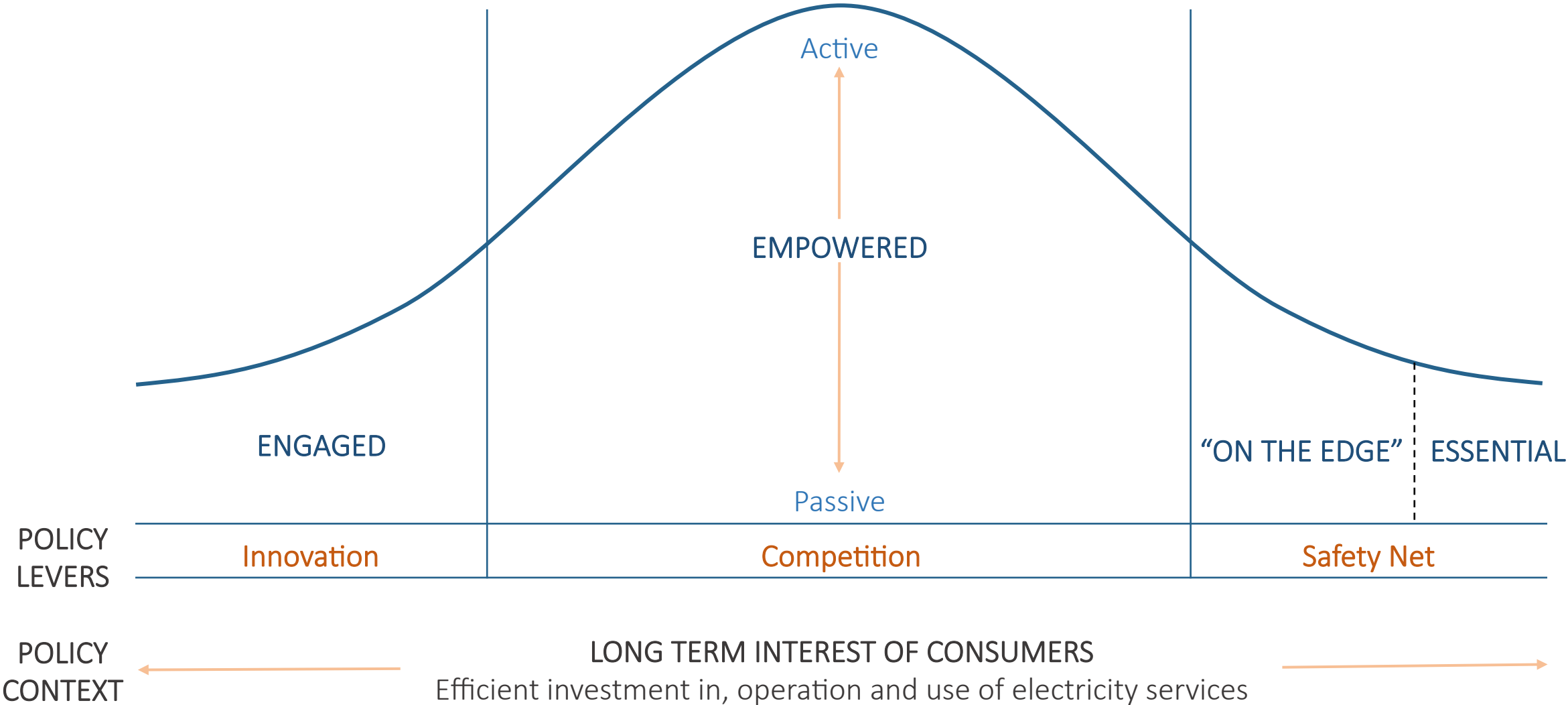


AEMC

Strategic Priorities 2015

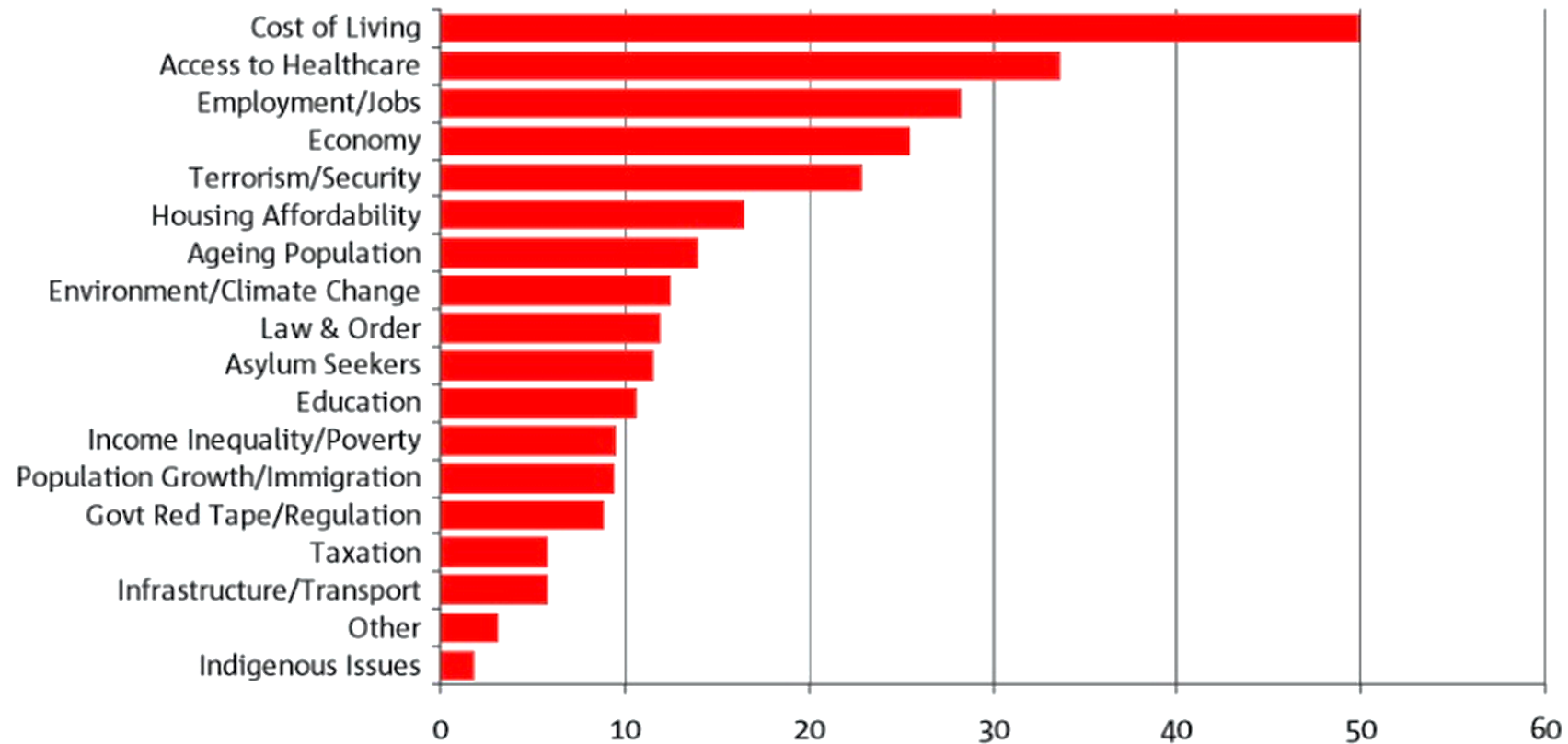
Rosemary Sinclair
CEO, Energy Consumers Australia

MARKET OF CONSUMERS

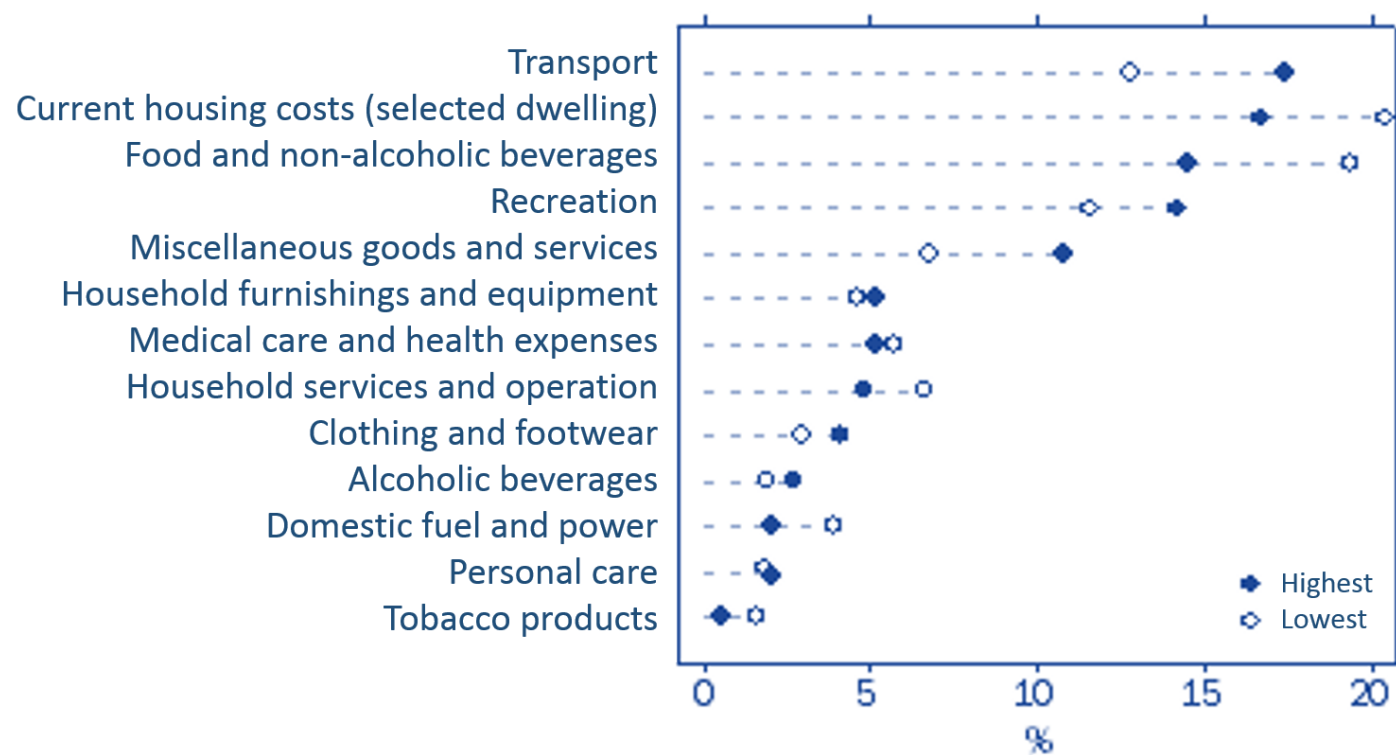


BIGGEST ISSUES FACING AUSTRALIA TODAY

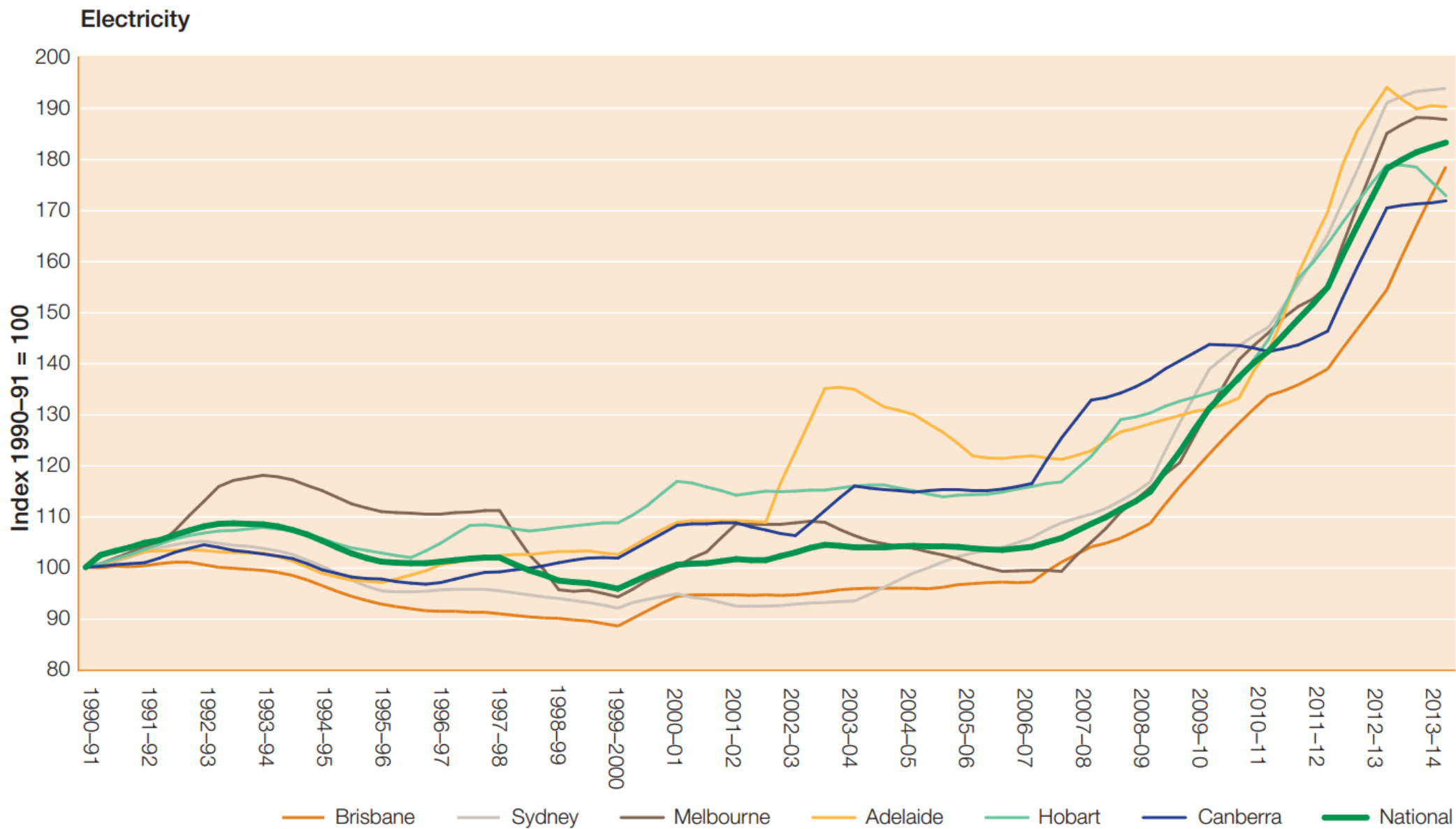
(percentage of all responses)



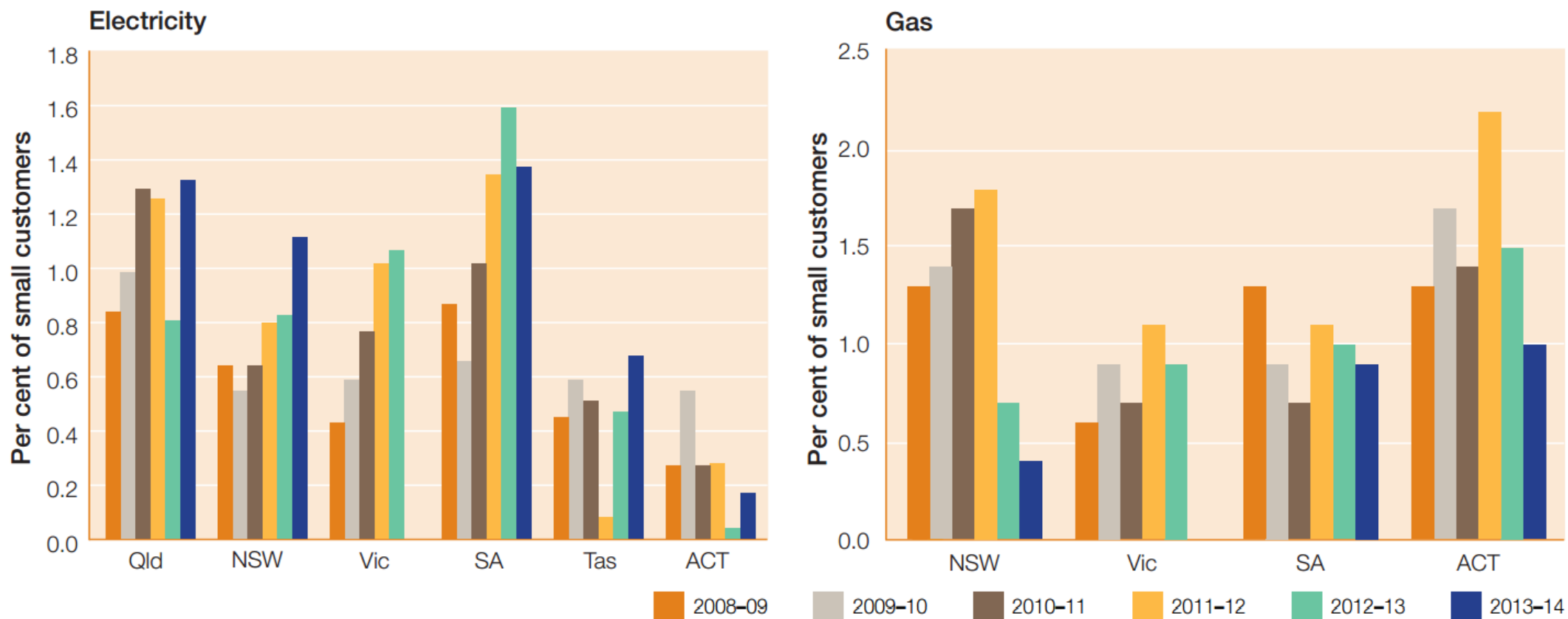
GOODS AND SERVICES EXPENDITURE BY THE LOWEST AND HIGHEST EQUIVALISED DISPOSABLE HOUSEHOLD INCOME QUINTILES



Retail price index (inflation adjusted)—Australian capital cities

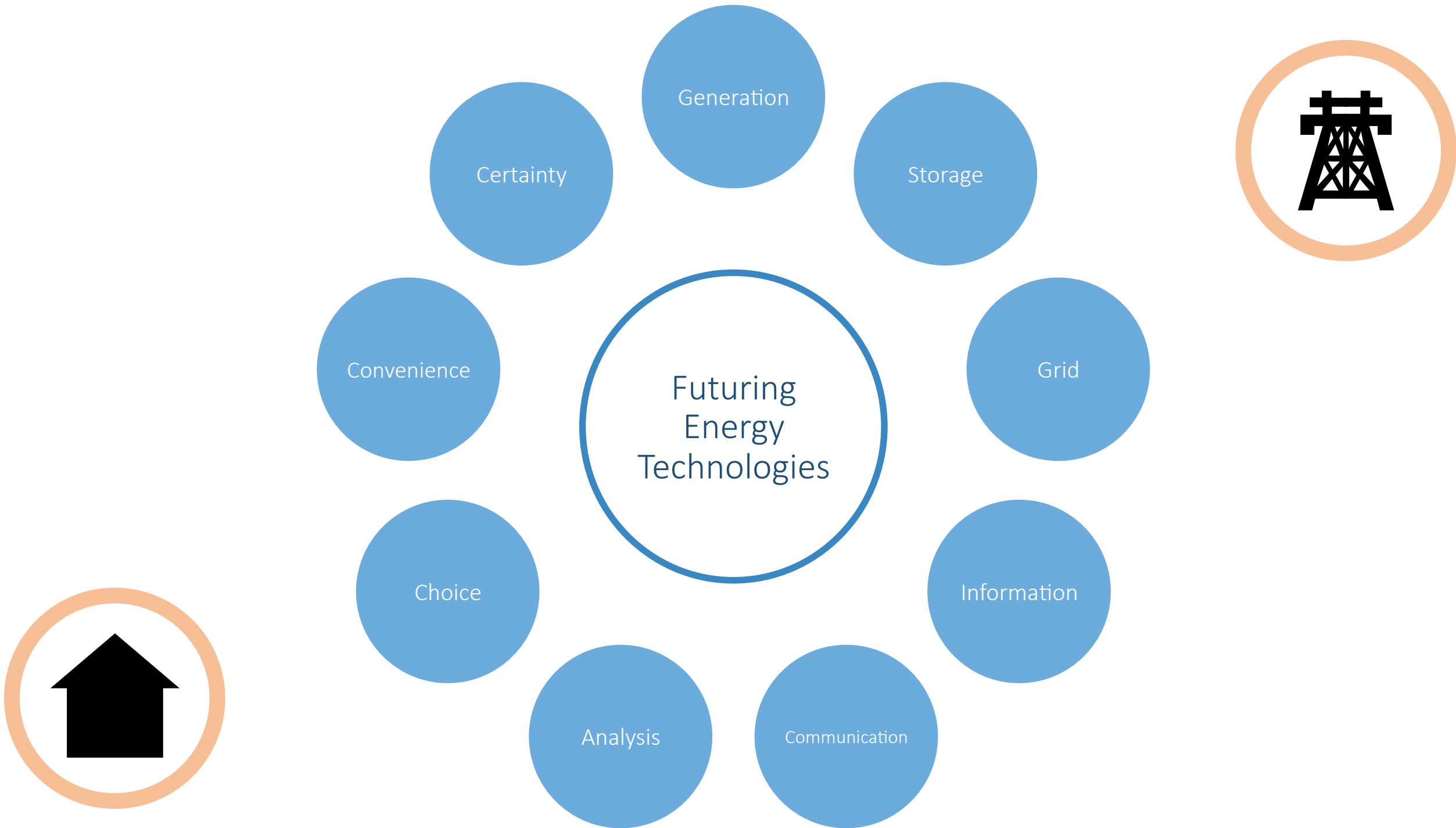


Residential disconnections for failure to pay amount due, as a percentage of customers



Note: 2013-14 disconnection data were not available for Victoria.

Sources: Retail performance reports by the AER, IPART (NSW), the ESC (Victoria), ESCOSA (South Australia), OTTER (Tasmania), the QCA (Queensland) and the ICRC (ACT).



THE FUTURE OF ENERGY USE

Soneter is an innovative, non-invasive meter which tracks your water flow, reducing costs for building owners and tenants alike. The tracker also provides detailed consumption analysis, usage history and hazard predictions.



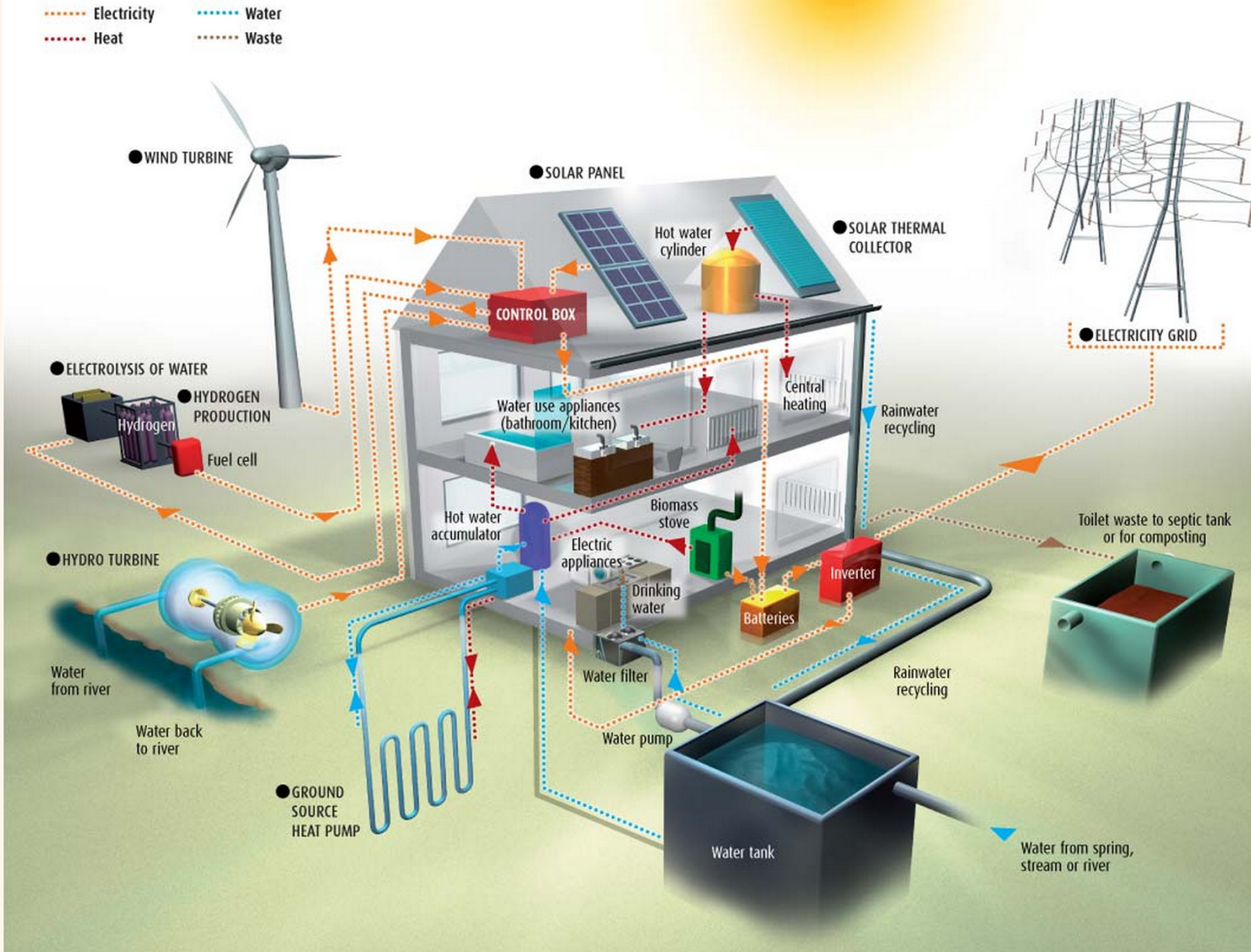
Stack is the first truly responsive light bulb. These lights adapt to maintain ideal lighting levels without wasting excess energy, turn themselves off when there's no one home, and learn your usage routines to save you money and time.

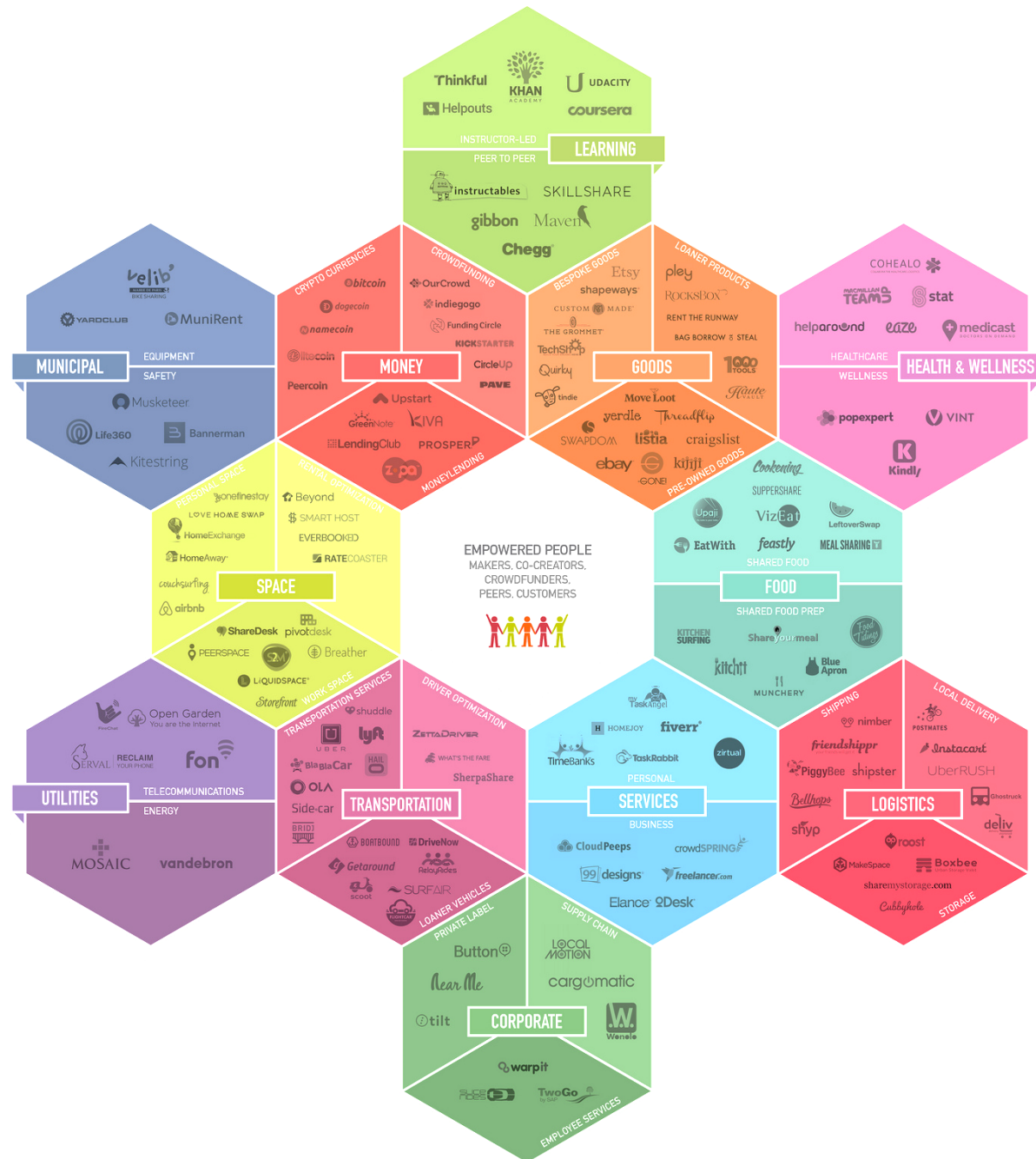
Keen Home smart vents were designed to increase comfort and reduce energy costs by working with a connected thermostat to close vents and regulate your home's temperature, room-by-room.



GOING IT ALONE

With enough renewable technologies you will only need the grid to help pay your bills





A DIGITAL INNOVATION PLATFORM AND ITS OPPORTUNITIES FOR TELCOS



FUTURING ENERGY TRENDS

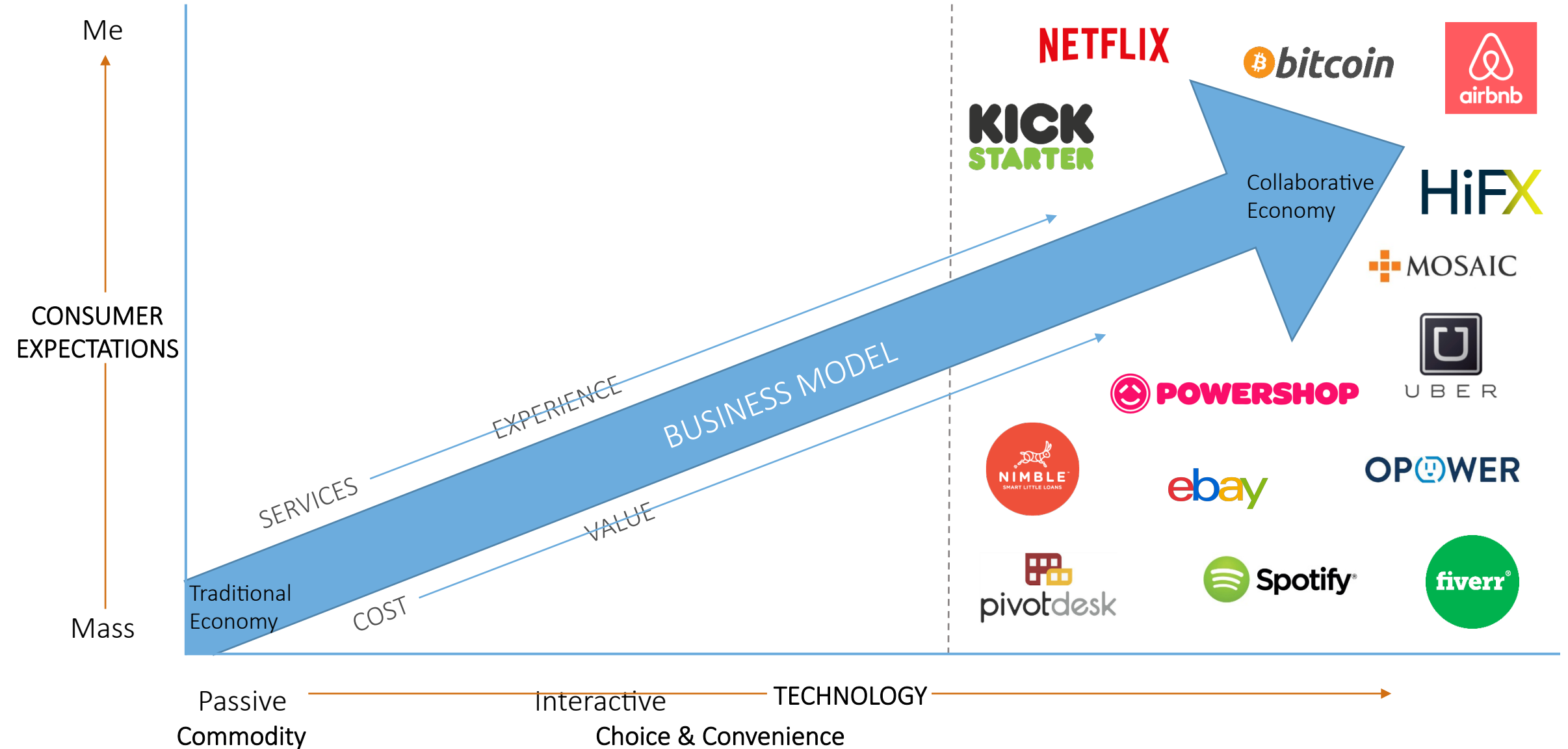
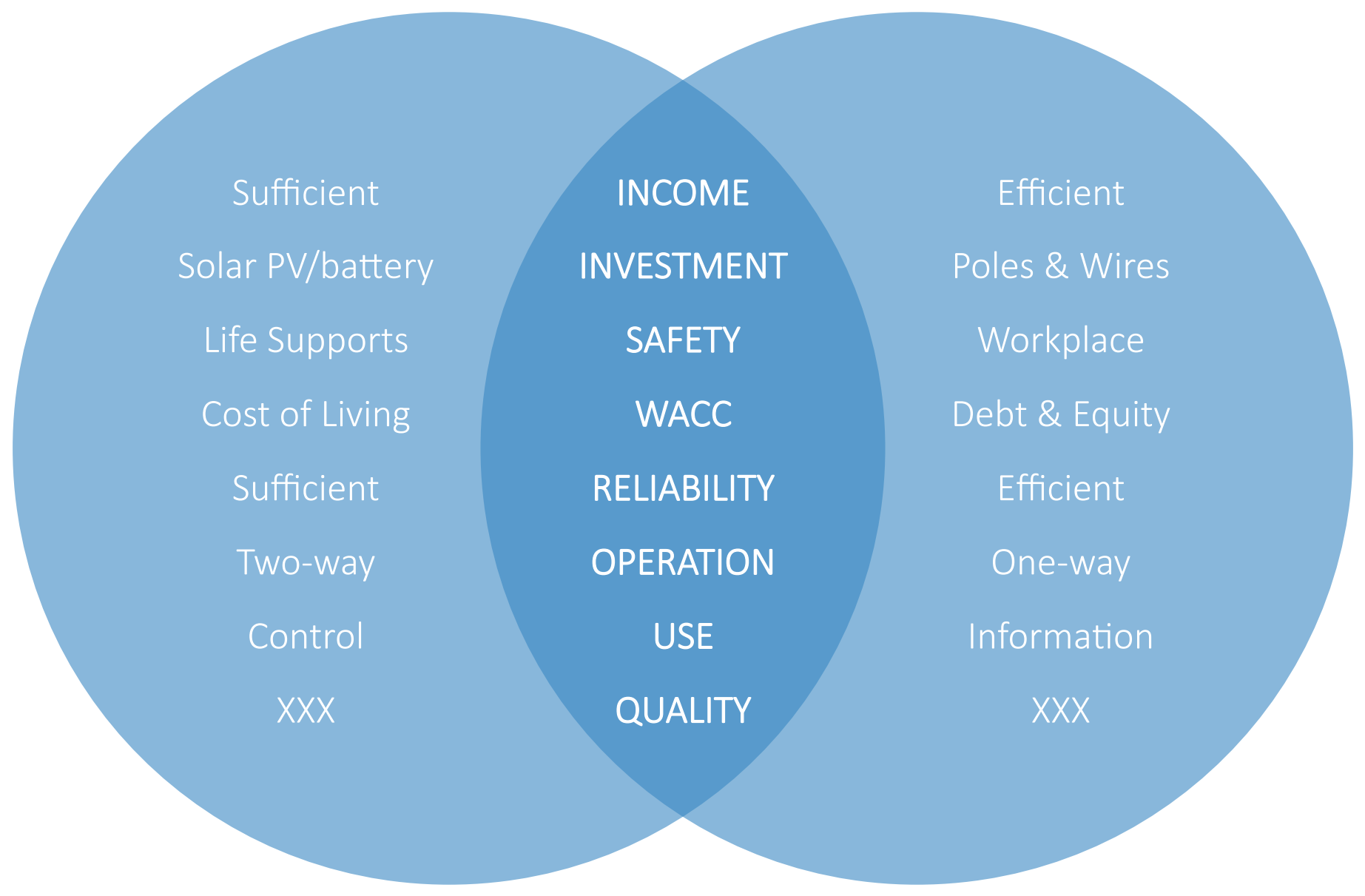




FIGURE 13: FIVE STAGE STAKEHOLDER
ENGAGEMENT FRAMEWORK
REDRAWN FROM: KRICK ET AL. (2005, 11)



HOUSEHOLD



INDUSTRY

PEANUTS CLASSICS By Charles M. Schulz



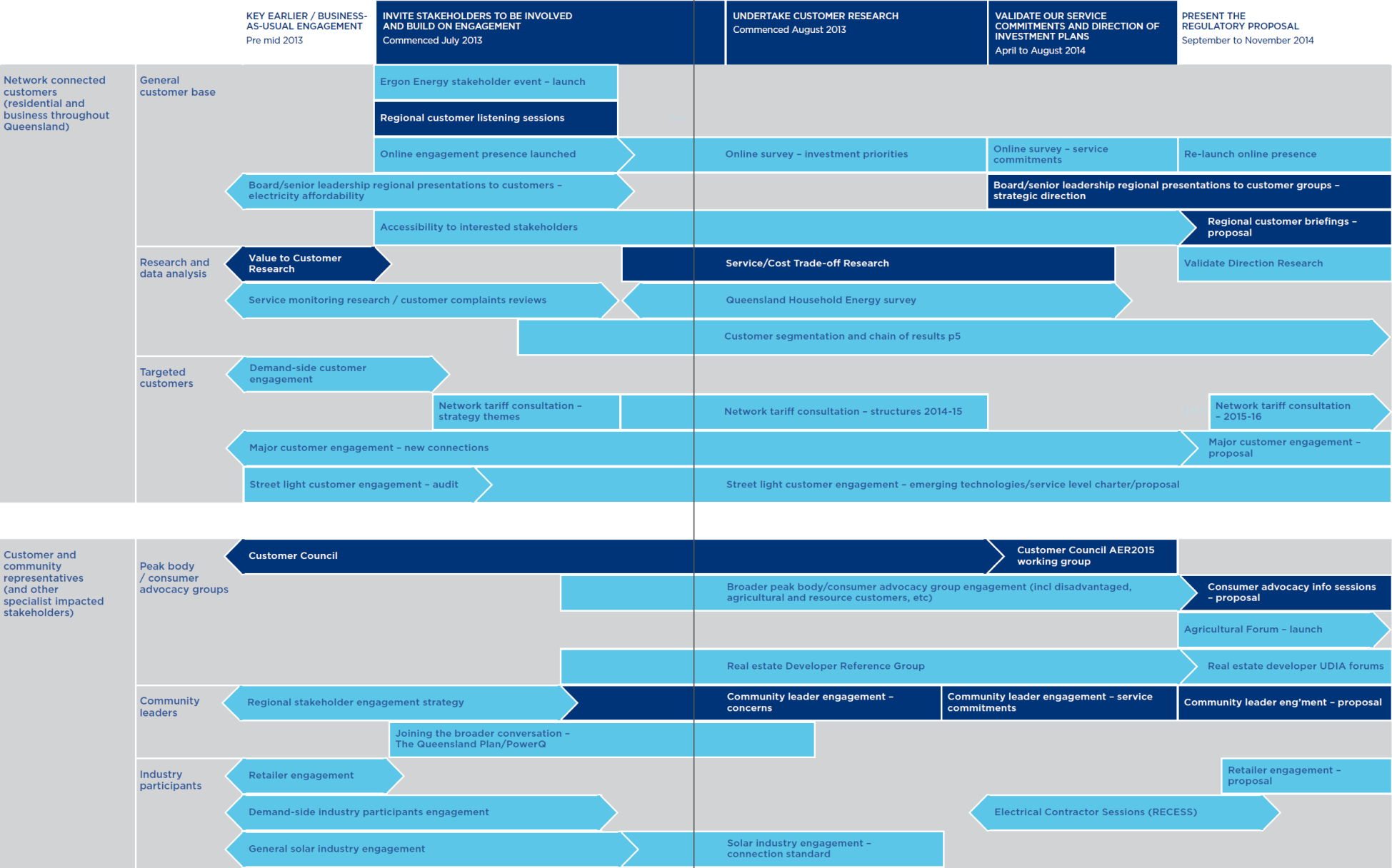
Are you listening to your customer?

CONSUMER BIASES AND EFFECTS ON THE DECISION MAKING PROCESS

Bias	Limited Consumer Capacity	Status quo bias	Loss Aversion	Time Inconsistency
What does it mean?	Consumers have difficulties assessing many different options and large amount of information about them	Consumers prefer the current option	Consumers attach more weight to monetary losses than to monetary gains and avoid risk taking behaviour	A preference for immediate gains means that consumers place too much weight on costs incurred now compared to future savings
How does this affect the decision making process?	Consumers' awareness of the challenges they face means that they do not search at all.	Consumers do not search for alternative deals beyond their current package and/or provider.	Consumers search less when energy prices fall than when they rise.	Consumers do not search for new or alternative energy deals
	Consumers adopt filters or shortcuts to navigate the information (e.g. "rules of thumb", "reference points")	Consumers over-emphasise knowledge of existing package and/or provider.	Consumers give too much weight to possible losses relative to potential gains.	Consumers over emphasise short-term discounts.
	Consumers switch to an option that is "better" instead of the one that is the best for them.	Consumers do not switch away from current package and/or provider.	Consumers postpone making a decision.	Consumers do not make a decision.

WHEN AND HOW WE ENGAGED - AN OVERVIEW

Key phases and initiatives



You said...	A snapshot of what we'll do
Pricing <i>"Anything Endeavour can do to keep costs down is welcome"</i> Customers want stable, affordable electricity with no steep increases.	Continue our productivity and efficiency programs which delivered a real decrease in network electricity charges for the first time in a decade in July 2013. Keep increases in our share of electricity bills to at or below CPI for the next five years.
Reliability and outages <i>"We're living in a first world country and paying for a service"</i> Most customers rate Endeavour Energy's level of reliability as very good and don't want to pay more for a better service. Nor are they prepared to pay less for poorer reliability. Customers also asked us to improve how we notify them about outages and improve content too.	Maintain our current level of reliability. Introduce a new mobile site to give customers live outage information. Investigate improved notifications using SMS and smart phone apps and review our written interruption notices.
Safety <i>"I expect safety to be a big priority for such an essential service...the minimum standards must be safe"</i> Customers don't want safety and reliability standards to be compromised, even for lower prices.	Improve our safety programs for our staff and contractors. Maintain our road side power pole 'black spot' relocation program; continue our public safety education program; and expand its reach via social media.
Energy efficiency and demand management <i>"I've already done a lot to reduce my energy bill and welcome information and tools to help manage my electricity use"</i> Customers appreciate advice on how to keep costs low but were generally unwilling to compromise their lifestyle.	Provide low cost, accessible tools on our new website. Promote our demand management programs for large customers. Maintain our efficiency programs to help keep increases in our share of customers' bill to at or below CPI.
Supporting vulnerable customers <i>"...it's important, yes, but my priority is containing my bill"</i> Customers recognised the need to keep electricity affordable for the most vulnerable but did not think it was Endeavour Energy's role.	Continue our conversation with consumer groups to rethink the way we charge, so that those who can't afford it are not paying for those who can. Review our services for vulnerable customers, particularly life support customers.

