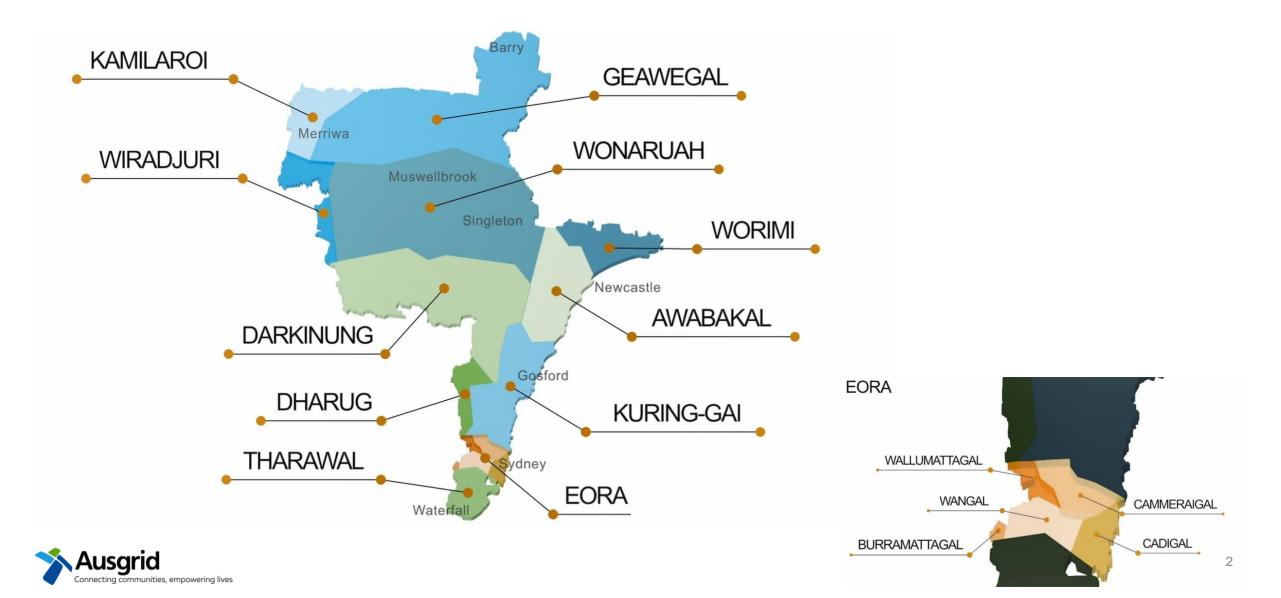


# Customer Consultative Committee Meeting

7 September 2021



## Acknowledgement of Country





## Electricity Safety Week 6-10 September 2021

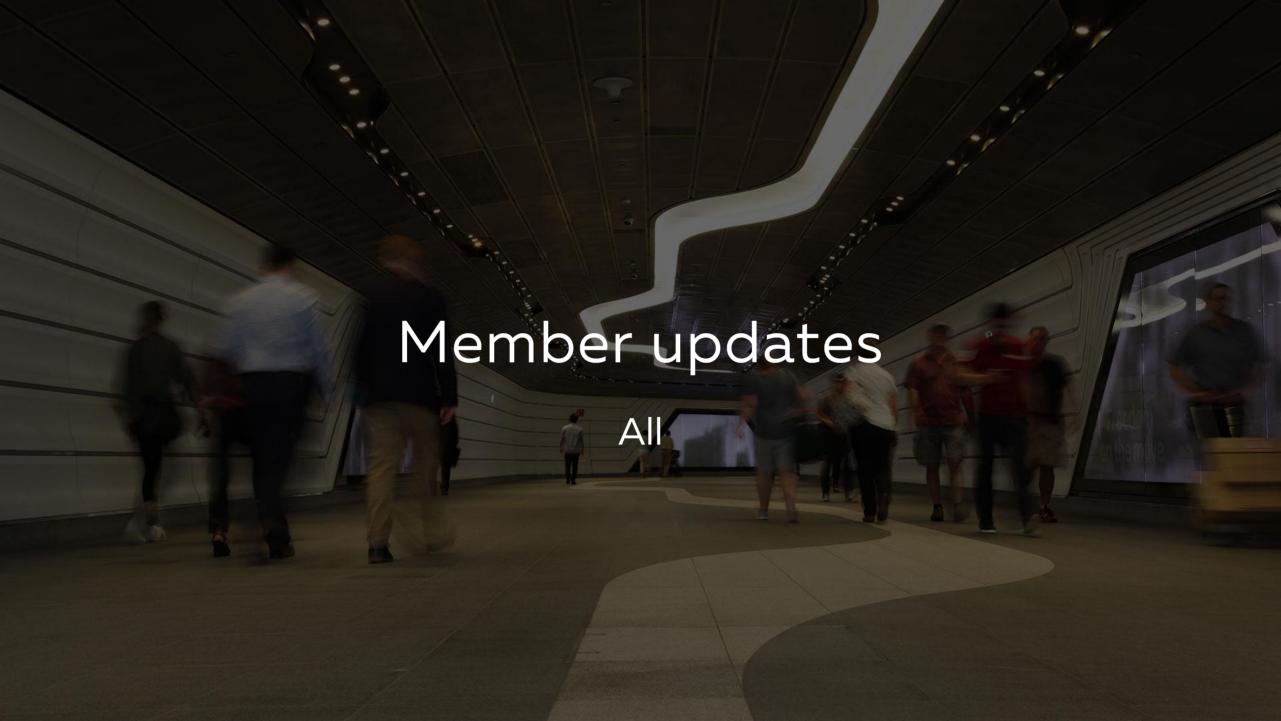




# Agenda

#	Session		Lead	Timing
1	Welcome, Acknowledgen	nent of Country, Safety Share	Rob Amphlett Lewis	9:30 - 9:40 10 min
2	Member check-in		All	9:40 - 9:50 10 min
3	CEO Update		Richard Gross	9:50 - 10:20 30 min
	Morning Tea			10 min
4	Customer		Karthik Venkataraman	
	• Session 1:	Customer Advocate: Refresh of hardship policy	Nathan Ball	10:30 - 11:00 30 min
	• Session 2:	Customer Engagement: Segmentation and classification	Kevin Smith & Deepti Mishra	11:00 - 11:45 45 min
				5 min break
	• Session 3:	Strategy Refresh: Engagement roadmap	Jess Higgs	11:50 - 12:10 20 min
	• Session 4:	Delivering on commitments: Energy Charter 2021 Disclosure	Selina O'Connor	12:10 - 12:30 20 min
	Lunch			30 min
5	Regulatory Reset Engage	ement	Alex McPherson & Rachel Fox	13:00 - 13:30 30 min
6	Protective Security		Murray Chandler & Nick Crowe	13:30 - 14:00 30 min
7	Climate Resilience		Junayd Hollis & Jess Hui	14:00 - 14:30 30 min
8	Meeting close		Rob Amphlett Lewis	14:30 - 14:35 5 min

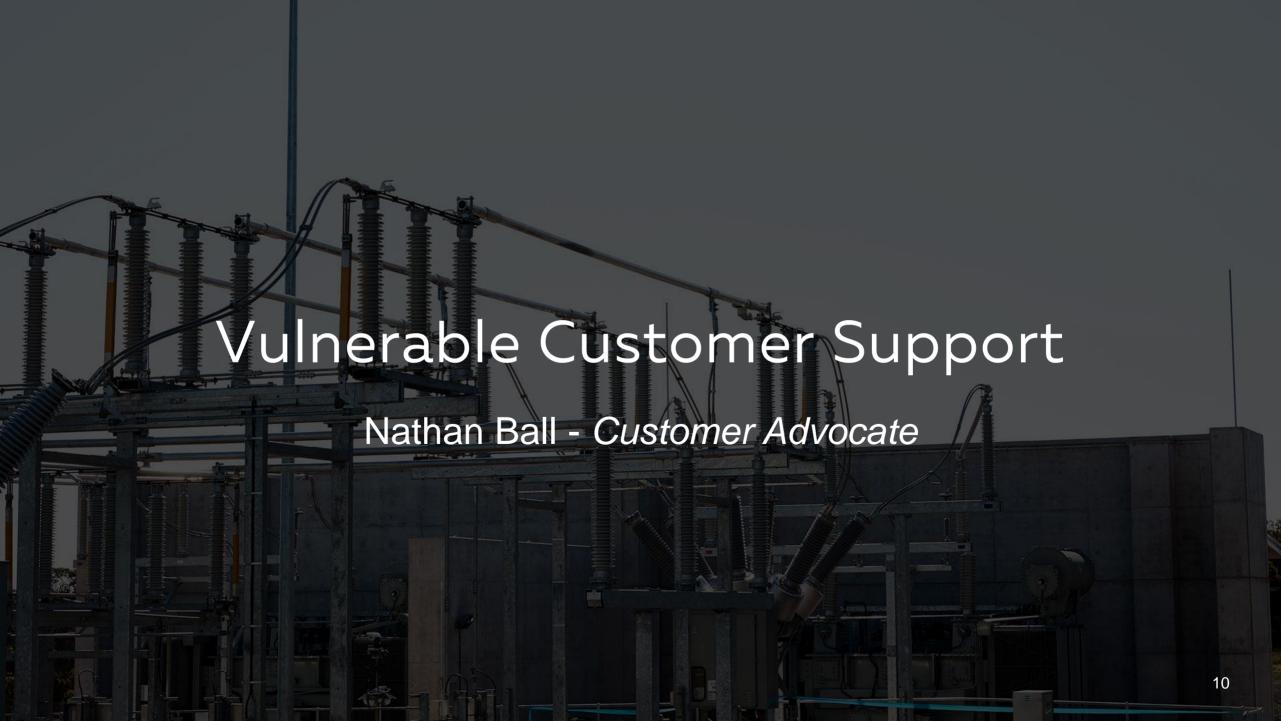












## Evolution of approach to Vulnerable Customers

### **Refreshed approach**

#### Refreshed legacy Hardship policy into new Vulnerable Customer policy

Expansion of the definition of Vulnerable Customers, being more explicit in the scope of services and payment options available.

### **Vulnerable Customers webpage**

### Other complementary initiatives

### **Participation in Energy Charter programs**

- Better understanding of Life Support Customers Australian Energy Foundation Life support research program and advocacy initiatives.
- Support for Culturally and Linguistically Diverse (CALD) communities Voices for Power, CALD energy literacy and safety Train The Trainer program.

### Life support customers

Contact centre dedicated call queue, SMS for planned and unplanned outages, call ahead for planned outages, electronic short waivers.

#### Private poles and assets in bushfire prone regions

• Direct discussions with Department of Regional NSW on support mechanisms for owners to maintain / repair private poles and mains.

#### Knock before you disconnect

Ausgrid to trial in South-West Sydney (COVID permitting).

#### **Industry forums on Vulnerable Customer support**

- AER workshops.
- Ombudsman harmonisation engagement.

### 2024-29 Regulatory Reset

· Opportunity for co-design of approach to Vulnerable Customers.

### Safety defects – private equipment

### **Background**

- All connections to Ausgrid's electricity network must comply with safety standards, including the NSW Electricity Supply Act 1995, the Electricity (Consumer Safety) Regulation 2006 and Ausgrid's Network Standards.
- A safety defect is issued when part of the electricity supply to a property has become defective and requires an electrical contractor or Accredited Service Provider (**ASP**) to rectify the defect.
- · Safety defects may include:
  - Incorrect, faulty or deteriorating wiring or private poles.
  - Alterations or additions to the connection not installed correctly (metering installations, solar equipment, battery installations).
  - Trees or branches growing too close to the electrical wires on the property.
- Under the AER's Ring Fencing Guidelines, these defects are unable to be covered by our Vulnerable Customer policy.







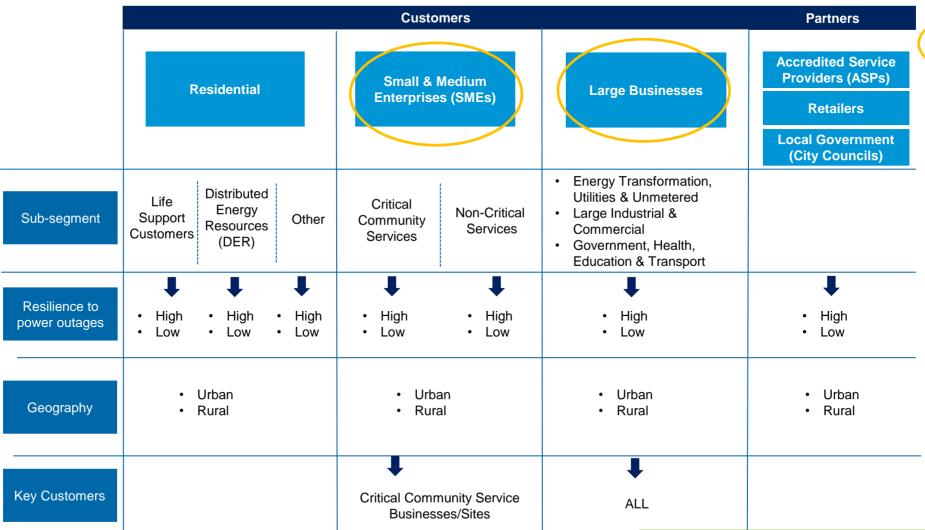
CCC Feedback: Are there any thoughts on how we may be able to provide support to vulnerable customers with private equipment safety defects?





## Ausgrid's Customer Segmentation Framework

This matrix outlines key attributes for each segment and subsegment for customers and partners. The attributes are derived from key segment characteristics that associate with segment needs and preferences.



Today's focus

### Ausgrid's view of Large Business

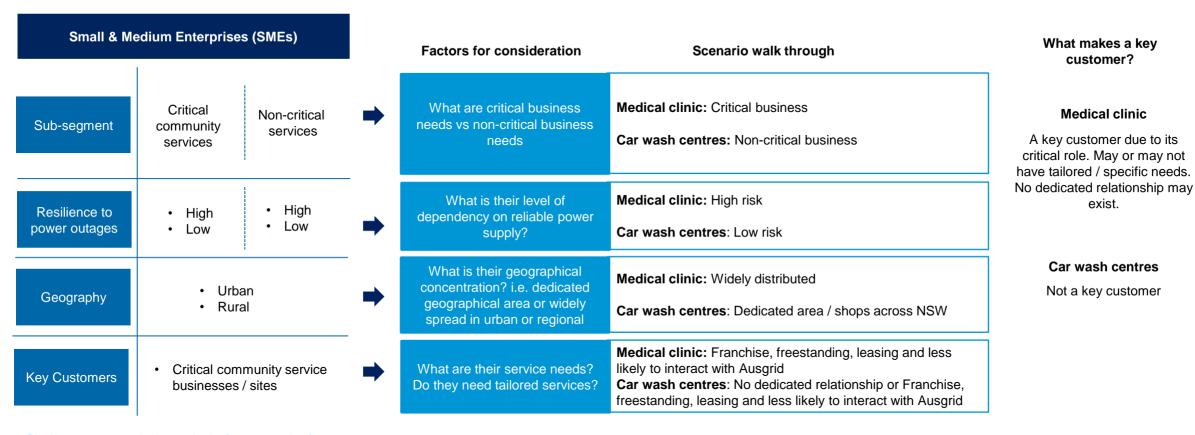
Large Businesses Includes Large Enterprises & Major Connections			Factors for consideration	Scenario walk through	What makes a key customer?
Sub-segment	<ul> <li>Energy Transformation, Utilities &amp; Unmetered</li> <li>Large Industrial &amp; Commercial</li> <li>Government, Health, Education &amp; Transport</li> </ul>	<b>→</b>	What are critical sector needs vs non-critical sector needs	Chemist Warehouse: Critical business The Star Casino: Non-critical business	Chemist Warehouse  A key customer due to the role in critical supply chain but there is no direct relation with such customer. They may be a free
Resilience to power outages	• High • Low	<b>→</b>	What is their level of dependency on reliable power supply?	Chemist Warehouse: High risk (eg vaccine storage) The Star Casino: Low risk	standing shop or leasing in a shopping precinct and may have varying needs.
Geography	• Urban • Rural	<b>→</b>	What is their geographical concentration? i.e. dedicated geographical area or widely spread in urban or regional	Chemist Warehouse: Widely distributed  The Star Casino: Dedicated precinct	The Star Casino  A key customer due to its tailored needs although no dedicated relationship may exist and less likely to interact
Key Customers	• All	<b>→</b>	What are their service needs? Do they need tailored services?	Chemist Warehouse: Franchise, freestanding, leasing and less likely to interact with Ausgrid The Star Casino: No dedicated relationship and less likely to interact with Ausgrid.	with Ausgrid.

#### Challenges to work through during consultation

- Many large business may not interact with Ausgrid but may be a critical business with diversified and distributed setting? For example: Petrol stations, pharmacy, essential retail that may be franchised, distributed and spread with no interaction with Ausgrid?
- What are the best methods to engage large business to test our view of their needs?
- What should be Ausgrid's service model to meet their core power reliability needs?



### Ausgrid's view of Small and Medium Enterprises



#### Challenges to work through during consultation

- Ramsey Health is a large enterprise vs other small clinics spread across different suburbs. How do we differentiate?
- Some SMEs may tend to have affinity for tariff flexibility and use of solar energy.
- What are the best methods to engage SME business to test our view of their needs?
- What should be Ausgrid's service model to meet their core power reliability needs and incident response needs?





### Ausgrid Strategy Refresh

### Strategy refresh, improved by customer & employee inputs



### Scope & kick-off project

Overview: a vision-led approach to refresh our strategy and feed into the regulatory reset will deliver value for customers, employees and shareholders.

#### Scope:

- engagement on the community's vision and aspirations for the future of energy use.
- corporate strategy refresh.
- customer engagement by Ausgrid and jointly with other networks for the regulatory reset.

### **Engage customers & employees** on the situation today

SEP

121

Develop shared understanding of Ausgrid's environment by engaging with customers and employees on:

NOUS customer, stakeholders & partners engagement

· customer & community vision and aspirations for the future of energy

#### KPMG Global market scan

external trends and their implications for Ausgrid.

#### Employee engagement

employee perspectives on the current strategy through survey and focus groups

NOV **'21** 

refresh

**FEB** 122

**Board strategy day** 

**APR** 122

## **Broad consultation incl. strategy**

Refresh the 'why' (vision and values) and 'how' (goals and strategy) elements of Ausgrid's strategy - engage employees and Customer Advocates to:

- align customers' aspiration and employee feedback on current strategy.
- identify Ausgrid's strengths and weaknesses.
- develop, prioritise, and refine changes to our 'why' and 'how'.

Test outcomes with Customer Advocates at December CCC.

### **Communicate and progress** planning

Communicate refreshed strategy with employees and bring to life:

- launch the refreshed strategy.
- build on FY22 business planning (BP) cascade process to connect employees to their role in strategy.





## Report development update - Highlights

#### **Maturity rating overall**

FY21 to FY22 – Empowered -Ontrack.

SAFER Principle 3 and 4

- Relaunched a customer co-designed Help Sheet for Life Support Customers, and with the help of Multicultural NSW and NSW Ethnic Communities Council had it translated into 10 languages for Culturally and Linguistically Diverse (CALD) communities.
- Delivered the Storm Safety campaign, which shared the message to always assume fallen powerlines are live, stay 8m or 2 car lengths away and to call Ausgrid immediately.
- Delivered a central web resource for all storm safety, reporting and incident news. The page is promoted before, during and after a storm to support customers looking for power updates, or to report hazards.
- We achieved the lowest TRIFR score (-17% compared to FY19).
- Improved safety in design and construction through reinforcing updates to our electrical safety rules specifically the practice of pre-construction site visits with Level 3 Accredited Service Providers (ASP/3s) to deliver better design and safety outcomes first time.

SMARTER Principle 1, 2, 3, 4 and 5

- We implemented a new Net Present Value (**NPV**) methodology which incorporates customer costs and benefits so that qualitative metrics (e.g. safety, reliability, customer time) are now given greater weight in investment decisions.
- The real-time Voice of Community (**VOC**) initiative was expanded to cover 25 different services, channels and market segments.
- Customer effort is being measured in near real-time across almost the entire suite of services offered to customers and partners, resulting in increased alignment of process, system and policy changes to experience.
- Launched SMS service for all unplanned outages. Planned outage SMS notifications launched for business and Life Support customers.
- Developed a dedicated Life Support Customer (LSC) web page and dedicated phone line to improve LSC access to resources
- Digitised our claim settlement and payment processes.
- Reduced our Average Days to Resolution (ADR) metric to our lowest ever score of 17.1 days.

SUSTAINABLE Principle 2 and 3

- In FY21 36,712 LEDs were installed across the network bringing the total to over 130,000 completed since the start of the program. 50% of lights in the network are now LEDs.
- The community batteries trial is progressing in three locations, with two batteries already installed with 37 customers signed up to the trial.
- Collaboration with Electric Vehicle (EV) charging network company JOLT to bring free EV charging kiosks across Sydney was launched with a prototype charger in May 2021.
- Demand management programs Virtual Power Plant, Behavioural Demand Response and Power 2U.
- Emissions reduced by 13% in FY21 for all emissions (ahead of target) and 18% for all emissions excluding line losses. In total, we have reduced our emissions by over 16,000 tonnes compared to FY20.



## Report update - FY22 Goals

SAFER Principle 3 and 4

- Trialling Knock Before You Disconnect with a retailer in an identified area to test program outcomes and long-term benefits
- Zero fatalities, 5.4 TRIFR, Zero NECF breaches
- Continue to implement remaining 6 Live Work tasks (4 in FY22)
- Increase awareness of Contestable Vegetation Management Trial and monitor safety, performance and efficiency
- LED Replacement Achieve 90% roll out on Category P roads. Target: 25-30,000 lights for FY22 for Category P roads; Begin Category V LED replacement roll out in FY23

SMARTER Principle 1, 2, 3, 4 and 5

- Enhanced Post Implementation Review (PIR) process to standardise the review across all areas of Ausgrid and increase the visibility of outcomes from PIRs at the IGC.
- · Achieve operating expenditure of \$361m
- Planned SMS / email notification rollout to all customers.
- Address 79% of all complaints in less than 20 Business days
- Work collaboratively with Ausgrid customer committees to develop a Regulatory proposal that reflects customer needs.
- Develop and implement a digital strategy that will inform customers in vulnerable circumstances on existing and broader support channels
- Trial Knock Before You Disconnect with a retailer in an identified area to test program outcomes and long-term benefits.
- · Work with the AEF and Energy Charter on progressing discussions on recommendations from "Better outcomes for energy consumers using life support equipment at home" report
- Invest in leadership and employee development and institute a reward and recognition program.

SUSTAINABLE Principle 2 and 3

- · Install Community Battery in Cameron Park, Lake Macquarie City Council and continue to expand trial participation at Beacon Hill and Bankstown
- Continue DMIA programs Behavioural Demand Response Trial, expand the VPP trial with new partners and introduce the new hot water load control program
- LED Replacement Achieve 90% roll out on Category P roads. Target: 25-30,000 lights for FY22 for Category P roads; Begin Category V LED replacement roll out in FY23
- Carry out the first SAPS trial with up to 10 participants in the Central Coast and Hunter region
- Reduce carbon emissions as part of our target to reduce emissions (excluding line losses) by 44% in FY24 and investigate short, medium and long term net zero emissions target options, including and excluding line losses.







### **Engagement Narrative**

#### Who is Ausgrid

Ausgrid operates the poles, wires and streetlights delivering electricity to homes and businesses across Sydney, the Central Coast and the Hunter region. We strive to connect communities and empower lives through the services we provide.

#### Why do we want to engage

We are now reviewing our strategy for the future, including a plan for 2024 to 2029.

As a result of listening to you last time, we've been striving towards connecting communities and empowering lives, with a focus on affordability, reliability and sustainability.

Our customers told us to focus on being affordable while being safe, smart, sustainable and resilient, and we have been listening. In responding to our customers' need for affordability we delivered a 32 per cent reduction in our network charges since 2014.

But the energy industry is changing, and so are our customers.

Listening to you will help us understand the right balance to strike to meet the diverse needs and aspiration of our customers.

### Why is the time now

The imperative for a low carbon future continues to increase, with more extreme weather including bushfires, flooding and storms.

The way we deliver energy has to change, as homes and businesses change the way they use energy by adopting new technologies such as solar. The pattern of energy use, reflecting the changes in the way we work and live, is evolving. The way we generate energy through renewable sources and our energy policies will drive change in the way we operate.

Consumer needs are also changing, with expectations of services becoming more individualised and the acceptance of new technology varying greatly. Within this rapidly changing environment the focus on energy affordability and good customer service remains critical.

#### Why should customers engage with us

We are at critical point, and we need to respond to ensure we continue to deliver for our customers and set ourselves up for long term success. We also need to ensure we remain inclusive, leaving noone behind and improving outcomes for the most vulnerable in our communities.

We need your help to shape our future priorities. Without understanding your views and your needs, Ausgrid cannot continue to evolve and improve.

We don't have all the answers, yet we need to make the best decisions for future generations.

We commit to listening and reflecting your views and priorities in our long-term strategy, including our plan for 2024 to 2029.

#### What's our goal

Your participation will help us strive towards a future energy network that works for everyone; a network that is safe, smart, sustainable and resilient for generations to come.

## Regulatory Proposal objective and success measures

	The Regulatory Proposal							
Objective	<ul> <li>enables our long-term strategy to efficiently deliver safe, reliable, quality, affordable and innovative energy network services that deliver enhanced customer, community and shareholder value now into the future.</li> </ul>							
	<ul> <li>generates customer support and is capable of acceptance by the AER.</li> </ul>							
	<ul> <li>Customers, stakeholders and employees provide positive feedback on their role in shaping the RP.</li> </ul>							
	<ul> <li>The RP contains no surprises for stakeholders.</li> </ul>							
Cuasas massumas	The RP improves customer outcomes.							
Success measures	The Board endorses the RP.							
	<ul> <li>The AER draft decision substantially supports our RP.</li> </ul>							
	<ul> <li>Key elements of our customer engagement program are recognised as industry-leading.</li> </ul>							

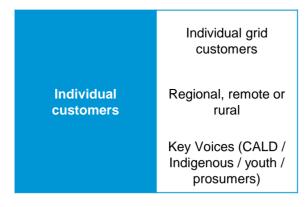


## Engagement objectives

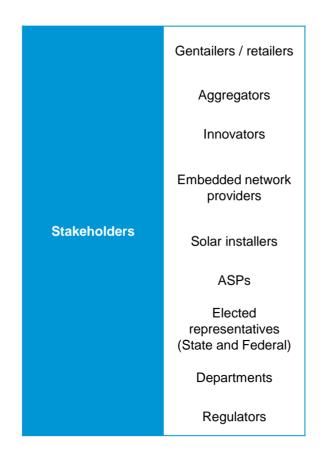
Objective	Description
To listen to customers and act on what we have heard	<ul> <li>Ensure we are listening to what customers are saying, avoiding the tendency to hear only what suits our thinking and planning.</li> <li>The engagement will be designed to capture and respond to both breadth and depth of customer views.</li> </ul>
To understand customer aspirations and preferences	<ul> <li>Rephrased: Engagement activities identify customer preferences and views on current and future energy services and are reflected in our Strategy and Regulatory Reset.</li> </ul>
To reach diverse audiences	<ul> <li>Engagement utilises approaches that enable diverse customers and stakeholders to meaningfully contribute.</li> <li>Achieve an improved understanding of diverse customer preferences and how to address them through the regulatory reset process.</li> <li>Ausgrid is a more diverse and inclusive business.</li> </ul>
To build trust and confidence	<ul> <li>Allow open dialogue which challenges Ausgrid's approach and practices.</li> <li>Customers have trust in the process and rationale behind decisions, even if all positions are not agreed to.</li> <li>Stakeholders and customers have confidence that Ausgrid has genuinely listened and that investment decisions are in the long-term interests of customers.</li> </ul>
To drive cultural change	Strengthen Ausgrid's incorporation of customer views into planning and service delivery.
To be industry leading	<ul> <li>Ausgrid staff are proud of our engagement.</li> <li>Building on successful industry practices and evolving collaborative engagement.</li> </ul>

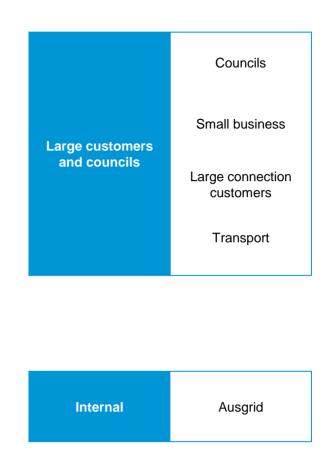


## Engagement streams overview











## Customer Engagement Program

### We are utilising multiple targeted engagement methods across three phases

Phase	Government, industry and business	Individual customers	Civil society
Customer preferences Oct - Dec 2021	Deep-dive conversations or targeted research on high-level topics and tailored questions.	<ul> <li>Regionally based deliberative forums.</li> <li>Cross-network youth forum.</li> <li>In-language CALD discussions.</li> <li>Indigenous engagement</li> </ul>	<ul> <li>Civil society forum - explores ways to ensure vulnerable groups are not "left behind" in energy transition.</li> <li>"Spot" engagements with a selection of vulnerable groups.</li> </ul>
Price/service trade-offs Jan - May 2022	<ul> <li>Forum brings stakeholders within each group together to discuss trade-offs.</li> </ul>	<ul> <li>Regionally based deliberative forums.</li> <li>Cross-network youth forum.</li> <li>Discussion with CALD and indigenous customers in their communities.</li> </ul>	<ul> <li>Civil society forum to test trade-offs and develop ongoing initiatives.</li> <li>"Spot" engagements with a selection of vulnerable groups.</li> </ul>
Testing our Draft Plan Sept - Dec 2022	Industry wide forum to feed back on the draft plan.	<ul> <li>A selection of all participant come together for a 21<sup>st</sup> Century (21C) Town Hall event.</li> </ul>	Forum participants take part in 21C Town Hall.









## Stream overview - individual households

Phase	Activity		Description	IAP2 level
1	Research and outreach: broad customer base and prosumers	•	This research could be used both to recruit for, and as an input to, the deliberative forums	Involve
1	Online engagement: kitchen-table discussions	•	Either on The Hive or Engagement HQ	Involve
1 2	Area-based deliberative forums	•	Newcastle / Hunter  Central Coast  Greater Sydney	Collaborate
3	TBD: 21st Century Town Hall (21C)	•	Bring together representatives from across our individual customer engagement activities to participate in a wide-ranging Town Hall forum to provide feedback on the draft plan	Collaborate



## Stream overview – key voices

Phase	Activity	Description	IAP2 level
1	Prosumer research	Understand values and aspirations of prosumers	Consult
1 2 3	In-language discussion circles	<ul> <li>Arabic, focus in Canterbury - Bankstown</li> <li>Mandarin, to include Georges River but seeking wider input</li> <li>Vietnamese, Endeavour Energy to lead</li> <li>SME interviews</li> </ul>	Involve
1 2 3	Yarns with Aboriginal leaders	<ul> <li>We will seek the advice of an aboriginal-owned business to help us build our knowledge of Country and cultural awareness</li> </ul>	Collaborate
1 2	TBD: Youth questionnaire and outreach, and Youth Forum	<ul> <li>Survey of young people to gauge their knowledge of, and values in relation to, our reset topics. This questionnaire would be distributed through student union members, social media and youth political groups.</li> <li>Youth Forum that will meet during Phases 1 and 2. We will explore opportunities to leverage existing youth forums (for example the NSW Youth Advisory Council).</li> </ul>	Collaborate
3	TBD: 21st Century Town Hall (21C)	<ul> <li>Bring together representatives from across our individual customer engagement activities to participate in a wide-ranging Town Hall forum to provide feedback on the draft plan.</li> </ul>	Collaborate



## Stream overview - civil society

Phase	Activity		Description	IAP2 level
1	Internal data collection	•	Interrogation of complaints and feedback	Consult
1	Structured interviews - key organisations	•	Identify organisations representing broad-based alliances, could include the Sydney Alliance, the Hunter Alliance, the South Coast Health and Sustainability Alliance, St Vincent de Paul  Conduct 'structured interviews' to gauge their own and their constituents' interest and literacy in energy issues  Invite organisations to partner with us to explore ways to ensure communities and vulnerable groups are not 'left behind' in the energy transition  Gauge their interest in an Energy Futures Forum to discuss these issues in a collaborative setting	Collaborate
2	"Spot" engagements	•	Advice garnered from structured interviews would shape "spot" engagements with a selection of community and vulnerable groups	Involve
2	Civil society energy forum	•	Establish a civil society energy forum during the early part of Phase 2	Collaborate
3	Civil society energy forum	•	The civil society energy forum would reconvene following the drafting of the participants would be invited to participate in the 21C Town Hall	Collaborate



## Stream overview – small business

Phase	Activity	Description	IAP2 level
1	Small business profile	<ul> <li>We will use internal information and data to profile typical small businesses in our network for example, a rural business that owns its premises, a tenant in a suburban shopping centre, an agricultural business, a retailer, a hospitality business etc etc).</li> </ul>	Inform to Consult
1	Listening conversations with SMEs	<ul> <li>We will head out to meet a random selection of small businesses of varying kinds guided by our profiling.</li> <li>The purpose of these meetings is to listen to what small businesses are experiencing in relation to energy use, and use the feedback as an input to subsequent engagement activities.</li> </ul>	Inform to Consult
1	Structured interviews with industry organisations	<ul> <li>In addition, we will approach industry organisations representing small business to conduct structured interviews. These could include the Small Business of Australia Association, and the Council of Small Business Associations Australia. Both organisations advocate around climate change and energy.</li> <li>We will undertake one-on-one conversations with these organisations to understand the key issues affecting their members.</li> </ul>	Consult
2	"Spot" engagements	<ul> <li>Advice garnered from Phase 1 activities would shape further engagements with a selection of small businesses to provide indicative insight into energy issues.</li> </ul>	Involve
2	Reset topic forums	<ul> <li>We will invite stakeholders to participate in a series of forums throughout Phase 2, structured around our reset topics and questions.</li> </ul>	Collaborate
3	TBD: Energy Industry Forum	<ul> <li>Subject to how conversations with partners progress, during Phase 3, we may bring together representatives from across the industry and business stream to provide feedback on the draft Proposal.</li> </ul>	Collaborate



## Stream overview - councils and transport

Activity

Phase

Tilase	Activity		Description	IAI Z ICVCI
1	Deep dive conversations	•	Identify issues and relevant councils impacted	Involve
0 2	Council subgroups	٠	We will conduct issue-specific subgroups as identified during Phase 1	Collaborate
Phase	Activity		Description	IAP2 level
1	One-on-one deep-dive conversations	٠	<ul> <li>Deep dive conversations will be held:</li> <li>with up to five representatives from each supply chain category, and our top large-connection customers.</li> <li>one-on-one as some, for example gentailers, may not be willing to share information with other organisations in the room.</li> <li>jointly with other DNSPs as many are common across networks</li> <li>gauge interest in reset topic forums in Phase 1 and 2.</li> </ul>	Involve
2	Energy in transport forum	•	Bring together representatives from across these stakeholder groups to provide feedback on the draft Proposal.	Collaborate
3	TBD: Energy Industry Feedback Forum	•	Reconvene representatives from across these stakeholder groups to provide feedback on the draft Proposal.	Collaborate

Description

IAP2 level

### **Evaluation**

### **AER Statement of Expectations**

• We will develop evaluation components of the Framework further following the release of the AER's statement of expectations

### **Post Implementation Review**

At the end of **each engagement phase** (in January and May 2022, and December 2023) the Ausgrid team and RCP will undertake a Post Implementation Review, using the summarised feedback to determine:

- what we have heard and how might we modify engagement questions for the next phase
- · what cross-cutting themes are emerging across customer and stakeholder groups and
- how we might begin to address key issues in the draft proposal
- what do customers think of our engagement, and how we might modify approaches for the next phase.







### What does resilience mean?

### Network

- Ability to reconnect customers quickly from major events, particularly wide area long duration outage events.
- Understanding most vulnerable aspects of network and finding mitigation solutions
- Preparing assets for events
- Asset hardening
- Network forecasting
- Implementing not-network solutions (SAPS, microgrids, mobile units, non traditional supplies of energy)
- Vegetation management

# Community

- Ability to withstand or recover from adverse situations/events
- Emergency preparedness
- Training, education, other support tools.
- · Weather forecasting
- Vulnerable community members
- Implementing new technology
- Support services
- (i.e. hot showers and meals) during prolonged outages

- Recovery from natural disaster risks but also its ability to recover from economic and health crisis disasters.
- Considers resilience to all critical infrastructure impacts and personal property.
- Emergency shelters and meeting points.
- Programs to provide community support at grass roots level
- Community preparedness (education and training)



### Network resilience

### **NIAC**

"The ability to anticipate, withstand, quickly recover<sup>1</sup> and learn from disruptive events<sup>2</sup>, particularly wide area, long duration outage (WALDO) events."

- 1. Recover in this context refers to reconnecting as many customers as quickly and safely as possible to minimise customer time without power.
- 2. Disruptive events refers to events such as extreme weather events, cyber attacks, or losses in power supply from fluctuations in intermittent energy sources.

## Joint DNSP

"The ability to enhance our capacity to withstand and recover from significant climate related disruptive event(s), and better understand and manage the increasing risks of a changing climate."

**CCC Feedback:** Are you still comfortable with the first definition?



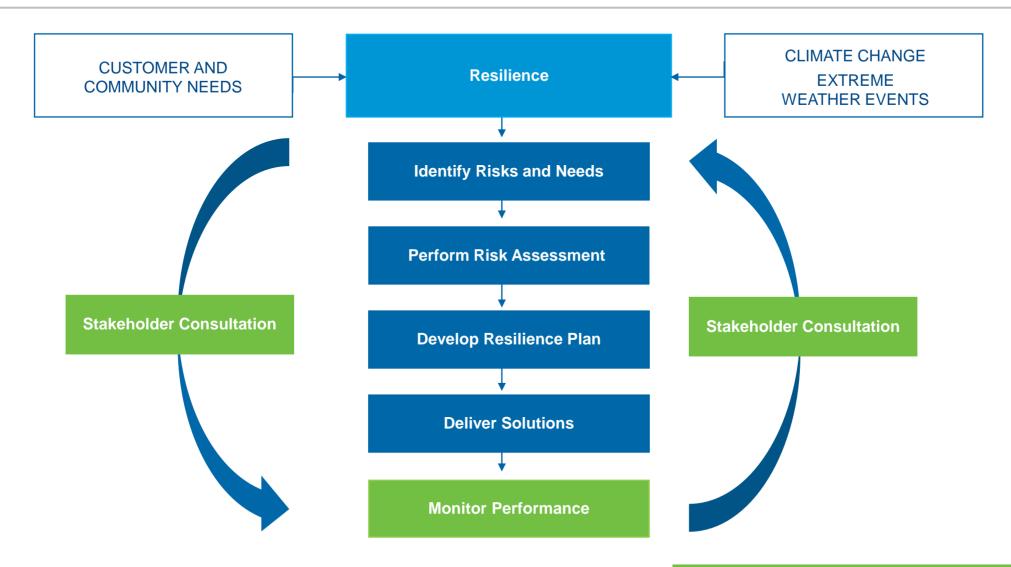
## Developing a joint DNSP position on climate resilience

Common Challenges	Description
Resilience Definition	<ul> <li>The topic of resilience is current very broad and is currently not defined in the NER.</li> <li>DNSPs need to establish an agreed upon definition of resilience and how we approach it</li> <li>Each geographic region in Australia is facing an increasing frequency of extreme weather events and increasing costs of weather event recovery.</li> <li>There is significant diversity in the climate risks and the resilience definition needs to be broad enough to capture this.</li> </ul>
Risk Assessment Framework	<ul> <li>Currently there is no standardised DNSP risk assessment framework.</li> <li>Establish a framework to understand the network and financial impact of climate change related extreme weather events. The framework should include adaptation strategies and cost benefit analysis.</li> <li>Framework should be performance based not prescriptive in nature.</li> </ul>
Regulatory	<ul> <li>6 of 13 DNSPs are going up to the regulator with their 2024-2029 submissions.</li> <li>Alignment in approach on resilience via regulatory reset proposals.</li> <li>Climate resilience is not currently within scope of the reset submissions for the AER.</li> </ul>

**CCC Feedback:** To what extent should we aim to coordinate with DNSPs on climate resilience?



### Resilience Framework





### Climate impact assessments

Phase 1

**Objective 1** 

## Develop climate impact assessment framework

#### **Key Initiatives**

- Establish a framework to understand the network and financial impact of climate change related extreme weather events
- Develop a methodology for adaptation strategies with a CBA analysis as part of framework
- September October 2021

Phase 2

**Objective 2** 

## Model potential future climate scenarios and identify high risk areas

#### **Key Initiatives**

- Utilise developed framework to model potential future climate scenarios of Ausgrid's network
- Develop hotspot map that identifies areas of network most at risk of asset failure with high probability of extreme weather event
- Perform network performance analysis by asset classification and financial modelling of risk/adaptation strategies
- Create prioritised list of strategies based off modelling and CBA
- October December 2021

**Objective 3** 

#### **Develop case studies**

#### **Key Initiatives**

- Develop case studies from hotspot map
- Studies to deep dive on non-network community based resilience solutions and network solutions to make community more resilient
- Should highly strategies to reduce service interruption and better preparedness
- October December 2021



