People's Panel Session – Day 3

24 February 2024



Jemena

SAY HELLO AND SHARE...

WHAT'S BEEN ON YOUR MIND SINCE WE LAST MET?



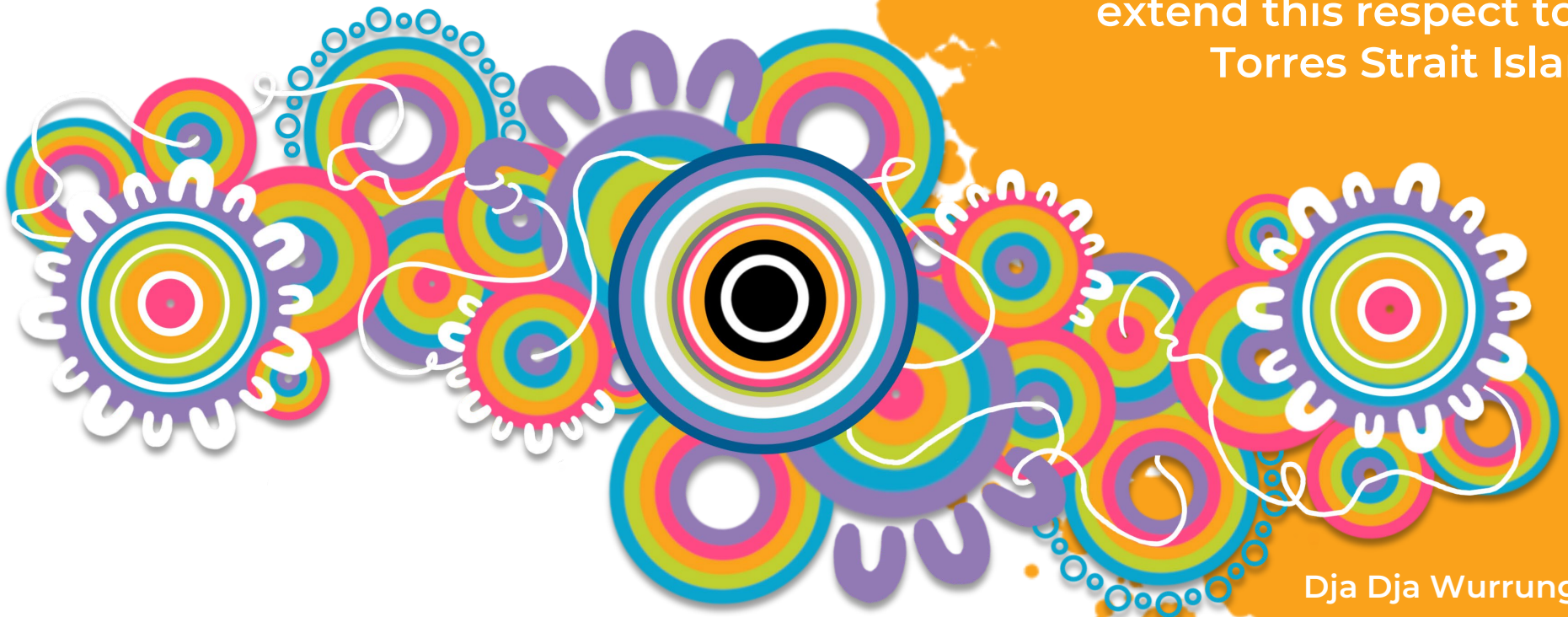

ROOM
CLOSED

Acknowledgement of Country

Let's begin by acknowledging the Traditional Custodians of the many lands on which we respectively meet today.

We acknowledge and respect their continuing connection to the land, water, culture and the contribution they make to the life of our community.

We pay respect to their past and present Elders and their emerging leaders, and extend this respect to all Aboriginal and Torres Strait Islander peoples.



'Nyernyila'
Deep Listening
by Racquel Kerr
Dja Dja Wurrung & Boon Wurrung artist

YOUR FACILITATORS



Lyndal Mackintosh (she/her)

Principal Facilitator



Belinda Lowing (she/her)

Senior Facilitator



Jody Kingston (she/her)

Facilitator

Our purpose today

DAY 3

- Understand **what Jemena needs** from the Panel
- Consider all our **information inputs**
- **Brainstorm ideas** for recommendations
- Build the **first draft of our recommendations**

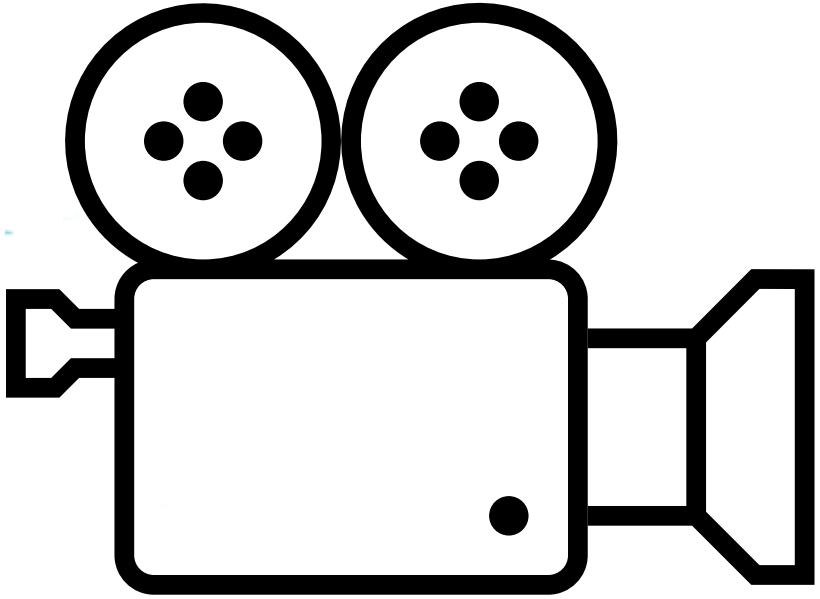


AGENDA

9.00AM	**Welcome and getting started**
9.25AM	Building our recommendations + ERG responses
10:55AM	**Morning tea** — 20 MIN BREAK
11.15PM	Individual thinking & library time
12.20PM	**Lunch** — 45 MIN BREAK
1.05PM	Brainstorm initial ideas – part 1
2.05PM	Building our recommendations – part 2
2.50PM	**Afternoon tea** — 15 MIN BREAK
3.10PM	Love it to loathe it feedback
3.55PM	Helping our connectors
4.20PM	**Final messages and close (4.30PM)**



PHOTOGRAPHS & VIDEOGRAPHY

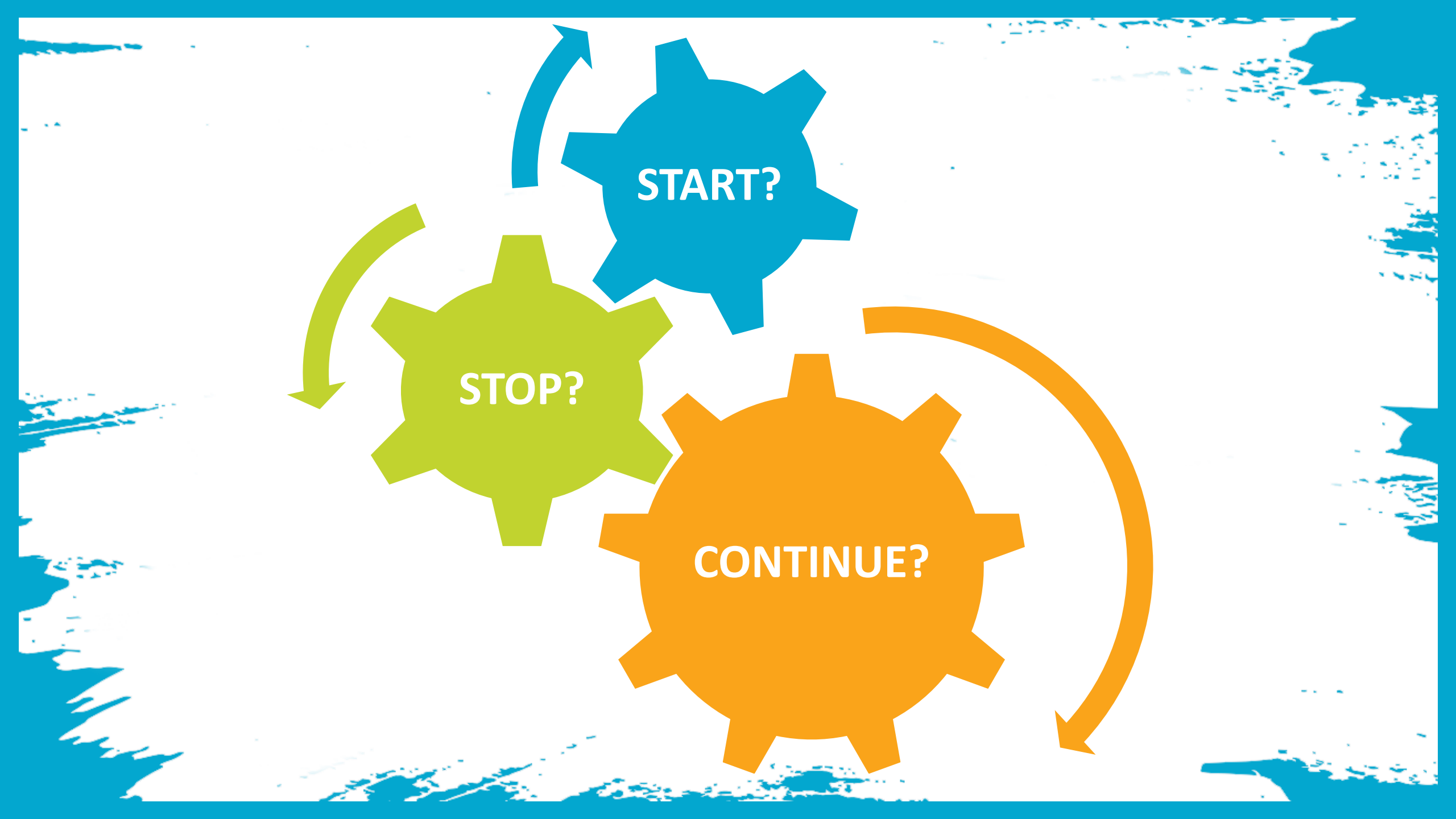


Milk VIDEO

https://www.milkvideo.com.au/

OUR ROADMAP – JEMENA PEOPLE'S PANEL AGENDA

Orientation 6-9pm	Day 1 9am-5pm	Day 2 9am–4.30pm	Day 3 9am – 5pm	Day 4 9am - 5pm	Day 5 9am – 5pm	*Recall Day* 9am – 5pm
Thursday 2 Nov	**Saturday 25 Nov**	**Saturday 3 Feb**	**Saturday 24 Feb**	**Saturday 16 March**	**Saturday 20 April**	**TBC**
Getting to know each other Working agreements Understand our journey and task	Deeper understanding of our task and Q&A with Jemena Electricity Networks Hear from guest speakers Discuss Information gaps and who or how to build knowledge	Share learnings and experiences from the Customer Voice Groups Hear from panel nominated speakers Site visit Discuss the challenges and consider the initial trade offs	Build on our knowledge and discuss our initial ideas Write our first draft recommendations	Testing our ideas and draft recommendations with the Customer Voice Groups Review and rewrite our draft recommendations	Review and refine our recs following feedback from Jemena and customer voice groups **Final recommendations are decided and we hand the report over to Jemena Electricity Networks**	Update on progress from Jemena Electricity Networks Provide feedback based on the effective integration of our recommendations


START?
STOP?
CONTINUE?

START – WHAT DO WE START DOING?

Presenters: Speak louder into the microphone, give examples of previous reports, show expectations and operational details, provide a clear process for submissions, step away from broad ideas towards specificity.

Working together: Stay in smaller groups for discussions (less intimidating, more engaging), allocate more time for small group discussions (less rushed).

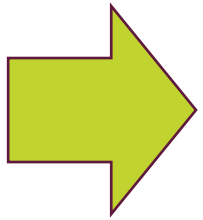
Expert speakers: More engagement with Jemena experts, talks with big businesses about renewable energy choices, provide clarity on speakers' affiliations, interactions with councils on their actions and capabilities.

Explain the process: Explain the recommendations process, more detail in talks, formulate recommendations clearly.

Breaks and schedule: Extra break time, longer breaks excluding lunch, print out daily agenda/schedule, shorter breaks for more focused sessions, set expectations for activity durations and allow time for arising questions.

Lunch options: Salads, more meat, provide spoons/utensils for dips, ensure tables are available for comfort, provide soft drinks, consider serving hot food.

The room and temperature settings: Turn off the air conditioning, adjust temperature, incorporate 'stretch time', ensure natural light and consider outdoor activities.



- We will share more on the process today!
- We will provide alternative milk, soft drink and better coffee
- Use what is available to you
- We will remind people to speak louder when needed
- Remind the panel of our working agreements “promoting equal voices”

STOP – WHAT DO WE STOP DOING?

Information recaps and acronyms: Repeating information about Jemena excessively, conducting excessive recaps that don't add new information, introducing multiple acronyms too quickly.

Overlooking Jemena's role: Forgetting that Jemena is a distributor, not a generator, and hyper-focusing on topics outside of their control.

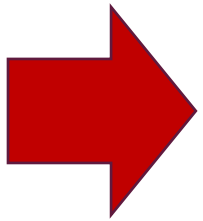
Limiting discussions: Using a fishbowl discussion format that doesn't allow for a broad range of opinions to be heard, limiting discussions to short intermediary breaks, allowing individuals to monopolise conversation time.

Communications: Sending emails larger than 1 MB without prior warning.

The venue: Overcooling the room with air conditioning.

Catering: Serving primarily carbohydrate-rich options for lunch.

Other: Playing music too loudly during discussions as it can hinder conversation.



- We will keep to recaps to a minimum and focus on core points like the remit.
- We will give you time to discuss your ideas in small groups
- As a group, work to keep yourself focused on the remit.

CONTINUE – WHAT DO WE CONTINUE DOING?

Hospitality: Coffee van, alternative milks, delicious food.

Engaging activities: Group discussions, fishbowl sessions, encouraging participation, dance/interactive sessions, site visits.

Content: Broad knowledge speakers, focus on safety, interactive sessions and discussions.

Format: Well-timed breaks, engaging activities, variety in activities, early finish.

Accessibility: Regular access to experts, clear explanations, supportive interactions.

Inclusivity: Acknowledgement of contributions, ensuring all voices are heard.

- Day 3 is another big day working towards building your recommendations
- We will work with you to keep us to time and make sure we have good breaks (and more good food)
- We have a barista!
- Continue the good work on living your working agreements to support each other

WE ARE ABOUT TO OPEN THE ROOM & WELCOME OUR

OBSERVERS


Welcome
to our
observers
OPEN


“We acknowledge the Traditional Owners of the land on which we operate and recognise their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.”

OBSERVERS

- **Shaun Reardon** – Exec. General Manager, Jemena Networks
- **Sandra Centofanti** – Group Customer Experience Manager, Jemena
- **Lisa Mannix** – Group Manager, Customer Experience, Jemena
- **Matthew Serpell** – Project Director, Jemena
- **Deb Capicchiano** – Program Manager, Jemena
- **Louise Baring** – Customer Engagement Lead, Jemena
- **Ruth Harland** – Energy Reference Group
- **Kyle Redman** – Independent Evaluator
- **Keith Greaves** – MosaicLab

BUILD OUR RECOMMENDATIONS

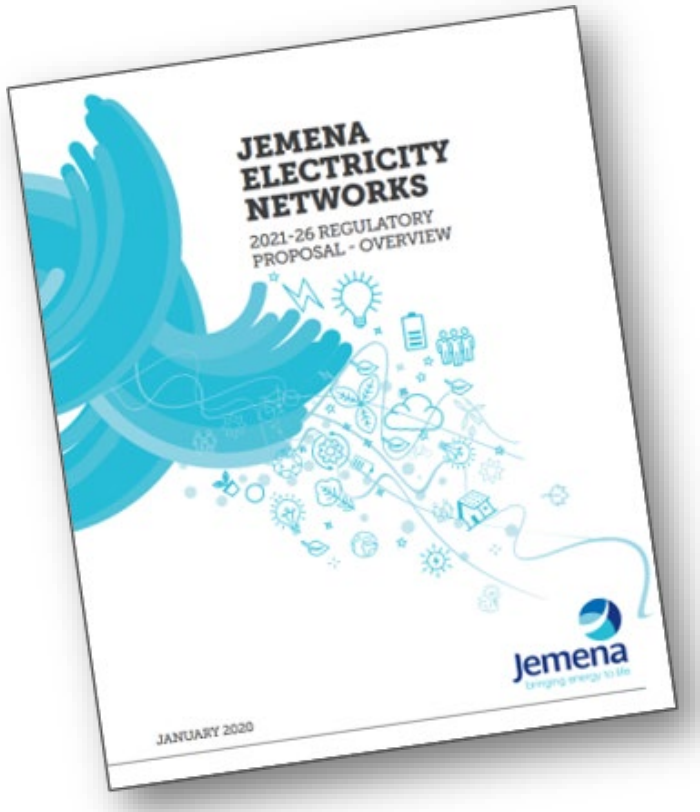
PART 1



Our challenge

How should Jemena prepare for a sustainable energy future while meeting customer and community needs today?

What you can influence



What people CAN influence during the engagement

- Ways to transition to a new energy future that meets the customer needs of today.
- Network tariffs and how they support the Jemena Energy Network customer base.
- A fair approach to managing our future tariffs so that our most vulnerable customers are supported.
- How important it is for Jemena to transition to clean energy.
- Two way export tariffs for properties with solar.
- What customers value about customer service from their energy distributor and how they may be incentivised.
- Value of the network reliability and resilience for customers.

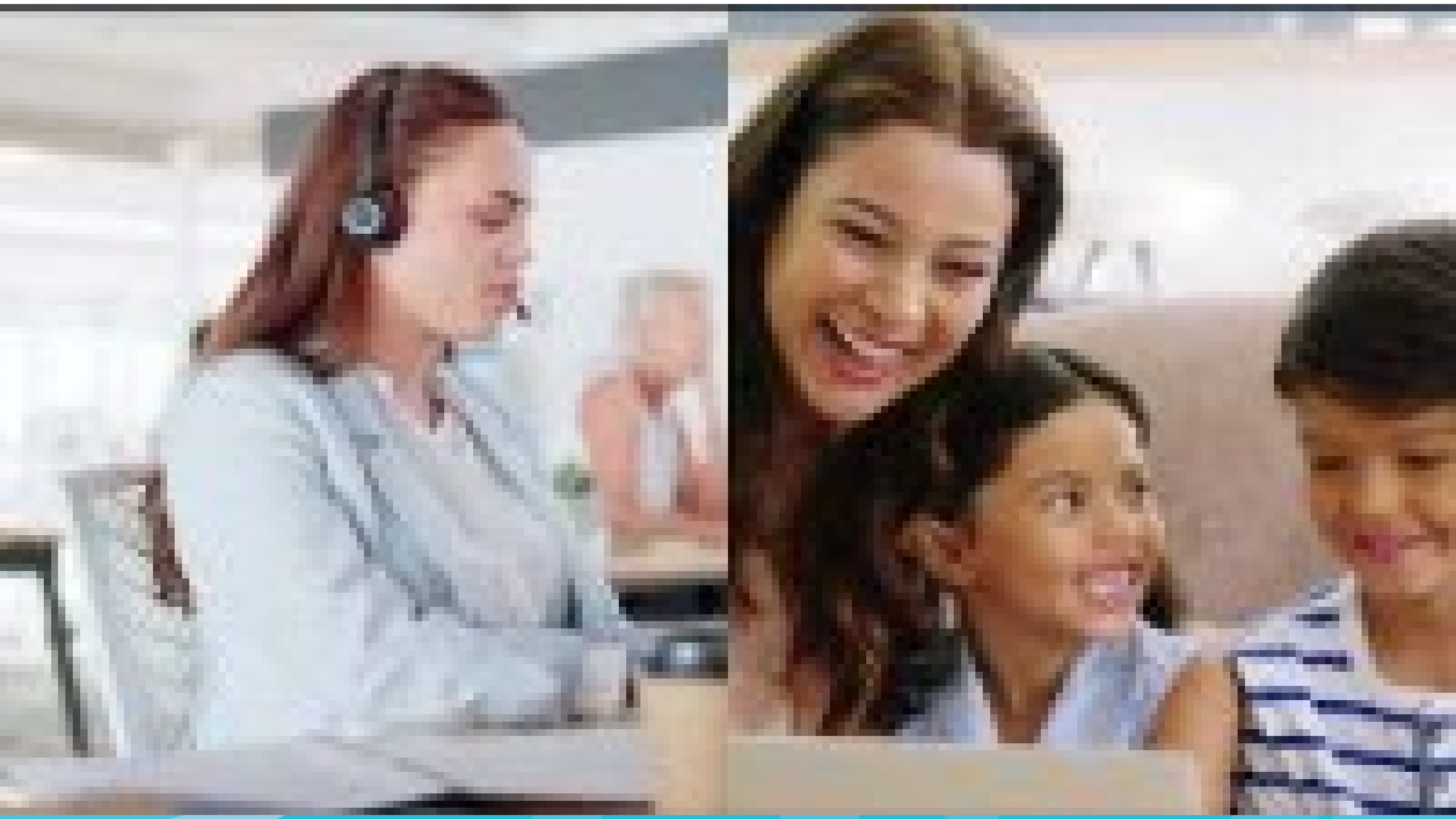
What people CANNOT influence during the engagement

- Government Policies and Regulations that focus on the legal and regulatory standards and obligations.
- Federal and State Government set emissions reductions policies and targets.
- Jemena Energy Network operates as an established reliable and secure energy network that adheres to safety standards.
- Climate science.

Jemena's electricity network – what we need from you

Matthew Serpell
Program Director





Given the challenges we face…

1. How we should **invest in the network** for the future
2. How must we **run the network** in the future
3. What **tariffs** should we use to **charge customers** in the future

We spend your money investing in the network













- **Replacement**
  - Replacing parts that have reached the end of their technical life to maintain service levels
- **Connections**
  - Building or upgrading the network to connect new customers
- **Augmentation**
  - Increasing the capacity of the network to meet customer demand
  - Demand driven augmentation – more electricity is needed
  - Non-demand driven augmentation – where electricity network has to respond to changes in technology, regulatory or legal requirements
- **Non-network:**
  - Information technology
  - Property
  - Fleet

We spend your money running the network

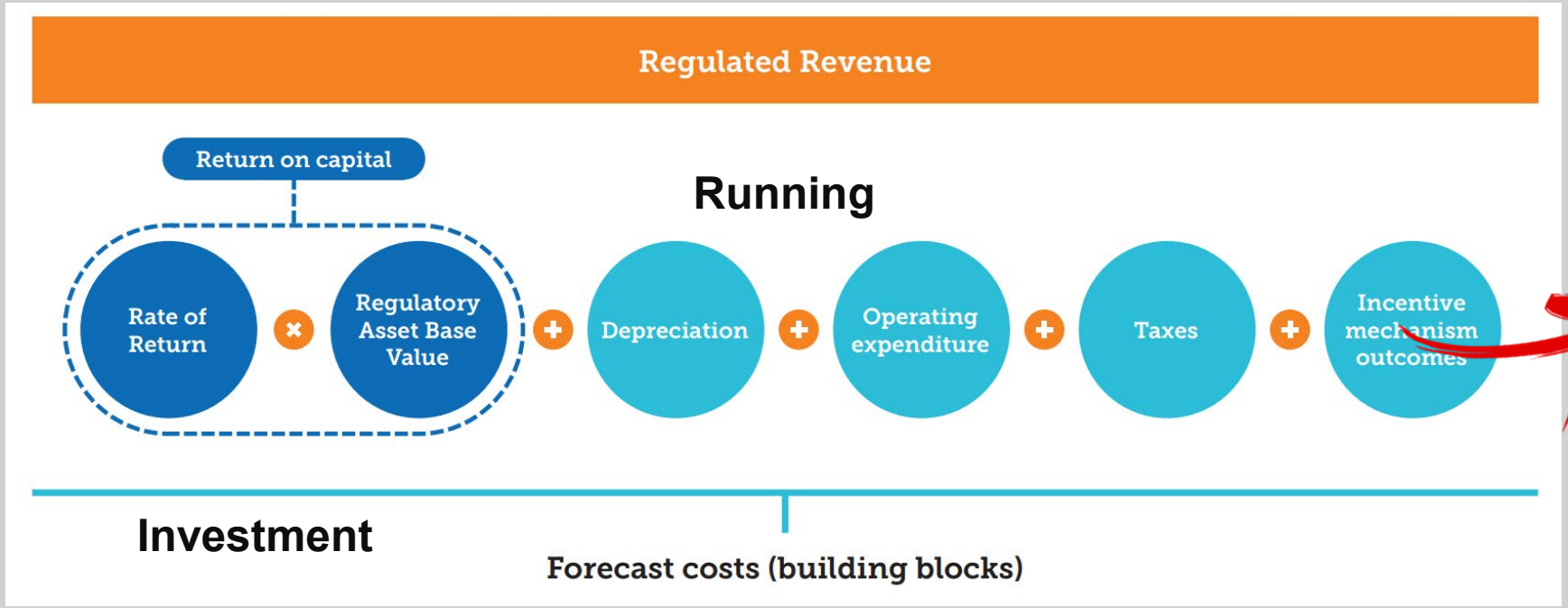







- **Maintenance**
  - Vegetation maintenance
  - Responding to emergencies
- **Operating**
  - Operational staff
  - Design, planning and operation of the network
  - Training
  - Safety
  - Corporate support
- **Non-network**
  - Operation, maintenance and leasing costs of our IT systems, vehicles and property.
- **Other**
  - Levies, land taxes, insurance costs to management specific risks.

We spend your money investing and running the network





Regulatory constraints & Australian Energy Regulator (AER) responsibility

Jemena
bringing energy to life

AUSTRALIAN ENERGY REGULATOR

The AER is responsible for <u>assessing</u> Jemena's proposal and <u>is the final decision maker to determine</u>:

- Forecast reasonably **reflects prudent & efficient costs**
- Realistic expectation of **future demand and cost inputs**
- **Long term interests of consumers** are met.



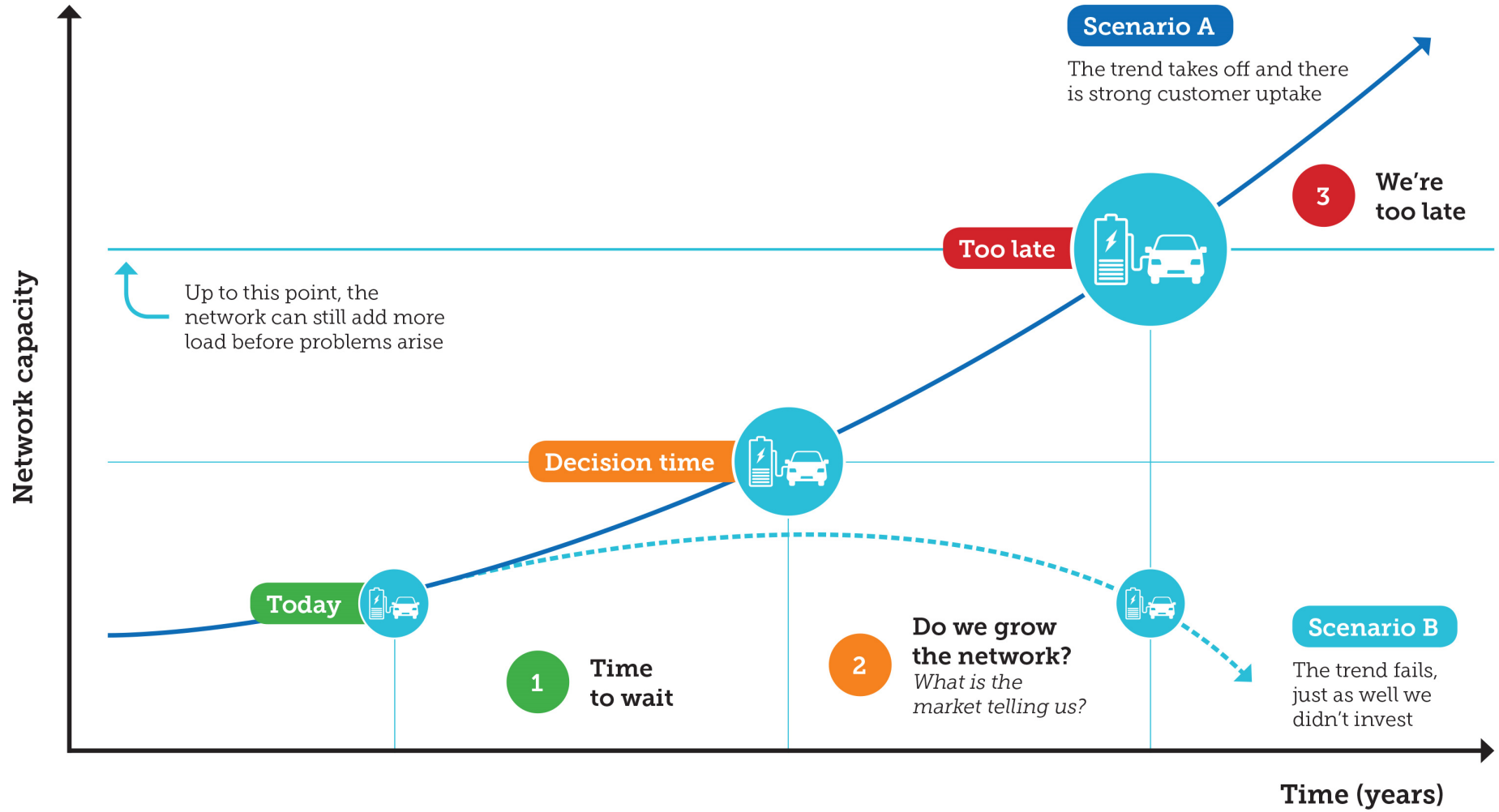
1. Investing in the network

1 How we should **invest in the network** for the future

1. **Invest in growth in the network** to decrease costs to customers in the long term

2. Invest ahead of increasing extreme weather events to **increase the resilience of the network** and **futureproof assets**

Not too soon, not too late – Just right



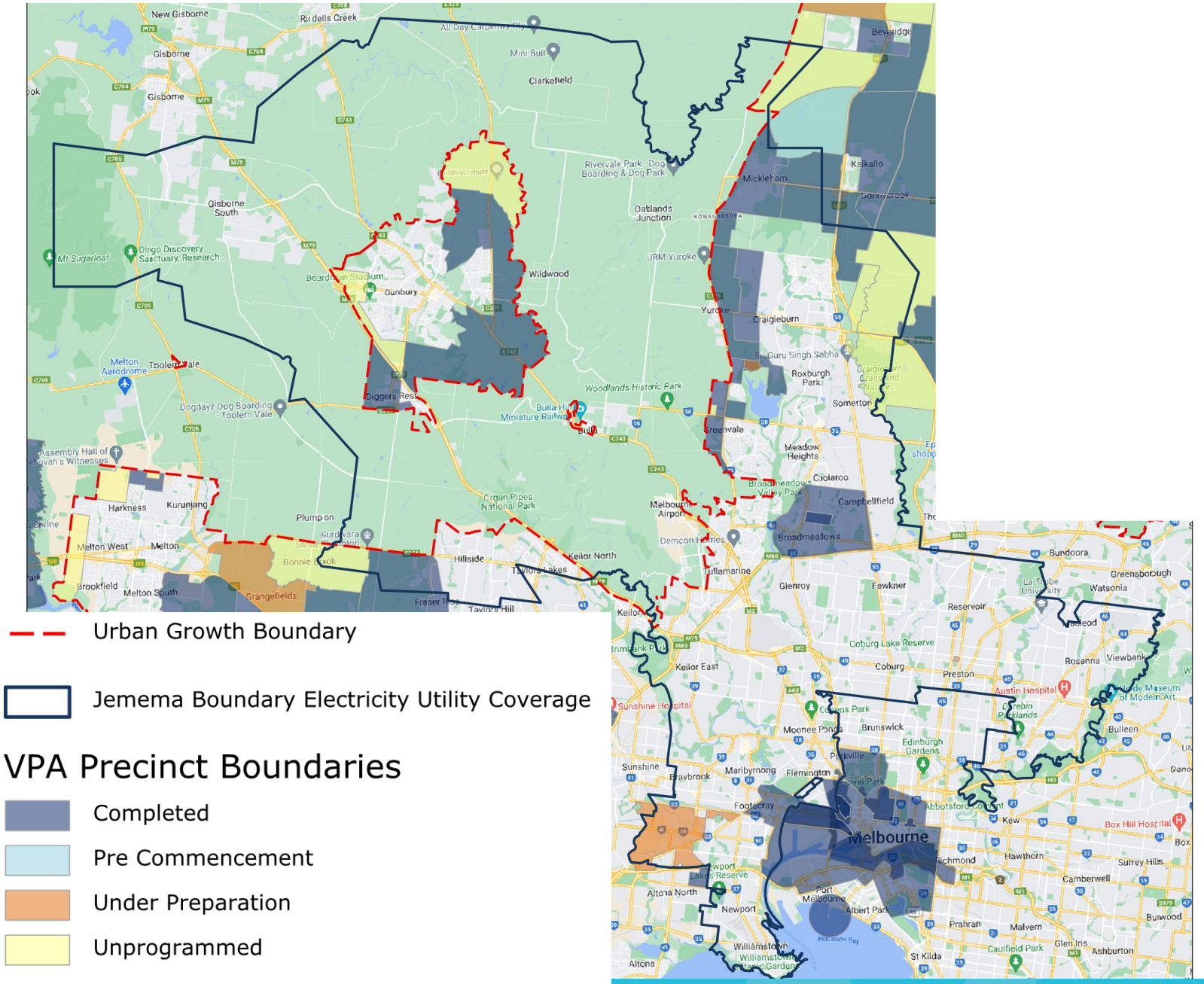
We're too late to meet customer needs

1 **Time to wait**
The trend is not yet certain, and to grow the network at this stage could be wasteful if the trend fails to materialise. Besides, the network can handle it.

2 **Do we grow the network?**
If we are going to grow the network, now is the time to make a decision because we need some lead time, the risk and costs are lowest.

3 **We're too late**
Growing the network now is costly. Having missed the materialising trend, we may even impact network reliability

Jemena covers high growth area



Urban Growth Boundary

Jemena Boundary Electricity Utility Coverage

VPA Precinct Boundaries

- Completed
- Pre Commencement
- Under Preparation
- Unprogrammed

Jemena is experiencing unprecedented growth in data centre connections.

To give context to the size of growth

Coincident Peak Demand 1030MW [Jan 2020]



Data Centre Coincident Demand – 1492 MW



+2884%

Invest in the network | Growth of data centres

$100 ÷ 1000 kWh = 10c / kWh

$100 ÷ 2000 kWh = 5c / kWh

All customers benefit from a bigger network in the long term due to spreading costings across more customers & gaining efficiencies



Example numbers

Challenges the network faces: Resilience



Maribyrnong river flooding on 14 Oct 2022



Storm damage 13 Feb 2024

Stressed assets wear out quickly



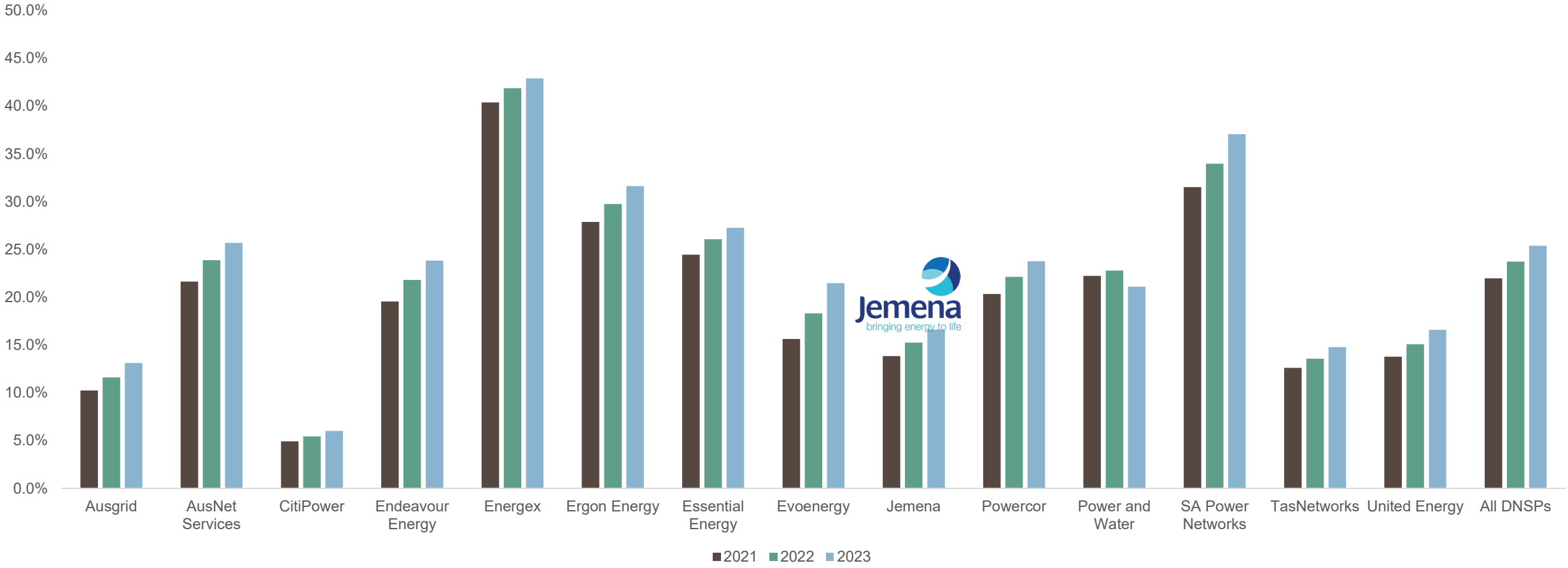


Emerging trends





Proportion of customers using export services



Timing of investment



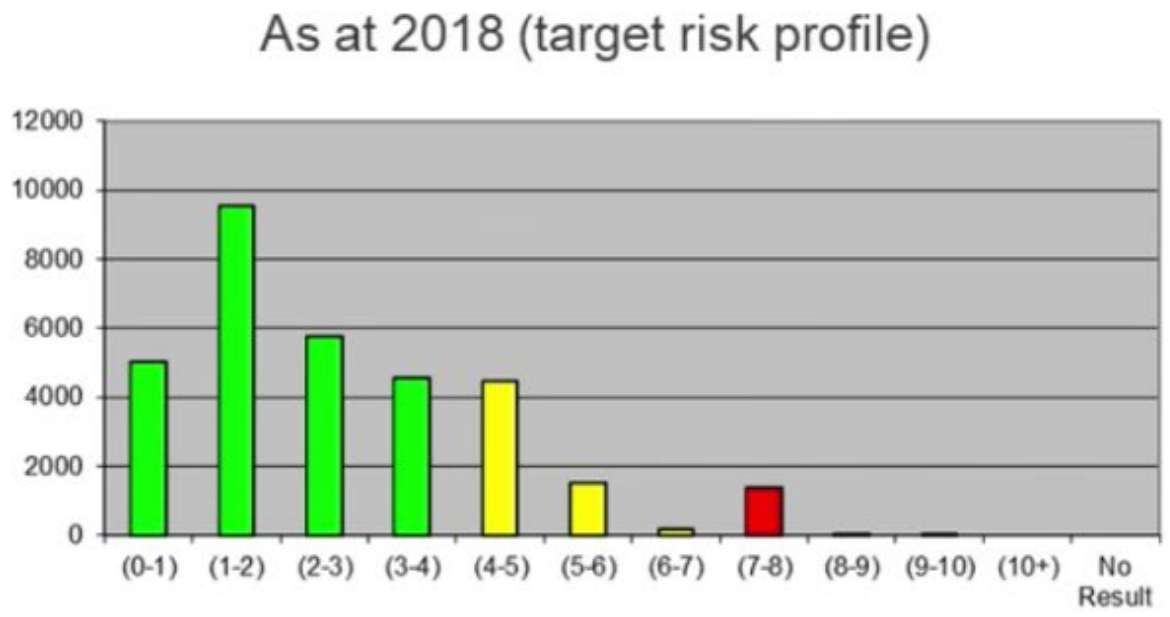
What risk means

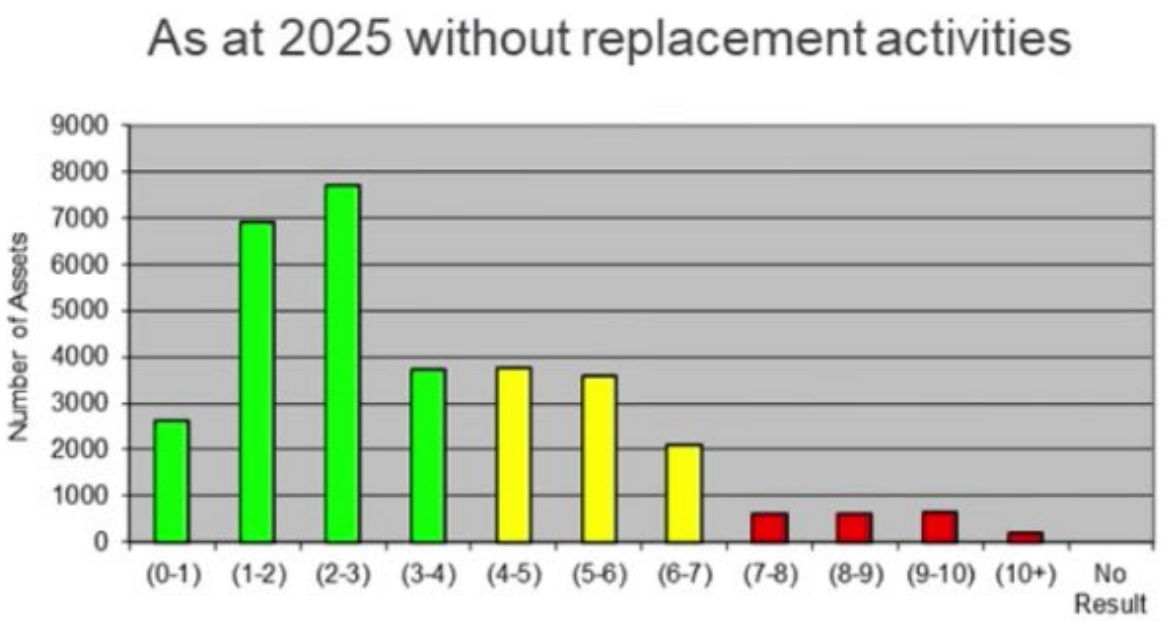




We measure the risk associated with each of these decisions

Jemena
bringing energy to life





Healthy asset

At risk asset

Deteriorating asset

Investment toolkit: what we can do to reduce risk

Jemena
bringing energy to life

Rising uncertainty requires better use of existing tools and new tools

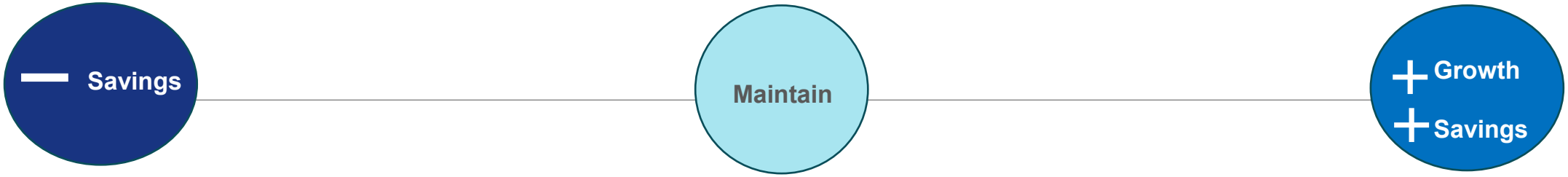


1

Trade off scale for investing in the network

Jemena
bringing energy to life

1. Investing for growth in the network

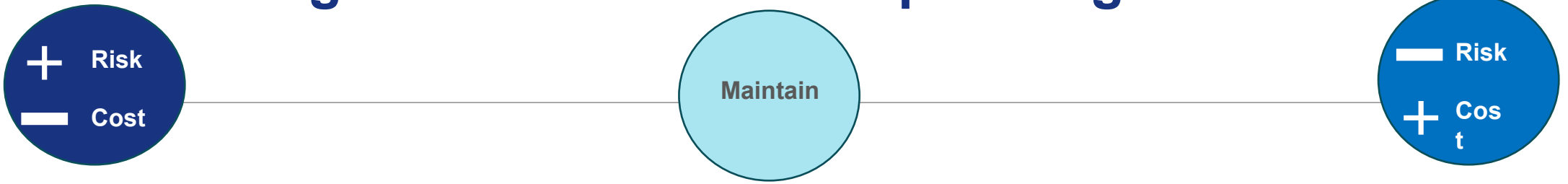


Don't invest in the expectation that more many customers will connect in the future, no cost savings to customers

A passive approach to network growth could mean opportunities for lowering everyone's costs are missed

Take an active role to invest early to **enable growth of the network** and **cost savings all to customers**

2. Increasing resilience and futureproofing assets



Defer investment & potentially increase risk across the network –could jeopardise reliability but reduces costs for customers

Only invest when a significant issue arises, maintained costs for customers

Invest to increase resilience across the network (manage reliability and quality of power) increased cost to customers

Time to make notes

Jemena

2. Running the network



2 How must we **run the network** in the future

Jemena
bringing energy to life

1. Continue to **run the network** efficiently

2. **Manage operating risks** (safety, fire, cyber security) with planning, protocols, insurance, and regulatory instruments

3. Increase **digitisation** of the grid and operations

What we need to run the network

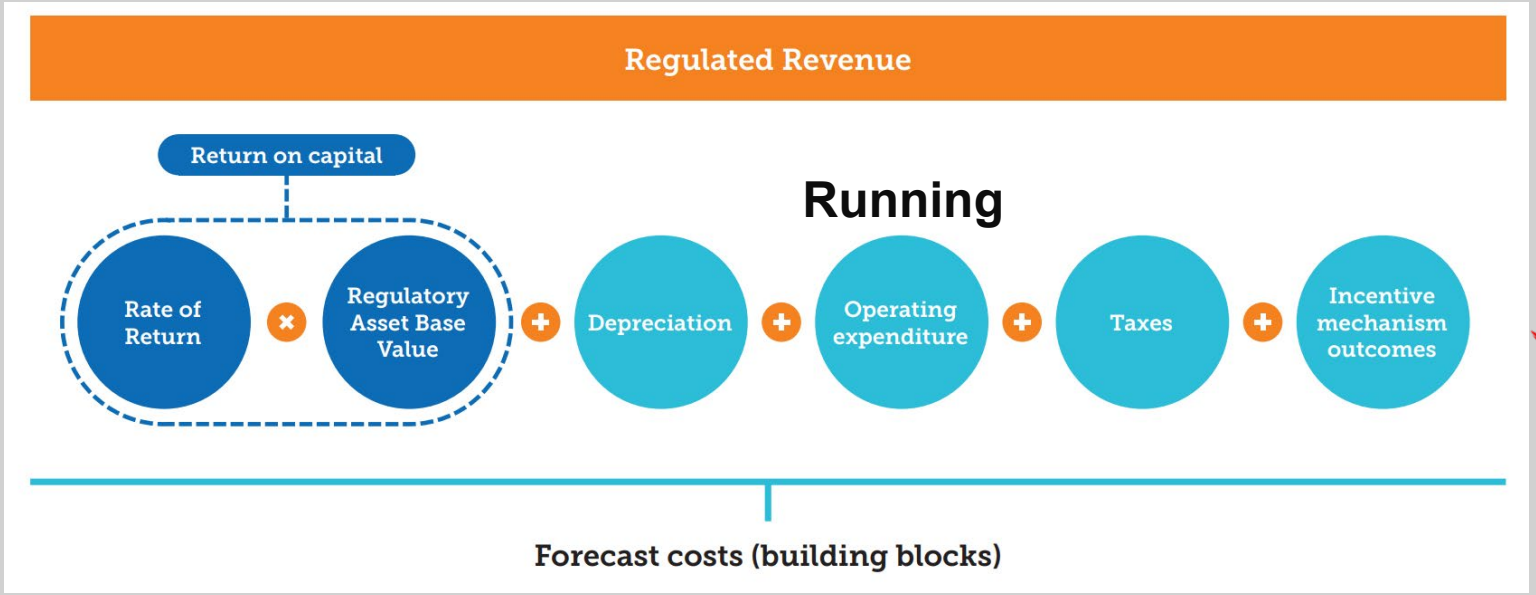






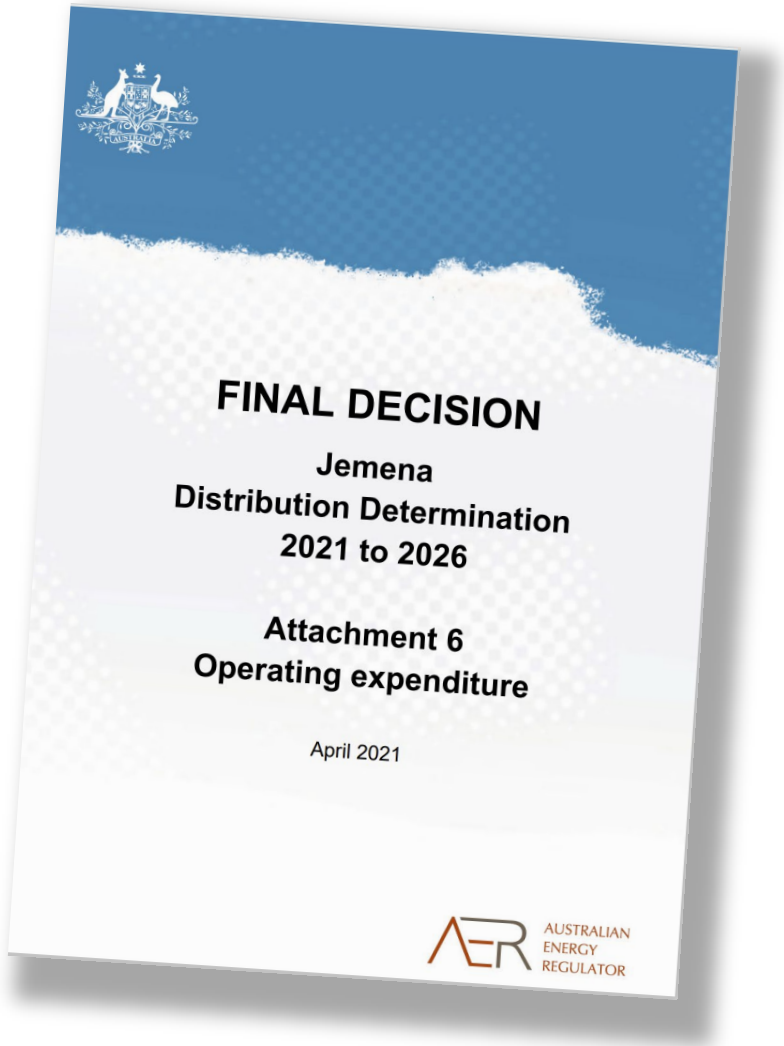

- **Maintenance**
  - Vegetation maintenance
  - Responding to emergencies
- **Operating**
  - Operational staff
  - Design, planning and operation of the network
  - Training
  - Safety
  - Corporate support
- **Non-network**
  - Operation, maintenance and leasing costs of our IT systems, vehicles and property.
- **Other**
  - Levies, land taxes, insurance costs to management specific risks.

We spend your money running the network





Running the network toolkit: what we can do to futureproof

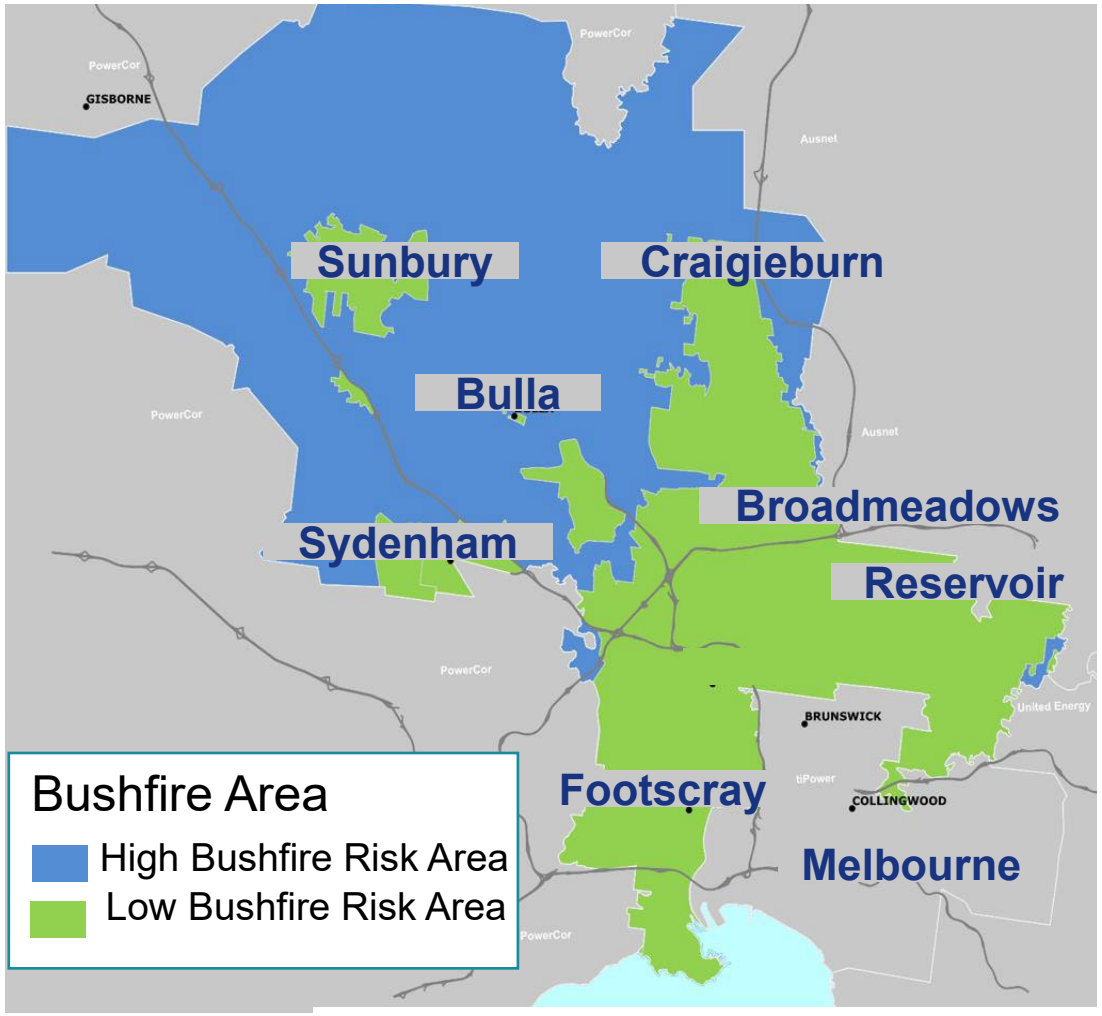


"*since … (2018), the significant opex savings from its transformation program largely close the [efficiency] gap*"

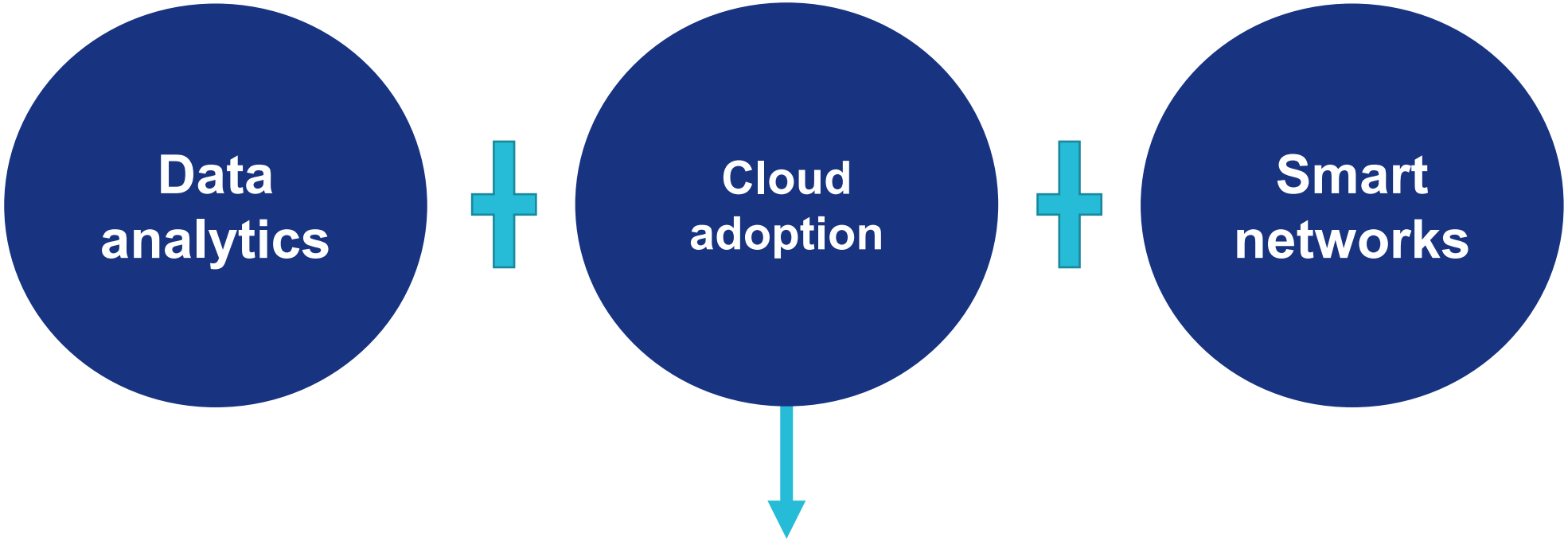
(Australian Energy Regulator)

Fire risk, mitigation and insurance





Cyber Security and Data Access



- Are transforming how assets and ICT processes can be managed.
- Expose the network to an increased risk of cyberattack.

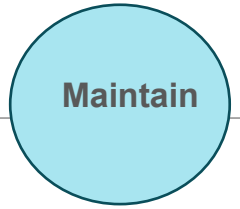
1 Trade off scale for running the network

Jemena
bringing energy to life

1. Manage operating performance and risks



Reduce reliability levels but costs will be reduced for customers



Continue current levels of reliability and efficiency with maintained costs for customers

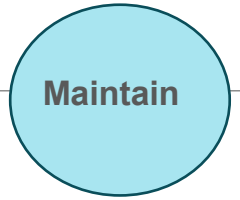


Increase operational responsiveness to system events to improve reliability with increase cost to customers

2. Increase digitisation of the grid and operations



Reduced costs for customers to continue existing technology and not realise the technology benefits, this may expose cyber security risks



Maintain the current level of costs and digitisation and the existing standard of cyber security



Increased costs to exceed cyber standards and use analytics to optimise operating the network

Time to make notes

Jemena

3. Tariffs and customer charges



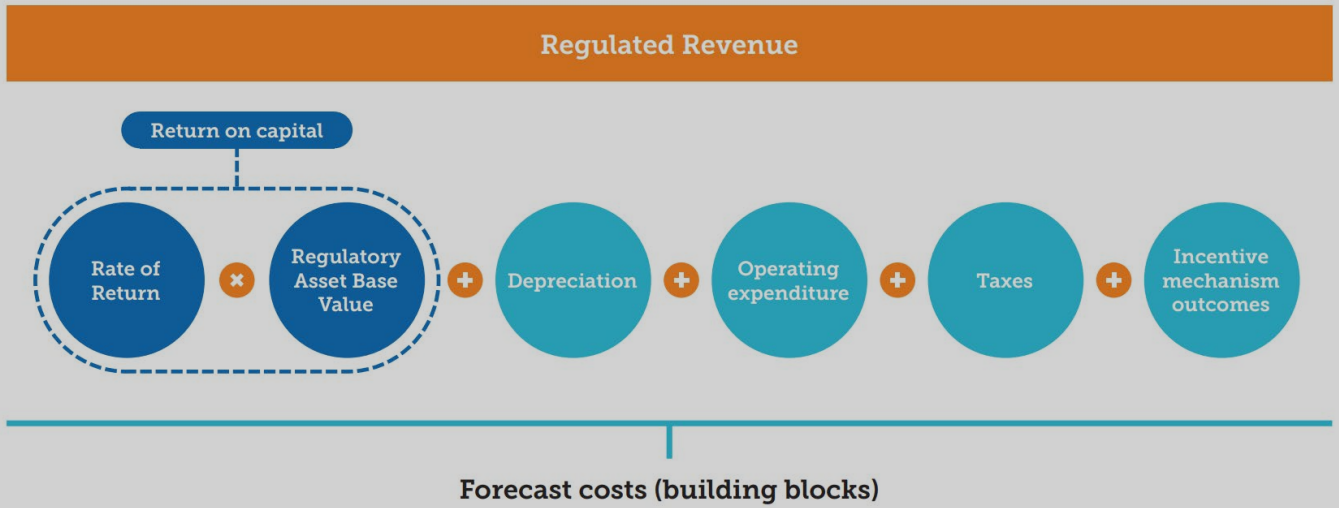
3 What **tariffs** we should use to **charge customers** in the future

Jemena
bringing energy to life

1. Introduce **export charges (tariffs) for putting electricity back into the grid** to increase customer equity

2. Align **our tariffs with other Victorian electricity distribution businesses** for state-wide consistency

So how do we work out the prices we charge your retailer?





$$\frac{\text{Forecast cost} = \$1{,}000}{\text{Forecast energy} = 10{,}000\ \text{kWh}} = \$10\text{c} / \text{kWh}$$

Using electricity during off peak and peak times

Peak time use – 3pm to 9pm







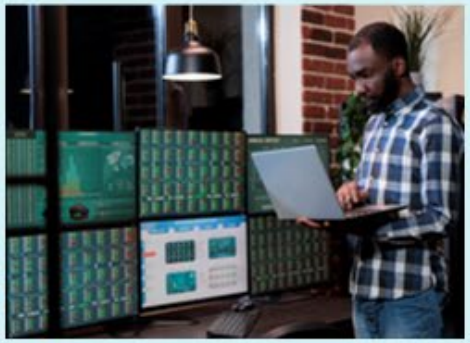




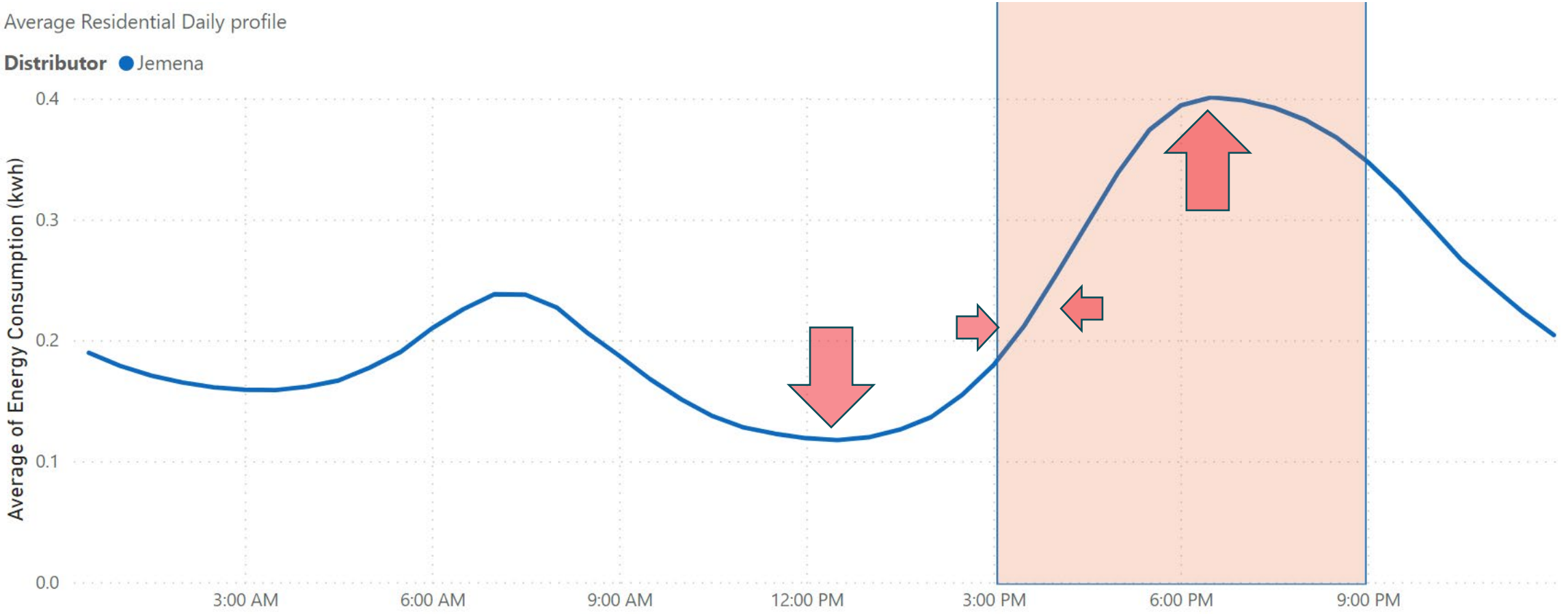
Off peak - all other times






Would you believe this is how most residential customers use electricity throughout the day?



Tariffs need to be simple, efficient and adaptable

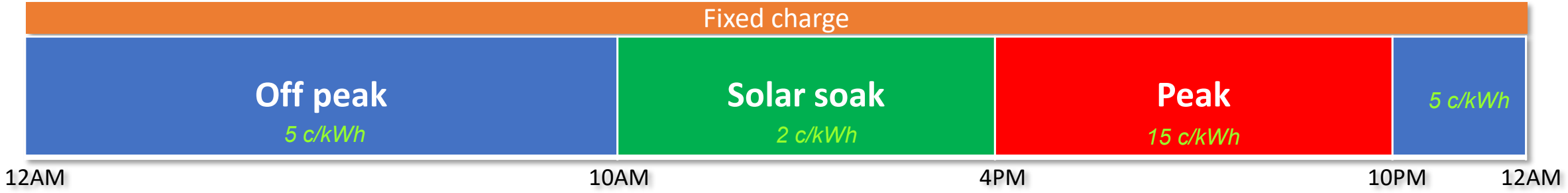
Jemena
bringing energy to life

- Adaptability
- Efficient cost
- Efficient price signals
- Simple to understand
- Simple to implement

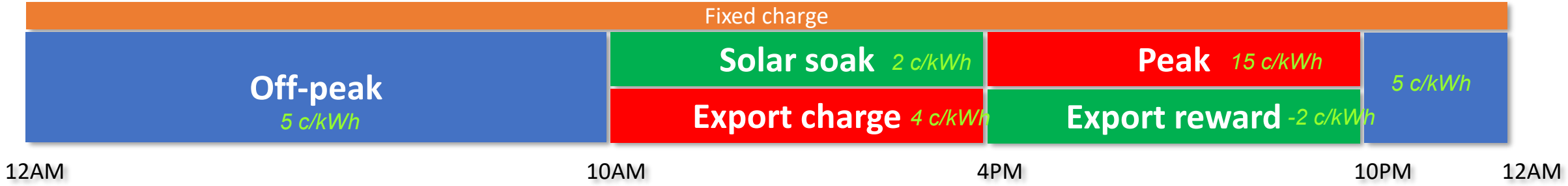
Proposed state-wide tariffs

Jemena
bringing energy to life

Customers without rooftop solar



Customers with rooftop solar



Example numbers

3

Trade off scale for tariffs

1. **Align our tariffs with other Victorian electricity distribution businesses** (including export charges (tariffs)

+ Jemena Specific

+ Confusion

- Develop Jemena specific tariffs for Jemena customers only (may not be any different from Vic)
- This will cause confusion with customers & retailers and misalignment with state-wide approach

+ State-wide Meets needs

– Confusion

- Alignment and consistency state-wide
- Networks have a similar characteristics

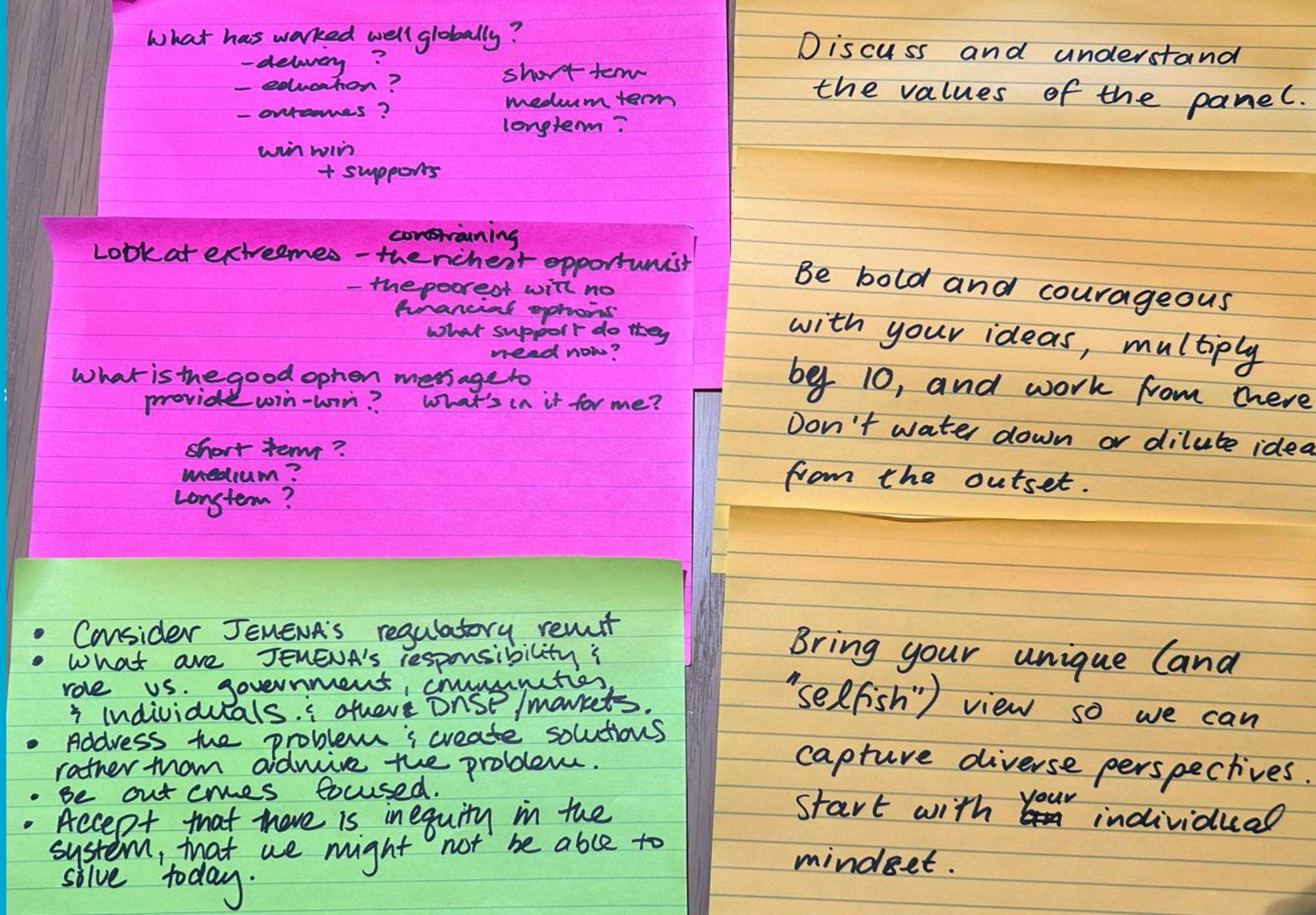
Time to make notes

Jemena

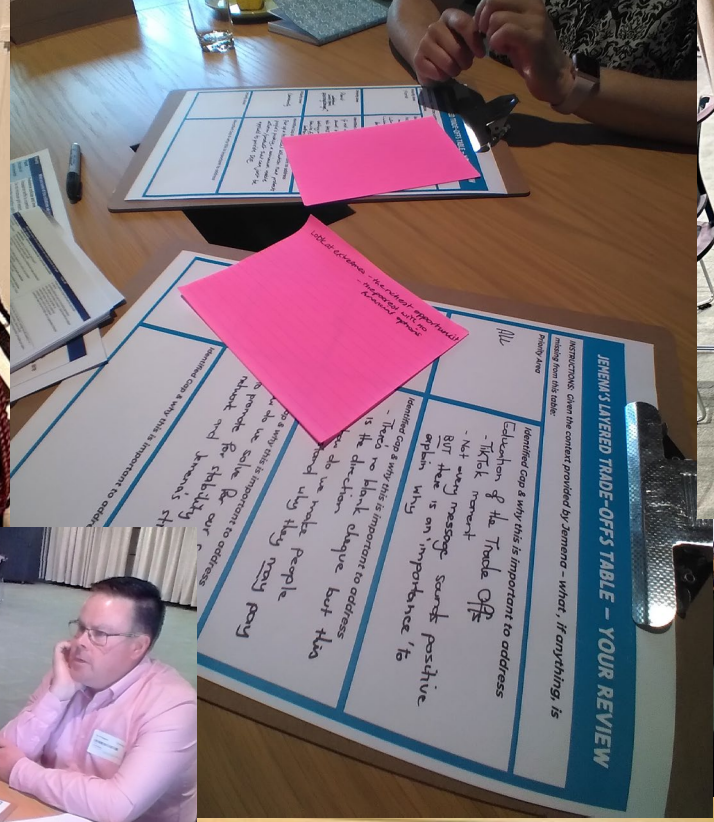


ENERGY REFERENCE GROUP RESPONDS

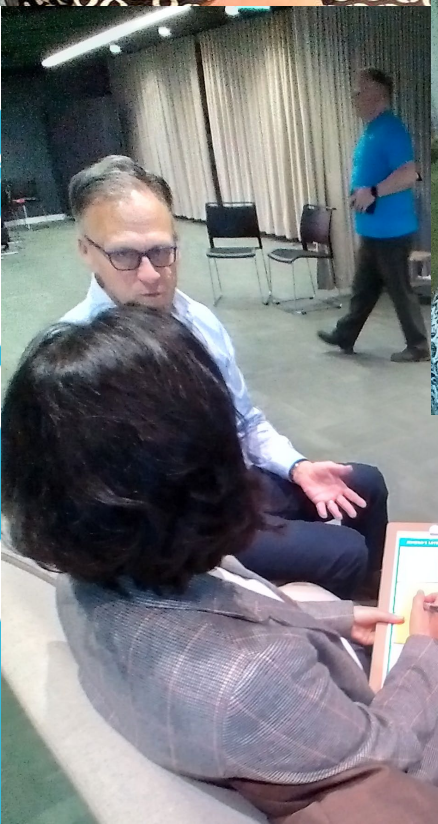
ENERGY REFERENCE GROUP ADVICE TO JEMENA'S PEOPLE'S PANEL WHEN CONSIDERING TRADE-OFFS

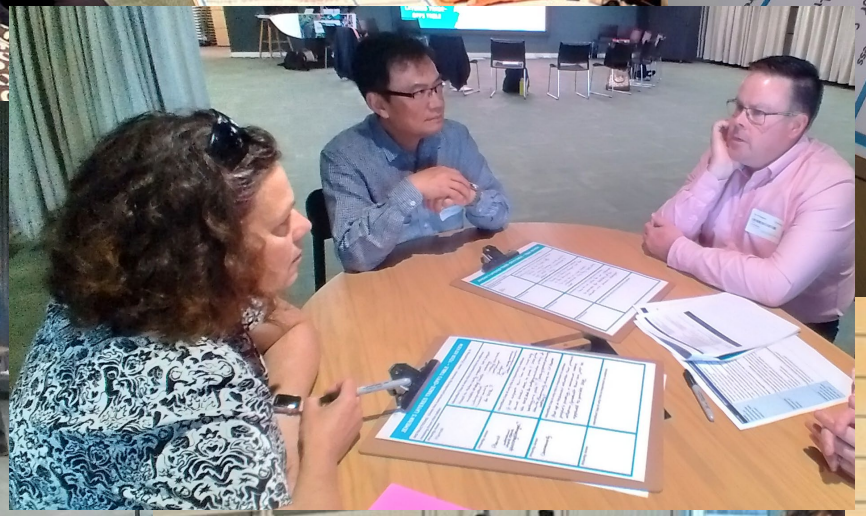


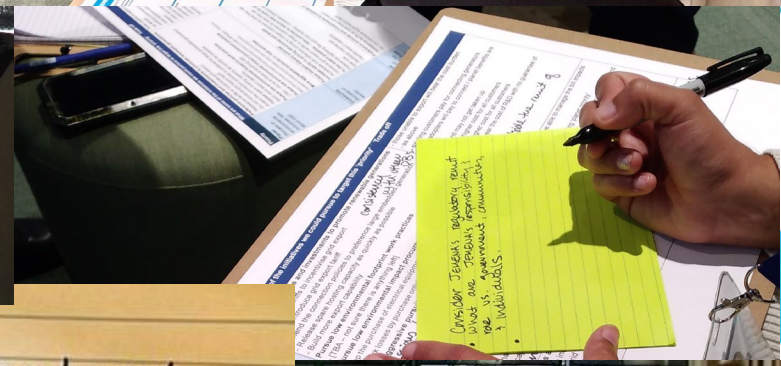












Discuss and understand the values of the panel.







SMALL GROUP DISCUSSION

What stood out from the ERG responses that you need to be mindful of?

Energy Reference Group (ERG) responses to the People's Panel questions (from Day 2)	
Batteries related questions	**ERG Responses**
How do we commercialise the uptake of batteries?	▪ Depends what do you mean by commercialising – we need to be clear on what we mean by commercialise - is this about getting an appropriate return on costs? Is it tariff for investment??, if so, then tariffs play a part to incentivise optimal use of the battery. Is this about incentivising (solar) customers to install their own batteries? (i.e. incentivizing customers?) This would be a good outcome if tariffs are set appropriately (Ausgrid has one - battery tariff.) ▪ Is it about community batteries and stimulating the environment for more batteries?? ▪ These are non-network solutions and ringfenced i.e. what is Jemena's role here?
What can Jemena do in relation to providing more 'community batteries' to help them control fluctuations in supply?	▪ Is this question "how do you bring non network solutions for voltage issues?" of which batteries could be one solution)? ▪ Why do you need them? What are the alternatives? This is a non-network solution – how can Jemena bring it about? ▪ Placement of the batteries before or behind the meter changes the value stack The Economics of Battery Energy Storage - RMI (https://rmi.org/insight/the-economics-of-battery-energy-storage-how-multi-use-customer-sited-batteries-deliver-the-most-services-and-value-to-customers-and-the-grid-executive-summary/) ▪ Value stacking - it might give you other services - if it gives multiple outcomes then maybe want network to own the community batteries i.e. voltage & resilience as an example. ▪ Question if commercial viability – is it in the control / remit of Jemena? ▪ What can Jemena do, what does industry need to do? Others can provide these services in a market - not necessarily a role for Jemena. ▪ Need to contextualise: 'demand management' as equal to battery! We suggest focusing on the service, not the asset. Clearly prioritise and be transparent about the solutions that these batteries will provide. ▪ Benefits of investment in batteries needs to outweigh benefits of other solutions that can control fluctuations in supply. ▪ Technology neutral batteries to solve voltage issues? What about storage? Purchasing non network solutions & battery is just one tool in the kit - it could be a load centre or a data centre.
Business customers	**ERG Responses**
What business are there that Jemena can attract to consume the excess solar energy? (To offload the burden from residential houses)	▪ However DNSPs (Distributors) are not set up to manage commercially facing or bespoke arrangements at the moment. ▪ Non-network solutions are possible through bilateral arrangements - perhaps this should be a market? ▪ Businesses to attract: o Trucking fleets (e.g. Global Express) / Public transportation e.g. bus fleets that converted to electric vehicles / Companies operating 24/7 with large loads o Chemicals production companies / Water companies / Manufacturing companies
Are the interest of the larger customers such as business owners equal to or less than the interests of residential customers?	▪ Life support customers are prioritised, otherwise the interests should be equitable but different, noting that customers have different needs and demand profiles. ▪ Business customers that provide a critical service or are at material risk (safety/operational) where there is a loss of power (similar to life support customers) needs should be prioritised.
ERG's view on the challenge	**ERG Responses**
In the committee's view what is the most important issue from your view / prospective facing the energy distributor?	▪ Enabling equity for end use consumers. ▪ Future stability at fair cost. ▪ Expenditure and strategies to achieve the new environmental objectives, enabling low carbon energy, i.e. what is efficient expenditure and pricing/tariffs adapted to incentivise customers.
What are the top 3 challenges for the electricity industry in their (ERG) view? What is one thing we should be focusing on in their (ERG) opinion?	▪ Key thing is efficiently matching demand to supply in both consumption and export whilst allowing self-determination by customers, and without overbuilding the network. Balancing consumer expectations with commercial realities. ▪ Integration of storage for renewable generation at a reasonable cost. ▪ Regulatory constraints - e.g. distributors not allowed to own batteries. Lack of alignment of regulatory, policy, advocacy and standards frameworks to support necessary cross sector collaboration between retailer, consumer, generator, supplier. Automating demand to meet renewable generation.


BREAK TIME
20 MINS
BACK AT 11:15AM



TIPS FOR LIBRARY TIME...

Use the resources available

- Your manual
- Insights wall
- Jemena Juicebox
- The Jemena team!

Focus on the 3 topics

- Investing in the network
- Running the network
- Tariffs

Choose your own adventure...

- Start by doing your own thinking, then join one or two others and discuss your ideas

Your AI assistant



Jemena JuiceBox

By Polo Jimenez-Vasquez

Hey there! I'm Jemena JuiceBox ⚡ Ready to power up your knowledge? Tell me how much you know about our electric world, then zap me any questions about Jemena Gridtalk! Quick, sparky answers coming your way – and if you're still curious, just buzz for more!

I'm a sector specialist

I'm not a specialist

Message Jemena JuiceBox...

MosaicLab workspace chats aren't used to train our models. ChatGPT can make mistakes.



Individual thinking & library time

30 MINUTES

Small group discussion time



WE ARE LOOKING FOR PEOPLE TO

PARTICIPATE IN A QUICK VOXPOP VIDEO INTERVIEW

SHARE YOUR EXPERIENCE:

What did we do today?
What are you curious about?





LUNCH

Back at 1:30pm

BUILDING OUR IDEAS FOR RECOMMENDATIONS

PART 2





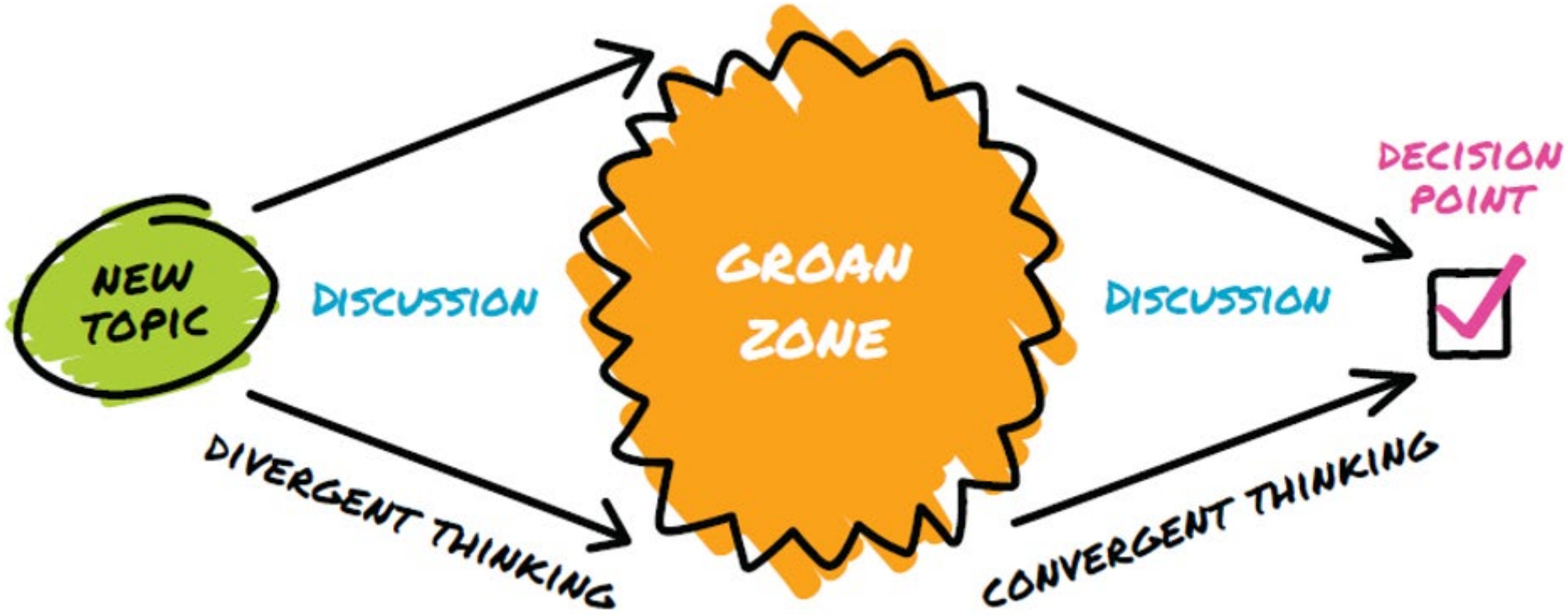
Writing your recommendations

VE'RE ERE

AND REPEA

1. Brainstorm ideas
2. Grouping ideas
3. First draft of recommendations
4. Feedback on draft recommendations
5. Refine recs from feedback
6. Levels of comfort survey
7. Review and finalise recommendations
8. Final walkthrough

Group decision making



- Consensus (where possible)
- 80% rule (super majority) & Minority reports
- Identify what is most important

Our challenge

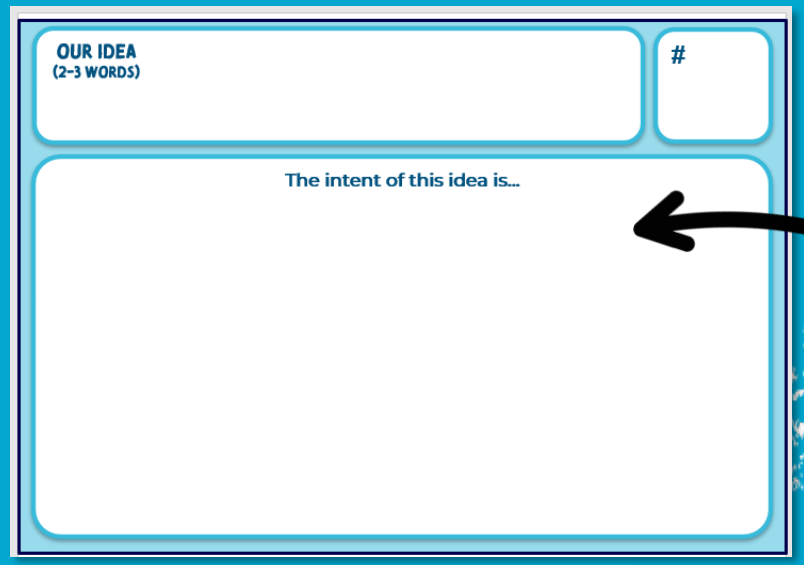
How should Jemena prepare for a sustainable energy future while meeting customer and community needs today?

DISCUSS IN SMALL GROUPS

What is a good recommendation to support a sustainable energy future?



IDEAS FOR RECOMMENDATIONS 2026 TO 2031



STEP ONE

- Working in small groups, discuss your ideas and think about why it is important
- Write one idea per sheet – include the intent behind it and reasoning
- Please write clearly!

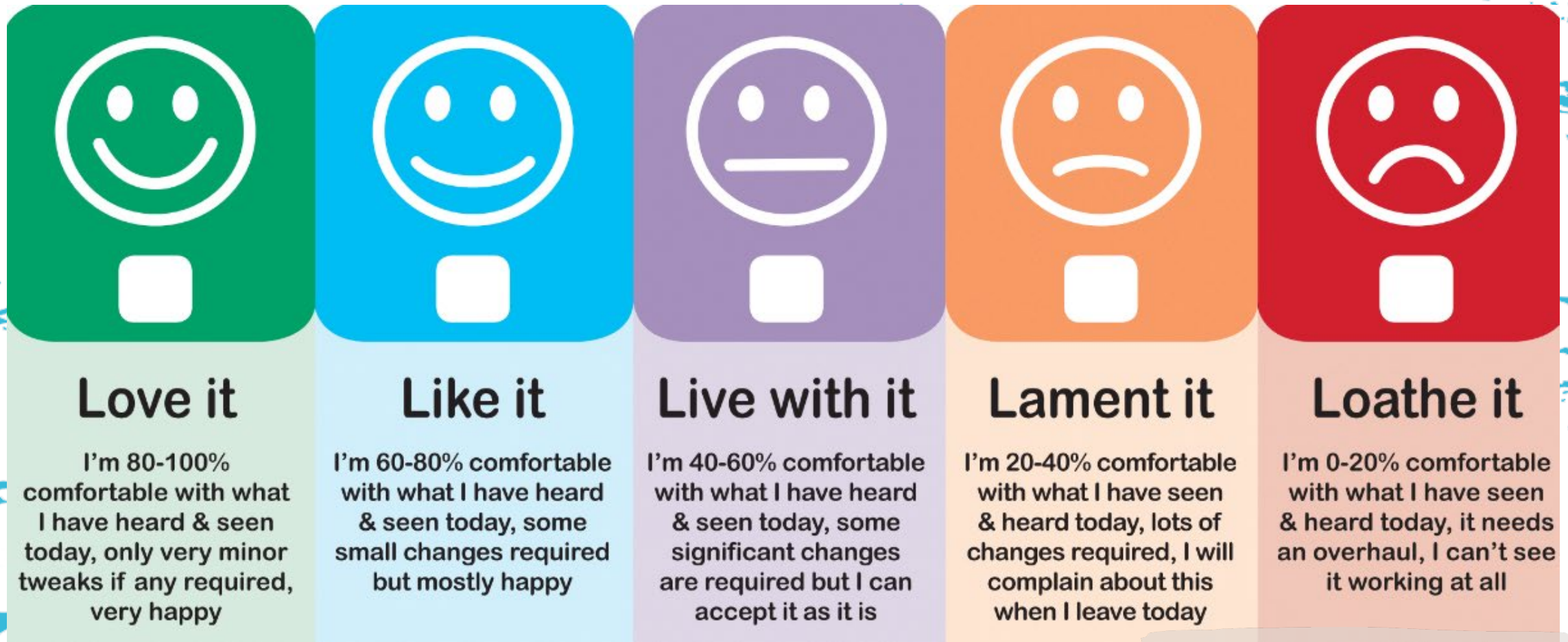
STEP TWO

Let's group your ideas and look to share these with our People's Panel

Let's group our ideas



TESTING OUR COMFORT LEVELS



Love it

I'm 80-100% comfortable with what I have heard & seen today, only very minor tweaks if any required, very happy

Like it

I'm 60-80% comfortable with what I have heard & seen today, some small changes required but mostly happy

Live with it

I'm 40-60% comfortable with what I have heard & seen today, some significant changes are required but I can accept it as it is

Lament it

I'm 20-40% comfortable with what I have seen & heard today, lots of changes required, I will complain about this when I leave today

Loathe it

I'm 0-20% comfortable with what I have seen & heard today, it needs an overhaul, I can't see it working at all

OR CONFUSED?



TESTING COMFORT LEVELS

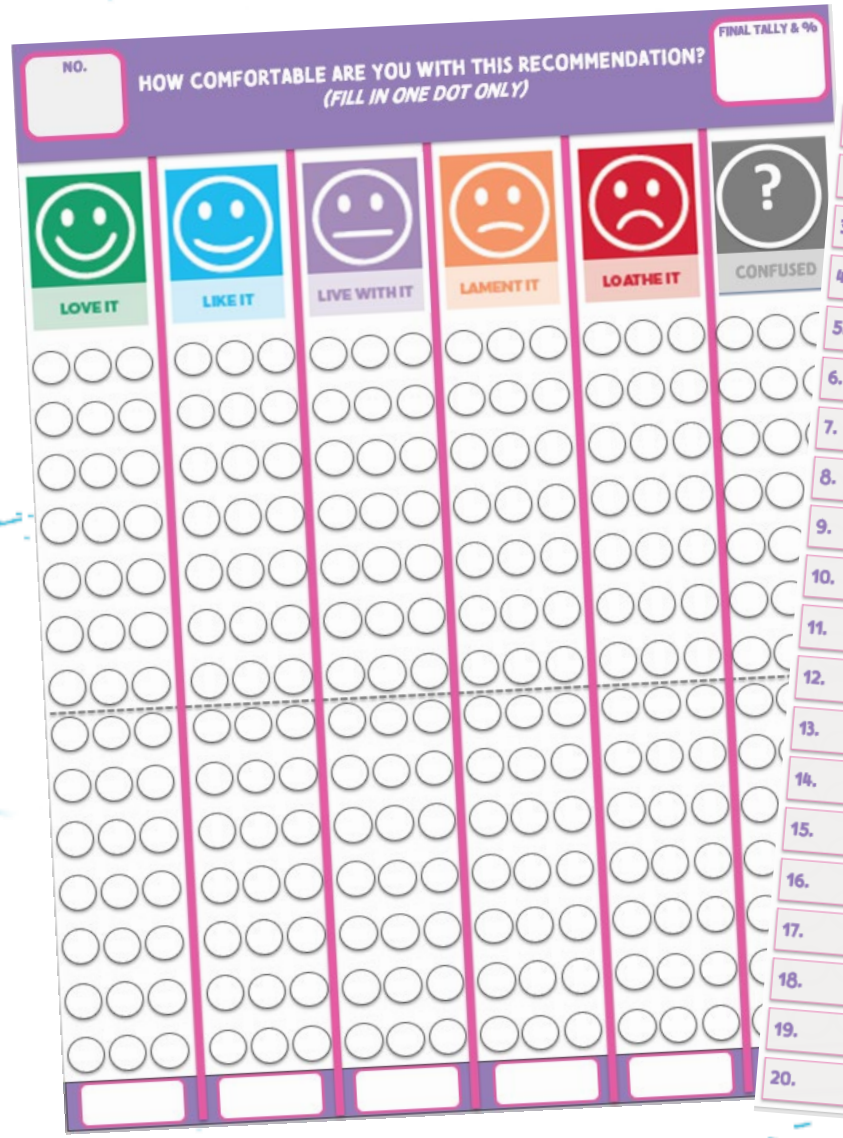
INDIVIDUALLY...

Take time to look at the recommendations and...

1. Note your level of comfort
2. Add your signature/initials (to remember which ones you've done)
3. Write a comment - *what would make you more comfortable?*

TESTING YOUR LEVEL OF COMFORT

VOTE



SIGN

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20.

21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40.

I WOULD BE MORE COMFORTABLE IF...

COMMENT

STRETCH...OR
JUST DANCE!
FLUID ADJUST

BACK IN ONE SONG



HELPING OUR CONNECTORS

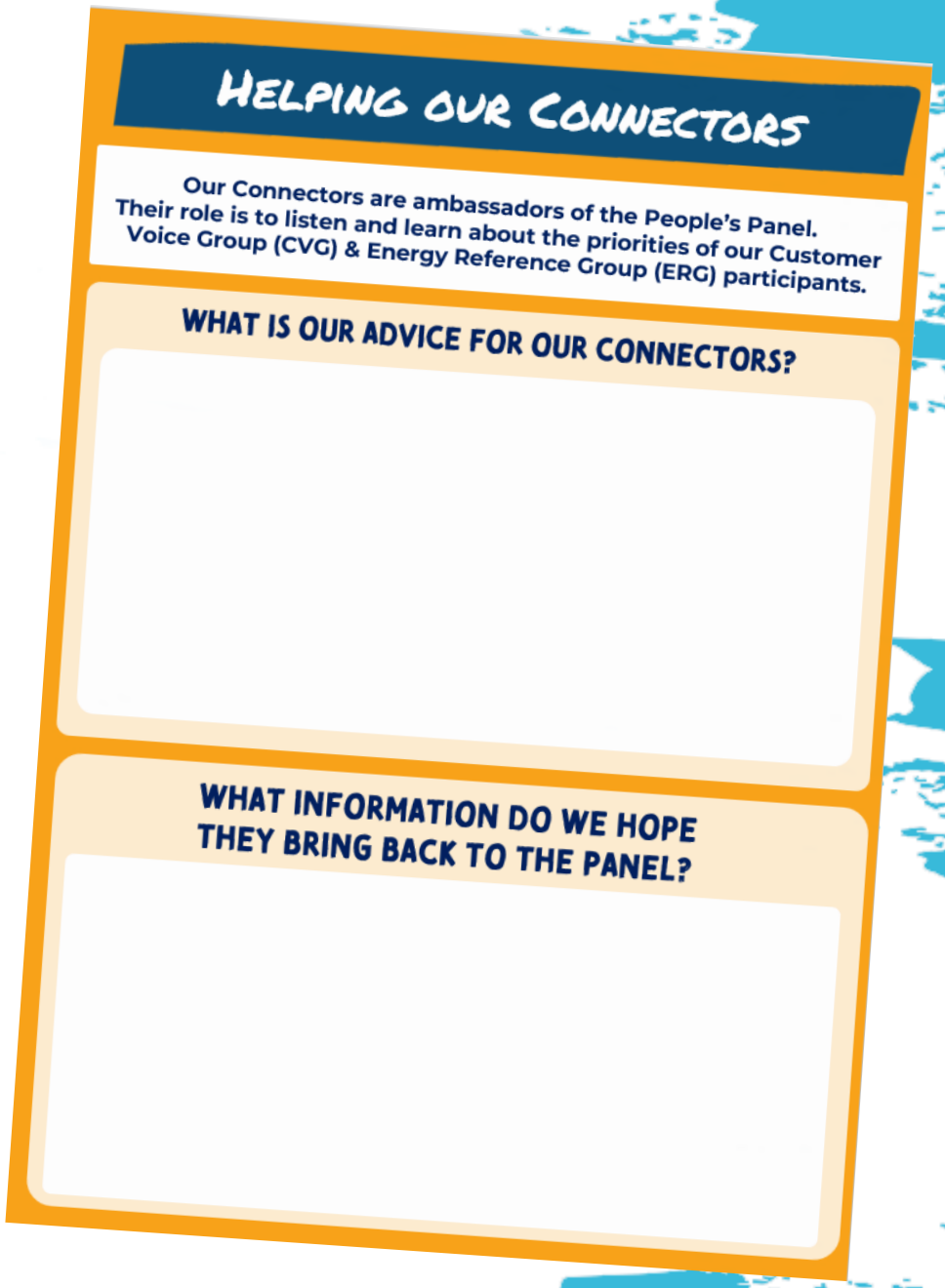
Your role is to…

- Listen
- Observe
- Be an ambassador

What's our advice to our connectors?

You'll be reporting back about:

- What is this group's priorities?
- Is what we're hearing covered in the existing recommendations?
- Can it be incorporated?
- Or do we need a new recommendation?



WE STILL NEED CONNECTORS FOR...

Wed 13 March – 5.30-8.30pm - Youth CVG – Glenroy

Thurs 21 March – 5.30-8.30pm - First Nations CVG – online

AND MORE VOLUNTEERS FOR...

Mon 4 March – 5.30-8.30pm - Seniors CVG - Glenroy
Tues 5 March – 5.30-8.30pm - Mental Health CVG - Glenroy
Wed 6 March – 5.30-8.30pm - Disability CVG - online
Thu 7 March – 5.30-8.30pm - Multicultural CVG – Glenroy

Wed 17 April – 10am-1pm – Energy Reference Group (ERG) – City

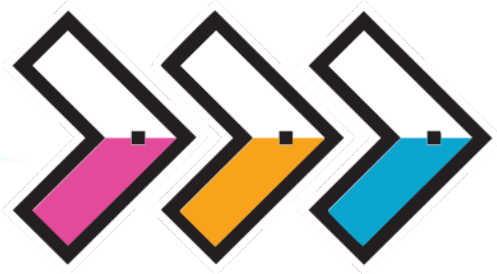
Connectors receive an additional $50 stipend

NEXT SESSION

SATURDAY 16 MARCH 2024

9.00AM – 4.30PM

Broadmeadows Town Hall



Don't worry there will be lots of breaks!

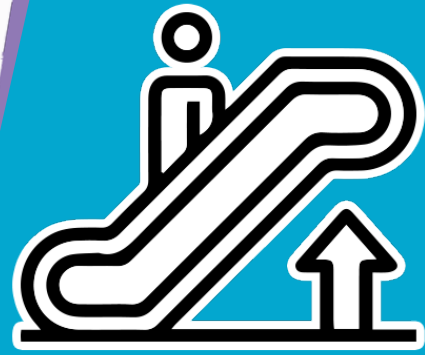
HOW DID WE GO?



START



STOP



CONTINUE



THANK YOU