 2 – The Coordination Group has an important but back-seat role in Stage 2, staying abreast of Panel work and starting discussing overarching topics that span or do not overlap with panels, such as the regulatory building blocks, AusNet's proposal narrative and process governance.

Stage 3 – The Coordination Group is front and centre in Stage 3, pulling together the proposal case and ensuring that it represents overall value-for-money for AusNet customers, and its alignment to their long-term interests. The Coordination Group will also provide a customer perspective on our Revenue Proposal as a whole. The Proposal will be released first as the draft for public consultation, then revised for supporting to the AER. Evaluation via 2 independent reports will also occur at this stage (see 8.1 Governance). These reports will assess the quality of the EDPR 2026-31 engagement process and overall satisfaction with the Revenue Proposal.

Post-lodgement the Coordination Group will likely continue to meet on an as-needed basis to discuss areas of our proposal that need further revisions, and to support any other engagement happening at this time.

The Panels

The panels are where the detailed work on 5 work streams occurs. Panels have been established for each of Electricity Availability, Customer Experience, Future Networks, Tariffs and Pricing and Benchmarking and Opex.

The panels comprise a variety of members, including customer representatives, representatives of other stakeholder groups and subject matter experts.

Stage 1 – The role of the panels was defined and members recruited in Stage 1, but the groups' work largely started in Stage 2.

Stage 2 – The panels are doing most of their work in Stage 2 where the spotlight is on their detailed deliberations of 22 focus questions. The Research & Engagement Panel also plays a key role at this time, supporting the design and delivery of key research and engagement activities to inform focus question deliberation and the overall proposal case.

Stage 3 – The panels' detailed work will taper off from Stage 3, when the Coordination Group is working to bring the overall proposal together. While the details of these processes are unknown at the time this version was published (Version 2.0, March 2023) it is anticipated they will be determined as Stages 2 and 3 progress.



Some panels may continue to meet if/as further work is needed.

Post-lodgement engagement – The panels may be reconvened to support post-lodgement engagement, depending on which (if any) relevant sections of our proposal need further revisions.

The role, responsibilities and members of each panel are further defined on Pages 26 to 30.

Connecting this program with AusNet's ongoing engagement activities

The Role of AusNet's Customer Consultative Committee (CCC)

Our Customer Consultative Committee (CCC) will be kept closely informed on the EDPR engagement program's progress, such as through regular agenda items at monthly CCC meetings with opportunities for questions and discussion. As AusNet's "peak" business-as-usual engagement forum, with oversight over AusNet's other engagement forums and research program as well as our business operations and work programs, the CCC will have the role of:

helping coordinate between EDPR-specific engagement and AusNet's business-as-usual engagement

act as an escalation point and sounding board for the Stakeholder Reference Group Chair, as needed

helping keep AusNet accountable with regard to delivering on commitments made through the EDPR 2026-31 process.

CCC members will also be encouraged to share information and opportunities to participate in EDPR 2026-31 engagement activities with their networks as appropriate and using traditional or digital channels.

Conversations around the ongoing role for the CCC following the completion of this engagement program (and the wrap-up of the Stakeholder Reference Group and panels) will be held nearer this time with the CCC and Stakeholder Reference Group.

Aligning EDPR engagement with existing forums and business-as-usual activities

To streamline efforts and time, and maximise value of this engagement program, we will leverage existing forums and activities wherever practical to support this engagement program.

That includes the Customer Consultative Committee, ongoing customer research programs including Energy Sentiments and our Customer Satisfaction (C-Sat) monitoring program, Innovation Advisory Committee, Developer Consultative Committee, Transmission Customer Advisory Panel, Community Hub platform, social media and other web channels.

Timeline of key engagement activities

A timeline of upcoming engagement activities is available in Appendix 3. Note it is not complete and will be added to over time.

Appendix 5: Panel members and customer segments

Panel members have been purposefully recruited with consideration of their skills and expertise, and to help ensure we understand the diverse mix of customers connected through our electricity distribution network. In addition to the skills, networks and expertise of individuals, particular consideration was given to the mix of panel members overall. Different customer segments represented on respective EDPR 2026-31 engagement panels are outlined below.

Engagement Panel	Group represented
Coordination Group	Rural communities and customers Customers experiencing vulnerability Customers from metropolitan /urban areas Residential customers Commercial and industrial customers Small business customers Future and community energy customers
Future Networks Panel	Rural and remote (coastal) communities and customers Customers experiencing vulnerability Customers from metropolitan /urban areas Residential customers Small business customers Future and community energy customers
Tariffs and Pricing Panel	Rural communities and customers Small business customers Customers from metropolitan /urban areas Customers experiencing vulnerability Residential customers Future and community energy customers
Electricity Availability Panel	Rural and remote (coastal) communities and customers Small business customers Customers from metropolitan /urban areas Customers experiencing vulnerability Residential customers Commercial and industrial customers CALD customers Future and community energy customers
Customer Experience Panel	Farmers and agricultural customers Commercial and industrial customers Residential customers First Nations communities Rural and coastal communities and customers CALD customers Customers experiencing vulnerability
Benchmarking & Opex Panel	Customers from metropolitan /urban areas Commercial and industrial customers
Research and Engagement panel	Rural and remote (coastal) communities and customers Farmers and agricultural customers Residential and small business customers Future and community energy customers



Appendix 6: Version history

The following table documents previous versions of this document, summarises changes made since the previous iteration and publication dates.

Document version	Reference date	Description	
1	January 2023	Document circulated in February for review and comment by SRG prior to publication.	
		Comments adopted or addressed as outlined in EDPR 2026-31 Engagement Plan Amendments Summary.	
		Comments adopted are integrated into version 2, below.	
2	March 2023	Integrates multiple comments and suggestions as provided by SRG and as documented in EDPR 2026-31 Engagement Plan Amendments Summary.	
3	December 2023	Updates plan to:	
		 reflect changes made to engagement approach in mid- 2023, based on feedback and involvement from panel members. 	
		 Inclusion of focus questions, the addition of the Coordination Group and Research and Engagement Panel and more detailed engagement timelines. 	
		• Results from formative evaluation, for the period 1 January to 31 July 2023, and that contributed to changes captured within this plan.	

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