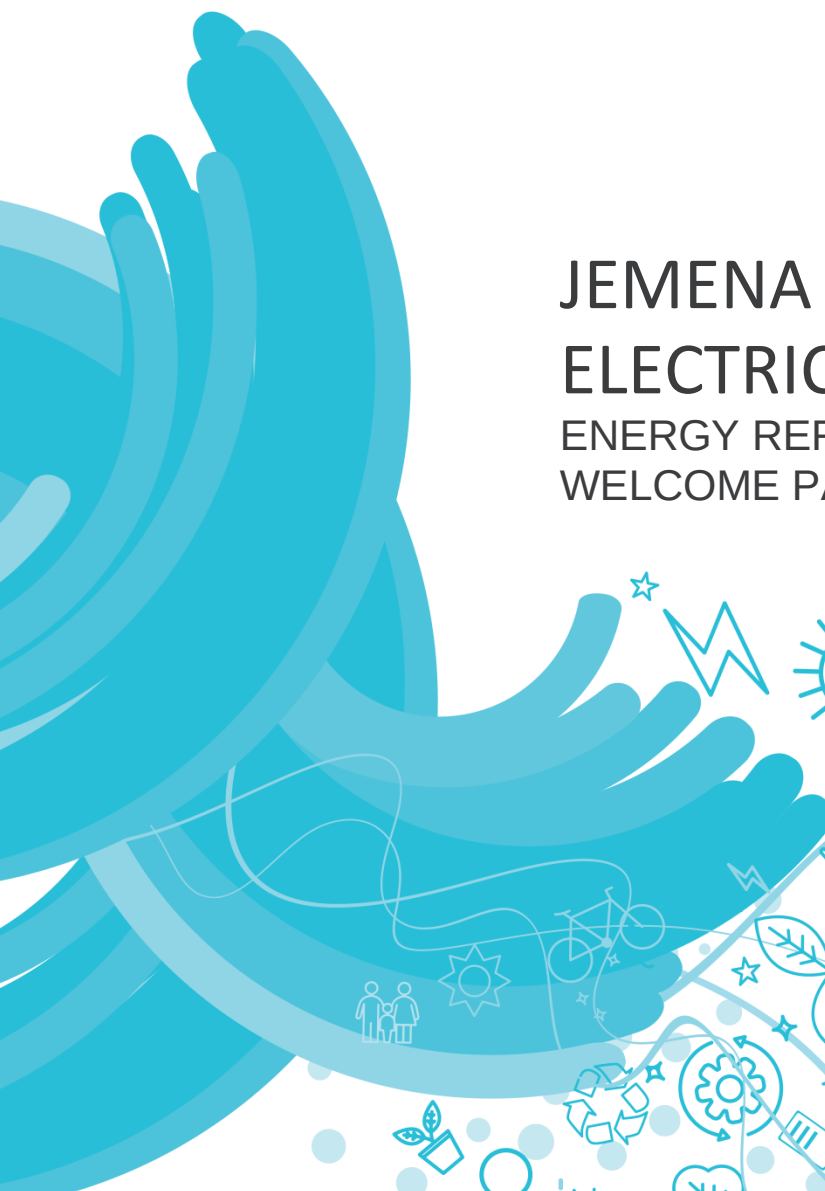


A large, stylized blue hand graphic on the left side of the page, with fingers spread, holding a collection of various icons.

JEMENA

ELECTRICITY NETWORKS

ENERGY REFERENCE GROUP
WELCOME PACK



SEPTEMBER 2023

“Jemena”
is an Aboriginal word that
means “to hear, to listen
and to think”



Acknowledgement of Country

Jemena acknowledges the Traditional Owners of the land on which we operate and recognises their continuing connection to land, waters and culture. We pay our respects to their Elders past, present and emerging.

Artwork is by Chern'ee Sutton a contemporary Indigenous artist from the Kalkadoon people from the Mount Isa area in Queensland.

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Welcome to the Energy Reference Group



It is a critical time for the energy industry as we increase our focus on the energy transition and a low-carbon future. We have an important role to play in providing electricity to Victorians now and in the system of the future.

As Energy Reference Group members, you will help us tackle many of the challenges we face as we prepare our electricity network for a sustainable future, while meeting our customer and community needs today.

As energy leaders, experts and customer advocates, you will help provide independent advice on our strategies and initiatives for the 2026-31 regulatory period. Your advice will challenge and lead us to create a sustainable, secure and reliable electricity network now and into the future.

We will share your advice and views with our customers and provide opportunities for you to connect to and be a part of our broader customer engagement activities.

This pack provides you with a background of our electricity network, our engagement program and your important role as an Energy Reference Group member.

Thank you for the expertise and unique perspectives you bring to the group and for your involvement. I look forward to getting to know you more and learning from you.

David Gillespie
Managing Director
Jemena



Customers are the heart of our business, particularly when it comes to shaping our regulatory proposals and the future of our network. I'm thrilled that as Energy Reference Group members, you bring not only a wealth of knowledge and diverse perspectives on energy, but a customer lens that has the long term interest of customers in mind.

Our customer engagement program is as extensive as the customers we serve; we will be engaging directly with diverse residential customers, small and medium business customers, large commercial and industrial customers and local councils.

You will have meaningful opportunities to guide and challenge us on a mix of regulatory topics, including grid stability, tariffs, risk management and mitigation and many more. Providing your advice and counsel to us will contribute to shaping our regulatory proposal and the initiatives we include to create a sustainable, reliable and secure electricity network.

The ideas and insights we will receive from you and our customers will be instrumental in guiding the services we provide and the prices we charge customers.

I know you are just as passionate about energy as we are, and I look forward to connecting with you and hearing your views and perspectives.

Shaun Reardon
Executive General Manager, Jemena Networks



1. The brief

We are an electricity distribution network service provider and are subject to economic regulation administered by the Australian Energy Regulator, under the National Electricity Rules.

Our revenue is approved in five-year cycles by the Australian Energy Regulator and, in the build-up to each new term, we submit a proposal to them which outlines our plans for the upcoming regulatory period (the five years from 1 July 2026 to 30 June 2031 (next regulatory period)) and how we expect to fund them.

As a part of the development of our regulatory proposal, our engagement with customers, stakeholders, customer advocates and energy experts is integral to shaping our proposal and the services we provide our customers. This collaboration has become all the more important as we start to develop the prices we will charge customers covering the next regulatory period.

Our challenge

With a changing environment and continuing increases in the cost of living, providing a fair energy future has never been more important than now. With increased customer uptake of renewables and other technologies, people are rapidly changing both how they use and what they expect of the electricity network. This requires a rethink about the best way to plan for the future and charge for electricity in a way that is fair for everyone and meets different customer expectations.

Throughout the engagement process we will be asking Jemena's customers to think about and make suggestions and recommendations on the question:

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

This will be our guiding question for the Jemena Energy Reference Group.

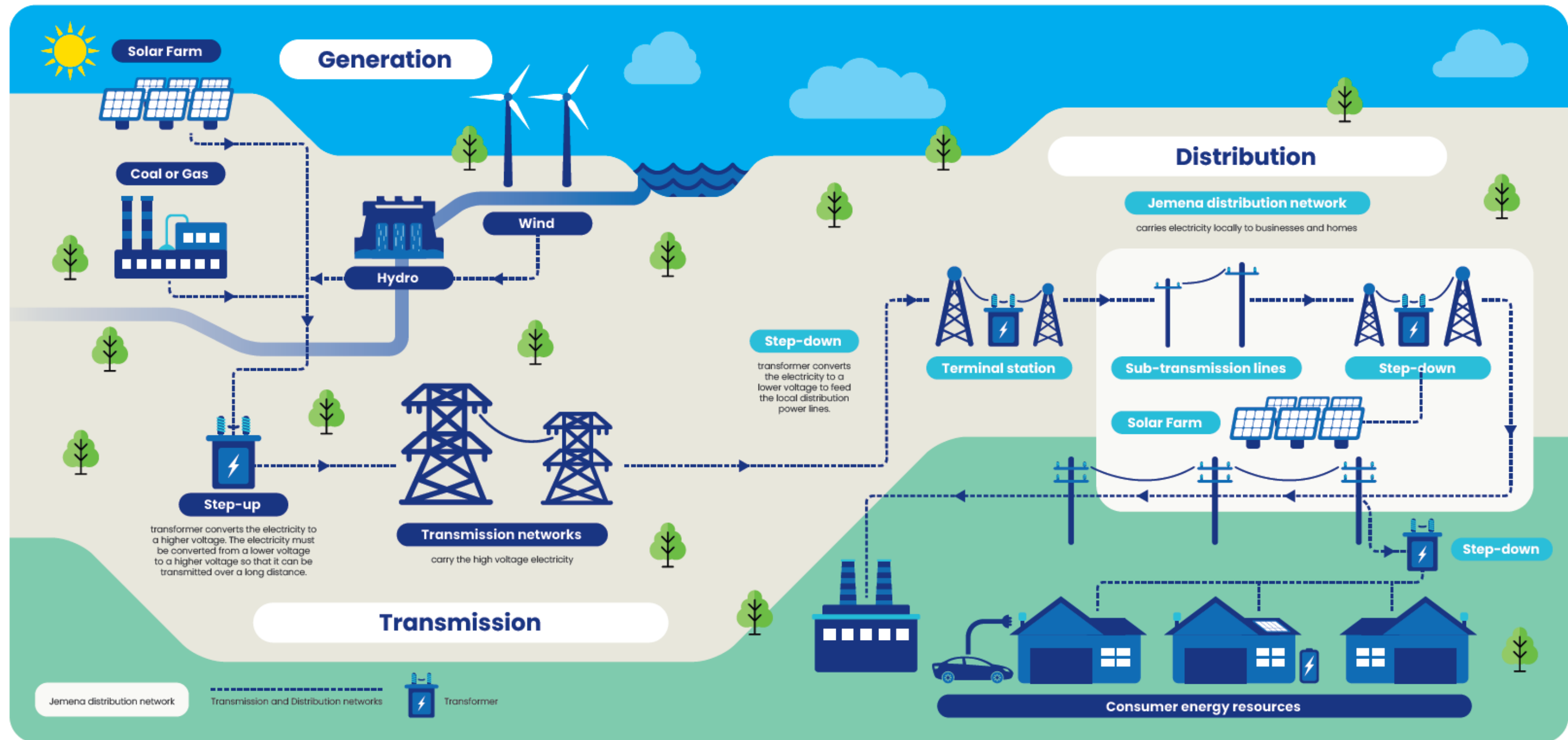
We have established three key groups as part of our electricity network engagement process:

- **Energy Reference Group** –an expert energy panel that can help discuss and deliberate on complex issues and provide clear, independent advice and recommendations that have the long-term interests of customers in mind.
- **People's Panel** –a group of community representatives comprising between 45 to 50 diverse customers who will make up a statistical representation of customers in our electricity distribution network.
- **Customer Voice Groups** –six customer groups that include 10-15 **customers with lived experience** in specific areas, including:
 - First Nations Customer Voice Group
 - Mental Health Customer Voice Group
 - Disability Customer Voice Group
 - Seniors Customer Voice Group
 - Young People Customer Voice Group
 - Multicultural Customer Voice Group.

About this pack

Reading this pack will provide you an overview of our network, customers, members of the Energy Reference Group and outline some of the key challenges we face as an electricity distribution business.

2. How the electricity supply chain works



The electricity market in Victoria was designed to transport electricity generated from coal, gas or hydro power, and distribute it to homes and businesses. Large-scale generators are often producing electricity a long distance from where electricity is needed. To move electricity over long distances, transmission companies use extra high voltage power lines. When the electricity is closer to where it is needed the voltage is reduced, and distribution networks deliver it to the homes and businesses that need it. Jemena is an electricity distribution network business, so we manage the poles, wires and other infrastructure needed to take the electricity from the extra high voltage transmission networks, and deliver it safely to households and businesses in our network area in Melbourne.

This energy system is often referred to as 'the grid' and the grid is changing. More recently, we have seen the rise of solar generation, wind farms and other renewable energy sources playing a larger role in the energy supply, and sometimes this is connected directly to distribution electricity networks. Customers are also taking an active role in these markets. Households and businesses are increasingly generating and storing their own electricity through solar panels and batteries, taking less electricity from the distribution grid. In some cases, households are also selling their excess electricity, making the way we pay for electricity, and the flow of electricity, change.



3. Jemena's electricity network

Our electricity network is one of five electricity distribution networks in Victoria. We are the sole distributor of electricity in north-west greater Melbourne. Every day we help deliver electricity to over 370,000 homes and businesses across north and western Melbourne.

Our role is to distribute electricity when and where our customers need it. We build and manage the infrastructure that transports electricity through more than 950 square kilometres of Melbourne's north-west suburbs and provides energy to support businesses and critical infrastructure such as Melbourne Airport, which sits in the middle of our distribution area.

Figure 1 - Jemena network map in Victoria



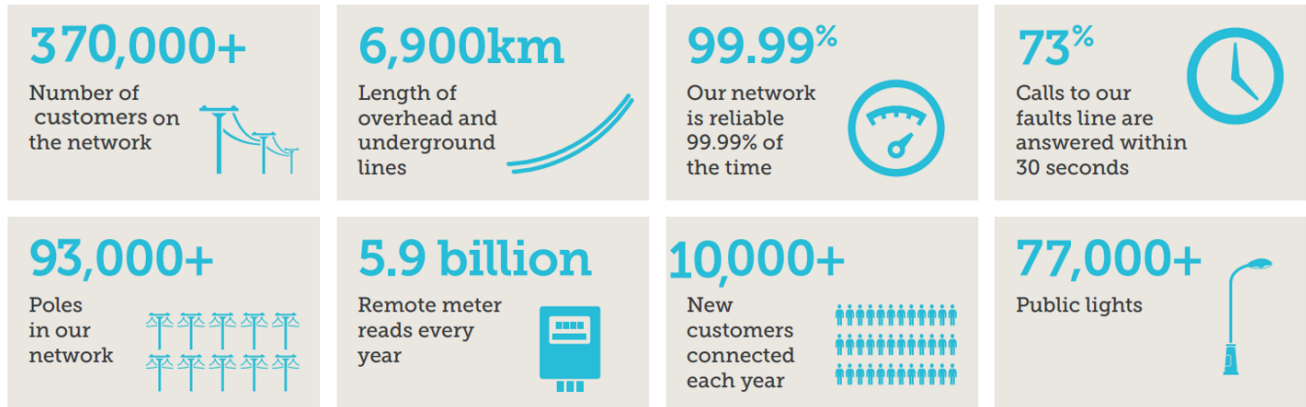
Operating environment

The distribution area covers a mix of industrial, commercial and residential customers, established inner suburbs, some major transport routes as well as the Melbourne International Airport. Semi-rural areas (though rapidly developing) exist around Sydenham, Sunbury and Coolaroo which have high bushfire risks.

Our network environment comprises of mainly flat land with exceptions such as Greenvale and Reservoir (though with minor undulations), and includes Maribyrnong River, Merri Creek, Darebin Creek and Steele Creek as waterways, and is bordered by the Yarra River in the east and Port Phillip Bay in the south.

Our distribution area, which is defined by the electricity distribution licence, covers the suburbs of Gisborne South, Clarkefield and Mickleham in the north to Williamstown and Footscray in the south, and from Hillside, Sydenham and Brooklyn in the west to Yallambie and Heidelberg in the east.

All in all, our distribution area covers approximately 12 per cent of the population of Victoria.

Figure 2 - Key characteristics of the electricity network

Asset overview

The sub transmission network consists of 46 lines (382 km) operating at 66 kV or 22 kV that transmit bulk electricity from the transmission terminal stations¹ to distribution zone substations. There are 30 zone substations, and these are connected to seven terminal stations.

Our High Voltage (HV) distribution network comprises 231 HV feeders made up of 1,700 km overhead conductor and 900 km of underground cable.

The HV distribution network operates mainly at 22kV but also has a substantial amount of 11kV and a lesser amount of 6.6kV distribution circuits. The network configuration consists of a series of interconnected radial feeders to supply distribution substations that provide voltage transformation for local reticulation at Low Voltage (LV).

Our larger large commercial and industrial customers take supply at higher voltages and our largest customers connect directly at HV levels. At lower voltage levels, our 6,700 distribution substations convert HV to LV supply. A distribution substation can be indoors (located within a building), a kiosk substation, a ground substation or a pole substation.



The LV network delivers electrical energy at 415 or 230 volts from distribution substations into many of our household customer premises.

A service connection is from the LV network to the smaller customer premises. 65% of these types of connections are overhead, with the remainder (35%) being connected to the underground LV network.

¹ Transmission terminal stations are owned and operated by the electricity transmission operator.



4. The energy market

The current environment

The way the electricity market functions has a profound impact on customers' health, well-being and living standards, and even the viability of businesses and whole industries. In recent years, electricity prices have risen considerably because of rising costs in the wholesale market, environmental policy measures and, in some areas, rising network costs. In turn, this has slowed the growth in demand for electricity and, at the same time, fuelled an increase in the take-up of Consumer Energy Resources (CERs) as customer take meeting their energy needs into their own hand.

Climate change, consumer choices, technology and policy changes have all accelerated the transformation of the energy market in Australia, meaning electricity distribution businesses like ours constantly need to adapt and innovate in the way we serve our customers, moving electricity to and from their homes and businesses. The ways in which the market will continue to evolve over the next two decades—including the costs of technology and fuel, the level of customer engagement, and the regulatory and policy response— remain a little sketchy. What is clear is that the energy system in the long term will be vastly different from that of today.

Despite the uncertainty, customers are being presented with more and more ways to take control of their own energy needs. They are increasingly shopping around for better retail offers and looking to new technologies like battery storage, electric vehicles and home energy management systems to manage their usage and lower their bills. With the cost of solar photovoltaic (PV) systems becoming cheaper all the time, it is becoming more and more common for energy consumers to generate their own energy 'behind the meter'. This, in turn, has changed the way customers use the electricity network and, in response, we must continue to evolve. For the next regulatory period, we aim to continue providing reliable energy while developing a platform that will facilitate innovation and support customers' choices about managing their own energy supply.

Jemena's energy market in 2035

Several forces are impacting the future of our energy market and we preparing to proactively face these challenges, evolving customer needs and growing network demand as Victoria and Australia embark on our journey to net-zero energy targets. Early indicators sees:

Jemena's electricity network will have **fundamentally different energy needs by 2035**:

- Solar penetration in Jemena's electricity network will more than double, with 800MW+ (5x Tesla big batteries) of generation within its network
- The majority of residential vehicles sold will be EVs, accounting for approximately 30% of the car market (and rapidly growing) and many will be exporting back into the grid
- Over a third of customers will use the network for two-way electricity flows, optimising in real-time through digitally enabled data flows.

Jemena's electricity network will have **greater line of sight to Net Zero** by 2035:

- Victoria will be well on the way to decarbonising its economy
- Residential gas use will reduce with households transitioning to electric appliances
- 40% of industrial customers will no longer use gas and 45% of heavy fleet vehicles will be electric
- Overall CO2 emissions in the JEN distribution area will have reduced by approximately 50%

Jemena's **electricity network will be larger** by 2035:

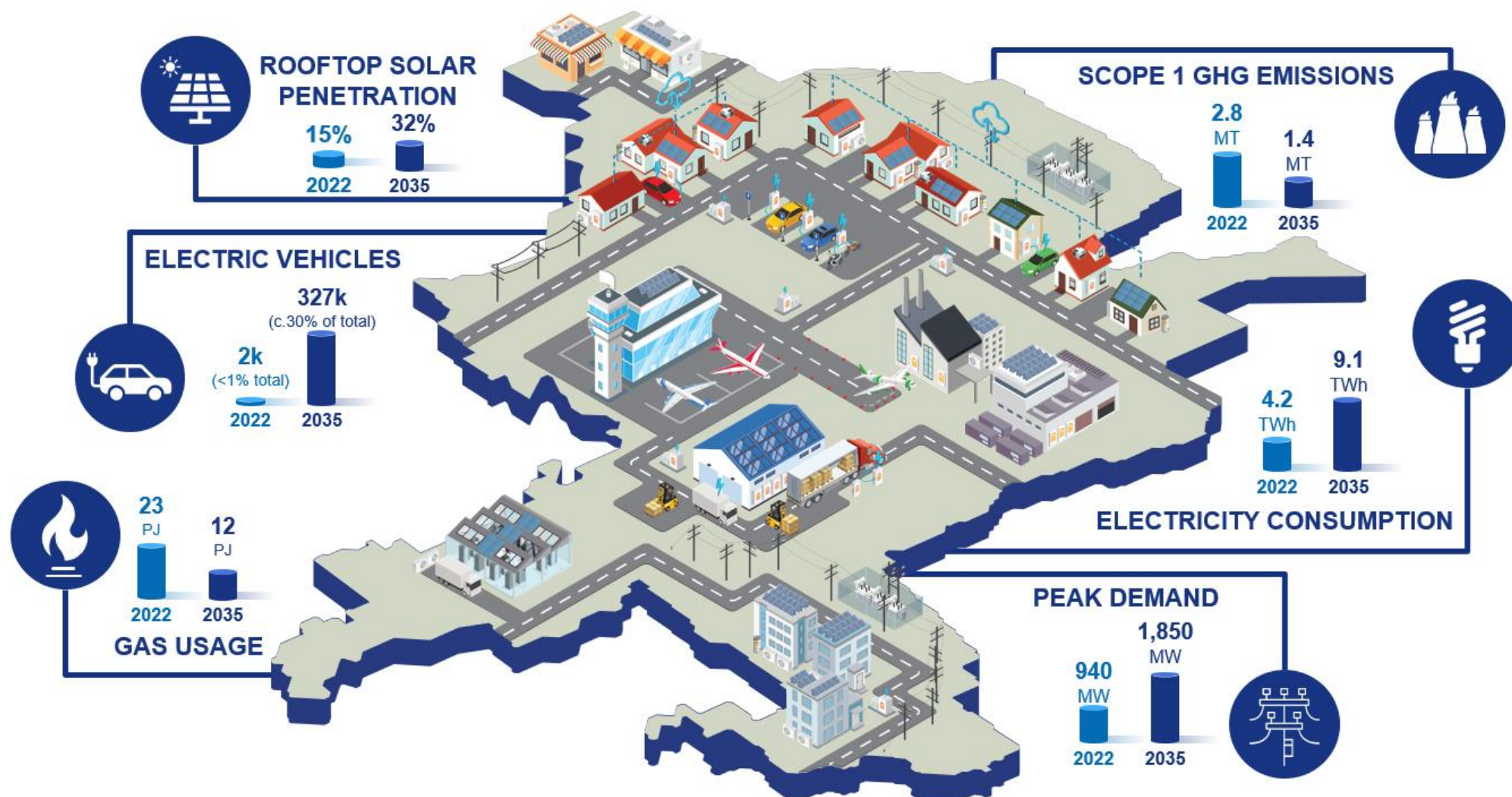
- Energy consumption on the network will grow from 4.2 TWh today to 9.1 TWh, and peak demand will also grow from approximately 940 MW to over 1,850 MW
- Minimum demand challenges² will be partially addressed with the uptake of EVs and timely charging, plus electrification of gas
- Overall storage in the JEN network could be 46GWh made up of EVs and home and community batteries.

Jemena will be **driven by customers by 2035**:

- Consumers will remain focused on energy costs and reliability of supply
- Customers will have increased choice over energy solutions, and JEN is one of many who can provide solutions for customers.

² Minimum demand challenges - Not utilising the grid enough can result to power system outages.

Figure 3 - 2035 Jemena's energy market 2035 (preliminary figures forecast as of April 2023)



Long-term megatrends

We consider there to be five global megatrends that drive electricity-sector transformation and are likely to fundamentally change the structure and function of the electricity system over the long term. These are:

Decentralisation

In the last decade, there has been a gradual decrease in demand for electricity from centralised sources like power stations. Conversely, generation from, and consumption of, electricity from CER and decentralised systems has increased.

Digitisation

It is impossible to escape the digital revolution. In the electricity system, digital technologies have enabled devices across the electricity network to communicate and share data that might be useful for both customers and the management of the electricity distribution grid. These include smart meters, sensors, automation, machine learning, artificial intelligence and other digital network technologies. As well as the state-wide smart-meter rollout in Victoria, many networks are investigating—or have deployed—advanced metering infrastructure and smart grid technologies to digitise their networks as a way of reducing costs and realising financial savings.

With the move to cloud computing and increasing offerings of software as a service (SaaS) and IT asset co-location, we are witnessing the growth of large data centres, requiring high volume and reliable power supplies. The growth of data centre represents an opportunity for Jemena to increase the electricity throughput of its distribution network, benefiting all customers through increased scale.

Decarbonisation

The Paris Agreement entered into force on 4 November 2016. As of April 2018, 175 out of 197 countries (parties) had ratified the convention, including the Australian Government. In light of this, and the expected retirement of the coal generation fleet between now and 2050, it is likely that significant amounts of intermittent renewable generation—whether large-scale or CER—will enter the electricity system in its place. From a network perspective, the more variable renewable generation sources that enter the system, the greater the need for flexible, dispatchable and coordinated capacity to maintain system reliability and security.

Electrification

As generation shifts to more renewable sources, electrification is likely to be recognised for its environmental benefits by shifting end uses of energy—including transport and heating—away from fossil-fuel sources such as oil, coal and natural gas. This shift is already happening in transport, where there has been a strong global increase in electric vehicles since 2010:

- **Electric Vehicles** – EVs present an opportunity to increase the utilisation of the electricity distribution network and more so if the additional electricity used in EV charging can be managed so it does not significantly add to the peak demand. With vehicle-to-grid technology, EV can behave like “battery-on-wheel” and becomes a valuable generating resource if coordinated properly.
- **Gas substitution** – The global energy sector is shifting away from the production and consumption of non-renewable fossil fuels and moving towards the use of low carbon and renewable energy solutions. The Victorian Government has also placed a ban on new gas connections from 2024.

The rise of energy storage

Energy storage is made possible by converting electricity into other forms of energy that can be stored. A growing form of energy storage is in batteries. The cost of battery energy storage is rapidly declining and likely to continue to decrease. Australia is one of 8 countries expected to see the highest battery storage uptake.

The changing role of the distribution network

As our society progresses towards a decarbonised future, the electricity system is changing and, as it transforms, so too does our role as an electricity distributor. Where we have traditionally been considered a relatively inert link in the supply chain distributing electricity taken from large-scale fossil-fuel generators to customer loads, the distribution businesses of the future will need to change to serve a far more sophisticated customer and complex environment.

Our network will be one in which a significant proportion of generation originates from customers and flows back up into the network where a multitude of customer devices are seeking to connect to, and interact with, the electricity system. The transition to this new role will be heavily influenced by customers, governments and regulators, as well as other changes in the external market environment. With a changing role imposed upon us, we need to work to pre-empt the transformation, minimise the impact and embrace the opportunities that it presents. We see that greater dependence on data and communications will be necessary, and our interactions with markets and customers will be greater.

Network ‘hosting capacity’ for consumer energy resources

If the electricity network does not have the spare capacity to receive electricity that is being fed back into the grid from household solar systems, there are impacts to the reliability of power supply. The voltages start to increase and transformers can start to fail. This increases the pressure on the assets in the network and triggers increased costs to replace them.

The other impact is on customers themselves. If a solar PV system turns off, which can happen with increased voltage levels, the amount of electricity fed into the grid is less than it could have been and the customer loses money that they could otherwise have earned through feed-in tariffs (or in some cases caused customers to draw energy from the grid that they would otherwise have self-generated).

On top of this, customers may get even better value from their solar PV when complemented by battery energy storage. Apart from meeting their own electricity needs, the surplus can be traded in local or national electricity markets when CER markets are established. This, however, can only occur when the electricity network—for grid stability reasons—is not constraining CERs.

Over the next regulatory period, we need to consider whether investments need to be made into new technology that will allow us to better monitor, manage and plan the network, to deal with ever increasing levels of CER.

Better planning and management will allow us to quantify the levels of solar PV, storage and—over the long term—respond to the megatrends under different operating configurations with sufficient lead times, but not invest too early. Knowing this information will also allow us to invest in the right areas of the network to support the needs of our customers where they need it most.

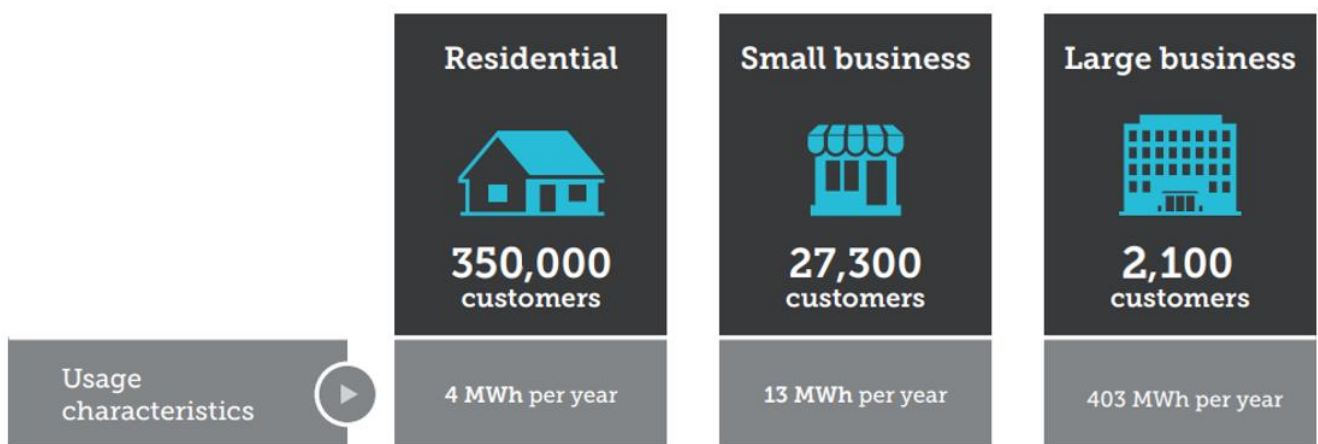


5. Our customers

As a provider of essential services we have an important relationship with our customers and local communities. Customers are at the heart of our commitment to deliver electricity safely, reliably and affordably.

Apart from a few very large customers, anyone who is currently connected to Jemena's electricity distribution network is a customer of ours. We also connect new customers and provide distribution services to other groups like property developers, landlords and businesses of all sizes, from sole traders through to large energy consumers such as Melbourne and Essendon airports, industrial customers and hospitals.

Figure 4 - Jemena customers and average usage characteristics



Residential customers

We are the sole distributor of electricity in north-west greater Melbourne, servicing more than 350,000 households and providing a public lighting services through 77,000 street lights. The residential customers and communities in our network are diverse, spanning across some of Victoria's fastest growing Local Government Areas including Hume, Merri-bek, Maribyrnong and Moonee Valley.

Our residential customers are made up of diverse households that include:

- Households with solar
- Households with electric vehicles
- Households with batteries
- Dual fuel households with gas and electricity
- Households with electricity only
- Renters and homeowners
- Households of different densities (low, med and high)
- Households with different socio-economic status
- Customers with lived experience disability and mental health difficulties
- First Nations peoples
- Seniors
- Young People
- Culturally diverse households.



Large customers

Our large commercial and industrial customers consume more than 50 per cent of the electricity that flows through our network made up of over 2,100 customers in north and western Melbourne. (Large commercial and industrial businesses are classified as having 200+ employees.)

Large customers come from a range of industries including:

- aviation
- transport
- data centres and high-tech industries
- property development
- health and medical
- education
- local councils
- logistics
- food manufacturing
- telecommunications
- other utilities.

Each large customer has different energy priorities that reflect the realities of their industries and the customers they serve.



Small and medium business customers

Our small to medium business customers are made up of over 27,000 diverse customers across north and western Melbourne.

Small to medium businesses in our distribution network area a vital part of our rich and vibrant communities. (Small businesses are classified as having 5-9 employees, while a medium business is classified as having 10-199 employees.)

Each small and medium business has unique circumstances and ways of operating, including different working environments, retail spaces and office locations.

Small to medium businesses include a large mix of sectors and professions, for example:

- accommodation and hotels
- agriculture
- bars, clubs and breweries.
- cafes, food stalls and restaurants
- clothing
- consultancies
- entertainment and music
- florists
- furniture building and restoration
- printing and design
- real estate
- retail
- small goods, delicatessens and butchers.

6. Regulatory context

The ability to distribute electricity in Victoria is governed through state based laws. The Essential Service Commission of Victoria is the authority that issues licences to businesses including Jemena to distribute electricity.

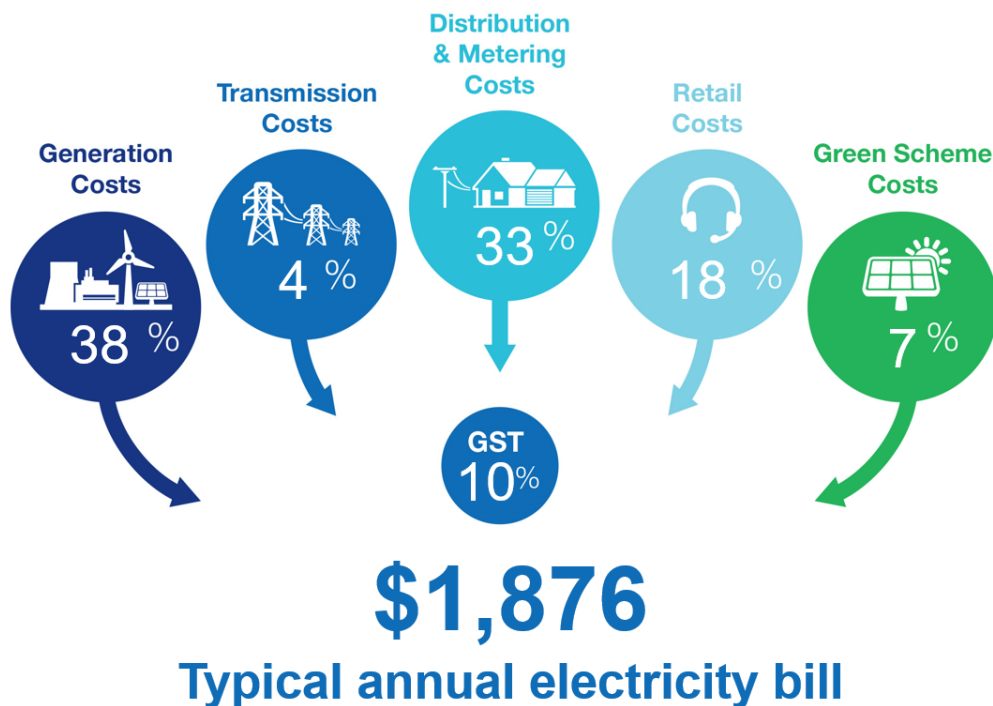
We are also subject to economic regulation by the Australian Energy Regulator under the National Electricity Rules. As an electricity distribution network business, the prices we charge customers are overseen by the Australian Energy Regulator who regulate all energy networks.

The cost of distributing energy across the electricity network is paid for through the network charges included in customers' electricity bills. Typically, network charges make up approximately 33 per cent of a household customer's total bill.

Figure 5 - Stages of charges of an electricity bill



Figure 6 - Typical residential customer electricity bill (annual cost)



Every five years we submit a Regulatory Proposal to the Australian Energy Regulator that must outline:

- the services we will offer
- the costs we are likely to incur in providing these services
- the prices we propose to charge during the next regulatory period.

The Australian Energy Regulator only approves the proposal if it complies with the National Electricity Rules and promotes the long-term interests of our customers.

Regulatory Proposal for 2026-2031

The Regulatory Proposal for the 2026-31 period will include:

- our story and vision for the future
- the services we offer (and which services are regulated)
- an expenditure forecast
- incentive schemes
- how our costs are recovered (including recovery timeframes)
- the rate of return we earn
- a forecast of network usage
- prices, including their levels, structure and how they are adjusted.

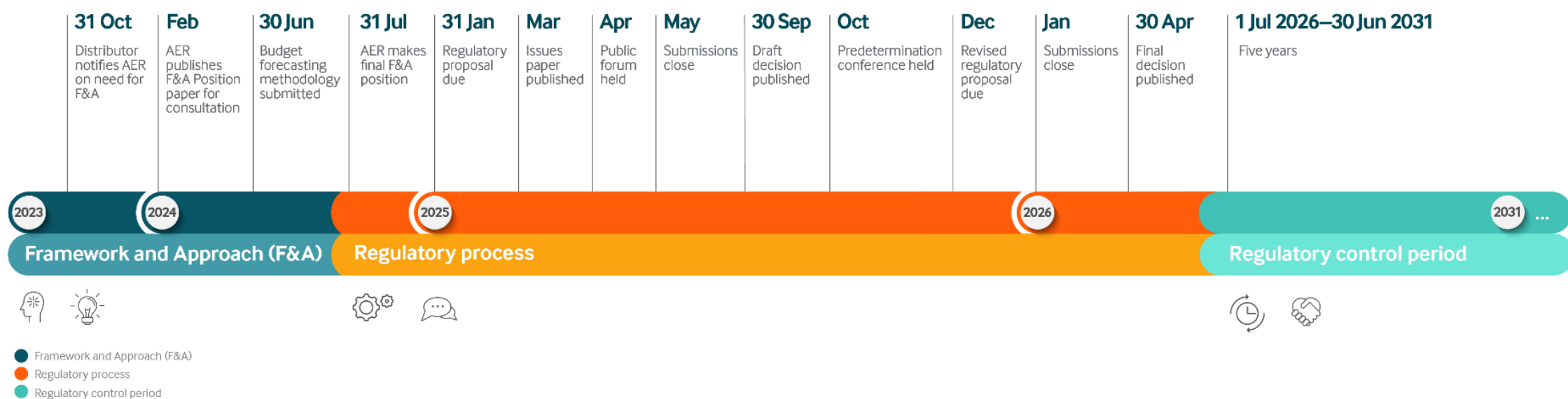
To develop the five-year proposal over the coming two years we will:

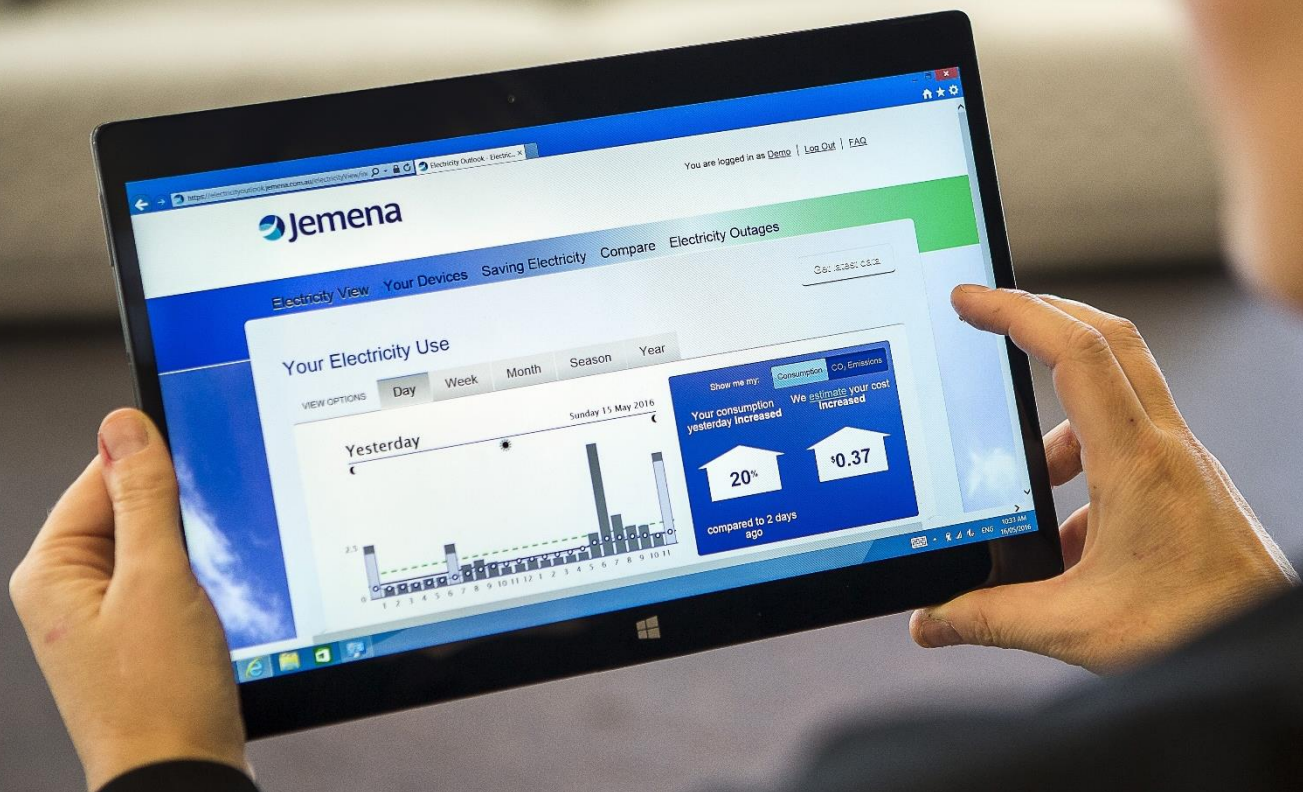
- listen to and incorporate customer feedback
- consider the services we provide
- forecast the costs of providing our services
- calculate the prices required to recover the forecast costs.

Regulatory timeline

The below table outlines the timetable we must meet for submitting proposals to the Australian Energy Regulator. Engagement activities with our customers and stakeholders need to occur to inform the Initial Proposal and then the Revised Proposal.

Figure 7 - Regulatory timeline





Pricing and tariffs

As part of the regulatory proposal, Jemena is also required to submit a Tariff Structure Statement (TSS) to explain our pricing and plans for the next regulatory period.

Our allowable prices and revenue—established through the Australian Energy Regulator’s regulatory determination—is recovered through network tariffs charged to each customer’s electricity retailer.

The TSS sets out our applicable tariffs, expected price pathways and customer assignment policies over the course of the next regulatory period. It must also ensure that the proposed tariffs conform with pricing principles as outlined in the National Electricity Rules.

In addition to the TSS, Jemena is required submit an annual pricing proposal each year within the next regulatory period to report on annual revenue recovery and the progress of tariff strategies.

This annual process is required to explain the actual annual revenue recovered from tariffs and account for differences from the charges outlined in the TSS (some of the differences include inflation, over/under-recoveries from prior years and incentive payments/rebates).

When we set pricing, we aim to meet the principles of cost-reflectivity, simplicity, economic efficiency, and adaptability. We also carefully consider the impacts of any changes on our customers.



7. Engagement program

We have a desire to continuously improve our culture that is centred around understanding our customers' needs and serving them better. We want our engagement program to position Jemena at the forefront of delivering innovative customer engagement to a diverse spectrum of customers.

The price reset is a platform to meaningfully engage with a broad spectrum of customers in our distribution area, including customers who experience vulnerability.

Our Regulatory Proposal for the next regulatory period will give us a unique opportunity to:

- invite customers to help shape the services we offer, and
- inspire our team to improve outcomes for customers.

The Regulatory Proposal that we submit to the Australian Energy Regulator will be directly shaped by customers through our engagement program. As a part of this process, we seek to partner with a full range of our customers, including our friendly energy savvy customers right through to customers who have low energy literacy or face barriers to engaging with energy. Our engagement program also aims to meet the specific needs of our electricity customers, taking into consideration:

- the rich diversity of our customers
- learnings from previous price resets
- the unique requirements, issues and challenges our customers face
- our desire to engage with customers experiencing vulnerability
- dedicated opportunities to create synergies with the other Victorian Electricity Distribution Businesses (VIC DBs) for joint engagement, enabling consistency and efficiency in our engagement approach on common issues.

Figure 8 – Engagement objectives



Engagement groups and streams

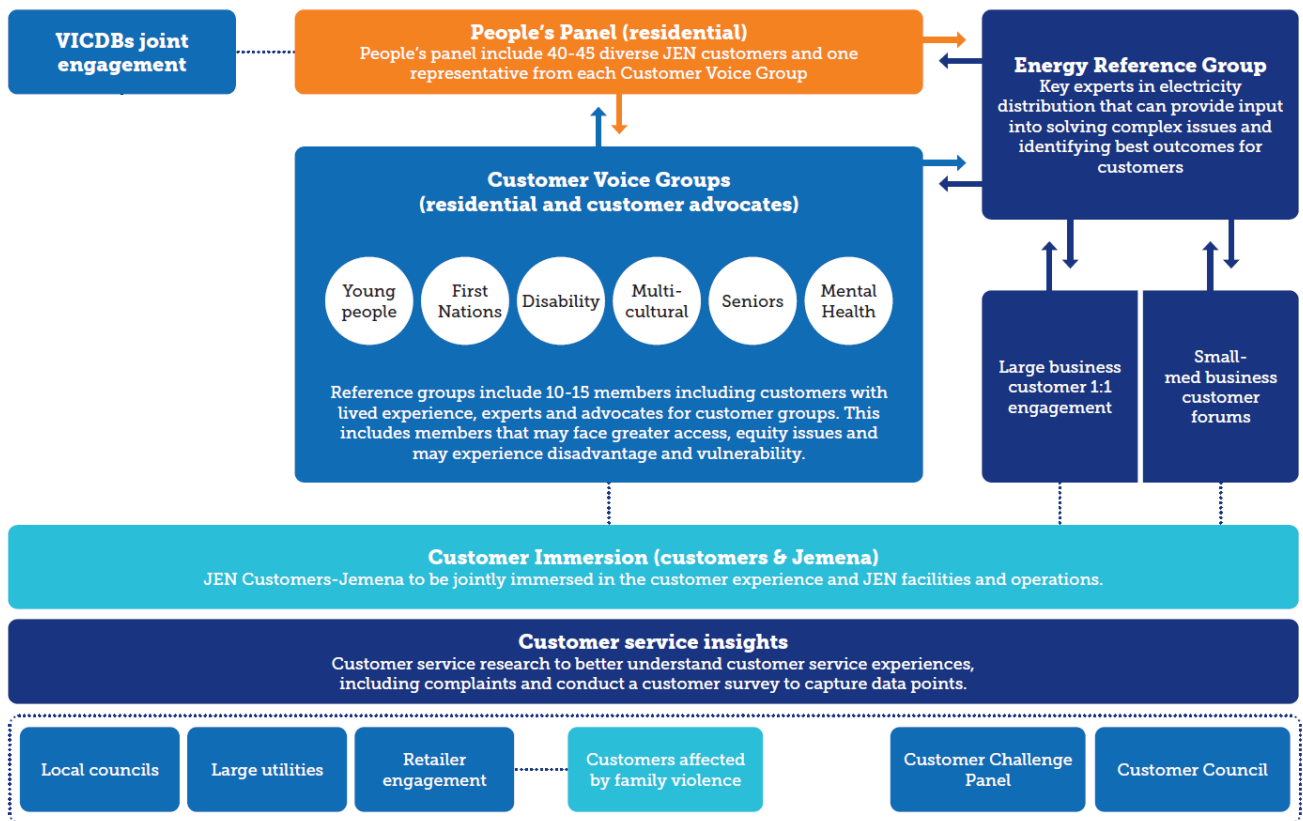
Our engagement streams are designed for us to deeply understand and engage with the full spectrum of customers.

Throughout the engagement process we will be asking Jemena's customers to think about and make suggestions and recommendations on the question:

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

Our core areas of engagement include:

- **Energy Reference Group** – the establishment of an expert energy panel that can help discuss complex issues and provide clear, independent advice and recommendations that have the long term interests of customers in mind.
- **People's Panel** – the establishment of a People's Panel which includes between 40 to 45 diverse customers who will make up a statistical representation of customers in our network in order to shape our 2026-31 regulatory proposal.
- **Customer Voice Groups** – Establishing customer voice groups that include 10-15 members, including customers with lived experience for disability, mental health, multicultural, young people, First Nations and seniors. Each group will have a senior leader from Jemena to help champion the group to connect, listen and understand their needs.
- **Customer service insights** – Interview existing frontline customer service team members on the issues and pain points customers are experiencing and investigate customer complaint information to build an understanding of customer pain points. In addition to the existing Customer Service Satisfaction Score (CSAT) survey, conduct a bespoke survey for JEN customers for the price reset to gain a broad spectrum of views and data points.
- **Joint VIC DB engagement** – Joint engagement sessions with VIC DBs across the topics of affordability and equity, reliability and resilience, energy transformation, customer experience and customers experiencing vulnerability.
- **Small to medium business engagement** – small business forums, surveys and in-depth interviews/meetings with diverse small to medium businesses across our network.
- **Large/commercial customer engagement** – surveys, large user forum and in-depth interviews/meetings to engage with large commercial customers.
- **Electricity retailer engagement** – Bespoke engagement with electricity retailers and retailer bodies, including retailer forums, surveys, in-depth interviews/meetings and engagement with customers affected by family violence.
- **Local council engagement** surveys, in-depth interviews/meetings and Local Council Forums to understand the needs of Local Councils and the local communities they service.

Figure 9 – Engagement program

Independent evaluation of engagement program

As a part of our continuous improvement objectives and to be successful throughout our engagement program, we have engaged an Independent Evaluator who will monitor and evaluate our engagement entire journey.

Specifically, the Independent Evaluator will:

- development of an evaluation framework incorporating the Australian Energy Regulator's expectations of best-practice engagement in price resets (informed by [Better Resets Handbook](#), IAP2 Framework and existing best practice examples in other states and jurisdictions).
- review engagement areas impartially and independently rating our performance against the IAP2 spectrum and [Better Resets Handbook](#) requirements).
- review and evaluate a sample mix of engagement materials, communications and website content.
- attend and evaluate a sample mix of engagement sessions, including People's Panel, Customer Voice Groups and Energy Reference Group meetings.
- provide mid engagement cycle evaluation and feedback (at the 4 to 6 month mark).
- review Engagement Partner evaluation, outcomes reports and session evaluation data.
- provide an end of engagement final independent report outlining the findings to be submitted to the Australian Energy Regulator.

In addition to our independent evaluation, our engagement program will form part of a research project on *Measuring how deliberation builds public spirit and, a potential approach for evaluating deliberative design*. This research project will look at "public spirited" behaviour into three measurable components:

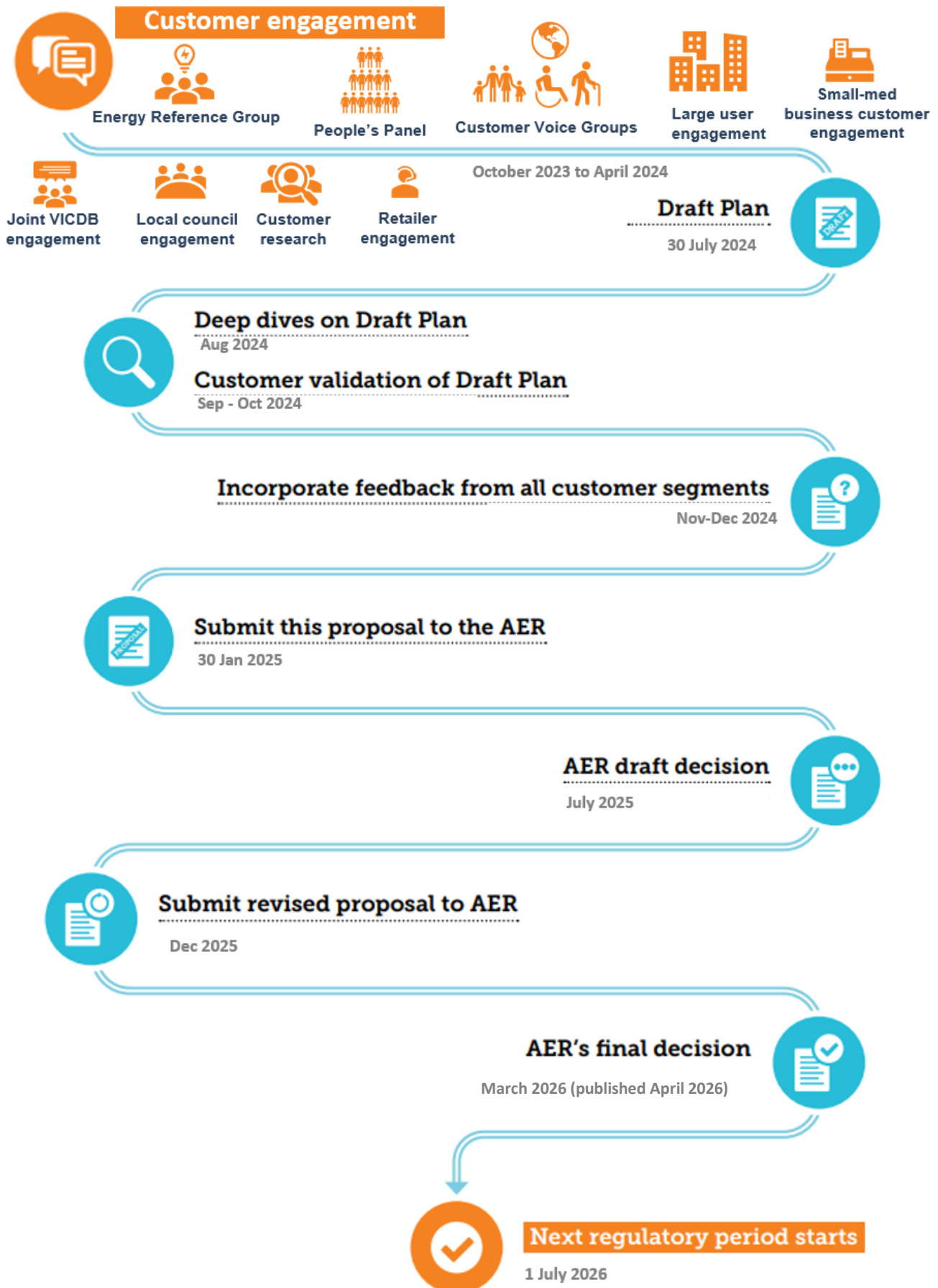
- The extent to which people prioritise their society's benefit over their own.

- How people assess an outcome's "societal benefit". For example, some people may want to help society the most in aggregate, even at a cost to some (i.e., utilitarianism), while others may prioritise ensuring equality (i.e., egalitarianism).
- With what information people are evaluating potential outcomes' "societal benefit".

Our Engagement Partner MosaicLab will collaborate with the research team. The outcomes of the research will be shared with the Australian Energy Regulator to form part of the evaluation and impacts of deliberative engagement.



Engagement roadmap





8. Energy Reference Group

Through your role as an Energy Reference Group member, you will have the chance to influence the future of energy and the pricing of electricity, how it impacts customer bills, the community, and how to meet Jemena's customer needs now and into the future.

A reference group is generally a group of skilled, experienced and passionate representatives who are willing to provide strategic or technical advice to support the delivery of a particular project.

The Jemena Energy Reference Group is an advisory group appointed by Jemena to advise Jemena on its Pricing Reset 2026 -2031. It is not a decision-making body.

Membership has been invited from across various industry, commercial, academic and government sectors. The Energy Reference Group will meet monthly and receive pre-reading materials to have informed discussions on a range of regulatory topics relating to:

- Tariffs and equity for customers
- Future network and the energy transition
- Network reliability and grid stability.

Scope

It is important to us that we share some guardrails for the scope of influence that participants can expect in our engagement process. Being clear about the scope helps us keep focused and ensure genuine and meaningful participation.

Below is our initial consideration of where Energy Reference Group members can expect to influence the Jemena team's thinking:

What members can influence during the engagement

- Tariff and Pricing Strategy and how this might impact Jemena's customers.
- Ways to transition to a new energy future that meets the customer needs of today.
- How important it is for Jemena to transition to clean energy.
- Value of the network reliability and resilience for customers.
- Ways for the Energy Reference Group to support the People's Panel and Customer Voice Groups.
- Oversight of engagement activities and independent advice on how outcomes influence decisions.

Energy Reference Group members



Andrew Richards, Chief Executive Officer, Energy Users Association of Australia

Andrew has more than 30 years of energy industry and infrastructure development experience having held a variety of senior management roles in the areas of sales and marketing, public and stakeholder relations, media and communications, strategic planning, policy development, stakeholder engagement and political advocacy.



Gavin Dufty, Executive Manager, Policy and Research, St Vincent de Paul

Gavin has over 30 years of leadership experience in community welfare and advocacy, along with a comprehensive understanding of consumer protection issues related to energy and water. Gavin is a valued member on a number of the transmission, distribution and retailer Customer Councils.



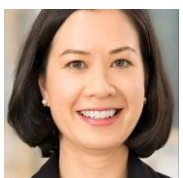
Kate Hansen, Chief Operating Officer, CarbonLite

Kate is Chief Operating Officer at CarbonLite, an ultra energy efficient construction company ensuring homes are built to European energy efficiency standards. Kate completed an MBA in Renewable Energy & Energy Efficiency with the thesis "How to Make Investment in Electricity Demand-Side Flexibility Profitable: Policy Implementation in Victoria". Kate is passionate about the energy transition and believes consumers should be at the forefront of the transition.



Kellie Larson, Director Verve Strategic Consulting

Working at the intersection of traditional fossil fuels, commodity markets and renewable energy sectors, Kellie is a trusted advisor to Boards, CEOs, and executive leadership teams. Kellie has a degree in Chemical Engineering and has spent eight years as an Australian Renewable Energy Agency advisory panel member.



Lynda Osborne, GM Global Strategy, Technology, Xero

Lynda is an energy and technology professional with extensive consulting experience with Deloitte and PwC. Lynda has 15 years of experience working with electricity and gas businesses across Australia, including retail, distribution, transmission and generation. Lynda's expertise lies in strategy and roadmap development, and alignment of business and technology to improve customer outcomes, operating efficiency, and drive growth.

Group members (cont.)



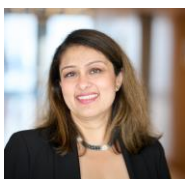
Morely Muse (Dr), Co-Founder and Director, iSTEM

Dr Muse holds a Bachelor in Chemical and Environmental Engineering, a Masters in Sustainable Power Engineering and a PhD in Water, Environmental/Renewable Energy Engineering. Her expertise and background are centred on environmental sustainability, waste-to-energy generation strategies and renewable energy.



Neil Watt, Network Strategy Adviser

Neil has an extensive career in electricity distribution with expertise in electricity distribution network strategy development across investment and augmentation planning and smart grid development. Neil has been a member of the Smart Networks Committee for Energy Networks Association, has participated in a number of Distribution Price Resets and associated consultations, and is passionate about energy networks providing benefits for customer-focused solutions.



Ruchika Deora, Program Director, C4NET

Ruchika is an accomplished strategist with over 20 years of experience working in energy. She has extensive international experience in strategic, commercial, and operational delivery for Fortune 500s and scaling start-ups and helps organisations ideate and operationalise in both uncertain and heavily regulated environments.



Ruth Harland, Utilities Officer Maribyrnong & Moonee Valley Councils

Ruth is a compassionate equity advocate who pivoted to become a renewable energy generation and storage geek. Trained as chemist, ecologist, change instigator and sustainable systems engineer. Employed as public servant. Mindful of the intricate technical integration, efficiency improvements and societal changes needed to fully decarbonise our energy system.



Tim Callaghan, GM Strategic Initiatives, Victorian Chamber Commerce and Industry

Tim has an extensive experience across Victoria's business, tourism and aviation industries, with a passion for driving the economy and supporting Victorian businesses. Tim has been the Ambassador for Bushfire Recovery, Visit Victoria to support the economic recovery.

Providing advice on the challenges we face

Your role will be to provide advice, perspectives and recommendations on a **range of topics and challenges** we face as an electricity distribution business.

We expect members to help shape and guide the topics we discuss in meetings and **recognise that regulatory topics will emerge as we meet.**

We have identified some overarching themes and regulatory topics that we would like to seek your advice on, noting that we will pivot and respond to the group's feedback and input as meetings progress.

Our initial thinking is to discuss a topics such as:

- How we **forecast the timing for the additional network capacity** to supply the new loads (e.g. EV, industry process heat conversion, domestic gas conversion) and the best timing for investment to meet these emerging trends.
- How we **develop flexibility in the network** to meet emerging needs of the customers and new regulations
- **How we ensure grid stability** including:
 - Grid stability and CER (EVs/home batteries/solar)
 - Under Frequency Load Shedding (UFLS)
 - Backstop mechanisms
- **What solutions we provide to support the network** including:
 - Dynamic Operating Envelops (DOE)
 - Utilisation of the network – the measure of the outcomes of levers (ecosystem)
 - Expanding on technology for flexible export.
- **How we manage and mitigate risks** across the network including:
 - Cyber security versus data access
 - Bushfire risk, mitigations, insurance and risk sharing.
- **How we approach the long term environmental factors** including:
 - climate science, climate change and extreme weather events
 - SF6 gas and how we move to a more environmentally sustainable approach
- **Tariffs and how they can support solutions to the network, including:**
 - Coordination tariffs and grid stability
 - Export tariffs
 - The design of forward thinking trigger tariffs.

Your role & responsibilities

You don't need to be an expert on energy regulations and tariff structures to participate. You will have access to a range of information, the Jemena project team, as well as wider engagement outputs to understand different perspectives from Jemena customers.

Expectations of Energy Reference Group members:

1. **Read** this information pack and background materials as provided.
2. **Attend** all sessions – while we recognise that life can be unpredictable, it is important you can attend all sessions of the Panel. Please advise GridTalk@jemena.com.au of any changes to your availability.
3. **Participate** in an open, respectful and thoughtful manner.
4. You are welcome to **ask your peers** for their thoughts on issues facing Jemena and their priorities, as background to your Energy Reference Group participation.

Role of Jemena

Jemena has a project team supporting the engagement process and their role includes:

- Providing relevant and useful information ahead of each session that will help you provide advice
- Responding to your questions and reasonable requests for further information
- Receive and respond to your advice.

Jemena team that will be supporting the process will be:



Shaun Reardon

Executive General
Manager, Jemena
Networks



Ana Dijanosic

General Manager
Regulation



Matthew Serpell

Program Director,
Electricity Price Reset



Louise Baring

Customer Engagement
Lead

Role of MosaicLab facilitators

MosaicLab is Jemena's Engagement Partner. They are a team of facilitators dedicated to bringing diverse groups of people together to solve complex problems. MosaicLab's role is to host the Energy Reference Group and facilitate your discussions. This includes:

- organising the logistics for all sessions
- promoting informed discussion
- enabling everyone to have a chance to participate and contribute
- remaining neutral and, therefore, not having a stake or interest in the content or outcome
- responding and adapting to the Energy Reference Group's needs.

MosaicLab team that will be supporting the process will be:



Nicole Hunter

Managing Director and Co-
Founder



Keith Greaves

Director and Co-Founder



**Lyndal
Mackintosh**

Senior Facilitator



Belinda Lowing

Senior Facilitator

Commitment to an enjoyable experience

It is our intention that Energy Reference Group sessions take place in a friendly, respectful and supportive manner. Jemena and your facilitators are committed to making sure that the experience is as enjoyable and productive as possible for all involved.

As part of this commitment, it is expected that everyone – including the facilitators and Jemena's representatives, are respectful of each other and protected from unnecessary emotional or psychological harm.

Discussions will be focused on the challenge. There will be no time available to discuss other issues/topics that are not related to the remit.

Different views and healthy disagreements are encouraged and welcomed as part of the process. However, any threatening, derogatory or aggressive words or actions that could be supposed to cause distress to others, will be appropriately managed by your facilitators.

Observers

Observers are an important part of any deliberative process as they provide an opportunity for people to view the Energy Reference Group and other engagement processes in action. Having observers in attendance helps to build understanding and enhance the transparency of the process.

We will always introduce any observers to the Energy Reference Group sessions, so that the group knows who they are and what organisation they come from. Observers are provided with a set of rules and are not able to participate in or disrupt the group's process.

There will potentially be observers from the Australian Energy Regulator and members of the Customer Challenge Panel.

Payments

The Energy Reference Group will meet over a minimum of eight sessions, and up to 12.

We recognise this significant commitment. Members will receive **\$250 per hour, (\$750 each session)** to cover costs associated with attendance and to recognise their commitment to their community.

Session times and dates

Below, we outline our preliminary schedule of topics and scheduled timings. We may add additional sessions if more time is required to extend discussions further. Most of our Energy Reference Group sessions are proposed to take place online.

Date	Session	Time details	Focus
Wednesday 4 October 2023	Welcome Session Social - Meet and Greet	In person 3.00pm start. Finishes at 4.30pm Level 16, 567 Collins St Melbourne	- Group members to meet and connect - Opportunity to hear more about your role and to hear from Jemena.
Wednesday 25 October 2023	Energy Reference Group Session 1	9.30am start. 12.30pm finish Online/in person (for discussion)	- Explore the market trends, forecasts and long term challenges we face. - Customer engagement early insights. - Emerging regulatory topics.
Wednesday 8 November 2023	Energy Reference Group Session 2	9.30am start. 12.30pm finish Online	- Explore risk management and mitigation across our network. - Emerging regulatory topics. - Playback and insights from customer engagement sessions - Progress check-in.
Wednesday 22 November 2023	Energy Reference Group Session 3	9.30am start. 12.30pm finish Online	- Explore grid stability and our future network strategy - Emerging regulatory topics - Playback and insights from customer engagement sessions - Progress check-in.
Wednesday 13 December 2023	Energy Reference Group Session 4	10am am start. 1pm finish Online	- Solutions to support the strength of the network through customer-focused solutions - Emerging regulatory topics. - Playback and insights from customer engagement sessions - Progress check-in.
Wednesday 14 February 2024	Energy Reference Group Session 5	10am am start. 1pm finish Online	- Tariffs and how they can support both the network and customers. - Emerging regulatory topics. - Playback and insights from customer engagement sessions - Progress check-in.
Thursday 14 March 2024	Energy Reference Group Session 6	10am am start. 1pm finish Online	- Emerging regulatory topics. - Playback and insights from customer engagement sessions - Progress check-in.
Wednesday 17 April 2024	Energy Reference Group Session 7	10am am start. 1pm finish Online	- Emerging regulatory topics. - Playback and insights from customer engagement sessions - Progress check-in.

Media and social media guidelines

Energy Reference Group members are welcome to post on social media about their participation, however, we ask that you respect the privacy of fellow Energy Reference Group members, guest speakers, Jemena and MosaicLab staff.

If you use social media (Facebook, Twitter, Instagram, etc.) to post about your experiences during the process, we encourage you to use the hashtags: #jemena #GridTalk #futureofenergy

Anything said to a journalist, submitted to a media organisation or posted online on social media is a public comment. Please be polite and respectful of others and their opinions, don't reference specific individuals, and only speak from your perspective – not on behalf of the group.

As the group's advisory role occurs over an extended period of time, members are requested not to pre-empt any outcomes on social media or in the traditional media.

Jemena's project team is available on GridTalk@jemena.com.au to assist panel members if required.

Filming and photography

To promote transparency in the overall deliberative process and subsequent Jemena decision making, we may photograph and record some sessions of the Energy Reference Group.

Some Energy Reference Group members will be invited to participate in brief “vox pop” style recorded interviews about their participation.

The photographs and videos will also be used to promote Jemena's engagement process.

A photographic permission form was completed on your confirmation appointment. If you no longer wish to be photographed and did sign a form, please email GridTalk@jemena.com.au.

GridTalk website

Our online engagement hub for the project is GridTalk.com.au. We will share information about the Energy Reference Group, discussions and outcomes from meetings on this site. This is also the engagement hub for our customers and local communities to find information about the project and engagement process.

Key contacts

Jemena enquires

- Matthew Serpell, Project Director - Matthew.Serpell@jemena.com.au
- Louise Baring, Customer Engagement Lead - Louise.Baring@jemena.com.au

For general project enquiries email GridTalk@jemena.com.au

Facilitation enquiries

- Lyndal Mackintosh, Senior Facilitator - lyndal@mosaiclab.com.au
- Belinda Lowing, Senior Facilitator - belinda@mosaiclab.com.au

GridTalk.com.au

