CUSTOMER INSIGHTS COLLABORATION

WORKSHOP 3 SUMMARY

May 2022

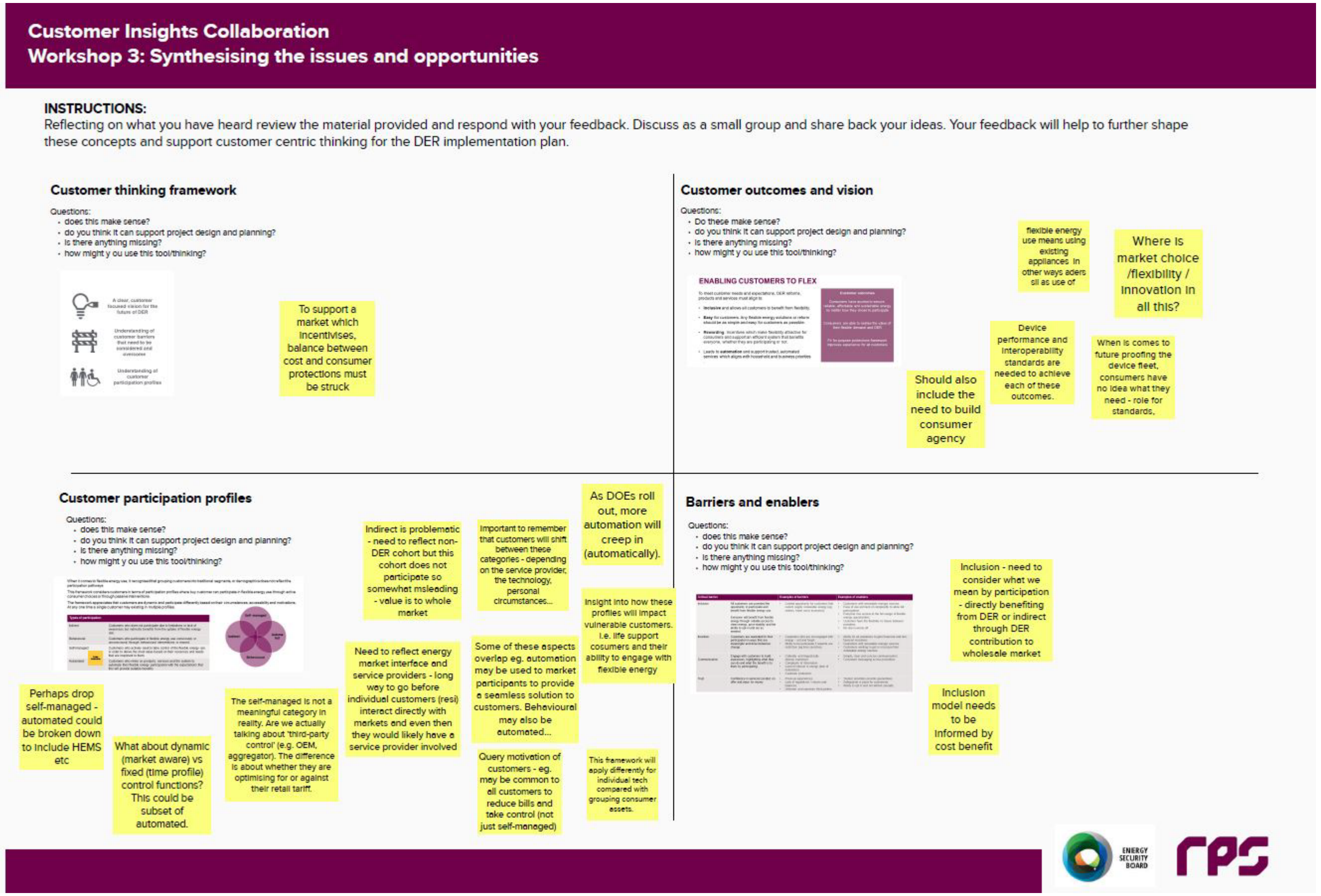
MAKING COMPLEX EASY

Workshop summary

- 61 participants
- Tuesday 24 May 2022
- Zoom, Mural, Sli.do

Focus:

- Reporting back to stakeholders the progress of the customer insights collaboration release 1
- Sharing key insights from the call for evidence
- Testing key concepts developed through the customer insights collaboration
- **Workshop outcomes:**
- Provide stakeholders with a better understanding of the progress for the customer insights collaboration release 1
- Present key findings from the call for evidence initiative
- Test ideas and concepts developed and how the ideas could be used to influence the DER implementation plan



Topline findings

- **ACIL Allen research**: Most participants were interested in the issue of trust and diversity of customers highlighted in the call for evidence.
- **Definitions and narratives:** The need to refine definitions around flexibility, inclusion, automation and refine the narrative for the customer participation profiles.
- **Participation profiles:** Clarity around when the customer framework should be used – does it meet the needs of all in the industry and should it?
- **Automation**: A range of opinions on the role of automation and what its role should be as the ultimate solution.
- **Customer perspectives:** The importance of grounding the framework with direct feedback from customers.

WHAT WE HEARD

Call for evidence reflections

There were wide ranging views regarding the research. General insights from the feedback:

- Context continues to be critical to ensure audiences are on the same page and clear with objectives / purpose
- Barriers and enablers generally resonated
- Trust continues to be a topic of interest requiring further exploration
- There is a need to demonstrate the connection between the ‘call for evidence’ research and SSG/workshop outputs – ultimate knowledge share and outcomes
- Need to clarify roles and responsibilities around the issue of flexible energy and DER
- ESB to consider its role in creating alignment and leading the sector shift.

“The deep-dive into trust - how it is multi-dimensional, the ways to build and deepen trust, etc.”

“Very high level, and not much in the way of new insights.”

“The largest barrier wasn't regulatory or technological, but it was around trust and education.”

“FINALLY, recognition that the customer needs to be the beating heart of the electricity system & reforms.”

Customer thinking framework

Summary of insights

- Customer-centred approach is supported but should be tested with customers.
- Systems need to be diverse and responsive.
- A responsive approach ready to adapt to change.

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Customer-focused vision is important

Seems to assume that all customers will make rational decisions…

All of these frameworks/ tools etc are purely conceptual and most likely do not reflect actual consumer perceptions. This needs to be addressed to provide confidence in the tools

I think equity needs to be explicitly included if it is going to be directly addressed as a priority

System design be interactive to changing and diverse needs of its existing agent

Bigger vision of how DER fits in system is important for the consumer vision

Transition to EV fleet, and whether customers are aware of the opportunities are available to them

Customer / consumer interchangeability ignores communities

This needs to be based on what actual customers think

Missing a consideration of what barriers are relevant for regulators to address vs what is relevant for other parties

To support a market which incentivises, balance between cost and consumer protections must be struck

System design be interactive to changing and diverse needs of its existing agent

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Customer outcomes and vision

ENABLING CUSTOMERS TO FLEX

To meet customer needs and expectations, DER reforms, products and services must align to:

- **Inclusive** and allows all customers to benefit from flexibility.
- **Easy** for customers. Any flexible energy solutions or reform should be as simple and easy for customers as possible.
- **Rewarding**. Incentives which make flexibility attractive for consumers and support an efficient system that benefits everyone, whether they are participating or not.
- Leads to **automation** and support trusted, automated services which aligns with household and business priorities

Summary of insights

- Need to clearly define automation and ensure customers retain agency.
- Create services that are appealing not just easy.
- Ensure there is customer choice and control.
- Automation can reduce barriers to participation.
- Need to consider performance, interoperability and requirements.

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Easy (or automation?) drives participation

Device performance and interoperability standards are needed to achieve each of these outcomes.

How do we balance the minimum requirements (tech, social, regulatory) against optionality

From an equity and inclusion perspective, it is critical to appreciate the costs and barriers to flexibility for some households/businesses.

Automation can make it easier to engage - can reduce barriers to participating

What happens if easy and rewarding conflict?

We don't support the broad assumption that automation is mandatory

The concept of flex is better than just focussing on DER. Customers without DER can make choices that still promote beneficial outcomes through their use of demand

Concerned that the future state is "automation", rather than "maximise flexibility"

Aligned with 'equity and inclusion', how might the framework also support 'choice and control'

Trust levels / dislike of automation - ability to override when wanted

Rather than being easy, Flex needs to be appealing/non-threatening before people will consider using it

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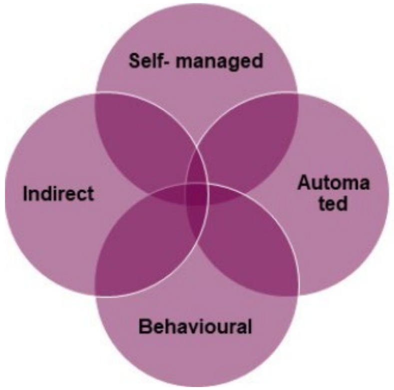
Customer participation profiles



Summary of insights

- Overall considered a good starting point.
- Need to consider that customers are not always in one category.
- Concerns around relying too heavily on 'automation'.
- Lack of clarity around what 'automation' is and its level of acceptance.
- Descriptions of profile categories need further refining – eg how does behavioural differ from self-managed, are disinterested customers always indirect?
- Recommendations that it be applied and tested further.

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A guide as to how to use the categories for a certain project would be helpful

This seems too simplistic to describe the diversity in the customer usage base

No sticks for the "indirect" as a mix of vulnerable vs apathetic. Should only have carrots - but ToU tariffs could be key, so design of ToU tariffs are critical

Is automation socially acceptable? If not, can we make it so

Risk of relying too much on automation/ robots solving all problems/complexity

Important to remember that customers will shift between these categories - depending on the service provider, the technology, personal circumstances...

Indirect is problematic - need to reflect non-DER cohort but this cohort does not participate so somewhat msleading - value is to whole market

What about dynamic (market aware) vs fixed (time profile) control functions? This could be subset of automated.

Recognise this is just a starting point and can change as we improve the body of knowledge

Customer participation profile doesn't seem to include those 'excluded' - from equity and inclusion perspective this will be important - especially in terms of possibility that they will be left behind and inequity and exclusion could actually increase

It's unclear how I might use this one

But I like how it shifts the perspective onto how people might participate, and this would be very worthwhile taking into the field for some customer research interviews and/or focus groups to see where people are at, so we can meet them there

Useful for analysing benefits across different types of customers. Could be useful for applying the existing Customer Risk Assessment Framework, would it be better to update that to take these insights into account as the 'different types of customers' you're supposed to consider? Definitely easier to apply and more universal than the idea of multiple archetypes that still risk missing specific groups of people.

The self-managed is not a meaningful category in reality. Are we actually talking about 'third-party control' (e.g. OEM, aggregator). The difference is about whether they are optimising for or against their retail tariff.

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Barriers and enablers

Summary of insights

- General alignment on the barriers and enablers.
- Observations made around the importance of trust and credibility.
- Equity and inclusion remain a challenge.
- Complexity will continue to be a barrier.

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This tool could be used as a framework to test key assumptions

Set and forget customers are perfect for DER automation but they need to be comfortable with the settings and know they can override them if they need to

What incentive is there on policy makers/Govts/businesses to consider all of the outcomes of their decisions? Eg, solar vic increased access, but also impacted NW etc

Inclusion - need to consider what we mean by participation - directly benefiting from DER or indirect through DER contribution to wholesale market

Inclusion model needs to be informed by cost benefit

I think we need to be really clear on identifying relationships between barriers and their effect. Customers just don't care if a regulation is changed in an activity they wouldn't engage in the first place.

What are the safeguards that will deliver the most trust?

Network Tariff structures are too coarse to make #loadflex beneficial

On barriers - I think you need to be very very clear about scope and expected outcome versus means to an end.

Flexibility is great - but the benefits (from a network perspective) are not the same everywhere or for ever. For the market to truly provide incentives they will not be consistent for all. Equity is a challenge.

Consumers can have interest be dampened by complexity

Technical details can get in the way of consumer understanding

Communication / trust can improve the take-up of complex products

Incentives relating to community benefit can be more important than financial

Building credibility - trials etc.

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What to do with the insights?

> "Make sure the customer remains the beating heart of the electricity system."
> - Workshop 3 participant

Customers	Roles, responsibilities and integration
• Continue to ensure there is flexibility and not a one-size fits all solution. • Focus on equity and inclusion. • Understand the differences and nuances of consumers and ensure these can be met. • Be honest and open about why reform is needed • Test the assumptions with customers. • More research on customer behaviour for new DER services like VPPs, controlled EV charging etc. • Ensure the customer remains at the centre.	• Start to divide up who can do what - in overcoming these barriers, what can governments/regulators do? What can industry do? What can other participants in the industry do? • Consider the implications of this work for the DER workstreams. • Provide understanding of how this is valuable to the overall reform process ie how does this change the DER or roles and responsibilities work? What policy outcome does this drive? • Achieve consensus amongst industry. • Consider the overall regulatory framework and roles and responsibilities of AER, AEMC & ESB. • Consider the value of this to the overall reform process ie how does this change the DER role and responsibilities. • What policy outcome does this drive?

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Closing remarks…

Key takeaways from the workshop…

- This series has delivered on finding and sharing insights that will take us further.
- Customer participation can be in many forms.
- If there is a significant shift to having customers at the heart of the electricity system, then how does it flow through to ensure reforms have customers at their heart.
- Need to build equity and inclusion into the system.
- Support moving beyond "DER" to "flexibility.
- More thinking to be done around customer centric thinking.
- There's a lot of work still to be done.

What you would like to see covered in Customer Insights Collaboration Release 2…

- Equity and inclusion and exploring what a customer-centred DER energy system look like in terms of reducing costs in terms of money, time and effort and sharing equitably in the benefits.
- Looking at value to the customer.
- Testing the outcomes with customers and exploring use cases.
- Network Tariff reform that facilitates load flex and all consumers have visibility of that.
- A clearer focus on data (not just "metering" but also monitoring - that data should primarily be directed at the consumer.
- A comprehensive education plan for customers about the impacts and options for CER and the part they play in it.