

# Energy Charter Disclosure

SEPTEMBER 2020



**POWERSHOP**



**Meridian.**



## A message from our CEO

**I began my appointment as CEO of Powershop and Meridian Energy Australia (MEA) in January 2020.**

During the appointment process, conversations were often centred on my personal values of empathy, kindness and respect. I'd been acting Chief Customer Officer (CCO) at Meridian Energy Limited in New Zealand for 4 months while heading up the Sustainability Team (another personal passion) as General Manager, and I had no idea that these values and experiences were to become more important than ever in my next role in Australia.

At Powershop and MEA we talk a lot about why we're proud. An old mantra in the company is "The Mum Test" – would I be proud to go home and tell my mum what I did and the decisions I made at work today? We've evolved these values into new actionable commitments; Be a Good Human, Be Gutsy, Be in the Waka<sup>1</sup>. Be proud to work at Powershop and MEA.

I'm very proud to say there is little work I've had to do in this area. While there is a lot of work to do to get the energy industry where it should be for consumers and the environment, I can say that the culture, values and actions that are demonstrated each day in our business, are something to be proud of and evidence that there are a lot of good people working for the best future for everyone.

Two months into my role as CEO our entire Customer Team (the champions who look after our customers on the phones, over emails and other channels) moved to remote working. Moving a contact centre to remote working is a massive challenge, and I was equally concerned for the wellbeing of our team and the impact on our customers. Thanks to the hard work of many the transition was seamless, and the team and our customers were supported end to end. Knowing there was no impact to the support we were providing customers meant that I slept easier at night.

At the same time, a team from across the business began meeting daily to ensure that we were responding appropriately to the impacts COVID-19 was having on our community. We got a moratorium on disconnections in place before the AER released their Statement of Expectations<sup>2</sup> and we started planning what needed to happen to ensure all our teams were prepared to ensure we were looking after our customers.

Beyond the immediacy of these impacts on our customers, it was also our job to be the conduit between our customers, who care deeply about their community, and the needs of some of our most vulnerable or those doing it tough. I'm proud that within a month of remote working, our team implemented two incredible initiatives that facilitated that community connection for our customers and supported those impacted by COVID-19.

We established a relationship with Foodbank Australia for our bi-annual increased friend referral program. This not only supported customers with credits on their electricity bills at the start of remote working for many, but also resulted in donations made by us to Foodbank Australia on their behalf. Thanks to our customers and their engagement with this program, we were able to donate \$50,000 to Foodbank Australia at a time where demand for food relief had increased by 78 per cent. In addition to this, we launched Power It Forward – a Powershop community support fund helping to reduce the bills of small business customers impacted by COVID-19 (*learn more about this on page 8*).

For all these great programs and initiatives, there is always a learning opportunity and chance to network ideas to make these impacts bigger and more meaningful. I'm personally excited about the prospect of getting to know and working more with others in the industry for the betterment of our customers and the energy industry more broadly. Collaboration and the willingness to put customers at the centre of everything we do will be the key to unlocking a greater experience for all Australian energy consumers.

Having been in this role for nine months now, I can say that the easiest part of my job to date is joining a team where customer advocacy is embedded into culture. We're faced with a challenge but an incredible opportunity to ensure that this culture of customer centricity translates to better customer outcomes for years to come.

Jason Stein  
Chief Executive Officer  
Powershop & Meridian Energy Australia

<sup>1</sup> A traditional Maori canoe – a nod to our shared commitments with our NZ colleagues.

<sup>2</sup> We had a precedence of doing this because we'd done the same thing for customers in bushfire impacted postcodes during the height of the bushfire season in summer this year.

## Introduction

It's an understatement to say it has been an extraordinary year. Our business, our staff, our communities and our customers are continuing to face the challenges created by a drought, a catastrophic bushfire season, an ongoing global pandemic, and now a recession, all of which will have lasting and serious impacts for years to come.

The environment in which we're operating and living our lives looks very different to what it did at the same time last year. With almost 60% of our customers in Metropolitan Melbourne, the majority of our community, including our staff, have been impacted by ongoing COVID-19 restrictions and the challenges caused by them.

Small businesses have had to close or, if they have been able to, change their offering or adhere to limitations to continue operating. Residential customers are staying at home – resulting in their energy usage and costs going up. People have lost their jobs or had their income reduced, they haven't been able to see loved ones, they may be isolated or living in unsafe circumstances. With energy bills making up between 7-13% of a low income household's disposable income<sup>3</sup> and many in our community more financially and otherwise vulnerable than they have been before, we've been completely focussed on responding rapidly and appropriately to what our customers need to get through these tough times.

As an employer, member of the community and key player in the energy generation and retail mix, Powershop and Meridian Energy Australia (MEA) have, in the last year and particularly in the last six months, been focussed on looking after each other, our customers and community, and our environment. We believe it is important to treat our customers and staff with empathy and kindness. These values have meant it is important to:

### Look after each other

We can't operate as a business and ensure we're looking after our customers unless we're feeling safe and supported in the workplace. All our Melbourne-based staff (about 80% of the business) have been working from home since March 2020 and will continue to do so for the foreseeable future. We've looked after each other by organising group workout sessions (including some very entertaining 80s aerobics classes), continuing Friday night VC drop-ins, meditation and wellness sessions, health & safety moments at the bi-weekly all-company Huddle, random check-ins, no video-call days, fitness challenges...the list goes on. Not everyone gets involved in everything, and still some weeks are harder than others, but overall our Powershop and MEA staff are doing well and know they have the support of their colleagues.

### Look after our customers and community

The real heroes of our business are those that spend all day speaking to and looking after our customers. Our frontline staff have done an incredible job this year to support our customers through immensely trying and highly stressful circumstances. They have been able to provide empathy over and over again, sometimes spending their whole day on the phone to customers impacted by bushfires or COVID-19. The highly emotive and at times devastating conversations are ones that our team have handled with the upmost care despite the emotional exhaustion of the task at hand. Their respect to our customers and communities, mirrored in our policies and programs to support them, have kept us all connected. Our Customer Contact Team were able to action their business continuity plan and begin working from home within 24 hours of the decision being made within the business in March 2020 to operate remotely. Incredibly, there was no negative impact to our customer support stats at all during this time.

*"The lady rang to advise the amount of my latest gas bill, that it was higher than usual and if I had any concerns about it. It was a lot higher than usual because I'm home with an illness. She was very helpful and understanding. I expected this bill to be high due to circumstances, but I really did appreciate the call, because it shows that Powershop are tuned into their customers and care about them. It's very much appreciated, a lot of companies have no compassion and are just focused on money and shareholders demands. Thank you Powershop"*

- Customer response to Customer Satisfaction Survey, June 2020

### Look after our environment

The devastation caused by Black Summer, which impacted many communities across the country and captured international attention, also demonstrated that it's more important than ever to take some significant steps and hold ourselves accountable on climate action. It was during this time that a movement of consumers 'putting their money where it mattered' emerged, with Australians changing energy retailers, banks, and superannuation funds to support those who supported the planet. We're proud that we could facilitate the shift of Australian consumers during this time to a carbon neutral energy retailer committed to renewables, sustainability and the environment.



The greenest energy company @powershopaus is now allowing you to buy carbon neutral power and pass some of that energy to fire affected families!!! Wow, this is the social and environmental companies we love to work...  
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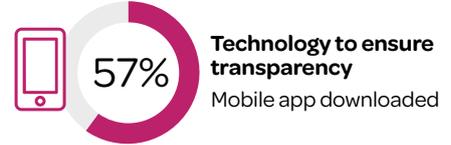
<sup>3</sup> [https://www.aer.gov.au/system/files/Affordability%20in%20retail%20Energy%20markets%20-%20September%202019\\_0.pdf](https://www.aer.gov.au/system/files/Affordability%20in%20retail%20Energy%20markets%20-%20September%202019_0.pdf) page 1

# Who are Powershop customers?

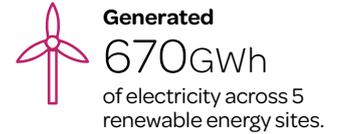
## Our customers are diverse with different energy needs



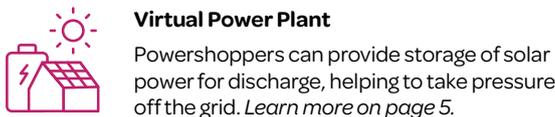
## Our customers are passionate and engaged



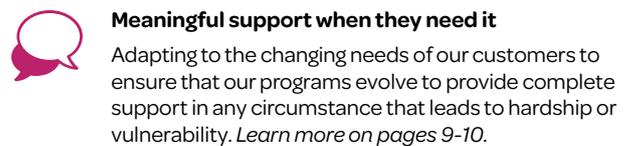
## Our customers care about supporting their communities and the environment



## Thanks to our customers' support we've been able to bring cleaner energy innovations to life



## It's our responsibility to provide our customers with



## Principle 1: Put customers at the centre of our business and the energy system



### Getting the customer voice (even louder) in the ear of our Executive Team

The customer voice is heard regularly by our Executive Team through our new monthly Customer Forum program. This program further elevates the customer voice and helps our Executive Team better understand the real customer experience.

#### Customer outcomes

Our Executive Team listen to customer calls and provide their thoughts on the call via a survey. The survey includes questions like “What do you think was the hardest thing to explain to the customer?” and “Can you relate to something you do day-to-day that impacts this customer?” An Executive Team member is then “interviewed” during one of our bi-weekly all company Huddles to share the experience with the whole company to extend and embed the learning. Commenting on the experience he had while listening to live calls, Ben Coffey our Hydro Operations Manager said:

*“For many customers this is going to be the first and last time we hear from them, so in that 20 minute period you’ve got to try and build that trust and that loyalty to go - hey, we’re going to look after you here - because the next time you hear from some of these customers is when they’re leaving us, so that’s a really big challenge to lay that ground work and create a lasting feeling of trust and engagement with the customer.”*

Customer experiences that have been highlighted thanks to this new program include gas bill shock (resulting from increased usage estimations and increased actual usage) during COVID-19. This highlighted that distributor field agents are currently less able to complete meter reads with new safety requirements and distancing measures in place. To compound this situation, customers are also at home and consuming more energy. As a result, we have:

- launched a “submit a picture of your gas meter” campaign, to improve billing accuracy and enhance awareness for our customers around their usage;
- supported this with the option for customers to [speak to a usage specialist](#) within our team who can offer tailored advice on their home energy usage; and
- created [content about the impact working from home](#) could have to customers energy bills.

#### Where to next and how are we getting there?

- Refocussing our retail strategy to promote customer experience and improvement initiatives to be prioritised and reported on (*started*).

- Staff member responsible for the Customer Forum is accountable to the Board on this program (*ongoing*).
- Jason Stein, our new CEO, will continue visiting our Customer Contact Team to listen to customer calls to better understand what our customers are saying and what they need (*ongoing – most recent visit was on Friday, 25th September!*)

### Embedding the Energy Charter principles in all parts of Powershop and MEA

To help different parts of the business understand that they contribute to better customer outcomes, we have run Energy Charter information sessions. For example, in December 2019 we ran a session with our Hydro Operations Team – this team has been a part of the business for the shortest amount of time and is located across three sites in regional NSW, so this provided a great opportunity to help further onboard this team into the Powershop and MEA business and what we stand for.

#### Customer outcomes

The Engagement Survey results for the Hydro Team increased significantly between March 2019 and March 2020 in a number of important areas:

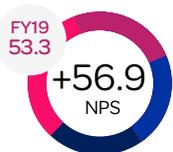
- Engagement (including questions about being proud to work for Powershop and MEA) increased from 46% to 91%.
- Culture (including questions about safety, wellbeing, diversity and inclusion) increased from 67% to 91%.
- The question “I am proud to work for this organisation” increased from 43% to 100%.

Thanks to a very engaged Hydro Operations Manager (the famous Ben Coffey previously quoted), customer outcomes have been embedded as a key part of their role within the business. Integration of the Hydro team in weekly business Huddles has given the team key insights into the breadth and depth of customer metrics, linking back to the role of the Hydro team that previously was not as transparent. Connecting their roles and the team directly with business and customer outcomes has led to greater engagement and positive involvement from the team.

#### Where to next and how are we getting there?

Learn from other Signatories who are doing this really well (for example Jemena and Energy QLD). We’ve seen both these organisations work hard to connect the Energy Charter Principles to their employee’s values, with one outcome being a “Fireside Chat” learning session with Jemena on how they’ve succeeded in this area (*to do*).

## How are we tracking towards putting customers at the centre of our business?



#### Net Promoter Score

Surveys sent every business day to track trends and respond rapidly to customer issues.



#### Staff Engagement

Overall “Engagement” increased to 85% (from 80% the year previously) – particularly impressive considering the survey was taken in the first COVID-19 lock-down (March 2020).  
*NB: Engagement means how people feel working for our organisation and how we look after them.*



#### Customer Satisfaction

Sent after interactions with the Customer Team. FY19 92%.



The question “**This organisation delivers on the promises it makes to its customers**” scored at 96%. We’re very proud of this score and happy that everyone feels we’re doing the right thing by our customers.

## Principle 2: Improve energy affordability for customers

Self assessment Evolved ● ● ● ● ● ● ● ● ● ● ● Where to next Empowered

### Getting customers on the right offer for them

Some of our customers tell us<sup>4</sup> that the high engagement experience (Powershop Shopper)<sup>5</sup> isn't for them, but they're with us because they want to support a greener power company. Last year we acknowledged<sup>6</sup> that the original Shopper experience – while innovative and great for some – isn't for everyone. We have continued to grow the number of different products available under the more traditional experience (monthly billing, no discounts, no engagement required) and have seen great take up of these products.

#### Customer outcomes

Previously, our mix of the 'engaged' Powershop offers and the 'traditional' was 86.6% and 9.4%. This is now 78.5% (engaged model) and 13.7% (traditional), demonstrating the demand for varied products and engagement level options that work for different customer needs. See Principle 5 for further information on our work on the Powershop Relief Offer for vulnerable customers.

#### Where to next and how are we getting there?

Empower the Customer Team to recognise, discuss and take action when they see a customer could be on a more suitable experience for them (this isn't necessarily decided by price, but could be related to benefits (e.g. GreenPower), willingness or ability to engage etc.) (*started*).

### We've reduced prices over the last 12 months

Our customers tell us that affordability is the most important ingredient in their experience with us. And this is not just via one channel; customers tell us this over the phone, on social media, through customer feedback tools (e.g. the majority of our NPS comments are related to the theme of "price"), ad hoc surveys and in many other ways.

#### Customer outcomes

To increase energy affordability for our customers, we've worked hard to reduce prices across all the states we operate in.

- In VIC, on average, over the last financial year we've positioned our prices a further 1% below the Victorian Default Offer, where customers, on average, can access rates that are 9% below the VDO when they purchase our Mega Pack.
- In other states, on average, over the last financial year we've positioned our prices a further 1-5% below the Default Market Offer, where customers can access rates that are, on average, between 15-20% below the DMO when they purchase our Mega Pack.

#### Where to next and how are we getting there?

- Continue working with our Energy Markets team to refine and optimise our wholesale cost management strategies (*ongoing*).
- Continue identifying opportunities across the business, from our back-office operations to our contact centre, to reduce costs and inefficiencies, to help enable us to continually drive our customer's prices down. We are about growing a happy customer base, which means trying to keep our prices down as much as possible (*ongoing*).

- Ensure customers are taking up the right DER option for their circumstances, whether saving through the access to solar generation owned by others (SunYield), cheaper rate periods on our EV tariff or more efficient use of their solar generation through our VPP program (*started*).

### Encouraging new technologies and structures that improve affordability

Some of our customers seek access to new technologies and other ways to lower the price they pay<sup>7</sup> – like the usage information we provide in the Powershop app. We are always aiming to improve customer experience and add value to customers by introducing products and programs specifically suited to customers with Distributed Energy Resource (DER) assets. We have developed an approach to address the growing penetration of DER in the market to encourage our customers to get solar, add batteries and aid them in getting the most out of their assets.

#### Customer outcomes

##### SunYield product

Continued to facilitate the uptake and access to rooftop solar for renters and homeowners through our growing [Stoddart partnership](#).

- Customer numbers increased by 700% up from FY19 (over 1,700 customers now participating in solar sharing)
- New connections installed up by 775% on FY19 (over 2,000 solar connections completed)
- Total MWh now installed - 13MWh

##### VPP and battery installations

Encouraged investment in battery installations through our partnership with Shinehub and our Charge Force Virtual Power Plant (VPP) program, also providing shared learnings for the industry, as well as creating a Battery Offer to cater to this DER.

- Shinehub sold over 1,000 batteries within the trial period
- 350 Powershop customers now on the Battery Offer
- Powershop customers who are part of this program can now provide over 1MWh of storage

##### Electric Vehicles tariff

Launch of the Powershop Electric Vehicles offer that features a "super off-peak" usage rate for overnight charging.

- 301 customers on the Electric Vehicle tariff

10

Good price, EV incentive, ease of use, monitoring data, lots!

- Customer NPS feedback, March 2020

#### Where to next and how are we getting there?

While we've been successful at embedding the offering of a smart meter to customers on basic meters (any time we have an interaction with a customer via phone or email), we haven't embedded a smart meter installation offer as a key moment in the customer journey, for example, automatically during onboarding. We'd like to improve this over the coming years by building the offering into the onboarding process for all customers who we can see do not have a smart meter (*to do*).

<sup>4</sup> We hear this through a variety of channels, including feedback to agents, via our NPS survey, Exit Survey and other feedback channels. Where the feedback channel allows it, we contact customers who have indicated they're not happy on whatever offer they're currently on and take them through our other offers that may be more suitable.

<sup>5</sup> Powershop Shopper is our original innovative energy product. It's an experience where customers get to shop for power using Powerpacks. See our website for more info: <https://www.powershop.com.au/why-powershop/powershop-experience/>

<sup>6</sup> Powershop and Meridian Energy Charter Disclosure FY19 p. 12.

<sup>7</sup> Independent Accountability Panel report recommendation 20.

## How are we tracking towards improving energy affordability for customers?



**Customers on standing offers**  
**Zero**

As noted in last year's report, Powershop tries to ensure all customers are on a competitive market offer. However, since the introduction of the Victorian Default Offer (VDO), we have seen 127 customers elect to go on this offer.



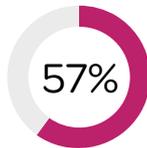
### Batteries

There are no specific markers on the meters that identify a battery (like there is for solar) – this is something we should work on together across industry participants so that the market can benefit from the understanding of battery and storage contribution to the grid, especially as this technology grows.



**19%**  
**Increase in smart meter penetration**

In traditionally basic meter states in FY20 compared to FY19.



**Of our customers have downloaded the app**

On average Powershop customers access the app 3 times per month.



**Solar customers per state**

38% SA    28% QLD    22% NSW    19% VIC

## Principle 3: We will provide energy safely, sustainably and reliably



### Investing in a sustainable and resilient energy system

To add more renewable energy into the grid, in FY20 Meridian Energy:

- secured two wind farm options in NSW (the Ragoon Energy Park and Wandsworth Wind Farm) and started developing these projects;
- begun planning for the installation of a large-scale battery to be located at our existing Hume Dam Hydro plant;
- have used data and built on our stakeholder relationships to improve performance at our Hydro assets; and
- with ARENA support, developed and implemented a sophisticated forecasting system with the team from the University of Melbourne, backed by state of the art technology (including LIDAR) to more accurately forecast wind generation from our Mt Mercer Wind Farm in Victoria. This provides AEMO with a more accurate generation forecast, reducing the reliance on operational reserves to balance the power system for every five minute dispatch interval within the National Energy Market (NEM). The learnings and knowledge from this project is shared more broadly with the industry through [regular reporting](#) to improve the overall reliability of wind forecasting in the NEM.

### Customer outcomes

- Once it's constructed in 2023, the expected 130MW Ragoon Wind Farm is estimated to provide about 385,000MWh per year of renewable energy to the NEM, powering about 58,000 NSW homes every year.
- The proposed Hume battery is sized at 20MW/40MWh, and due to its unique positioning will be capable of generating or charging from either NSW or VIC.
- Working with the Murray Darling Basic Authority (MDBA) and Water NSW, we have achieved a more flexible water release regime at Hume Power Station, which has meant compared to the baseline, the station was able to provide up to 25% greater generation capacity to the system during the South Australia – Victoria market separation event in January 2020. This work will help provide greater generation during critical periods in the summer to help avoid blackouts.
- Our generation forecast at our Mt Mercer Wind Farm has now been fully integrated into AEMO's real-time processes for managing the power system. More accurate forecasting facilitates the penetration of renewables in the NEM, which supports AEMO to maintain system security while reducing emissions and costs.

- Created an [interactive website](#) for the wider community describing our novel approach to wind forecasting. This website is free for anyone to access, and acts as an educational resource for primary, secondary and tertiary students as well as the general public who have an interest (big or small) in wind farm generation including the ability to download any of the data they may want to further investigate. Our hope is that this site builds community understanding of renewables and the prospects of a secure and decarbonised energy system.

### Where to next and how are we getting there?

- Identifying upgrades to our existing generation fleet to improve its capacity to deliver dispatchable energy (*ongoing*).
- Securing and developing low cost renewable energy projects (*started*).
- Identifying and securing new sources of energy and demand response mechanisms (*ongoing*).

### Update on our Curb Your Power demand response program

We're working with customers and experts to build a demand response program now that the ARENA trial we've been involved in for the last three years is coming to an end. There are some challenges and opportunities – for example, how a program like this effectively supports solar and battery customers to participate and how we can provide a better customer experience to those participating.

### Customer outcomes

During the three years of the ARENA trial, we:

- Provided \$480,000 in credits to customers who successfully hit their load reduction target over seven events.
- Increased our customer fleet to 18,500 active customers.
- Reduced demand on the grid by a total of 76MWh over the seven events.
- Ran a Randomised Control Trial with the Behavioural Insights Team (BIT) to learn more about our residential demand response program. [Read the report here.](#)
- Shared learnings with ARENA and published these publicly.

**Where to next and how are we getting there?**

- System automation and better customer experience *(to do)*.
- Integrate other DER assets e.g. VPP *(to do)*.
- Determine how to continue our demand response program outside of the ARENA trial *(to do)*.
- Expand into other states *(to do)*.

**Restoring a more resilient Great Barrier Reef through Your Community Energy**

The Your Community Energy (YCE) program provides the option for Powershop customers to pay a little extra on their power bills to support causes that have a positive impact on the environment – this includes our physical and social environments.

The premium that our customers pay is pooled and distributed as grants to projects we carefully select and support. Since October 2019, Powershop customers have contributed \$132,647 to support the Reef Restoration Foundation to restore coral on the Great Barrier Reef. Thanks to our customers we've built two coral nurseries to regrow bleach resistant coral and provided further funding for ongoing operations.

**Customer outcomes**

- Historically YCE supported multiple projects, which were very localised small-scale renewable installations. The change to the program to facilitate larger projects with a national impact has proven to connect our customers with a cause they can feel passionate about, highlighted by some customer feedback below:

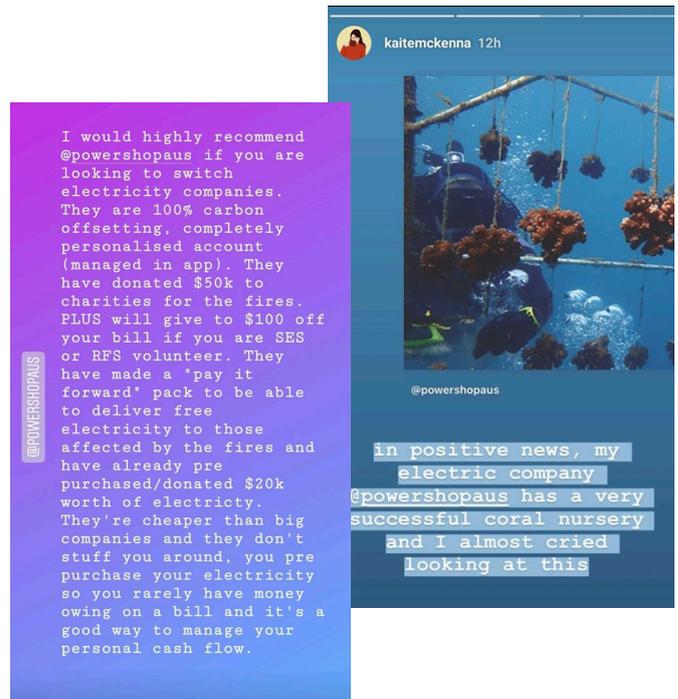
*"It's been a great project to support"*  
*"It's great to see we're making a difference"*  
*"Happy to be part of a positive organisation"*  
*"I've loved the coral reef project - it really makes me feel happy with Powershop"*

- From October 2019 to June 2020 our customers voluntarily contributed an additional \$72,647 to support our project with the Reef Restoration Foundation – despite the challenges of Black Summer and COVID-19.

- Within this timeframe our customers support led to the growth of 500 new climate resistant corals (a figure that will double with the installation of the second coral nursery.)
- Since the launch of YCE in 2016, our customers have raised \$634,672 to support community projects.

**Where to next and how are we getting there?**

- Data analysis and customer feedback gathering *(started)*.
- Community needs assessment *(to do)*.
- Partner outreach to find the next cause to support *(to do)*.



**How are we tracking towards proving energy safely, sustainably and reliably?**



**Safety issues across all sites**

One

We had one incident where very fortunately no one was injured, but it was a near miss. The investigation identified the likely cause of the failure as human error during scheduled maintenance. Since then, reviews of the procedures have been carried out and additional controls have been implemented to avoid any near or other misses in the future.

We have also created and filled a Safety and Health Specialist role who works with all office and site teams on mental and physical wellbeing programs and has been invaluable this year in particular.



**Scope 1, 2 and 3 emissions**

615,739tCO<sub>2</sub>-e

All scope 1, 2 and 3 emissions are entirely 100% carbon offset.



**Energy transition advocacy**

Submissions and participation in industry discussions advocating for sustainable and resilient energy transition.



**Solar, battery and smart meter installations**

See reporting on page 5 Principle 2 "Encouraging new technologies and structures that improve affordability".

## Principle 4: Improve the customer experience



### Effective response to empower customers during tough times

Without our customers, we don't exist. 2020 began with an immediate refocussing of our team's efforts and priorities to respond to the bushfires and later, to COVID-19. Some innovation programs were immediately sidelined so all our resources could be focussed on looking after our customers and empowering them to support others (if they wanted) during these tough times.

#### Customer outcomes

- This year it was more important than ever to get the right information to customers who needed it, when they needed it. We utilised a variety of channels and targeted the communications, including:
  - Reaching customers in bushfire impacted postcodes (where their distributor had shared data<sup>8</sup>), via email, on their bills, through social media and by phone over the course of the bushfire season to offer support, including additional credits to firefighters and SES volunteers as a token of our immense gratitude.
  - Creating broad communications and information to support customers impacted by COVID-19 that we could share widely (all customers and all channels). As the impact of COVID-19 evolved and situations changed between states, our communications have changed to speak to each state's concerns, ensuring our customers have the information they need.
  - Incorporating the Energy Charter 'We've Got You' campaign in ongoing social content to link back to our [COVID-19 support hub](#).
  - The creation of our [Usage Specialist contact form](#) to tackle household usage behaviours. The customer is called by a usage specialist in our Customer Team to discuss tailored advice on behaviours to reduce home usage. The request for a call from a Usage Specialist has been added onto various communications to add another layer of empowerment for our customers that extends beyond concessions.
  - Utilisation of the COVID-19 support fact sheets created by Jemena that have been translated into multiple languages and promoting the translation service available when contacting us.
- Average email open rates of communications related to the bushfires or COVID-19 was 57% (higher than the average of 53%), highlighting how badly needed these communications were needed.
- Applications for concessions increased by 53.92%<sup>9</sup> after receiving information in our first COVID-19 email to all our customers specifically calling out that energy concessions are available.
  - This is important, because the number of first-time concession holders increased by 404.5% in Q4 of FY20 compared to the previous quarter, indicating the already devastating impact of COVID-19 across our customers and communities.

#### Where to next and how are we getting there?

Participation in a year long, joint industry research project to track, anticipate and prepare for ongoing impacts to energy consumers due to COVID-19 (incl. economic downturn, unemployment etc...). *(started – thanks to Jemena for the initiative on getting this one kicked off!)*

### Better at listening to customers and doing something about what they say

Power It Forward – our new program to allow Powershoppers<sup>10</sup> to contribute towards the bills of other customers doing it tough – was a direct result of customer feedback.



We're fortunate that our customers are very community minded and their engagement with us encourages product innovation. The flexibility of our product and the determination of our teams facilitates these kinds of programs and puts our customers feedback into action.

#### Customer outcomes

Our customers first asked for a product to support other Powershoppers impacted by the bushfires on 8 January 2020 and we launched Power It Forward two days later on the 10 January. This product remained available until 6 March and it was then relaunched on 21 May 2020 to support small business customers impacted by COVID-19.

- With both programs combined, Powershop customers contributed more than \$185,000 to Power It Forward and Powershop contributed \$116,000.
- We distributed credits to customers in 243 bushfire impacted postcodes. These credits were thanks to around 12,500 customers who contributed to Power It Forward during that time.
- We distributed credits to 706 small business customers and reduced their bills by \$195 each on average.
  - This also enabled us to extend the financial relief provided to small businesses eligible for the Energy Networks Australia (ENA) package as a segment of the Power It Forward recipients also received an ENA relief payment, allowing us to provide credits to cover more than just the distributor portion of the bill.

#### Where to next and how are we getting there?

Co-design customer processes and experiences with customers and our incredible Customer Contact Team (the people who are speaking directly to our customers daily) to ensure all customer programs are properly reflective of their needs (*ongoing – this is a big focus for us*).

<sup>8</sup> See Principle 5 "Providing customers with the help they need" on Page 10.

<sup>9</sup> This is comparing Q3-FY19 to Q4-FY19.

<sup>10</sup> Those that have access to the Powershop Shop (about 78.5% of our customers).

### Submissions and regulatory work advocating for better customer outcomes

Powershop and MEA are heavily involved in providing feedback and thinking in the regulatory space. Through responding to a myriad of consultations that have wide-ranging impacts across the industry, Powershop and MEA's aim is to simplify the regulatory landscape across the supply chain. We have engaged in 58 consultations over the last year because we are an engaged and active industry participant.

#### Customer outcomes

- The ENA Relief Package was announced by ENA to industry and external stakeholders through media releases without any industry consultation. Upon receiving the package, Powershop worked with participating distribution networks to try and make the eligibility requirements broader to provide greater assistance to customers doing it tough. Powershop had some success with Victorian electricity networks who agreed to a more pragmatic

approach to eligibility, meaning customers who might have 'just missed' being eligible under the strict ENA criteria could receive assistance.

- Consumer Protections in an Evolving Market; In this Australian Energy Market Commission (AEMC) consultation, Powershop argued for simpler and more fit-for-purpose regulation in our evolving market. With emerging technologies and changes to the traditional sale of energy, Powershop sought to provide the all-important customer perspective in our response to the consultation.

#### Where to next and how are we getting there?

Continue demonstrating that while comparatively small players in the industry, Powershop and MEA have a loud and well heard voice at the table and will advocate on behalf of customers and better outcomes overall (*ongoing – the next consultation paper we're excited to respond to is the proposal for simpler energy bills*).

## How are we tracking towards improving the customer experience?



#### Complaints

0.435/100



#### Ombudsman referrals

0.097/100

As this is the first time we've reported our Complaints and Ombudsman referral data like this, we'll use it as a benchmark for next year.



#### Research

Commissioned research to establish how energy consumers felt about managing their energy bills during summer to highlight areas of the consumer experience requiring improvement across the sector and what we could action with our customers.

Conducted market research which resulted in:

- Website and social content with tips on how our customers could take control of their usage over the summer period.
- A larger recruitment process into Curb Your Power to provide customers with an alternative way to reduce usage and earn credits.
- Scheduling our largest customer referral program (where customers could secure between \$150-\$250 in electricity credits) for late November to support with upcoming summer bills.

#### Improving our dispute resolution outcomes

- Created a Customer Solutions Coordinator specialising in managing and collating feedback to help reduce reoccurring customer issues.
- Learning and development sessions with Ombudsman staff delivering benefits in different ways:
  - Ensures staff are knowledgeable when dealing with a customer's complaint, increasing customer satisfaction of the schemes.
  - Complaints can be dealt with more quickly, lowering the cost-per-complaint and therefore the retailer's cost to serve.

## Principle 5: Support customers facing vulnerable circumstances



### Dedicated offer for vulnerable customers

Any Powershop customer in vulnerable circumstances now has access to the Powershop Relief Offer. This offer has been designed to ensure that there are no barriers to reducing the energy bills of customers who need help. There is no burden of proof, we work on the principle of "just believe" – relying on the customer's word to remove barriers they might face when trying to access support.

#### Customer outcomes

Since we launched the Relief Offer in December 2019, 388 customers have been placed on this offer. On average, the Relief Offer is 18% below the VDO/DMO.

#### Where to next and how are we getting there?

We will conduct an annual review of our Relief Offer to ensure that it continues to provide customers access to the appropriate level of assistance (*to do*).



*Understanding in hard times*

- Customer NPS feedback, May 2020



*You've always been patient when I've fallen behind; your prices and deals seem to be the best and its a no-hassle connection*

- Customer NPS feedback, September 2020

## Providing customers with the help they need

We can't offer support unless we know a customer is doing it tough, and we know customers aren't always able to reach out to us. We have increased engagement in our support programs in a number of ways:

- Analysed usage data<sup>11</sup> to try to identify which Powershop small business customers may have been impacted by COVID-19 and have proactively outbound called them to check in and offer support.
- Adjusted our internal debt reporting to identify groups of customers who have fallen behind on payment and reached out to these customers to provide specific support.
- Additional training to staff in response to the bushfires and COVID-19 to proactively offer customers support, including customers who had not fallen behind on their bills. To better enable this, we added flags on accounts to easily identify customers who were in a bushfire affected area, and customers directly impacted by the bushfires and/or the pandemic.
- Updated our communications to customers to provide specific information on support that is available to them, both on our website and in dedicated communications such as by post.
- Early identification of properties destroyed by bushfires as a result of effective and ongoing communication with distributors, which allowed us to put an immediate and ongoing freeze on any billing until that customer was ready to get in touch.

### Customer outcomes

- 11% of small business customers currently on a tailored support plan were identified as part of the outbound call program.
- Partly<sup>12</sup> because of our process and experience improvements, we have seen an increase in completed payments plans of 47.94%<sup>13</sup>.
- Effective internal processes and regular communication with distributors during the bushfires and COVID-19 have meant that we have been able to provide around 1,000 partial or full bill waivers to residential and business customers.

### Where to next and how are we getting there?

Improve our early identification, engagement and collaboration with customers in vulnerable circumstances with consideration of their ability (for whatever reason) to proactively seek support (*to do – the partnerships mentioned in the next section will be key here!*).

## Learning how to improve our support of vulnerable customers

Partnering with organisations and sharing learnings with other businesses who do really good work helping vulnerable customers is an essential part of our progress towards improving our support for vulnerable customers.

- We met with Yarra Valley Water in November 2019 to help us better train and embed our Family Violence Policy. As another essential service, Yarra Valley Water was able to share their experiences in best practice for managing customer safety over the phone, how to listen out to slight indicators of potential violence, and how to train staff and handling staff objections.
- In May 2020, those who worked on the Family Violence Policy and processes attended a workshop chaired by the Essential Services Commission to discuss the implications of COVID-19 on family violence to ensure that our existing policy and processes continued to provide the right support for the changing needs of our vulnerable customers. This also provided us with the opportunity to engage with Domestic Violence Victoria and WIRE (Women's Information and Referral Exchange) for expert guidance.

### Customer outcomes

Collaborating with Yarra Valley Water enabled those working on our Family Violence Policy, processes, and principles to better understand the challenges associated with identifying and supporting impacted customers. These learnings have been embedded with our processes, providing an intangible benefit to our customer facing staff and partners.

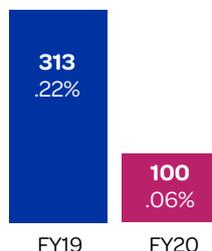
### Where to next and how are we getting there?

Progress our partnerships with organisations like Thriving Communities and Kildonan further, to better drive conversations around energy efficiency (*started*).

## How are we tracking towards supporting customers in vulnerable circumstances?



Comparing all of FY20 against Q3-4 of FY19



### Disconnection for debt

This drop is in part due to Powershop's decision to halt disconnections for customers in bushfire affected areas, plus the industry moratorium on disconnections for non-payment during the COVID-19 pandemic (Powershop had already put a disconnection moratorium in place before the AER Statement of Expectations was released).

<sup>11</sup> We analysed all our business customer's energy usage over the period from 1 March 2020 to 31 May 2020 and included any customer who's usage had dropped by more than 25%. The limitation here is customers who do not have smart meters. In this case, we included the majority of our basic meter customers on the list. A further limitation is that it does not capture customers who have been impacted by COVID-19, but have not experienced a drop in their energy usage. For example, we have a food company who is heavily reliant on refrigeration of their product. Their energy usage had marginally reduced, but their income had dropped by 75%. These are the customers we were trying to identify.

<sup>12</sup> We do believe that the increase in Government payments beginning in March/April due to COVID-19 has had the effect of allowing customers in debt to pay of their energy debts faster. This is a powerful insight in the willingness of customers to pay their debts, but the inability for them to do so without proper financial support.

<sup>13</sup> This figure is performance reporting completed plans for Q3+4 of FY19 compared against all of FY20.

**On behalf of the Powershop and MEA team,  
thank you for taking the time to read our Disclosure.**

We're proud of the work we've done to date, and we are energised and excited for the work we'll do in the coming months and years.



**POWERSHOP**



**Meridian.**