

CERM2524 - Customer & Stakeholder Engagement

Stand Alone Power Systems (SAPS)

PURPOSE

This Customer & Stakeholder Engagement Document outlines the strategic engagement process for Essential Energy's delivery of Stand Alone Power Systems (SAPS).

Our objective is to:

- educate and empower customers to make an informed decision to voluntarily accept transition from network electricity supply to a regulated SAPS.
- ensure stakeholders clearly understand the benefits of our SAPS Installation Program and support it.

SAPS INSTALLATION PROGRAM

Essential Energy is committed to continually improving the safety, reliability, and resilience of electricity supply to our customers.

Around 80 per cent of our network is rural. These lines supply sparsely populated areas and carry lower loads along very long distances, facing greater exposure to environmental factors such as storms, floods, and bushfires than networks in towns and cities.

We often have to install asset components with a greater capacity (and greater cost) than our required demand to account for the drop in voltage that occurs as electricity travels along our vast network lengths.

Successful trials have shown we can improve supply reliability for customers at the end of long powerlines in areas that are difficult to access or are at risk of natural disaster impacts by transferring their premises from network supply to a commercial grade Stand Alone Power System (SAPS). Avoidance of ongoing local network and vegetation maintenance can reduce charges for all Essential Energy customers.

A SAPS is a reliable, primarily renewable, on-site power generation and distribution system. It comprises solar panels, battery storage, an inverter (to convert stored electricity into power suitable for household and business use) and a back-up diesel generator. The system is modular and can be adapted to suit an individual customer's current and future energy needs.

Depending on individual customer needs and site circumstances, Essential Energy will suggest a specific, tailored equipment configuration to ensure that individual customers see improved reliability and can consume electricity in the same manner they have through a traditional network connection.

Essential Energy will only transfer network-connected customers to an Essential Energy-owned and operated SAPS with their explicit consent in the form of a signed agreement.

A network connection can remain for up to six months to enable customers to experience the benefits of SAPS. We can then remove the unused poles and wires to minimise any risk of a network-initiated bushfire, lower local network maintenance costs and drive down the cost of electricity for all our customers.

We have identified approximately 1,200 potentially suitable SAPS sites across our network and will approach property owners to consider moving to an Essential Energy-owned and operated SAPS.

Customers will continue to pay a retail connection account to maintain supply in accordance with the AEMC Framework for Distributor Led Stand Alone Power Systems.

OUR ENGAGEMENT STRATEGY

Our approach to customer and stakeholder engagement is based on the International Association of Public Participation (IAP2) framework.

Our internal Stakeholder Engagement Framework guides effective engagement to support delivery of our business activities and projects. This ensures our products and services are relevant and valued by customers.

Our SAPS Installation Engagement Plan will sit within this Framework and be consistent with its core values, principles and engagement goals. It outlines how we will engage with and consider the views of our customers and stakeholders to enhance SAPS installation program delivery.

Within each customer and stakeholder group there are varying levels of interest, impact, needs, concerns, values, wants, ideas, relationships, perceptions and influence.

Engagement will require awareness of intent, an engaging approach by staff, transparency of purpose and clear, consistent communication around proposed changes to electricity connection and supply contracts.

Customer approach

Customer engagement will align with the IAP2 spectrum of public participation level 'Empower'. Essential Energy will work directly with each selected potential SAPS landowner 'To place the final decision to proceed with SAPS in the customers hands.'

To meet our SAPS customer engagement objectives, our customer engagement and associated communications material is informed by key findings from Essential Energy's October 2021 SAPS Social Science Research Project into customer expectations and concerns about the introduction of SAPS.

We will consistently:

- provide relevant and timely information about DNSP-led SAPS projects and SAPS customer engagement strategies and processes to enable customers to make informed decisions; and
- deliver timely and effective communications and liaise with affected network users and landowners during the planning, development, construction and commissioning of a DNSP-led SAPS project.

Stakeholder approach

Stakeholder engagement will align with IAP2 spectrum of public participation level 'Inform'. We will provide stakeholders with the information they need to understand the SAPS program, through existing channels.

Key messages

Key messages will form the basis of engagement and communications material for potential SAPS customers and stakeholders.

- Essential Energy aims to continually improve power supply in regional and remote areas of NSW.
- SAPS are integral to Essential Energy's continuous improvement of supply. They are enabling energy solutions that can offer more reliable, resilient supply and reduce costs to all customers.

- SAPS are self-contained, on-site power generation and distribution systems that provide a safe, reliable alternative to power being supplied through an overhead network of poles and wires.
- SAPS have been installed safely across Australia, and Essential Energy has been successfully installing SAPS as alternatives to grid supply for both residential and commercial premises since 2018.
- We are offering SAPS to customers at the end of very long powerlines in remote locations. We're also assessing SAPS options for customers in densely vegetated, flood and bushfire-prone areas.
- Essential Energy will cover the cost to install and maintain a SAPS, including fault and emergency, inspection and maintenance, parts, labour and back-up diesel refuelling.
- Customers will be no worse off with transition to an Essential Energy-owned and operated SAPS.
- The SAPS we install will come with a lifetime guarantee for repair and replacement.
- Essential Energy will support customers through the SAPS transfer process. Installation of SAPS will be in collaboration with affected customers.
- Essential Energy will seek and request information from relevant government bodies and consider obligations under planning and environmental laws that may apply in respect of each SAPS project.
- Transfer to a SAPS is voluntary and dependent upon customer consent. Landowners will be required to sign an agreement accepting the transition to an Essential Energy – owned SAPS. There is no obligation for landowners to transfer.
- Once a customer has agreed to transition to an Essential Energy – owned SAPS, a public notice will be placed on Essential Energy's website for additional consultation with other stakeholders and the general public.
- Following SAPS installation, if Essential Energy deems that an existing network asset has become redundant, Essential Energy will notify the landholder or occupier on which that asset is located. The disused poles and wires may then be removed. This minimises any risk of a network-initiated bushfire and lowers our network maintenance costs, driving down the cost of electricity for all our customers.

CUSTOMER ENGAGEMENT

Targeted, effective education and ongoing collaboration is required to ensure the customers we approach understand the benefits and impacts of moving to an Essential Energy-owned SAPS and can be empowered to make an informed decision if choosing to implement SAPS.

Direct engagement by a Customer Reliability Specialist dedicated to delivering the SAPS installation program will ensure we understand each customer's current and future energy supply needs, build their views into SAPS service provision and maintain long-lasting and trusting relationships and partnerships.

Feedback received from the customers we approach will help inform continuous improvement in customer engagement and decision making as the program progresses.

Stakeholder	Engagement and communication channels and collateral
<p>Customer groups:</p> <ul style="list-style-type: none"> Residential landowners, tenants or other electricity account holders Commercial property owners (National Parks, telecommunications organisations, etc) <p>These groups will require continuous and consistent engagement.</p> <p>Any decision to proceed rests solely with the potential SAPs customer.</p>	<p>Initial contact:</p> <p>Dedicated point of contact for customer throughout project including but not limited to approach, customer decision, planning, development, construction, and commissioning phases.</p> <p>Initial contact will be based on an approach letter offering a site visit to discuss potential transfer to a SAPS, with an accompanying fact sheet.</p> <p>Followed by a phone call to the landowner to establish a preferred date and time for a face-to-face site visit.</p> <p>The site visit will enable the Customer Reliability Specialist to further discuss the benefits of SAPS and will include.</p> <p>Fact sheet</p> <p>FAQs</p> <p>Webpage link</p> <p>Energy Audit</p> <p>Consultation with Landowner including but not limited to placement of Essential Energy owned SAPS.</p> <p>Customer initiated contact:</p> <p>Letter – advise on suitability.</p> <p>FAQs</p> <p>Webpage Link</p> <p>Customer Agreement:</p> <p>Notice of Intention to install SAPS/Contract</p> <p>Public Notice consultation published on Essential Engagement webpage.</p> <p>Installation:</p> <p>Information packages, eg, ‘what happens on day’,</p> <p>Next steps after successful implementation including but not limited to disused network infrastructure.</p>

STAKEHOLDER ENGAGEMENT

Stakeholder identification and analysis is an integral part of our engagement planning process.

Stakeholder	Engagement and Communication
Adjoining landowners / local community	<p>Generating awareness and acceptance of SAPS with the use of fact sheets and our website.</p> <p>Notice of SAPS published on our engagement website with a reasonable period in which to comment on the proposal</p> <p>We will notify adjoining landowners regarding disused network infrastructure.</p>
Minister	Awareness of rollout of SAPS
Local MP	Awareness of rollout of SAPS installed in area
Australian Energy Regulator	Awareness it is within regulation
Customer Advocacy Group	Awareness, feedback and advocate endorsement
Retailer	Awareness

COLLATERAL

Collateral	Details
Fact sheet	SAPS fact sheet
Briefing for initial contact	Outline approach for network designer when approaching prospective customers
Dedicated section on website	Key information about SAPS for the public to refer to
FAQs	Answers to frequently asked questions to be placed on the external website
Customer journey	What the customer can expect over period from initial contact to installation including a checklist
Customer letter – viable	For customer-initiated contact/inquiries about SAPS
Customer letter – non-viable	For customer-initiated contact/inquiries about SAPS
Notice of SAPS & Contract	Customer acceptance to proceed
Info pack	For customer – What happens on the day and next steps
Site pack	Audit material
Briefing note	For Minister

RISK MITIGATION

Customers will be supported throughout the SAPS transition by a Customer Reliability Specialist, who will be their central point of contact and responsible for initiating contact, ensuring their understanding and acceptance of the proposal and supporting them through the process.

Prior to installation, customers will be consulted about SAPS location on their property and can discuss measures to mitigate any potential impacts of the proposed works, the ultimate decision to proceed rests with the potential SAPS customer.

Issues or complaints will be managed by the Customer Reliability Specialist, supported by our technical teams and internal customer relations escalation processes.

A continual learning approach will be taken so the engagement program can be refined as SAPS are rolled out across Essential Energy's network. An internal project management group has been formed including relevant internal experts to understand progress and refine processes.

Essential Energy's Customer Advocacy group will be provided updates and opportunity to provide feedback throughout the program.