

Engagement Plan

Endeavour Energy 2024-2029
Regulatory Control Period

April 2022



**Endeavour
Energy**

Powering communities for a brighter future

Contents

1. CEO Foreword	3
2. Who we are	4
3. Purpose of this document	4
4. About Endeavour Energy	5
5. Explaining the regulatory process	7
6. Our engagement approach	8
7. Engagement methodology	13
8. Evaluation	16
9. How to have your say	16

1. CEO Foreword

.....

Guy Chalkley

Chief Executive Officer, Endeavour Energy



I am pleased to welcome customers and stakeholders to our regulatory engagement program, which will not only help us design and deliver the services our customers need and want today but will put us on the path to invest in and deliver further innovative and sustainable services of the future for our rapidly growing communities.

There has never been a more exciting time to be a part of the energy sector – it is alive with change, challenge and choice.

This incredible transformation is being driven by growing customer expectations for smart and sustainable living, the changing climate, an increasing dependency on reliable power (for example to work from home or to power your car), our booming cities and innovative technologies that allow us to sustainably generate, store and distribute power within our communities.

We can best meet the challenges and opportunities of the future by partnering with our customers, stakeholders and communities – by allowing you, our customers, to lead us in the development of the services you want and can afford. And we want to keep hearing from you, beyond the regulatory engagement program, as we make customer engagement a central feature of business-as-usual.

It's your power and your future, so I warmly encourage you to have your say.

Our Vision, Purpose and Values

Our vision is **to be amongst the best performing networks in Australia**. Our business purpose is **to power communities for a brighter future**. Our values guide everything we do.



Be safe – Put safety first. Care. Always.



Find a better way – Stretch for excellence. Innovate. Challenge ourselves. Create value.



Work together – Listen. Share goals. Work together as one.



Own it – Do what you say and own the impact of what you do. See it through.



Adapt quickly – Be nimble. Be flexible. Be open and learn. Embrace opportunities.



2. Who we are

.....

Endeavour Energy is responsible for building, maintaining and operating an electricity network that connects 2.6 million people to traditional and renewable energy sources. We are rapidly evolving from a traditional ‘poles and wires’ electricity distribution network to a ‘future network’ that uses innovative and sustainable technologies to provide safe, affordable and reliable electricity to homes and businesses across Sydney’s Greater West, the Blue Mountains, Southern Highlands, the Illawarra and South Coast.

We’re also one of Australia’s fastest growing electricity networks, connecting around 20,000 new customers a year, including the Western Sydney Aerotropolis.

3. Purpose of this document

.....

Every five years energy distribution companies like Endeavour Energy engage with customers to develop a proposal that outlines the services they will offer customers in the upcoming five-year period, the investments needed to deliver those services, the cost of those services and the distribution network tariffs that will be offered to customers via retailers.

This is called a Revenue Proposal. The Revenue Proposal is reviewed by the Australian Energy Regulator (AER) which considers whether the proposal is prudent, efficient and in the best long-term interests of customers. The AER assesses the Proposal and determines the investments, costs, services and tariffs that can be delivered.

To develop these proposals, energy distribution companies like Endeavour Energy work closely with their customers and other stakeholders. We listen carefully to what our customers and stakeholders say to understand what they value most, their expectations, priorities, and preferences.

We then incorporate these into the proposal, keeping customer voices central to its development.

This document lays out how Endeavour Energy plans to engage with its customers and other stakeholders to develop its proposal for the 2024–2029 regulatory period.

We have worked with customer experts to design a comprehensive plan that will help many different voices have their say on their energy future. But we also consider our Engagement Plan to be a “living document” that is subject to change when new insights show how we can improve.

So, in line with our desire to understand consumer feedback, we would like to know **what you think** of our plans to engage with customers and stakeholders.

Please take a moment to read through this document and share your feedback with us. You can do this by visiting yoursay.endeavourenergy.com.au.

To help you provide feedback, we have developed the following questions for you to consider as you read this document.

Q1	Does this overview help you better understand the Endeavour Energy business? Is there anything more you would like to know?	p5-6
Q2	Is this the right goal for our engagement program?	p8
Q3	Have we missed any stakeholders or groups that we should be consulting with?	p11
Q4	We have developed a plan that provides different ways for people to have their say. Are there other kinds of engagement activities you would like Endeavour Energy to consider? What are they?	p13
Q5	Are there any other ways we should measure our performance?	p16

¹Approximately one third of an average residential customer's energy bill comprises costs from the distribution network business.



4. About Endeavour Energy

Endeavour Energy is one of three electricity distribution networks that service different parts of New South Wales. We are responsible for building, maintaining and operating a network that provides electricity to 2.6m people in homes and businesses across the Blue Mountains, Sydney's Greater West, the Illawarra and South Coast, and the Southern Highlands.

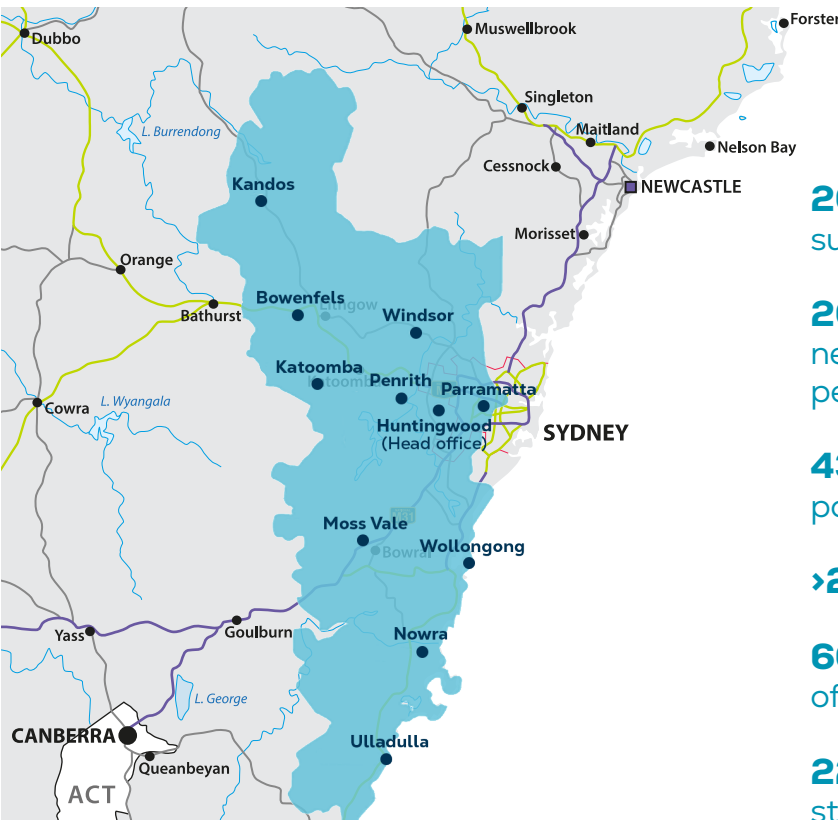
Our people take great pride in being of service to our communities. We aim to provide electricity to our customers in a way that is affordable, safe, reliable and sustainable.

Although our customers receive their electricity supply from Endeavour Energy's network, we are not an energy retailer who bills customers directly. Customers in NSW choose their energy retailer (much like you might choose an NBN provider) and retailers have a direct, ongoing relationship with those customers, including billing.

While many customers are not always aware day-to-day of our role in providing their electricity, we are continuously working to reliably provide the electricity network our customers need to receive services via their retailer of choice.

We're working with customers, stakeholders and regulators to help deliver a clean energy future where smart meters, batteries and solar enable customers to generate, store and sell back electricity into the grid.

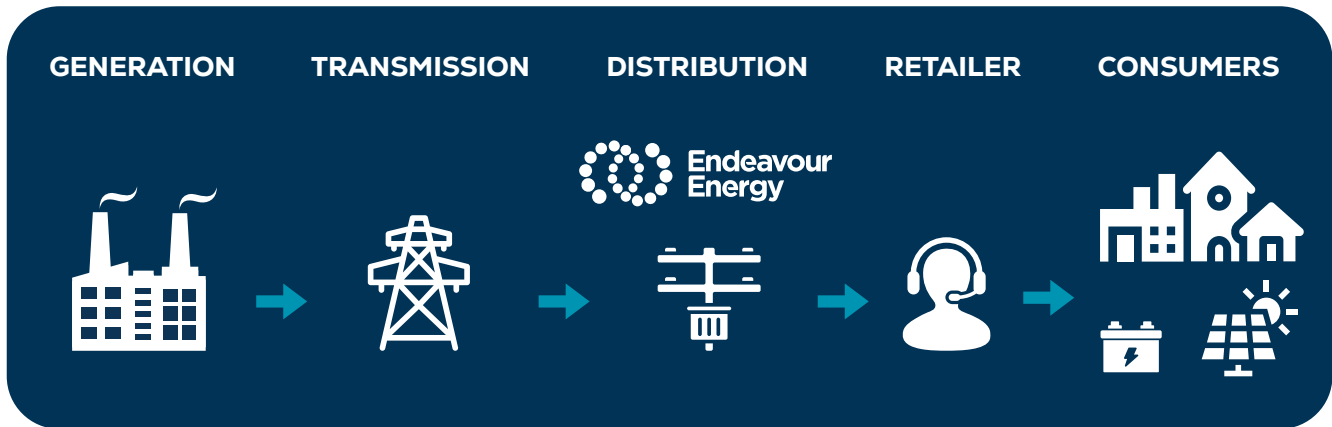
In this way, we are transitioning from a traditional 'poles and wires' business to a distributed services operator. The changes we're making to our business will give customers greater choice over their energy usage and will make our network more environmentally and socially sustainable for future generations.



207 major substations	221,000 customers with renewable energy
20,000+ new customers per year	2.6m people
430,000+ power poles	1m+ customers
>25,000 km ²	32,000 life support customers
60,000+ km of powerlines	85% of our area is bushfire prone
225,000 streetlights	

We are operating a modern grid

The way electricity is being generated, delivered and consumed is undergoing a rapid transformation. Traditionally, electricity was generated by power plants before being passed through to homes and businesses via the transmission and distribution network. It traditionally flowed one way from the generator to the consumer.

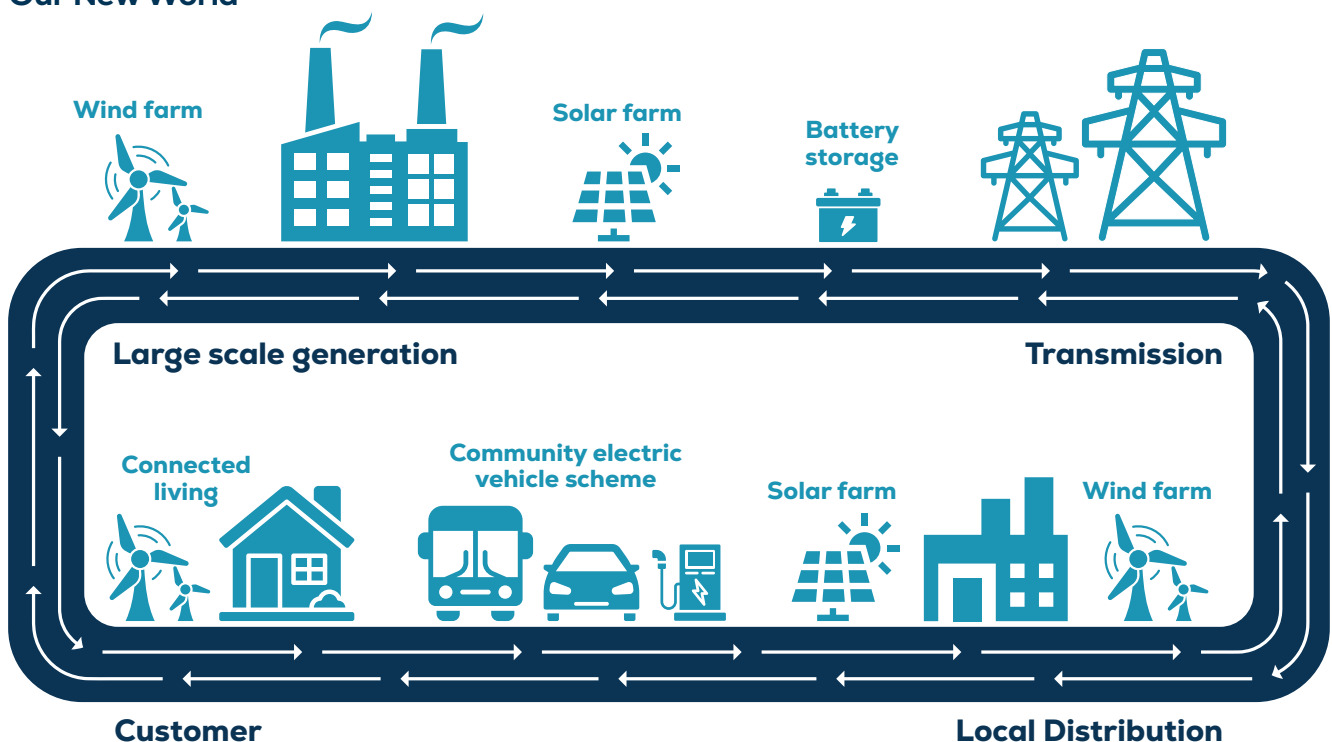


Renewable energy technology is changing that traditional one-way flow. Today, smart meters, batteries and solar power cells enable customers to generate, store and sell electricity back into the grid.

Becoming a 'distributed services operator' means that Endeavour Energy is working with customers, stakeholders and regulators to enable two-way energy flows between customers and the grid.

By doing so, we will provide customers with greater choice and contribute to a cleaner energy future.

Our New World





5. Explaining the regulatory process

.....

The Australian Energy Regulator (AER) protects consumer interests by regulating the distribution of electricity services, because traditionally, there has been no competition in this part of the electricity sector.

They do this by closely reviewing the technical aspects of the regulatory proposal that each electricity distribution network makes every five years. They also assess how effectively each network business engages their customers in the development of a regulatory proposal, considering whether a proposal is prudent, efficient and customer-centric, delivering on both the immediate and long-term interests of customers.

Endeavour Energy proactively engages customers and stakeholders as part of our regular business processes. Insights received through this regular engagement are considered in the development of a regulatory proposal. However, given the regulatory reset also shapes our plans for the future, we undertake additional engagement to ensure customers are central to the development of those future plans.

That is why this engagement plan is so important. It sets out all the different ways we can ensure your views are incorporated in our plans to deliver the services of the future.

Endeavour Energy has already begun consulting with consumers and stakeholders and this early feedback will help us draft a Preliminary Proposal. The Preliminary Proposal provides a starting point for a much deeper and more detailed conversations with a broader range of customers and stakeholders throughout 2022. The outcomes and insights from this deeper engagement will inform the Draft Proposal that Endeavour Energy submits to the AER in October 2022.

Better Resets Handbook

In 2021, the AER published the *Better Resets Handbook*, which proposes improvements to the way regulatory resets are undertaken and outlines the AER's expectations for high quality consumer engagement. We have considered the expectations outlined in the Handbook as we developed this engagement plan. As we implement our program, we will work with the AER to ensure our approach is in line with the intent and spirit of the Handbook.

AER's Consumer Challenge Panel

The AER also engages a Consumer Challenge Panel (CCP) to participate in engagement programs. The CCP's role is to challenge distribution networks to develop customer-centric plans, and report back to the AER on the quality and outcomes of customer engagement.

6. Our engagement approach

.....

We have worked with our stakeholders to co-design an engagement approach that is collaborative, iterative, and responsive, is led from the top and will ensure meaningful engagement with different stakeholders across a variety of channels.

Our approach is in line with the National Electricity Objective

The National Electricity Objective as stated in the National Electricity Law is:

"To promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity with respect to:

- *price, quality, safety and reliability and security of supply of electricity*
- *the reliability, safety and security of the national electricity system."*

Our approach has been designed to meet this objective.

We are undertaking a co-design process

In keeping with our core value to "find a better way" and our focus on long-term customer interests, this engagement plan has been developed through a co-design process collaboratively involving customer and stakeholder representatives, Endeavour Energy's Board and Executive.

Co-design is a process whereby different stakeholders come together to develop the solution to a challenge. It is a process of collaborative creation, rather than the traditional 'consult and obtain feedback' approach. Our commitment to co-design reflects Endeavour Energy's broader commitment to put customer voices at the centre of our plans.

In keeping with the principle of co-design, Endeavour Energy has worked closely with key stakeholders in designing, delivering and evaluating this engagement plan.



Our 2024-2029 Revenue Determination engagement goal

We are aiming high. We are committed to listening, identifying better practice, learning from past experience, utilising international standards, and delivering an effective engagement program that is recognised across the industry.

Our goal is to use this program to strengthen business-as-usual engagement and amplify our customer-centric culture, reflecting the changing needs of our customers and our evolving industry.

We want to undertake engagement that delivers our vision of powering communities for a brighter future by developing a Revenue Proposal that balances:

- the priorities, preferences, diversity and current and future needs of our customers,
- with sustainable returns to shareholders, and
- can be considered prudent and efficient by the Australian Energy Regulator.

This means providing fair access to the modern grid and ensuring customers pay no more than is necessary for a safe, reliable and secure electricity supply and quality service.

Engagement principles

Our engagement plan is based on best practice principles set out in Endeavour Energy's Stakeholder Engagement Framework. Engagement will also be:

1. Clearly defined

We will provide customers and stakeholders appropriate consultation roles on each topic in accordance with the IAP2 Public Participation Spectrum, pictured on page 10.

2. Iterative and responsive

We will adjust to stakeholder and customer needs and preferences both for ongoing engagement and the Revenue Proposal itself. We will share "feedback loops" regularly that make clear what we have heard from our stakeholders and customers and how we are acting on that feedback.

3. Led from the top

We will ensure appropriate CEO, Executive and Board participation so that our most senior people hear feedback directly.

4. Efficient

We will collaborate with other networks where possible to respect peoples' time, support aligned topics and simplify the process.

5. Accessible

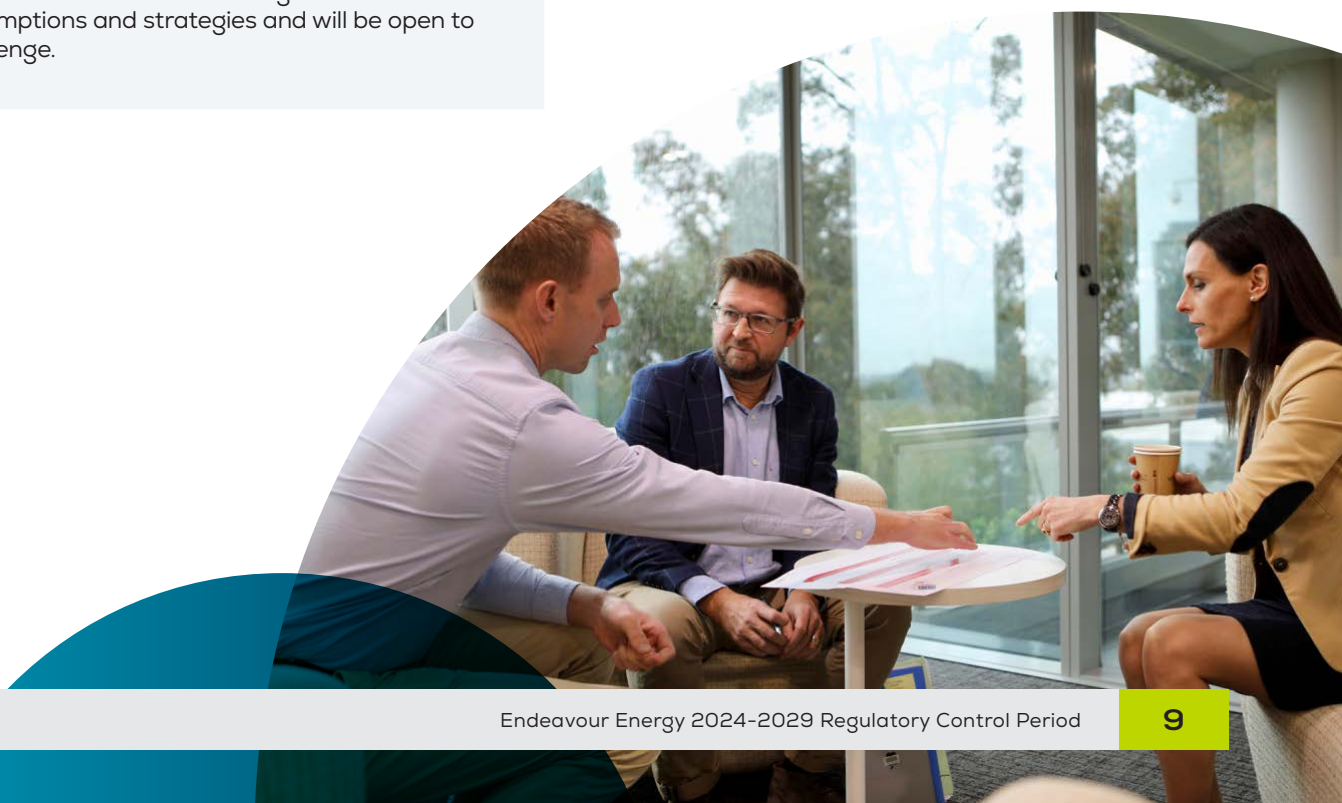
We will make it easier for customers and stakeholders to participate. We will improve our engagement with culturally and linguistically diverse communities.

6. Informed and well resourced

We will undertake meaningful engagement with a broadly representative body of customers, providing the clear and accessible information they need to participate meaningfully.

7. Open to robust challenge

We will welcome robust testing of our assumptions and strategies and will be open to challenge.



Our plan is guided by the IAP2 Public Participation Spectrum

Increasing impact on the decision					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
Public participation goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
Promise to the public	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.



Engaging with stakeholders, committees and directly with customers

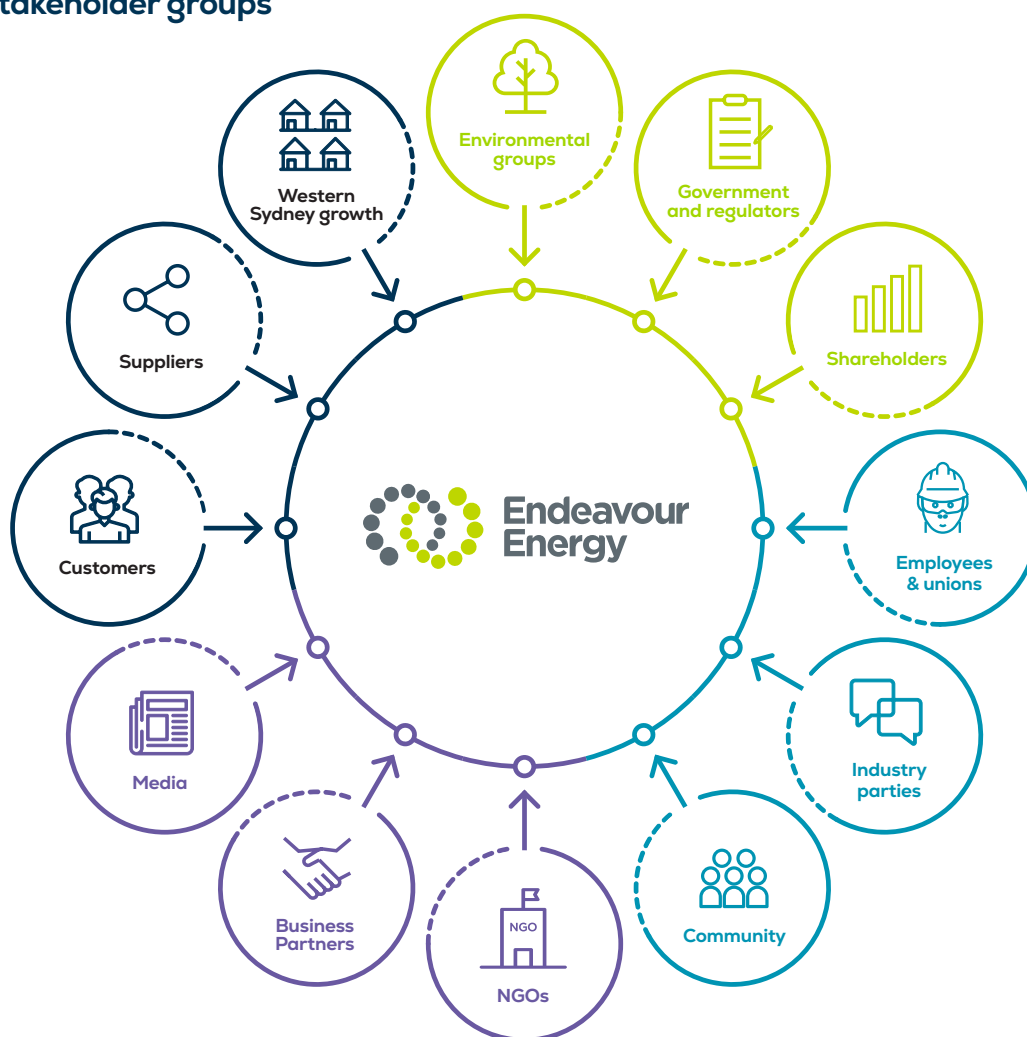
We recognise the diversity of our stakeholders and customers, depicted in our stakeholder wheel, originally developed for our Stakeholder Engagement Framework. We know that their unique interests represent challenges and opportunities that must be considered as we develop our proposal.

The engagement program is designed to ensure that Endeavour Energy and stakeholder committees are guided by our customers throughout the development of the program. We use stakeholder input from the Regulatory Reference Group (RRG) as a starting point to identify the information and define the key questions that will form the basis of informed customer engagement. Customer feedback is then brought back to stakeholders like the Regulatory Reference Group and others for deeper analysis.

The process repeats at every stage in the process, ensuring both Endeavour Energy and stakeholders are guided by our customers.



Our key stakeholder groups



From Endeavour Energy's [Stakeholder Engagement Framework](#)

Our customer and stakeholder committees

We have established the following committees to give us clear direction as we develop our proposal.

Committee	Role	Membership
Peak Customer and Stakeholder Committee (PCSC)	• Endeavour Energy's regular customer and stakeholder advocacy committee • Responsible for the final endorsement of Endeavour Energy's proposal from a customer and stakeholder perspective	• ACAPMA • Country Women's Association • Department of Planning & Environment (observer) • Energy and Water Ombudsman of NSW (observer) • Energy Consumers Australia • Energy Users Association of Australia • Ethnic Communities Council • NSW Business Chamber • Greater Blacktown Business Chamber • Illawarra Shoalhaven Joint Organisation • Multicultural NSW • Public Interest Advocacy Centre Ltd • Sydney Business Chamber • The Customer Advocate • Urban Development Institute of Australia • Western Sydney Regional Organisation of Councils • AER (observer)
Regulatory Reference Group (RRG)	• A sub-committee of the PCSC • Responsible for co-designing Endeavour Energy's engagement plan and Revenue Proposal	• Energy Users Association of Australia • Ethnic Communities' Council of NSW • Public Interest Advocacy Centre • The Customer Advocate • Western Sydney Regional Organisation of Councils • Business Western Sydney • Business NSW • AER (observer) • Department of Planning & Environment (observer) • Elisabeth Ross Consulting
Future Grid Reference Group (FGRG)	• A sub-committee of the PCSC • Responsible for guiding Endeavour Energy's Future Grid strategy*	• Country Women's Association • Energy Users Association of Australia • Multicultural NSW • Public Interest Advocacy Centre • Total Environment Centre • Western Sydney Region Organisation of Councils • AER (observer)
Retailer Reference Group (ReRG)	• A committee of retailers who volunteer to participate • Responsible for providing retailer views on tariffs, metering and customer needs	Multiple retailers who volunteered involvement

**Our transformation strategy to become a distributed services operator that adopts emerging technologies and offers new products and services to our customers.*

7. Engagement methodology

Engagement process

We have developed a comprehensive plan for engaging with our customers and stakeholders, outlined below. We will continue to refine and improve on this plan with the help of our customers and stakeholders as we proceed through it. We will regularly communicate these changes by sharing our “feedback loops” that outline the feedback we have received (“What we have heard”), how we are acting on that feedback (“What we are doing”) and list the necessary next steps.

	Stage 1 – Discover	Stage 2 – Explore	Stage 3 – Prioritise	Stage 4 – Refine	Phase 5 – Confirm
	Apr 2021 – Sept 2021	Oct 2021 – Apr 2022	May 2022 – Oct 2022	Nov 2022 – Jan 2023	Feb 2023 – Jul 2023
	A research period to better understand customer and stakeholder needs and preferences to help shape our engagement approach	A period of deeper exploration of key issues to help inform the development of our Preliminary Proposal	Broad and deep engagement on our Preliminary Proposal, identifying aspects of greatest importance to customers	Developing and refining our Final Proposal using insights from the previous stage	Confirming our customers' priorities in the context of a changing economic environment
Engagement Activities	- Establishment of RRG, FGRG and ReRG and determine the Terms of Reference - Board/Executive/customer co-design workshop - RRG engagement planning - Joint DNSP engagement (emerging services) - Future Grid workshop - Co-designed exploratory research straw man - Board check-in - PCSC - Exploratory research (residential) - Exploratory research – SME (Dinners with Endeavour) - Exploratory research (CALD) - Ongoing engagement with AER	- RRG and AER Investment Value Framework - BAU State of the Network Forum (Illawarra and South Coast) - BAU State of the Network Forum (Greater Western Sydney) - High-energy users' workshop - Future Grid workshops - RRG - PCSC x 2 - Joint DNSP engagement (tariffs) - Ongoing RRG mini Deep Dives - Board check-in - Commence engagement of AER's CCP - Ongoing engagement with AER - One-on-one briefings with stakeholders - RepTrak benchmarking study	- Local Council Workshop (Illawarra and South Coast) - Local Council Workshop (Western Sydney) - Customer Panel Wave 1 - Customer Panel Wave 2 - Deep Dive 1 - Deep Dive 2 - One-on-one briefings with stakeholders - Quantitative survey - RRG webinars x 3 - PCSC x 3 - Ongoing RRG mini Deep Dives - In-language direct engagement with CALD communities - Customer Panel Wave 3 - Ongoing engagement with AER	- Stakeholder check-ins - Individual retailer engagements - Local council workshop (street lighting tariffs check-in) - RRG bi-monthly meetings - RepTrak benchmarking study	- Customer Panel check-in - Stakeholder check-in - RRG bi-monthly meetings - AER public hearing
Key Deliverables	- Engagement Plan - Exploratory Customer Research Report	- Preliminary Proposal - Business Narrative	- Draft Proposal - Engagement Summary Report	- Final Proposal - Final Proposal Customer Overview	

Engagement timeline

Our timeline of engagement activities illustrates our iterative approach to engagement and developing our proposal.

Activity phase	Milestone	Date
Discover topics and themes that are important to customers	Co-design the Engagement Plan	May 2021
	Future grid workshop	June 2021
	End-customer focus group research	September 2021
Explore customer and stakeholder inputs to develop a Preliminary Proposal	State of the Network forums	October 2021
	RRG mini deep dive on tariffs	October 2021
	Future grid workshop II	November 2021
	RRG co-design workshop on 2022 Engagement Plan	November 2021
	PCSC meeting on resilience	November 2021
	RRG mini deep dive on incentive schemes and business narrative	December 2021
	High energy user forum	February 2022
	RRG mini deep dive on tariffs and operational expenditure	February 2022
	RRG mini deep dive on capital expenditure and Future grid	March 2022
	Future grid workshop III	March 2022
Prioritise preferred customer outcomes to develop a Draft Proposal for submission to the AER	Endeavour Energy releases Preliminary Proposal	April 2022
	Deliberative customer forum (reliability, affordability and safety, resilience and growth)	May 2022
	Local council workshops	May 2022
	Deliberative customer forum (tariffs and energy choice)	June 2022
	Stakeholder deep dive (reliability, affordability and safety, resilience and growth)	July 2022
	End-customer survey research	August 2022
	In-language direct engagement with CALD communities	August 2022
	RRG mini deep dive on resilience	August 2022
	Stakeholder deep dive (tariffs and energy choice)	August 2022
	RRG mini deep dive on ICT and insurance	September 2022
	Deliberative customer forum (closing the loop)	September 2022

Activity phase	Milestone	Date
Refine the Draft Proposal using further stakeholder input to submit a Final Proposal to the AER	Endeavour Energy publishes Draft Proposal and Engagement Report	October 2022
	Local council sense check on public lighting	October 2022
	Retailer sense check	October 2022
	Stakeholder sense check survey	November 2022
	Endeavour Energy submits Regulatory Proposal to the AER	January 2023
Confirm customers' priorities in the context of a changing economic environment	AER provides feedback on Regulatory Proposal	February 2023
	Stakeholder sense check survey	April 2023
	Customer Panel sense check survey	April 2023
	AER public hearings	April 2023
Statutory milestones	Endeavour Energy amends Regulatory Proposal (as required)	Dec 2023
	AER issues Revenue Determination	April 2024



Engagement activities

We will use a mix of fit-for-purpose engagement activities and techniques to make it easier for customers and stakeholders to participate.



State of the Network forum

Forums in Western Sydney and the Illawarra to better understand customers' energy needs and consult stakeholders on Endeavour Energy's investment plans and priorities for the next 10 years.



Formal research

Formal qualitative and quantitative research with customers to understand how customers feel about particular energy issues and to explore their preferences in relation to Endeavour Energy's current and potential future services.



One-on-one briefings

Briefings with key subject matter experts and key stakeholder organisations to suit individual needs and priorities.



Digital & social media engagement

Frequent social media advertising inviting any customer to have their say via website surveys and online discussion boards.



Workshops

Collaborative opportunities for Endeavour Energy to work through ideas with customers and stakeholders to develop its proposal.



Stakeholder deep dives

Four to six-hour forums to allow detailed exploration of complex, difficult to resolve subjects and issues.



Your Say website

An interactive website dedicated to the regulatory reset allowing customers and stakeholders to learn and provide feedback in their own time.



Deliberative forums

Highly interactive workshops that allow customers to decide preferences after thoughtful and deliberate consideration of the ideas presented.



In-language engagement

We will ensure there are regular and meaningful opportunities for culturally and linguistically diverse (CALD) community members to participate in engagement activities, including some in-language engagement.

8. Evaluation

We will be asking stakeholders and customers to continually evaluate our performance throughout the program. The feedback we receive will be carefully considered and used to continually improve our engagement program.

We will also share our evaluation results with stakeholders and the AER to transparently and consistently ensure we have met their expectations for high quality engagement.

- Meets our engagement goals outlined on page 8
- Complies with the intent and spirit of the AER's Draft Better Resets Handbook
- Is consistent with Endeavour Energy's Stakeholder Engagement Framework
- Reflects the IAP2 Core Values.

What we will measure:

To track our progress, we will measure:

1. How we manage each of our engagement events. We will do this by asking those who attend each session to rate our performance and share their feedback.
2. Our performance overall and performance against our engagement principles as rated by members of our RRG at regular intervals.
3. The total scope of our engagement by closely tracking how our staff engage with different stakeholders. Specifically, we will measure the number of engagement events held, the different topics discussed, the number of individuals consulted and the participation of the Executive Leadership Team and the Board.

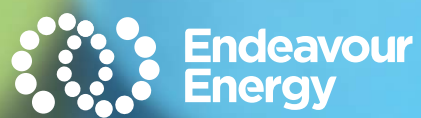
9. How to have your say

There are many ways you can have your say about this engagement plan and about the regulatory reset process.

Interested parties can provide feedback, express an interest in attending engagement forums or just stay in touch with the engagement program and development of our regulatory proposal via Endeavour Energy's website, at yoursay.endeavourenergy.com.au

Endeavour Energy's Engagement Plan and the preliminary and draft Revenue Proposals will progressively be published on the website, as well as the results of customer research and our complete engagement schedule. Please register on our website to follow and participate in our engagement program.





W: endeavourenergy.com.au
E: yoursay@endeavourenergy.com.au
T: 133 718



ABN 11 247 365 823