AusNet

Electricity Distribution Price Review 2026-31

Engagement Plan

Version 4 | July 2024



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 pleased to share the latest version of our Electricity Distribution Price Review 2026-31 (EDPR) Engagement Plan. This updated plan reflects how our engagement has evolved and how we intend to continue engaging with you in the months ahead as we prepare, publish and share our EDPR draft proposal.

At AusNet our clear purpose is to connect communities with reliable, affordable and sustainable energy. To deliver on this, we aim to be trusted by our customers, the communities we serve, and our broader stakeholders to bring the energy today and build a cleaner tomorrow.

With this at the forefront, I have recently seen AusNet's approach to meaningful EDPR engagement in action and our commitment to embedding customers' views in our plans. This is underpinned by dedication to open, honest and genuine engagement, not shying away from conversations that are at times difficult and engaging on all topics of interest to you. The past months have also marked important milestones in our engagement as we shift our focus from outcomes to be achieved in 2026-31 with our panels, to the preparation and publishing of our draft proposal, and "sense checking" the overall expenditure plans. At the beginning of March 2024, we shared an early draft of our proposal with our EDPR 2026-31 Engagement Panels, and welcomed their feedback.

The months ahead will see a continued focus on engagement to support the development and launch of our draft proposal. This includes a greater role for the Coordination Group, as they get into detail on building blocks (incorporating panel inputs) and the price path, look to understand and resolve trade-offs for inclusion in the proposal, and ensure that the proposal reflects customers' interests and is balanced and efficient. This will be complemented by ongoing customer research and engagement to stress-test the proposal and identify and address any blind spots or customer concerns.

There has never been a more pressing time to ensure customers' views are at the forefront of our regulatory proposals and decisions. The Board and I, along with the AusNet team, remain committed to maintaining the genuine and inclusive engagement to help us collectively deliver an orderly energy transition to the benefit and wellbeing of all AusNet customers and beyond. Our plans will continue to evolve but our commitment to genuine, honest and meaningful customer engagement will remain.

On the behalf of AusNet, I would again like to thank everyone involved in the process so far and express my continued support for another collaborative and productive year.

David Smales

Chief Executive Officer, AusNet

1.0 A living engagement plan

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 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 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.

This plan is the result of an initial co-design process and continued refinement in collaboration with customers and advocates. The plan builds on their perspectives and experiences, AusNet's ongoing customer research and experience engaging across our 3 regulated networks, other electricity distribution businesses' experience, and engagement guidelines and good practices.

This document has and will continue to change over time, as our customer engagement program and operating environment evolve, and as detailed planning progresses. Subsequent updates to this document will be shared via the EDPR 2026-31 pages on Community Hub throughout 2024 and 2025.

1.1 How to use this document

We welcome your feedback on this document and the concepts within it, as we prepare to share our Draft Proposal. Below are 5 questions that you may choose to use as prompts 'thought starters' as you read this document.

- What information would you like to see about our EDPR 2026-31 plans or process in alongside our draft proposal?
- 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, in the months ahead of our draft proposal being published?
- Are there any customer or stakeholder groups missing from our engagement plan that you would like to see engaged? If so, who is missing? How would you like to see us engage with them?

1.1.1 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.

To help you understand acronyms and abbreviations the Australian Energy Regulator and the Australian Energy Market Operator provide a guide to acronyms and a comprehensive list of industry terminology.

1.2 What's changed since version 3.0?

The following key **updates** have been made to this document (compared to version 3):

- ✓ Restructured the document, to make it easier to follow
- ✓ Provided more detail on the next stage of our engagement, as we move beyond the panel engagement that was the focus in 2023
- ✓ Updated our timeline and activities planned to late 2024
- ✓ Information regarding formative evaluation or our engagement to December 2023 is included as an Appendix .

Previous versions of our plans can be found via the EDPR 2026-2031 Engagement page on Community Hub. Appendix 1 also summarises key content by version of this plan.

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

In addition to continuing engagement on proposal specifics and outcomes to be achieved in the next regulatory period, there are many examples from the past 6 months where customers and customer advocates have shaped **specific activities or initiatives** within our broader research and engagement approach.

These include but are not limited to:

Every panel has:

- engaged extensively, exploring in detail 22 focus questions (see p. 11), and providing valuable insights into how AusNet might approach topics or issues in our draft proposal, including:
- supporting communities to realise their needs and energy aspirations
- efficiently improving reliability for our worst-served customers to a level that is considered value for money to all
- minimising the adverse impacts of outages on customers.

Research & Engagement Panel members have contributed extensively through the:

- design and implementation of a series of customer workshops
- detailed design of the Quantifying Customer Benefits research, including spending more time refining the benefits to be tested.
- driving independent engagement by meeting with customers and conducting a series of in-depth interviews.

Coordination Group members have played a more active role since early 2024, including:

- coordinating panel discussions and outputs, identifying conflicts or overlaps between panels and working to identify value-stacking opportunities across workstreams
- working to understand and resolve trade-offs for inclusion in the proposal
- process governance – recording and monitoring conflicts of interest, establishing additional guidelines for panel members to access Coordination Group funds
- shaping the design and delivery of our second in-person meeting, including the agenda and content of sessions, location and timing.

Panel members who feel comfortable doing so are encouraged to continue liaising 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 also continue to be consulted regarding their preferred dates and times for meetings. We've also taken a "business as usual" actions based on conversations or engagement opportunities involving customers and or panel members e.g., linking a large industrial customer with the relevant AusNet solar connections contact to help with their application.

1.3 Shape our plans

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

As with previous versions, this document 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 share insights and feedback on topics related to electricity distribution scan this QR code or visit Community Hub.

2.0 The engagement context

2.1 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.

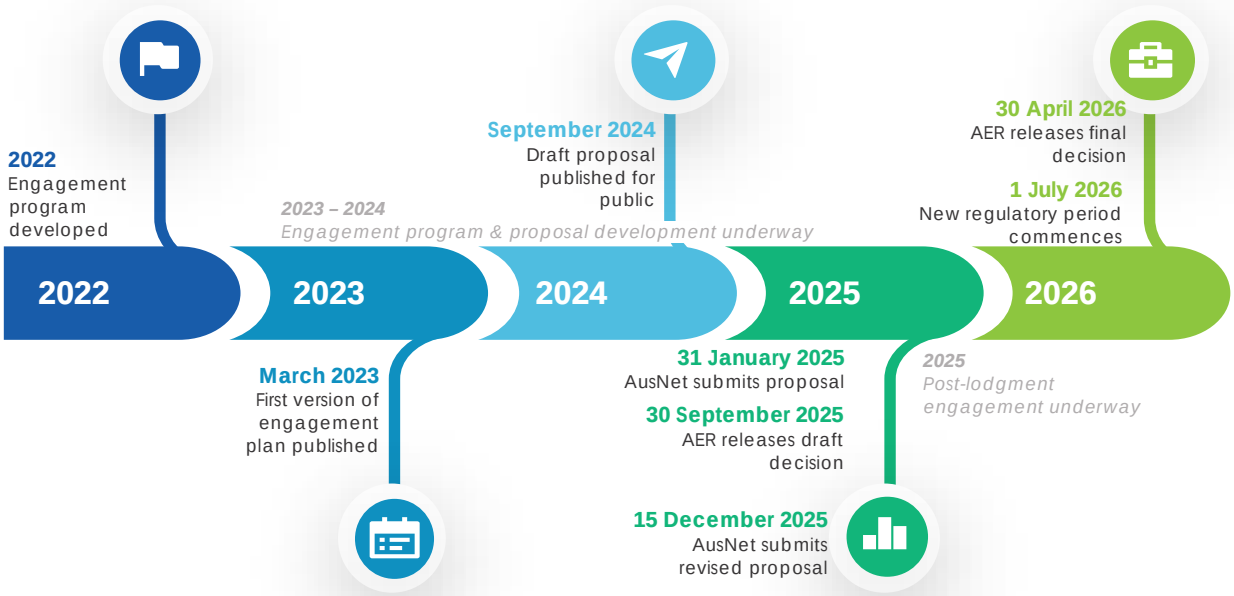


Figure 1: Key dates in the overall EDPR 2026-31 process

2.1.1 Engaging throughout the process to ensure good outcomes for customers

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.

We believe it's important that customers have the opportunity to participate in the regulatory reset process. Participation is fundamental to us to better understanding our customers' concerns and preferences, needs and expectations which in turn inform our decisions and align our plans.

Who are our customers?

Earlier versions of our engagement plan provided some key information and characteristics of our customers, different types of customers connected through our distribution network, and stakeholders we work with.

You can also find these details in Appendix 2.

2.2 Customer engagement priorities in 2024

In developing our EDPR engagement approach we purposefully acknowledge broader factors impacting Victorian electricity consumers and communities who depend on electricity distribution networks. Earlier stages of our EDPR 2026-31 engagement approach saw us conduct extensive customer research and engagement on a broad range of topics related to customer experience, capacity to change energy usage patterns, the importance of reliability and impacts of poor reliability, solar export services, and preventing wasted energy, among others.

Our draft proposal accounts for factors we understand are impacting customers interactions with and views toward energy services, including that:

- customers are placing more importance on a **reliable and resilient network** than ever before
- customers want us to **unlock value** from Consumer Energy Resources (CER), electrification and **renewable energy sources**
- improving **customer service and experience** should be a continued focus
- we need to **support all customers** through the energy transition
- out plans should deliver **value for money**, and **balance service levels with affordability**.

We also recognise that this environment will continue to evolve, and quickly, as the energy transition continues to unfold. 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.

In the months ahead we will continue to engage on select topics that have become increasingly important in the past 6 months, since the last version of our engagement plan. This includes resilience, prompted by the severe storms experienced in February 2024 and their considerable impacts on our customers and network. It also includes the more detailed and complex aspects of our proposal that are critical components of our plan, like economic 'building blocks' such as deprecation, assets and operational expenditure (opex). Our plans for continued broad engagement both in the lead-up to and following publication of our draft proposal will also ensure we can 'stress test' our proposal with customers and stakeholders, and both identify and address relevant gaps that might be identified.

3.0 Our engagement approach

Our approach to customer and stakeholder engagement for EDPR 2026-31 is designed through a 5-step, ongoing process:



As outlined in previous versions of this plan, steps 1, 2 and 3 took place in the lead-up to the launch of the first engagement plan in early 2023. Steps 3, 4 and 5 have occurred and will continue to occur until after we submit our revised proposal.

3.1 Objectives

The following objectives have guided and continue to guide 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 3.

3.2 Checking-in on our progress in 2023

Our engagement approach comprises 4 stages, 3 interlinking streams and 6 focus areas. Stage 2, Exploring focus areas and answering focus questions, took place primarily in 2023. Late 2023 and early 2024 provided a natural opportunity to 'check in' on progress answering the focus questions (see p. 12), and identify gaps or areas where further engagement will help inform our draft proposal.

Key to our approach is that connects to AusNet's ongoing engagement activities, including our Customer Consultative Committee, ongoing customer research programs, and various committees and platforms. 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 customer-initiated contact is considered. **This ensures that understanding customers' needs is not a one-in-5-year event.** Rather, we continuously invest in understanding and engaging with customers, and leverage research and engagement undertaken outside the EDPR process in the panels' deliberations.

Targeted research and engagement with customers and other key stakeholder groups supplement these insights, to enable more complex and qualitative discussions as needed, such as via workshops and one-on-one or small group meetings. Throughout, engagement emphasises transparency, collaboration, and responsiveness to customer needs, with coordination between stages.

4 stages of engagement

1. Understanding needs & defining focus areas (completed in 2022)
2. Exploring focus areas & answering focus questions (largely completed 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
3. Panels (Electricity Availability, Customer Experience, Future Networks, Tariffs & Pricing, Benchmarking & Opex).

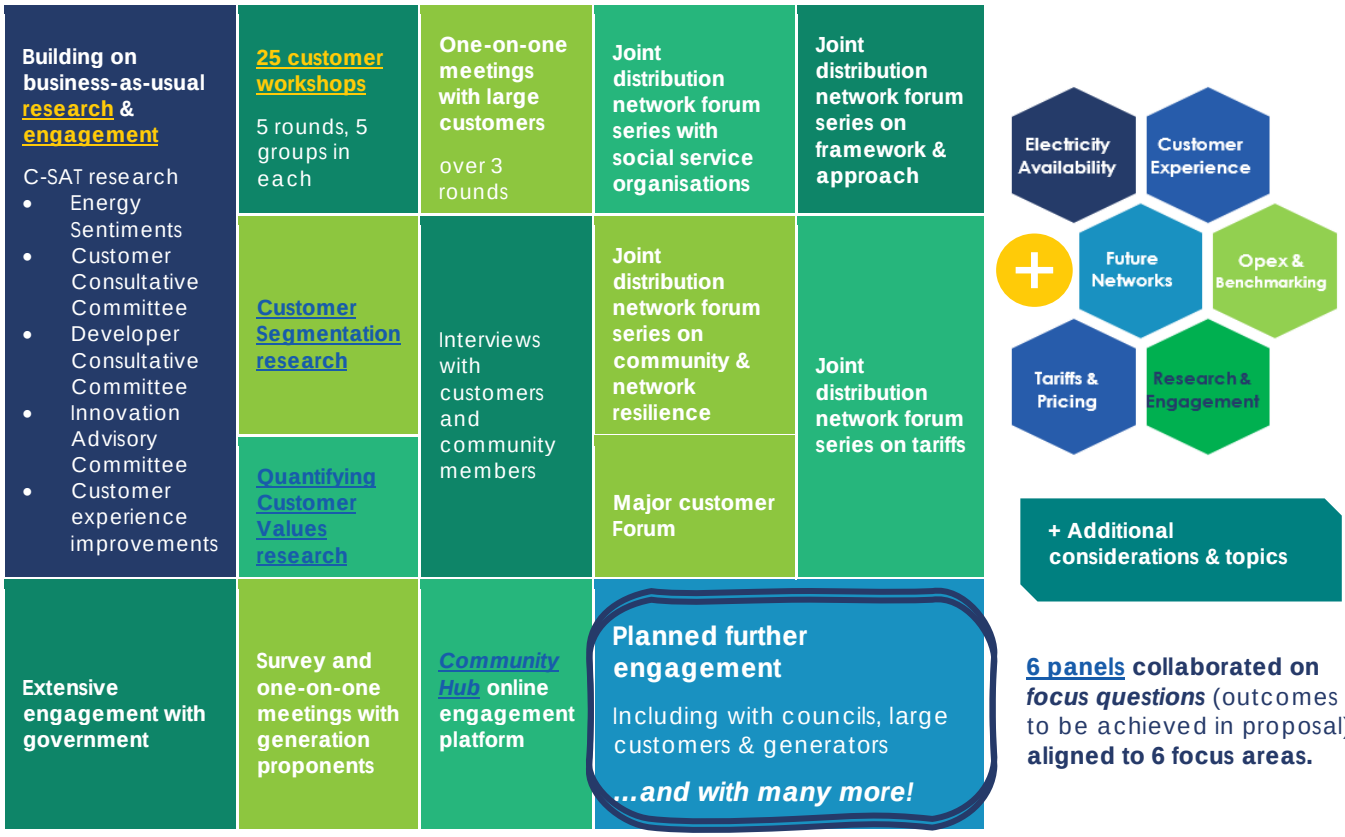


Figure 2. Summary of Stage 2 engagement activities

Figure 3. The 22 focus questions, aligned to 5 focus areas and proposal outcomes

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 minimise the adverse impacts of outages on customers?	How might AusNet minimise adverse impacts of power quality and variability on customers?	How might benchmarking be applied to give customers confidence they're paying no more than necessary for an efficient service?
How might we build customers' agency on tariff choices, and smoothly support customers to transition to cost-reflective tariffs?	How might we support communities to realise their needs and energy aspirations?	How might we ensure fit-for-purpose service for all customers, including those with specialised support needs?	How might AusNet best plan its works to minimise adverse impacts of planned outages on customers?	How might we be confident that AusNet's opex represents value-for-money and prudent and efficient expenditure?
How might we ensure tariff design reflects agreed pricing objectives?	How might we lay the foundations for a low-cost decarbonised future, where everybody can benefit?	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 we efficiently improve reliability for our worst-served customers to a level that is considered value for money to all customers?	
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 unlock more value for customers and reduce unit costs through an efficient mix of smart grid technology and new capacity?	How might we design connection processes that meet evolving customer expectations, across all our 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 better analyse and understand customer impact, including understanding the impact of 'doing nothing', to help us make more informed decisions?	Beyond enabling exports, how might we support customers in unlocking other CER value streams?	How might we design a CSIS that delivers maximum benefit for customers?	How might we work with customers and other stakeholders to identify and plan for resilience solutions that meet our customers' needs?	

ANSWERED

Responses to these questions are available via Community Hub.

Early 2024 marked a transition point, moving from deep discussion of focus questions in panels to answering these questions, sharing and discussing early version of our draft proposal. This set the scene for further engagement that is needed as we pull together our proposal (and as flagged in the previous version of our engagement plan).

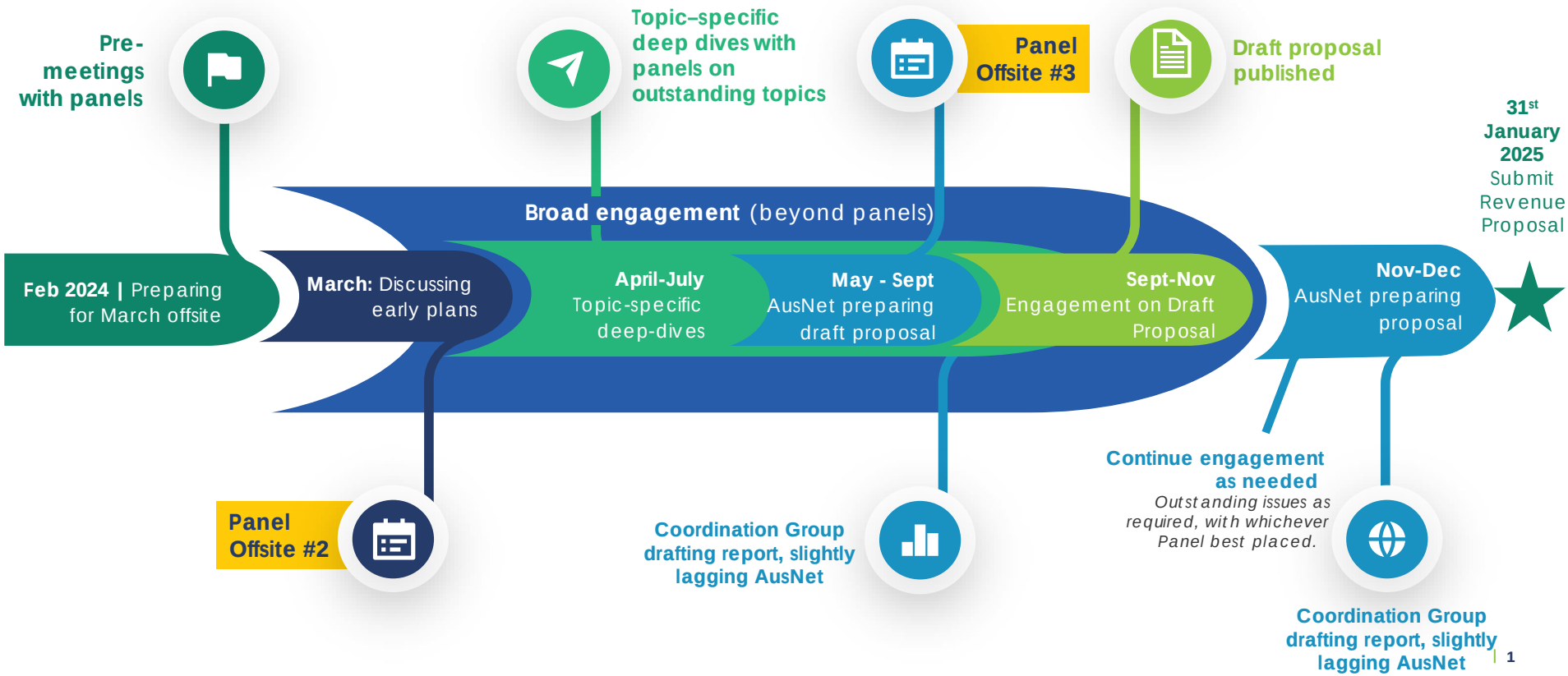


Figure 4. EDPR 2026-31 engagement timeline for 2024

3.3 Collaborating on further engagement to stress test and refine our proposal

At our second panel offsite meeting in March 2024, all EDPR 2026-31 engagement panel members took part in identifying further areas for engagement, or gaps to be addressed in 2024. The result of this process is summarised below. In addition to broad engagement, 14 groups or topics were identified for further engagement. Subsequent plans have since been reviewed by members of the Coordination Group.

The key aim of these activities will be stress testing our proposal and key elements within it with customers and key stakeholder groups. Importantly these activities will occur both in the lead-up to and months following the publication of our EDPR 2026-31 draft proposal, in September 2024. As such these initiatives include a degree of flexibility, such that discussions and content can be tailored to the audience and their needs.

Broad engagement

- **Customer workshops** – Round 4 (of 4), comprising 3 face-to-face workshops (Epping, Morwell and Wangaratta) and 2 online workshops (residential and small business). Planned for late September - October 2024. Focus will be 'stress testing' the draft proposal.
- **Ongoing customer research**, including energy Sentiments, Customer Satisfaction Survey (C-Sat)
- **Research and Engagement Panel -** member-driven interview with communities.

Broad communication

- Communication plan developed, with the intent of:
  - raising awareness in the opportunity to engage with the proposal
  - building understanding of proposal content , how it was developed, and what it means for customers
  - providing opportunities to engage further, before the final proposal is submitted.
- Channels include LinkedIn, Community Hub, AusNet website, conference presentations, public' seminar series, media opportunities.

Public engagement on draft proposal

- Opportunities for customers and communities connected through our distribution network, and stakeholders, to engage further before the final proposal is submitted.
- Activities to include:
  - Public & targeted stakeholder briefings (MPs, councils, business groups, CALD and First Nations communities)
  - Virtual drop-in sessions
  - Digital comms - Community Hub, LinkedIn.
- September – December 2024.

Community Hub

Dedicated EDPR 2026-31 sub-site featuring:

- News items on draft plan and public briefing
- Customer workshop reports
- Portal to provide feedback on draft plan
- Panel members encouraged to build awareness of Community Hub among their networks.

Panel-driven community engagement

- Series of meetings & interviews with customers, lead by the Research & Engagement Panel in April/May to identify gaps in our thinking to date
- Other opportunities as identified by Research & Engagement, or other Panel members.

Engagement with **key groups** will occur in the lead-up to the draft plan being published. This engagement will build relationships and peoples' capacity to engage on the draft proposal and will focus on topics relevant to the audience, will be largely principles based and will test the broad direction of the proposal and its key elements. This will help encourage customers and key customer groups to engage with the draft proposal once it is available and share feedback.

Customers experiencing vulnerability

- Continue program of joint engagement with other DBs
- Ongoing involvement of panel members representing social service organisations
- Focus in panel-led engagement
- Leverage BAU research activities with customers experiencing vulnerability.
- Investigate AusNet customer & usage data
- Leverage relevant findings and insights from recent third-party research.

First Nations communities

- Targeted engagement on draft proposal elements with First Nations Clean Energy Network, & relevant Traditional Owner community groups
- Leverage relevant insights from existing engagement in this space both by AusNet & more broadly eg. First Nations Clean Energy Strategy.

CALD customers

- Targeted engagement on draft proposal elements (including CALD small business) with Ethnic Communities Council Vic
- Investigate engagement opportunities with existing programs eg. Environment Victoria's 'Table Talks'
- Leverage existing recent third party research.

Emerging adults

- Apply relevant insights regarding unique values, preferences, and characteristics of emerging adults from AusNet's Talent Acquisition Team
- Investigate engagement opportunities with youth advocacy groups
- Analyse existing customer data specific to 18-24 year-olds.
- Online engagement opportunities.



Small & medium businesses

- Local traders' groups to be included in panel-member driven interviews.
- Independent business customer interviews
- Collaborate with Energy Users' Association Australia (EUAA) on draft proposal
- Discussions to include discussion of tariff options.

Commercial & industrial customers

Complement engagement with this group in 2023 by:

- Continuing to engage with major customers via 1:1 meetings
- Continuing to leverage EUAA partnership and insights from AusNet account managers.
- Build on engagement completed to date on tariffs through discussions on other topics relevant to C&I customers e.g., reliability

Community energy groups

- Leverage community energy contacts and networks via AusNet Community Energy Engagement Lead and EDPR panel members interested in community energy
- Review and apply relevant insights from the *Australian Community Energy Collective Impact Assessment 2023 report.*

Electricity retailers

- Joint Vic Distribution Business (DB) Tariffs engagement (continued) including on tariff uptake
- Further engage with retailers & Australian Energy Council, including on consumer narrative. Retailer-specific forum to consider draft proposal as whole, in September-October.

Resilience-specific engagement

- Panel member-driven interviews with communities
- Leverage insights from resilience engagement and extensive research and engagement following February 2024 major outage event) incl. customer surveys, workshops/regional visits, micro-analysis of claims & C-Sat data, and others
- Location-specific engagement in regional areas in September, aligning with AER engagement as appropriate

Local councils

- Engagement program on public lighting developed in consultation with council contacts and advocates
- Additional topics for engagement include EV charging, net zero plans (helping councils to achieve them), emergency management.

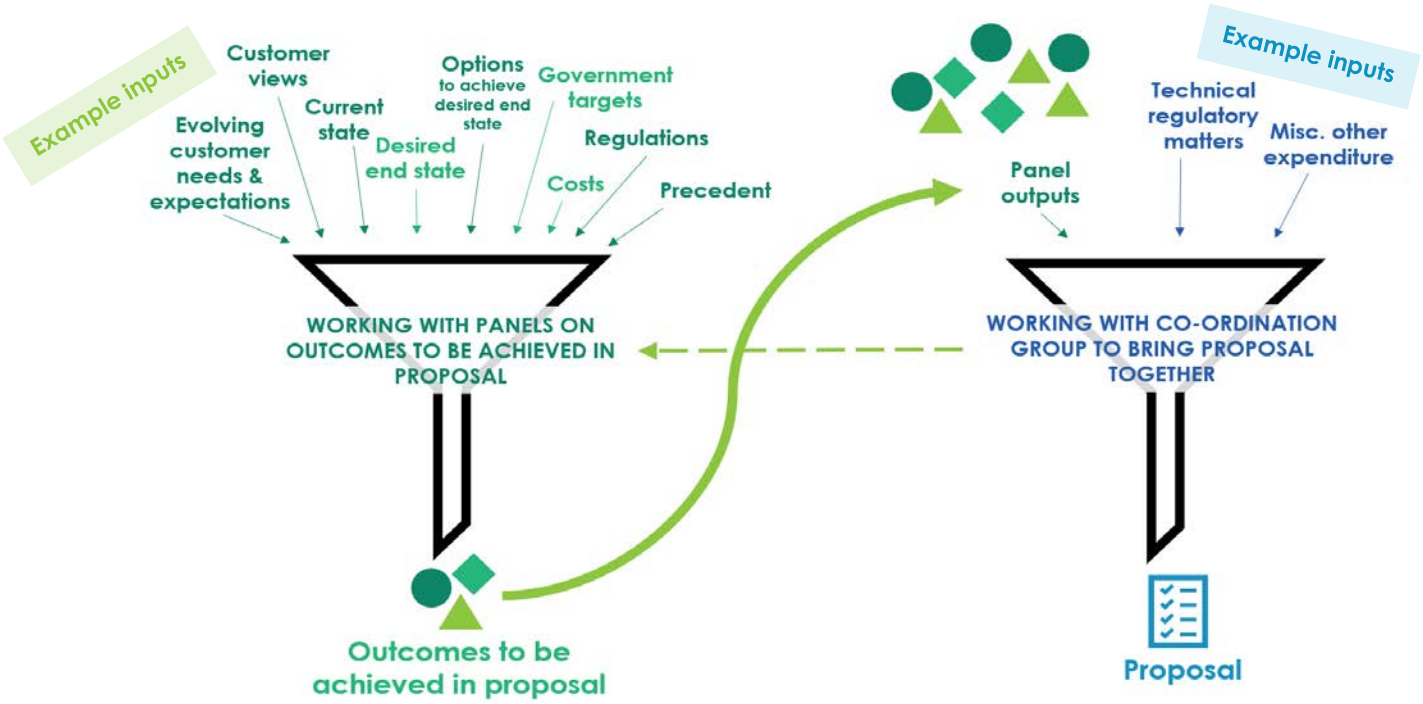
If you would like to participate, or have AusNet brief or engage with your community, please let us know!

See the back page for ways to contact us.

3.4 Bringing it all together through the Coordination Group

Whereas engagement in 2023 saw the 6 panels play a key role in exploring focus questions, engagement in 2024 will increased role for the Coordination Group. The Group will look to understand and resolve trade-offs for inclusion in the proposal, getting 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.

Figure 5. Engagement panels and Coordination Group roles in developing the proposal



Our proposal is not just a series of decisions in isolation. It's critical that we consider the overall impacts of decisions and what they mean for customers in terms of bill impacts, services offerings or changes. This will likely include some difficult choices or trade-offs need to be made. Our third in-person meeting, scheduled for late August 2024, will be pivotal in considering and making these decisions. Importantly we will work closely with the Coordination Group, whose role is to focus on the overall balance of the proposal, reflecting outcomes of panel discussions in the proposal. Recognising the complexity and importance of this task, we are collaborating with the Coordination Group on the design of this next meeting.

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.

The Coordination Group will author a series of independent reports

The AER requires networks to submit independent reports on the extent to which the proposal reflects customers' interests when proposals are submitted. The Coordination Group is responsible for completing these reports, and will be writing 2 in the near future:

- One to be published with AusNet's draft proposal for public consultation, and
- One to accompany the proposal AusNet submits to the AER in January 2025.

More information about the Coordination Group, its role and members is available via Community Hub.

4.0 Governance - doing the right things in the right way

In addition to the principles and strategies discussed in this plan, governance processes and mechanisms guide the way engagement occurs. Our governance approach includes both AusNet and panel-led 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.

4.1 Panel-led governance

The Research and Engagement panel will continue to play a key role in the governance of grass-roots engagement activities and supporting panel members' engagement with their communities in 2024.

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 2 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*.

4.2 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.

While 2024 will see some different engagement activities take place as we stress-test and refine our proposal with customers and stakeholders, the following AusNet-lead governance mechanisms will remain in place for all panel members:

- 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 Conflict-of-Interest register, reviewed and managed as appropriate.
- While working alongside relevant AusNet staff, panel members will remain independent of, not embedded within, AusNet's business structure.

AusNet's company-wide governance policies and mechanisms apply to AusNet staff in their involvement with the EDPR 2026-31 process. In addition, 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.

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 suggestions 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 Community Hub. Similarly, previous versions of our engagement plan include more detail around governance associated with panel member recruitment and selection.

4.3 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. Evaluation for the periods July – December 2023 and the 2023 year are outlined in Appendix 4.

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?

References

ABS (Australian Bureau of Statistics) (2021) *Table Builder,* ABS, accessed 25 January, 2023.

AER (Australian Energy Regulator) (2021) *Better resets handbook*, AER, accessed 9 November, 2022.

IAP2 (International Association for Public Participation) (2020) *Spectrum of public participation*, IAP2, accessed 9 November 2022.

Appendix 1 | Engagement plan version history

The following table documents previous versions of this document, summarises changes made since the previous iteration and publication dates. Previous versions are available via Community Hub.

Version	Publication date	Updates and inclusions in this version
1	January 2023	Document circulated in February for review and comment by SRG prior to publication. Comments adopted are integrated into version 2, below.
2	March 2023	**Updates** earlier version of the plan to: • Integrate multiple comments and suggestions as provided by the Stakeholder Reference Group. This version **includes**: • Context to our engagement plan • Customers and stakeholders engage with • Co-design of our engagement approach and the process used to develop our engagement plan • Detailed explanation of our engagement framework, including 4 interlinking streams, 3 stages, and 6 focus areas • Detailed explanation of the focus areas, panels and panel members • Governance details for recruitment and selection of panel members.
3	December 2023	**Updates** previous version of the plan to: • reflects changes made to engagement approach in mid-2023, based on feedback and involvement from panel members. • Includes of focus questions, the addition of the Coordination Group and Research and Engagement Panel and more detailed engagement timelines. This version **includes**: • Results from formative evaluation, for the period 1 January to 31 July 2023, and that contributed to changes captured within this plan. • Expanded information on customers we engage with • Our engagement framework (in detail) • Panel members by customer segment • Focus questions by panel (and focus area) • Detailed explanation of targeted customer research and engagement methods used to Research and engagement methods to build understanding of customer needs and preferences
4	June 2024	**Updates** previous version of the plan to outline: • Further engagement initiatives to stress test and refine our proposal in 2024. • 2024 engagement timeline. • The roles of both the panels and the coordination group in developing our proposal. • Progress answering the focus questions. This version **includes**: • Results from formative evaluation, for the period 1 July – 31 December 2023, and 2023 calendar year.

Appendix 2 | About AusNet, customers and stakeholders

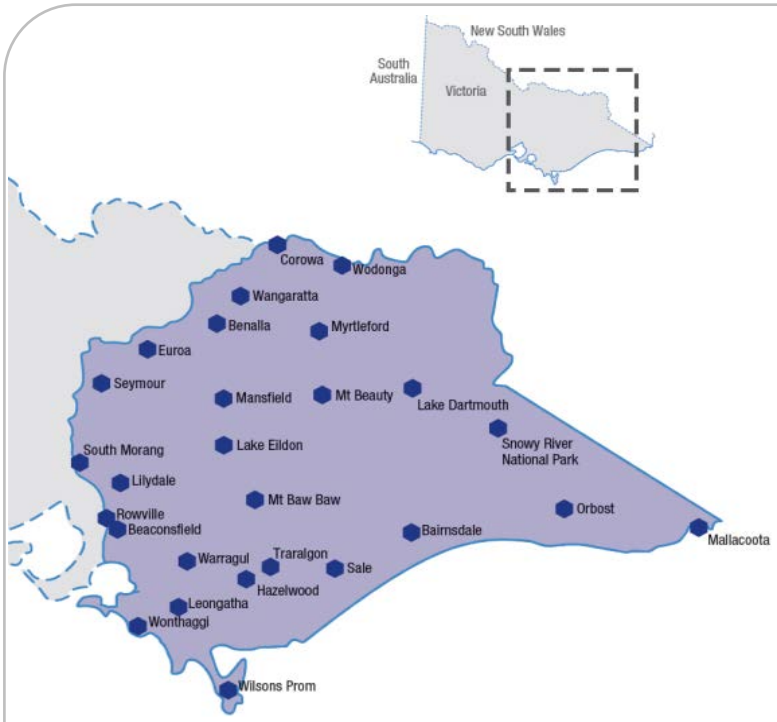
About AusNet

AusNet owns and operates 3 regulated networks: electricity distribution, gas distribution and the state-wide 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 80,000km^2 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.

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 customer research.

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?

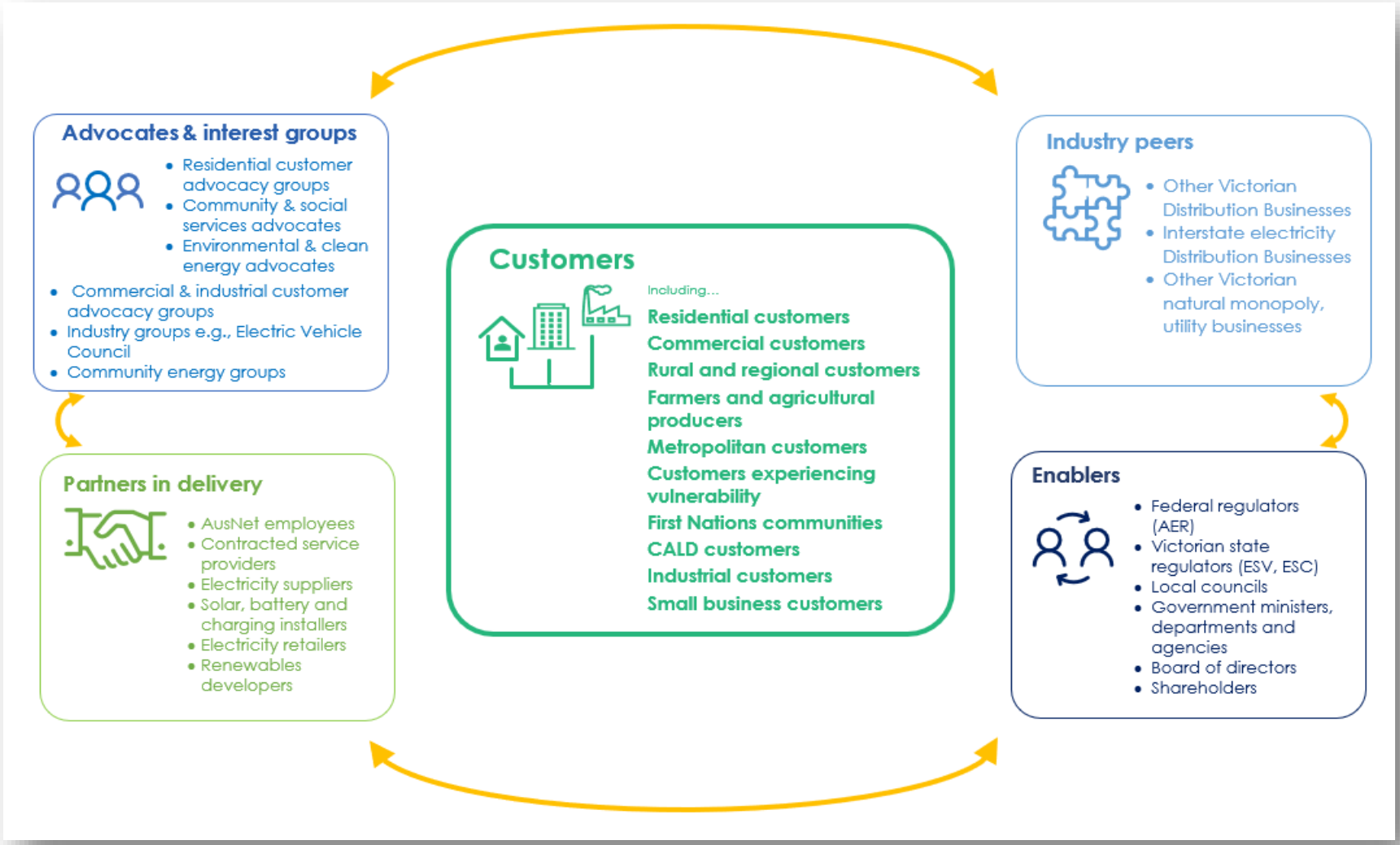
These terms can mean different things to different people. In this document we use the terms to mean:

- **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 discuss our proposal with them the coming months.

Stakeholders in electricity delivery



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.

Appendix 3 | Engagement objectives & how we will achieve them

Objectives *What we are trying to achieve*	How we will achieve these objectives *The principles and strategies we will use to achieve the objective*
Be evidence-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 the "right" topics and 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 open, honest and challenging conversations	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 both broad and deep 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.
Involve the right people in the right conversations and make it easy and practical for interested parties to engage	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.
Clearly demonstrate how customer and stakeholder input has shaped our plans and customer outcomes	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.
Help build participants' capacity to 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.

Appendix 4 | Engagement evaluation 1 July – 31 July 2023 & 2023 calendar year

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What does success look like?

Summative evaluation- 2 independent reports will assess the quality of the EDPR 2026-31 engagement process and overall satisfaction with the Revenue Proposal.

Engagement can be evaluated in terms of outcomes and the process used to achieve them.

A successful *engagement* outcome can be described as one in which:

- 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 for both quality of the EDPR 2026-31 engagement process and overall satisfaction with the Revenue Proposal, via two Independent Reports commissioned by the Stakeholder Reference Group.

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

Questions to help monitor our engagement approach

Is our engagement approach and program:

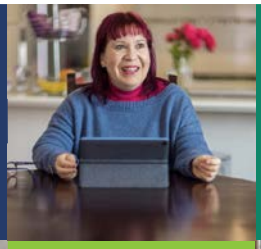
- ensuring our EDPR 2026-31 proposal is being underpinned by customer insights, experience and preferences, and corresponds to the long-term interests of customers?
- ensuring credible, value-for-money, and robust customer engagement?
- complementing our ongoing engagement program to build customer confidence 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?**

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Engagement by numbers | summary & highlights



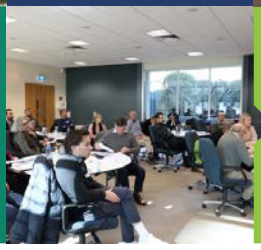
Almost 400,000 customers invited to share electricity-related insights via customer research between July 2022 and end Dec 2023



2,820 views of EDPR-related content on Community Hub in CY 2023



We spent **4740 minutes** speaking with EDPR 2026-31 engagement panel members in 2023

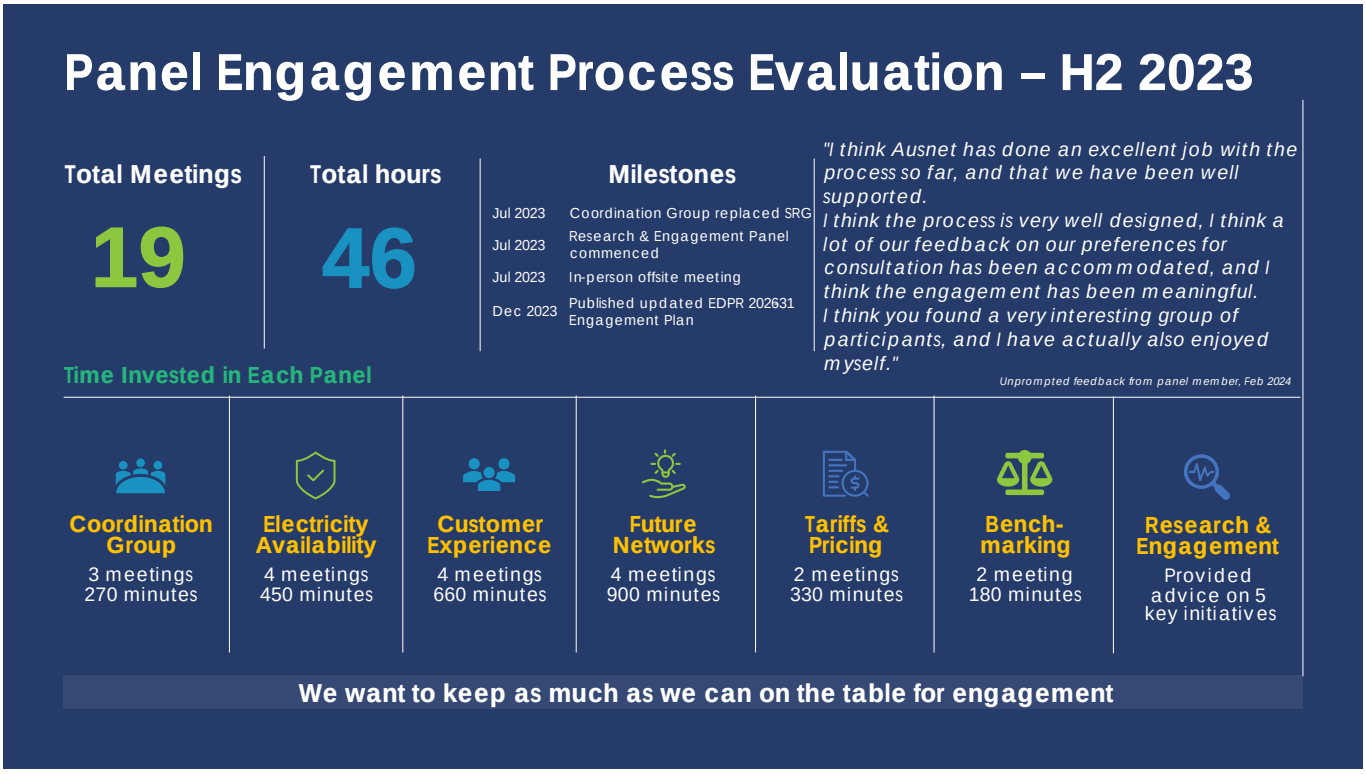


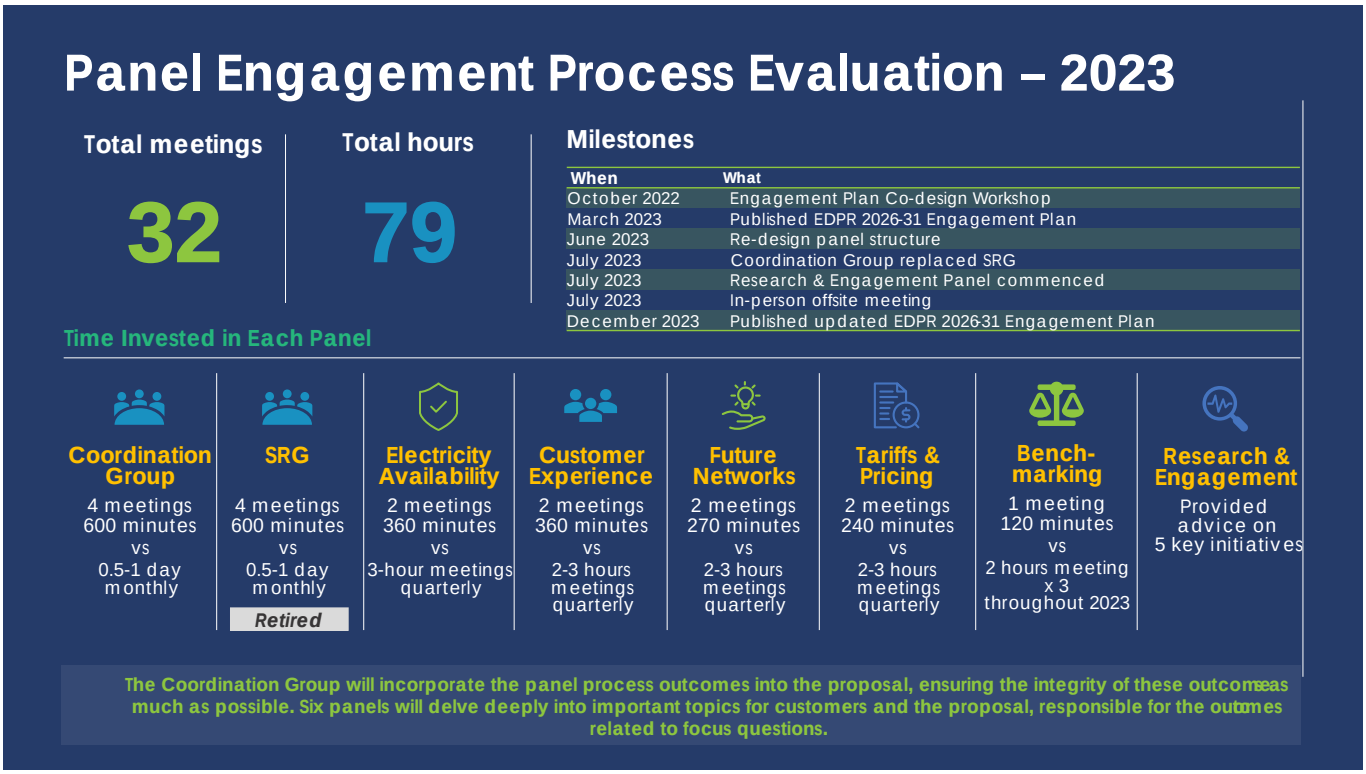
More than **3,000 customers** helped us to quantify what customers value in 2023



More than **480 customers** contributed to our study on resilience in December 2023

The following two slides present a summary of our inputs into the EDPR 2026-31 engagement process, for the period 1 July 2023 - 31 December 2023 and for calendar year 2023 as a whole.





Progress against objectives | July 2023

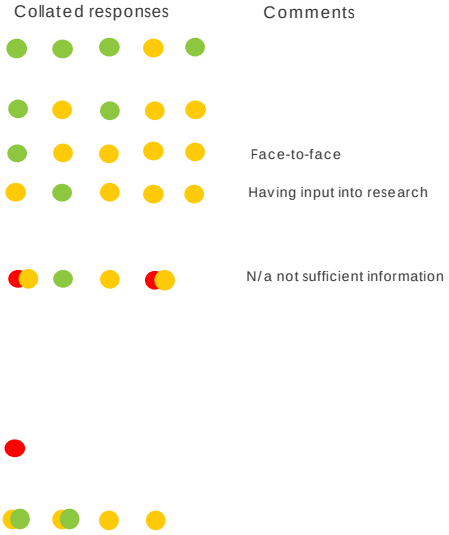
At our in-person meeting in July 2023 we asked all panel members to appraise progress against engagement objectives, and recognising we were only 6-months into the plan's implementation. This is reflected in responses and subsequent discussion, particularly how customer and stakeholder input has shaped our plans and customer outcomes.

Panel members worked in groups to complete this activity.



5.1. Our Engagement Objectives

Objectives What we are trying to achieve	How we will achieve these objectives the principles and strategies we will use to achieve the objective
Be evidence-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.
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EDPR 2026-31 engagement via Community Hub (CY 2023)

Total Views	Total Visits	Total Visitors	Total Contributions	First-time visitors (avg.)
5088	3713	2157	249	67%

Most visited pages

988 visits	799 visits	530 visits	427 visits	403 visits
Research	EDPR 2026-31 Engagement	Forums	Who are the night-time water warmers? (Segmentation research)	EDPR 2026-31 Engagement panel members' area

Top Downloads

Title	Downloads
EDPR Co-design Workshop Report	124
Segmentation study – Knowledge sharing slides	110
EDPR 2026-31 Engagement Plan	100
Shine a Light Summary – Vulnerability Research Grant	95
EDPR Engagement Panel Terms of Reference	83

Data drawn from EDPR 2026-31 projects, research and forums pages of Community Hub (1 Jan – 31 Dec 2023)

Through our research and engagement we've and have heard these key themes...

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The growing importance of reliability (and resilience) to customers, with the shift to electrification of everything (incl. gas, transport, telecommunications) and working from home trends, and a rise in health issues and extreme temperatures.	**Maximising the value of CER investments** fast-tracking flexible exports, increasing network capacity, updating tariffs and educating customers to minimise solar waste
Customers are feeling uncertain, fearful and lacking in agency through the energy transition, **seeking AusNet's assurance that the electricity system is safe and secure and can deliver for them into the future.**	Continuing to **improve customer service** – particularly communications– and keep up with evolving expectations
An expectation that customers are charged a **fair and equitable amount for energy**, and that AusNet is not unduly adding to cost of living pressures.	The importance and complexity of **accurately forecasting demand to plan network investment**, and the need to consider many data sources.
Inconsistency of experiences across the network, and improving outcomes for worst-served customers and communities on the network.	**Use tariffs and pricing signals** encourage network utilisation and keep costs down, supported by robust education campaigns
Detailed consideration of outcomes and solutions for individual communities, rather than standardisation	**Continuous improvement and innovation** in network planning and operation, keeping up with customers' expectations and finding efficiencies

...that have shaped our early plans considerably.

4 examples of focus questions and answers to them in our draft plans

How might we efficiently improve reliability for our worst-served customers to a level that is considered value for money to all customers?

- Strong support for improving reliability in worst-served areas of the network.
- Co-designed criteria to identify worst-served feeders and customers.

Our plans contain a $15M placeholder for reliability improvement based on the feeders identified. This will be refined following further analysis and engagement.

How might we work with customers and other stakeholders to identify and plan for resilience solutions that meet our customers' needs?

- Co-designed five principles to consider
- Undertook preliminary, joint Vic DB assessment of climate exposure
- Must avoid overlaps and leverage synergies between resilience and reliability improvement.

Our plans contain a $153-188M placeholder for resilience. These do not overlap with other investments.

How might we use tariffs to enable and facilitate an energy transition without unexpected downside impact, and reflect the (technology neutral) value of CER in the system?

- Support for adding a solar soak period to TOU.
- Need for broad communication to support the energy transition, including how customers can benefit by responding to pricing signals.

We plan to update our time-of-use tariff to incorporate a solar soak period (11am-4pm) and uplift our customer communications and education.

How might we lay the foundations for a low-cost decarbonised future, where everybody can benefit?

- Support a rapid transition to flexible exports.
- Support sub-transmission investment to integrate large renewables, however details around who pays needs further engagement.
- Export Service Incentive Scheme (ESIS) should only be introduced if evidence of pain-point areas.

We plan to offer Flexible Exports to all new customers and investment of $20-50M to unlock efficient levels of solar exports, and $116-166M to connect large renewables. No ESIS is being proposed.

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