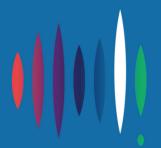
Business Plan

Promoting the long-term interests of consumers of energy 2020-2021







Contents

Chair Statement	4
About Energy Consumers Australia	5
Our Vision and Values	6
Our Stakeholders	6
Long term outcomes for energy consumers	8
Our Business Plan for 2020-2021	9
Our Risk Oversight	18
Annexure 1: Role and Purpose of Energy Consumers Australia Direct	orates
	19



Version history

VERSION	DATE	COMMENTS
1	27 September 2019	Original Draft
2	24 October 2019	Incorporating Commonwealth and Jurisdictional Feedback
3	30 September	Final incorporating new biannual reporting template

© Copyright 2020 Energy Consumers Australia



This work by Energy Consumers Australia is licensed under a Creative Commons Attribution 4.0 International License. To view a copy of this license, visit http://creativecommons.org/licenses/by/4.0/.

Where you wish to use the Business Plan a way that is beyond the scope of the above Creative Commons Attribution 4.0 International License, you must seek permission from Energy Consumers Australia. Requests for permission or any other enquiries relating to this copyright notice must be addressed to info@energyconsumersaustralia.com.au.



Chair Statement

There are still many challenges to overcome to create an energy system that works for consumers and provides the services that consumers want at a price they can afford.

Listening to the voice of residential and small business consumers, who are telling us that they want comfortable homes, competitive businesses and bills that don't make them anxious is central. Consumers are willing to be active partners in reining in their bills by lowering power use, but they need better information and support to do that and many expect a reward for effort.

This is the critical context for Energy Consumers Australia's Business Plan for 2020-21 – a research, advocacy and collaborative agenda to speak up for consumers about the urgent affordability challenges and, longer-term, the bigger re-set and plan needed for a sector in transition.

In this year, following Energy Consumers Australia's first 3-year independent review, a constitutional requirement, we are focused on continuing to implement the recommendations of the Review to better leverage our impact.

We will do this by using our expertise to build the evidence base, clearly communicate priorities of strategic importance, support the consumer advocacy community and work across the sector to influence decision makers with the aim of effecting significant change in the long-term interests of consumers.

We continue to organise and explain our priorities through an *affordable*, *individualised* and *optimised* framework. We are using our Business Plan to develop and implement a new impact performance framework and will report progress through our Annual Report.

We continue to monitor progress on our objectives through our biannual Energy Consumer Sentiment Survey, which tracks value for money, confidence and trust in the sector and through a new stakeholder survey and direct feedback from consumers.

No one organisation or part of the sector can deliver the change we need for households and small businesses. That is why Energy Consumers Australia continues to support strong and diverse energy consumer advocacy and research through the Grants Program in this Business Plan.

At Energy Consumers Australia we are convinced that a competitive and innovative energy market is within reach, providing we work together, get the market design right, provide the right support where it's needed and above all else, listen to the voices of consumers. This plan sets out the part that we will play this year.

Louise Sylvan AM Chair



Energy Consumers Australia is an independent company established by the Council of Australian Governments Energy Council (COAG Energy Council) to provide residential and small business consumers with an influential voice in national energy matters. It is incorporated as a company limited by guarantee and funded by consumers from levies collected by the Australian Energy Market Operator (AEMO).

Our Constitution¹, defines our Objective as well as the Activities to achieve it.

Objective

"To promote the *long-term interests of Consumers of Energy* with respect to price, quality, safety, reliability and security of supply of Energy services by providing and enabling strong, coordinated, collegiate evidence-based consumer advocacy on National Energy Market matters of strategic importance or material consequence for Energy Consumers, in particular Residential Customers and Small Business Customers."

Activities

- Effectively and objectively participate in National Energy Market issues and influence regulatory activities and energy market reform to benefit consumers
- Engage and communicate with consumers and consumer advocates about NEM policies, reforms and issues
- Build national and jurisdictional expertise and capacity through research, knowledge development and consultation
- Undertake robust research to build knowledge, engage and influence policy development and educate consumers in the energy markets
- Fund and manage grants to build knowledge and sectoral capacity supporting policy development and consumer education in the National Energy Market
- Create and maintain effective working relationships with key stakeholders
- Develop and apply an understanding of the distinct market differences between jurisdictions within the National Energy Market
- Frequently and collaboratively engage and communicate with representatives from the Energy Industry on issues in the interests of Consumers.

In performing these Activities, Energy Consumers Australia must have regard to any relevant objectives² set out in the National Energy Laws.

¹ Energy Consumers Australia Constitution. While the company has only one member (the South Australian Minister) the constitution itself is agreed by the COAG Energy Council

Minister) the constitution itself is agreed by the COAG Energy Council.

National Electricity Objective (Section 7 of the National Electricity Law)



Our Vision and Values

Our Purpose (why we do what we do)

To enable the voices of consumers to be heard so their interests are reflected in energy market outcomes.

Our Vision (where we want to end up)

Future focused consumer driven energy markets meeting residential and small business consumer needs for Affordable, Individualised and Optimised energy services.

Our Mission (what we do)

We promote the long-term interests of consumers with respect to the price, quality, safety, reliability and security of supply of energy services.

Values (how we do it)

We value independence, integrity and impartiality. We are focused on being collegiate, evidence based, capable and influential to build strong advocacy for residential and small business consumers.



Our Stakeholders

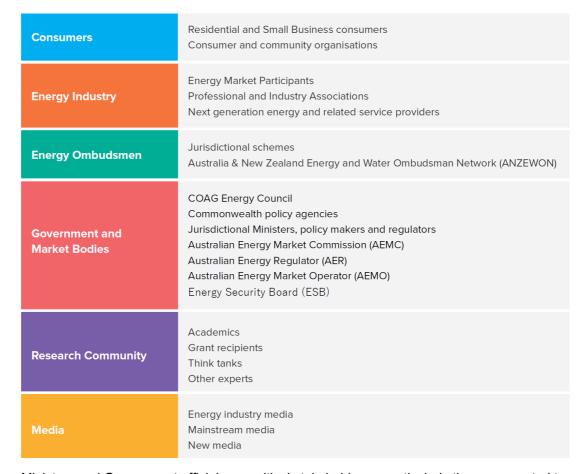
We operate in a complex environment, working with a range of public and private sector interests on difficult, systemic issues on behalf of residential and small business consumers. These consumers are not homogeneous; they have diverse preferences and capabilities that must be reflected in our advocacy.

Our ability to deliver outcomes for consumers therefore hinges on our ability to listen, share research and experience, forge partnerships and collaborate to solve problems.

Our stakeholders

Our primary stakeholders are residential and small business energy consumers. Importantly, we set out to represent all households and small businesses, ranging from those who are disengaged, or struggle with the affordability of energy, through to consumers who are engaged and taking advantage of new technology and service offerings.

We also see ourselves as part of a strong community of advocates and researchers contributing to a shared evidence base for policy making in the long-term interests of energy consumers. For Energy Consumers Australia to perform its role, we must have strong, sustainable relationships with all stakeholders.



Ministers and Government officials are critical stakeholders – particularly those connected to the COAG Energy Council – since it is these elected representatives and officials who lead the policy towards energy markets. Similarly, the Energy Security Board, the three market bodies (the Australian Energy Market Commission, the Australian Energy Regulator and the Australian Energy Market Operator) and jurisdictional regulators and Ombudsman Offices are central to our advocacy.

The energy market is undergoing a rapid transformation to accommodate a changing fuel mix, a more diverse geographic distribution of generation resources and greater ability to control load, in part through storage. This makes our ability to constructively engage with policy, market and regulatory bodies more critical than ever.

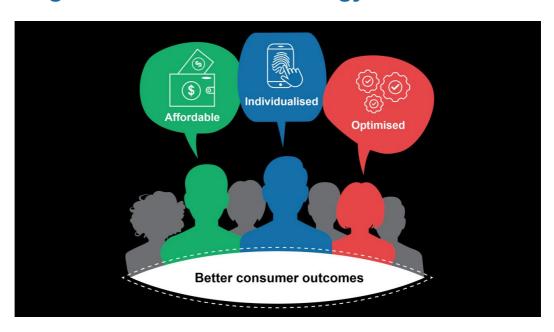
The existing market is served by generators, networks and retailers that collectively represent many billions of dollars in assets. The decisions these businesses make and the way they engage with policy and consumers make them important stakeholders.

Some consumers are taking steps to become actors in the market, often with products and services from small innovator companies. Increasingly these innovations will require flexible policy and regulatory responses. Innovators in the sector are important stakeholders.

To ensure the voice of consumers is heard, we also constructively engage with the media who help shape the national debates about energy policy and regulation.



Long term outcomes for energy consumers



Energy Consumers Australia's long-term strategic goals are to contribute to an energy system that is responsive to consumer needs in that it provides:

- Affordable energy to households and small businesses
- Individualised energy services that give consumers choice and control
- an Optimised energy system that minimises costs for consumers.

Affordable

Affordability must be a constraint on all our investments and decisions about energy – an explicit criterion in our decision-making up and down the supply chain. Consumers want prices to return to more normal levels and to be confident they are getting value for money.

Individualised

Energy services must be built around individuals to reflect their unique circumstance; enabling people to manage their own use and costs, including how they generate and store electricity. Households and small businesses are willing partners if provided the support they need to make further change – whether that be more information, new technology or other support.

Optimised

Existing and future investment in the power system must be optimised. Key to optimising our energy system is providing genuine choice and control to households and small businesses, rewarding their flexibility and embracing them as partners for change.

Our Business Plan for 2020-2021

Our Business Plan is aligned with the Board's long-term outcomes for energy consumers and our Vision and builds on the work in prior years. This year it is particularly informed by the recommendations of the Independent Review of Energy Consumers Australia undertaken on behalf of the COAG Energy Council by KPMG and the Review Implementation Plan., that was approved in November 2019.

This plan is intended as information for key external stakeholders on our priorities and also as a document for Energy Consumers Australia internally on key performance areas and high-level deliverables for each focus area.

Energy Consumers Australia core activities are policy and advocacy, research and the Grants Program.

Our policy and advocacy work in this Business Plan falls under four strategic priorities:

- 1. lowering energy bills
- 2. enabling consumer agency
- building trust and confidence
- 4. an energy system transition led by consumer choices and values.

The specific policy and advocacy activities that we will undertake in this Business Plan are detailed in the Table below.

There are two activities within this Business Plan where we will continue to progress matters where Energy Consumers Australia had been tasked by Energy Ministers:

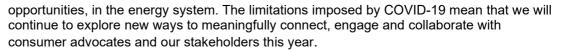
- the New Energy Tech Consumer Code; and
- the Review Implementation Plan, approved by Ministers in November 2019, to give effect
 to the recommendations of the KPMG Review of Energy Consumers Australia. This
 includes undertaking a Grants Program Review, in consultation with stakeholders.

We regularly undertake unique research which informs policy and decision making, including the bi-annual Energy Consumer Sentiment Survey and SME Retail Tariff Tracker.

Commencing in 2019-20, Energy Consumers Australia has supported the Digital Energy Futures (DEF) project. DEF is an Australian Research Council Linkage Project (with \$2.3 million total funding) and is a partnership between Monash University, the Australian Research Council, Ausgrid, AusNet Services and Energy Consumers Australia Limited. It is drawing on future-focused social science research, to better understand how emerging technologies are shaping the way people live – and ultimately, the future energy needs of Australian households.

Within this Business Plan we have commissioned a Consumer Panel that is investigating the experience, including the importance of energy, in bushfire affected communities (this year in East Gippsland). This research builds on our history of engaging directly with communities, which is challenging in the current environment. Such research is vital for ensuring that Energy Consumers Australia can continue to represent consumers interests and help to fill an evidence gap for policy and decision makers who rarely hear directly from consumers.

Energy Consumers Australia, through its annual Foresighting Forum and the Board Stakeholder Forums held throughout the year in National Energy Market jurisdictions, brings together a range of stakeholders to discuss and understand the diverse challenges and



IMPACT AND PERFORMANCE FRAMING

The Impact Performance Framing is an over-arching roadmap to achieving impact for the benefit of consumers.

ECA WILL	SPECIFIC ACTIVITIES	OUTCOMES	IMPACT
Build the evidence base for influence and impact	 ECSS Commissioned research Grants Program Stakeholder Survey Analyse consumer feedback and engagement 	Robust evidence of consumer preferences available to energy sector decision makers	ECA evidence is central to decision making in the sector
Build jurisdictional capacity and expertise	Support jurisdictional advocates including through the ECA Grants Program and access to technical expertise and advice. Implement the Grants Program Review Enhance engagement with jurisdictions	Grants Program regarded by applicants and sector decision makers as fit for purpose Jurisdictions are satisfied with the evidence and insights from ECA Research and Grants Program	Advocates and Policy makers using insights from the Grants Program and ECA Research to benefit consumers.
Use the evidence base to influence policy, regulation and business practice to improve outcomes for energy consumers.	 Strategic priorities: Lowering energy bills Enabling consumer agency Building trust and confidence An energy transition led by consumer choice and values 	Policy makers and decision makers understand and respond to ECA positions to improve outcomes for energy consumers	Consumers enjoy energy services that they want at a price they can afford.
Communicate priority areas of strategic importance	Communications and Digital Strategy guiding communications: Policy and Advocacy Research Grants Program	Consumer outcomes reflected in decisions Consumers better informed to make good decisions in their own interests	they dan anoid.



Strategic Priority 1 Lowering energy bills			
PROJECT/REFORM AREA	DELIVERABLE	IMPACT ON CONSUMERS	MEASURE (ECSS)
Rate of return on network investment is in long term interests of consumers	Consumers have confidence that the regulator has set a rate of return that is in their long-term interests, through our participation in the AER Review, membership of the Consumer Reference Group (CRG) and financial contribution to the CRG	The rate of return determined by the AER impacts 60% of the network allowed revenue, and has a significant impact on prices paid by consumers	Value for money
Least cost electricity distribution networks	Consumers are assured investment in the 5 Victorian electricity distribution networks is least cost, through our direct engagement and support for jurisdictional advocates (both financial, and access to technical advice and expertise).	Participation in the network revenue setting processes directly impacts consumers by putting downward pressure on around 40% of the retail electricity price stack in Victoria.	Value for money
Least cost gas networks	Consumers are assured that the investment in Evoenergy and AGN SA gas distribution networks is least cost, in the context of a net zero emissions scenario, through our engaging directly, and by supporting jurisdictional advocates with technical and expert advice to support their participation	Participation in the network revenue setting processes directly impacts consumers by putting downward pressure on a around 50% of the retail gas price stack	Value for money

Strategic Priority 2 Enabling consumer agency			
PROJECT/REFORM AREA	DELIVERABLE	IMPACT ON CONSUMERS	MEASURE (ECSS)
Frameworks for supporting vulnerable consumers	Vulnerable consumers are able to access to timely and appropriate assistance, to access the power they need in their homes and businesses, including through our engagement with AER and ESCV	Disconnections for non-payment of energy bills are avoided, which reduces costs to consumers	Consumer confidence
Rewarding flexibility	Consumers are able to understand and respond to opportunities to be rewarded for flexibility in their use and generation, in their homes and businesses, including through our engagement on innovation in pricing, enabling technologies, and new business models	Consumers who choose to do so, can manage and control their bills with confidence in the outcome, through participation in programs that reward flexibility in their use and generation.	Consumer confidence
Social licence for control over DER	Consumers have trust and control in their participation in DER markets and the energy market, including through our engagement with the setting of technical standards for devices and specification of metering functionality	This benefits consumers directly and indirectly, through a more resilient and distributed energy system, that lowers future investment in large scale assets and improves security and reliability.	Consumer confidence

Strategic Priority 3 Building trust and confidence			
PROJECT/REFORM AREA	DELIVERABLE	IMPACT ON CONSUMERS	MEASURE (ECSS)
Consumer Data Right in the energy sector	Consumers have easy, convenient and safe access to data on their use, to enable informed choices of energy and energy tech suppliers, including through our engagement on the Consumer Data Right.	Consumers through better informed decisions are able to manage and control their energy bills	Consumer confidence that the market is working in their interests
Fit for purpose consumer protection frameworks	Consumers have appropriate protections for their energy services and technology decisions, including through our engagement on the implementation of the New Energy Tech Consumer Code administration and communications campaign	Consumer access to fit for purpose consumer protection frameworks, and knowledge of their rights, provides greater confidence and trust in new energy services and technologies.	Consumer confidence that the market is working in their interests
Frameworks to achieve low energy homes	Consumers have the opportunity to improve and maintain the energy efficiency of their homes and businesses, including renters, including through our engagement in the Trajectory for Low Energy Homes directly and in collaboration with other advocates and stakeholders.	Consumer bills will be lower and energy more affordable, with lower energy system costs because of energy efficiency.	Consumer confidence that the market is working in their interests

Strategic Priority 4 An energy transition led by consumer choice and values			
PROJECT/REFORM AREA	DELIVERABLE	IMPACT ON CONSUMERS	MEASURE (ECSS)
National forecasts of potential (load and generation) flexibility	ISP 2022 reflects the potential for flexibility on the demand side, including participation of residential and small business consumers, through our participation in AEMO's process and engagement on the Consumer Panel	Over the long-term energy will be more affordable, and system security and reliability is sustainable.	Consumer confidence that the market is working in their interests, now and in the future
Least cost transmission investment	Consumers are assured that investment in additional/new transmission capacity is least cost, and no earlier or later than required, including through our direct engagement with networks, and through the ISP 2022 process	The timing and cost of transmission investment will avoid unnecessary increases on consumer bills, while supporting system security and reliability	Value for money
ESB Post 2025 Market Design package – two sided markets and DER integration	Consumer design is at the centre of the two-sided market and DER Integration initiatives, including through our direct engagement with the ESB and collaboration with, and support for, other advocates and stakeholders	Over the long-term energy will be more affordable, and system security and reliability is sustainable.	Consumer confidence that the market is working in their interests, now and in the future

SPECIFIC ACTIVITIES

Research Directorate

ACTIVITIES	PERFORMANCE MEASURE	DUE
Implement remaining findings of the Grants Program Review (ECA Review Implementation Plan #7, 9)	 Improved sustainability, transparency and impact of the Grants Program Communicate insights and impact of the Grants Program Positive response reflected in stakeholder survey 	June 2021
Support consumer engagement in network processes (ECA Review Implementation Plan #8)	 Implement the outcome of 2019-20 consultation with ECA reference Committee, National Consumer Roundtable on Energy, Grant recipients and other stakeholders Positive response to the stakeholder survey 	March 2021
Energy Consumer Sentiment Survey (ECA Review Implementation Plan #9)	 Publish the Energy Consumer Sentiment Survey to build the consumer voice Well attended Annual Research Roadshow communicating findings result in industry action to improve outcomes Governments, energy departments, market bodies reflect consumer concerns as a result of briefings Results presented at major conferences and events External citations promoting the findings 	Dec 2020 June 2021
SME tariff tracker (ECA Review Implementation Plan #9)	 Publish SME tariff tracker Use Insights Reports to highlight impact on SMEs External citations promoting the tracker 	Dec 2020 Jun 2021
Leverage the insights of the Power Shift Program	 Deliver Power Shift program objectives to benefit households Progress ECA contribution to COAG EC National Energy Productivity Plan 2015- 2030, items 3 and 4 	June 2021

Advocacy & Communications Directorate

ACTIVITIES	PERFORMANCE MEASURE	DUE
Enhance ECA's consumer facing communications (ECA Review	 Implement findings of the Digital Review Leverage grant program and other available resources Assess progress through annual review of feedback from consumers 	Dec 2020

ACTIVITIES	PERFORMANCE MEASURE	DUE
Implementation Plan #4)		
Communicate priorities of strategic importance (ECA Review Implementation Plan #1)	 Successful implementation of the Communications strategy Positive response reflected in the stakeholder survey 	Dec 2020
Engage with federal and state government officials (ECA Review Implementation Plan #3)	 Implement the outcome of the 2019/20 jurisdictional engagement Positive response reflected in the stakeholder survey 	Dec 2020
Propose energy market rule changes (ECA Review Implementation Plan #2)	 Continually consider the option of rule changes to address market issues and propose where appropriate 	June 2021
Network business strategy and system planning aligned with consumer preferences and needs and is consistent with the transformation agenda	Increase the number of submissions and consultation meetings on key network planning and investment decisions that are reflected in these processes	June 2021
Influence for impact -national agenda in key areas of priority	 Measure social media channel effectiveness Impactful submissions on major policy processes (5) and most significant NEM rule changes (10) 	June 2021
Representing ECA in key NEM and public forums	 Attendance at NEM forums which have the greatest bearing on affordable, individualised and optimised outcomes for consumers. Speak at 10 agenda-setting conferences and events. Increase number of diverse ECA stakeholder Forum attendees 	June 2021
Empowered energy consumer advocacy	Undertake three multi-day Community Listening visits in different parts of the NEM	June 2021

ACTIVITIES	PERFORMANCE MEASURE	DUE
	 Publish five video or audio packages promoting ECA grant funded projects Increase collaboration: Regulatory Calendar Advocate teleconferences ECA Information Bulletins. 	
Maintain ECA's external online presence (ECA Review Implementation Plan #1, 4)	 Increase visitor and engagement levels on digital platforms: the ECA website, Twitter, Facebook and LinkedIn Grow ECA's mailing list by 10 per cent. 	Dec 2020
Small Business Engagement	 Increase small businesses engagement Increase number of submissions focused on better outcomes for small businesses. 	June 2021

Strategy and Corporate

ACTIVITIES	PERFORMANCE MEASURE	DUE
Impact Performance and Reporting Framework (ECA Review Implementation Plan #5, 6, 10))	Impact performance reporting that meets the needs of ECA and stakeholders	Dec 2020
Implement Constitutional Review outcomes (ECA Review Implementation Plan #11)	Updated Constitution reflecting issues raised in ECA Review and in practice	Dec 2020
Develop effective governance and operations	 Deliver Business Plan and three-year rolling Budget Achieve Governance calendar deadlines Maintain a 'fit for purpose' control environment 	Aug 2020 Jun 2021
Refine ECA's systems and technical resources	 Increase system and process efficiencies and improvements Report on enhanced Records Management processes 	March 2021
Develop and prudently manage ECA's resources, budget and people	 Annual expenditure within + /- 5% of budget Benchmark staff engagement (70%) Increase staff capability through Professional Development activities 	Jun 2021 Apr 2021 Jun 2021



Risk Appetite Statement

Energy Consumers Australia will accept a level of risk that encourages us to pursue innovative strategies to promote the long-term interests of energy consumers but not to the extent that it limits our capacity to influence decision makers or causes Energy Consumers Australia to lose the confidence of key stakeholders over time.

Risk Management Framework

Energy Consumers Australia has processes in place to identify, evaluate, assign responsibility and report against key risks. The following eight areas have been identified as current key risks for Energy Consumers Australia:

- KEY PERSON RISK: Loss of one or more key senior management personnel within a short time frame.
- CLARITY OF ROLE: Stakeholders (internal and external) are unclear on ECA's role, purpose, fields of play and priorities, leading to challenges in delivering its consumer mandate, perceived inconsistencies in Energy Consumers Australia's roles and actions and ultimately a loss of trust by stakeholders.
- STAKEHOLDER ENGAGEMENT: Inability to reconcile divergent short-term stakeholder agendas and political expectations to Energy Consumers Australia's long-term consumer objectives.
- CHANGING STAKEHOLDER EXPECTATIONS: Failure to effectively manage increasing stakeholder scrutiny and expectations of Energy Consumers Australia as it transits from a 'start-up' to an 'established organisation' threatens its longer-term reputation and sustainability.
- STAFF CAPACITY AND WELLBEING: Failure to effectively manage the needs, focus and capacity of Energy Consumers Australia's staff.
- SUSTAINABILTY OF THE GRANTS PROGRAM: Failure to seize opportunities to enhance the effectiveness and scalability of the grants program to ensure its ongoing sustainability.
- 'FIT FOR PURPOSE' CONTROL ENVIRONMENT: Control environment does not evolve to meet the needs of Energy Consumers Australia or the expectations stakeholders.
- KNOWLEDGE SHARING OPPORTUNITY: Failure to effectively synthesize and utilise
 evidence and data (either directly or through partnerships) to impartially inform Energy
 Consumers Australia, and other stakeholders' perspectives on regulatory and energy
 market reform matters.

Annexure 1: Role and Purpose of Energy Consumers Australia Directorates

Energy Consumers Australia requires a diverse range of skills in its staff and for strong coordination and a collegiate culture among those skill groups in order to achieve its objectives. Staff are organised into functional Directorates to leverage the highly skilled small team and work collaboratively to achieve Energy Consumers Australia's objectives.

Research Directorate

The Research Directorate is focused on building national jurisdictional expertise and capacity, building knowledge to influence policy development and educate consumers, and funding and managing grants to build knowledge and sectoral capacity.

The areas of ongoing activity are:

- research that builds the evidence base on the lived experience of households and small businesses in energy markets
- the Grants Program
- building on the Power Shift work.

Grants Program

Through the Grants Program Energy Consumers Australia supports consumer advocacy by directly supporting advocates and by contributing to an evidence base that promotes consumer interests. The focus is on advocacy by residential and small business consumers at national and jurisdictional levels. Energy Consumers Australia funds projects that are high quality, collaborative, innovative and deliver outcomes that promote consumer interests in decisions about energy networks and market outcomes, the need for affordable energy and effective markets and the role of best practice regulation.

Advocacy & Communications Directorate

The Advocacy and Communications Directorate uses evidence to influence policy, regulation and business practice to improve outcomes for energy consumers. The Directorate works in an open and collaborative way with individuals and organisations across the national energy market to identify issues, develop solutions and empower consumers.

Energy Consumers Australia's advocacy in 2020-21 will focus on our Advocacy Principles of Affordability, Individualised and Optimised. The Directorate will work to build a case for change across the energy sector through collaboration and dialogue.

The Directorate manages the way Energy Consumers Australia communicates with external audiences in a clear and balanced way to further its advocacy agenda and build the collective capability and influence of the energy consumer advocacy community.

Strategy and Corporate Directorate

Governance and Corporate is focused on building the capacity and effectiveness of Energy Consumers Australia, on managing risk and supporting the Board in its governance accountabilities, and in addition provides administrative, logistical and facilities support to enable the activities of Energy Consumers Australia.

