

Innovation X-Change on Energy Productivity 2019

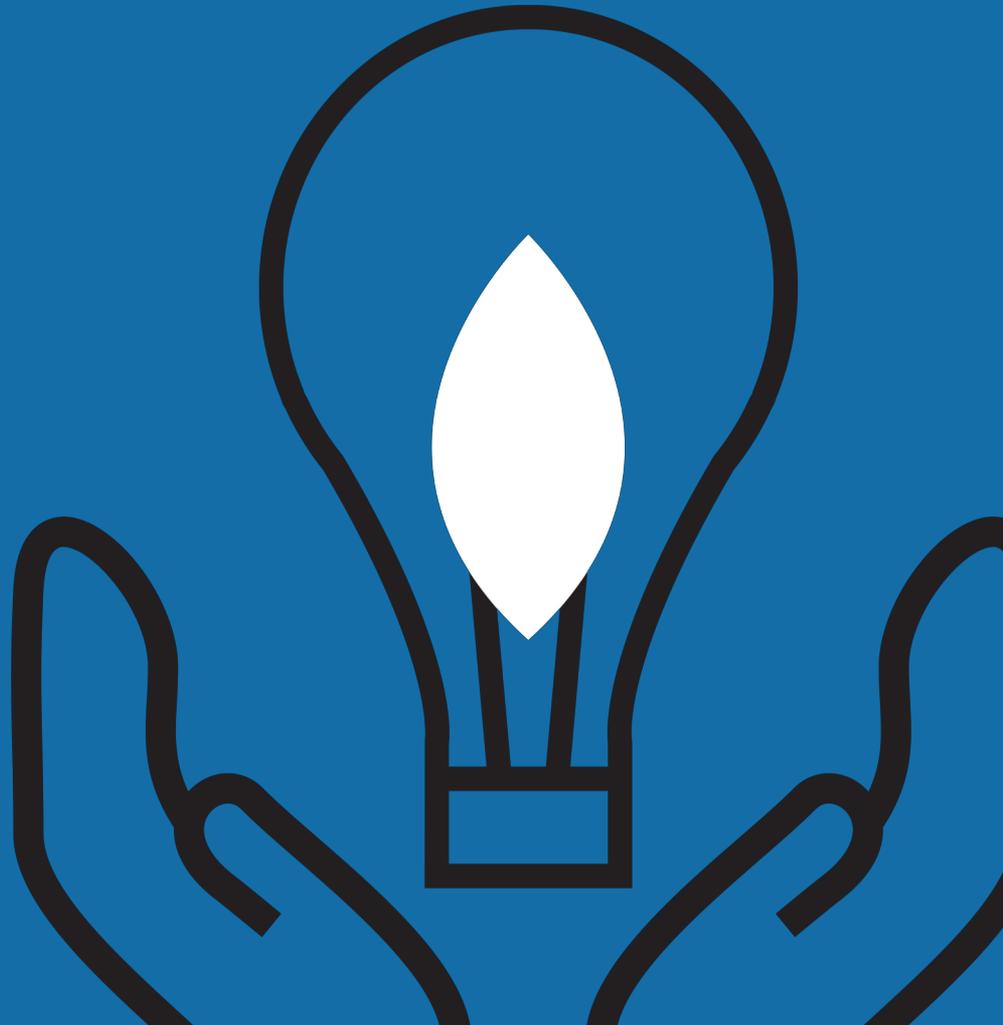
8 April 2019

**Rosemary Sinclair AM
Chief Executive Officer**



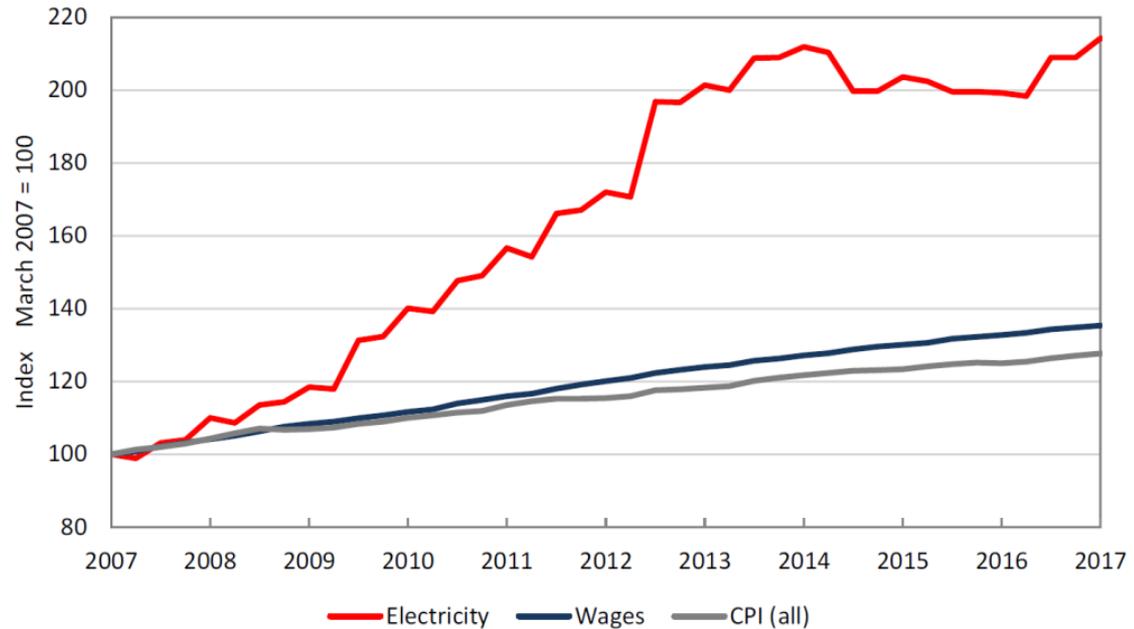
RACE 2030 for Homes

Reliable Affordable Clean
Energy



Community dissatisfaction is well founded

Figure 1.3: CPI for electricity compared with other sectors and wage growth



Source: ACCC
Retail Electricity
Pricing Inquiry
Preliminary
Report

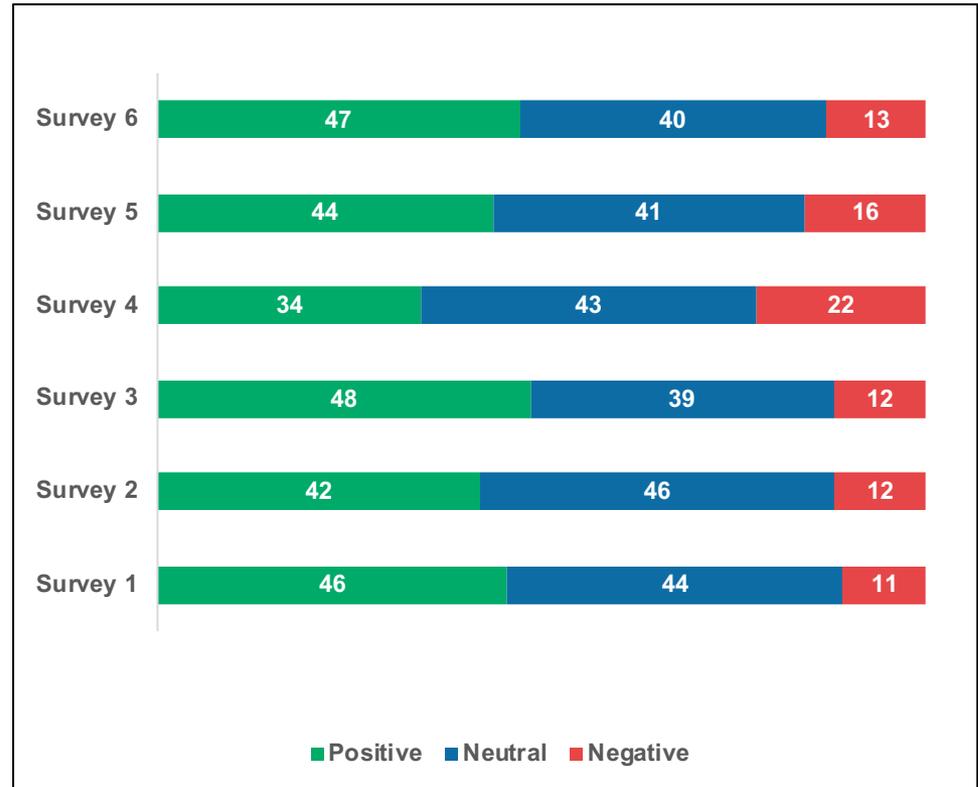
Source: ABS, Consumer Price Index 6401.0 and ABS, Wages Price index 6345.0, Australia.

Household value for money of electricity services



Only 47% of households are satisfied with the value for money they receive for electricity services

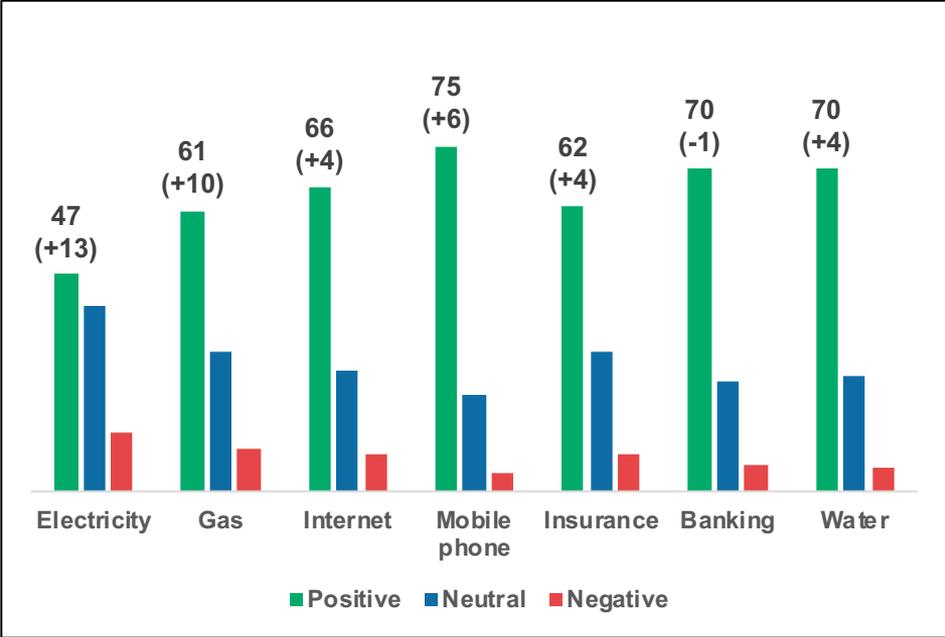
Note: seasonal affect means we compare every second survey



Electricity compared with other services

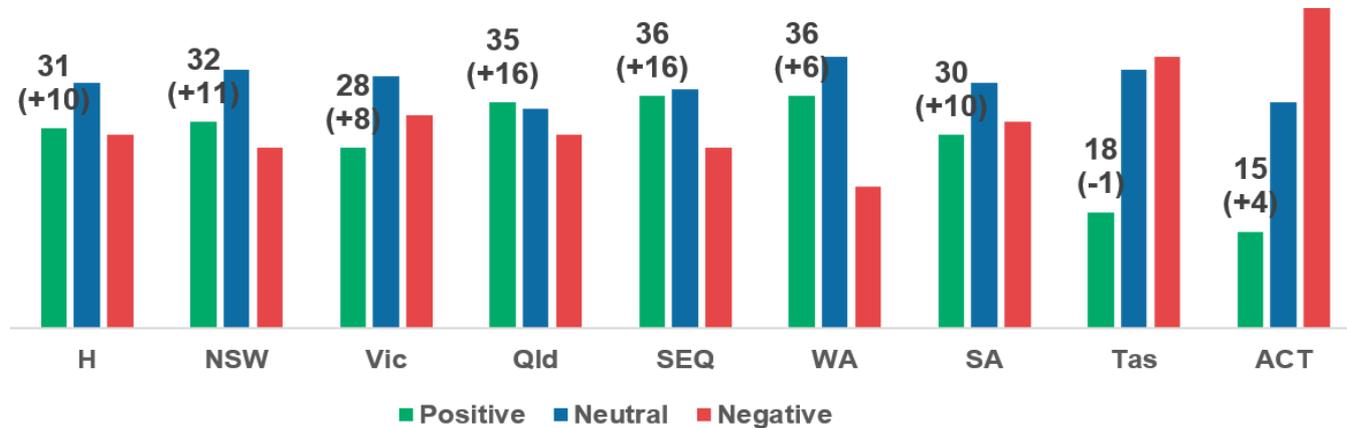


How would you rate the overall value for money of the products and services provided by your service provider in the following areas, in the past 6 months?



Household confidence in the market

Very low levels of confidence that the market is working in the interests of consumers – 28% in Victoria



What households says about 'Trust'

There is relatively little trust in electricity companies and there is a common perception that retailers are interested only in getting as much money as possible out of their customers, with little regard for their satisfaction or customer experience



Companies are not transparent enough. Energy bills are not clear... for common man to understand. So I don't really trust them.

The complexity of the bills makes it hard to compare and I think this is done with intent.

“Trust is built on a foundation of integrity...which is something energy companies are not good at.

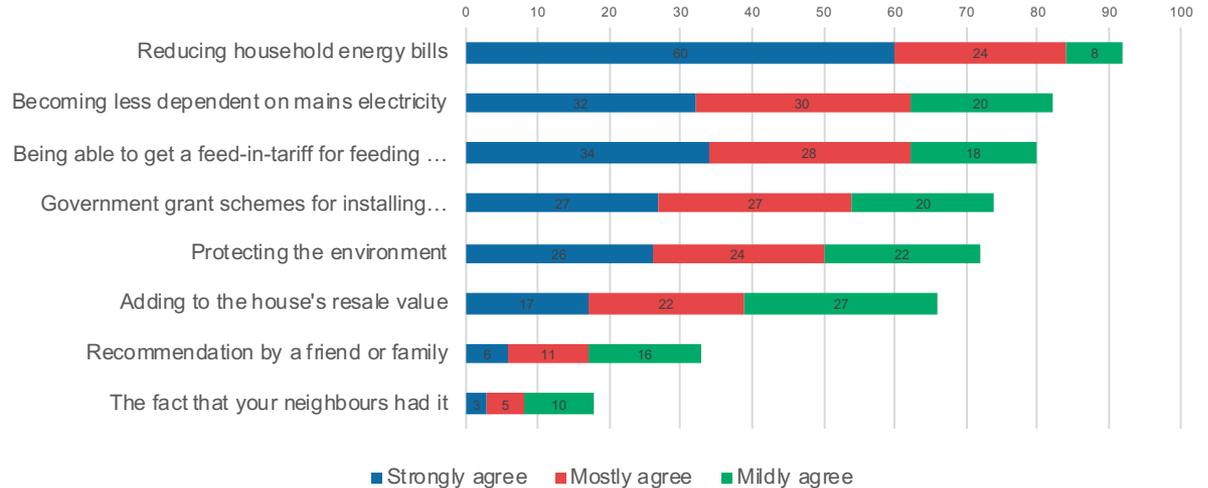
Now and next...manage my costs and give me control



*ECA-UMR Solar and Battery
Research (May 2016), p 12*

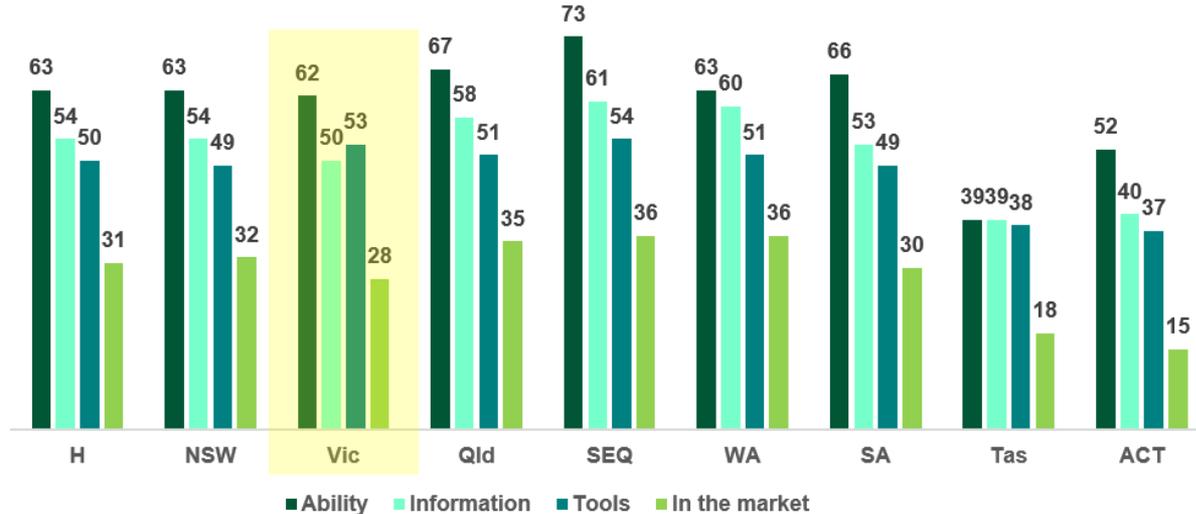
[ECA-UMR Research](#)

Factors contributing to decisions to install solar PV



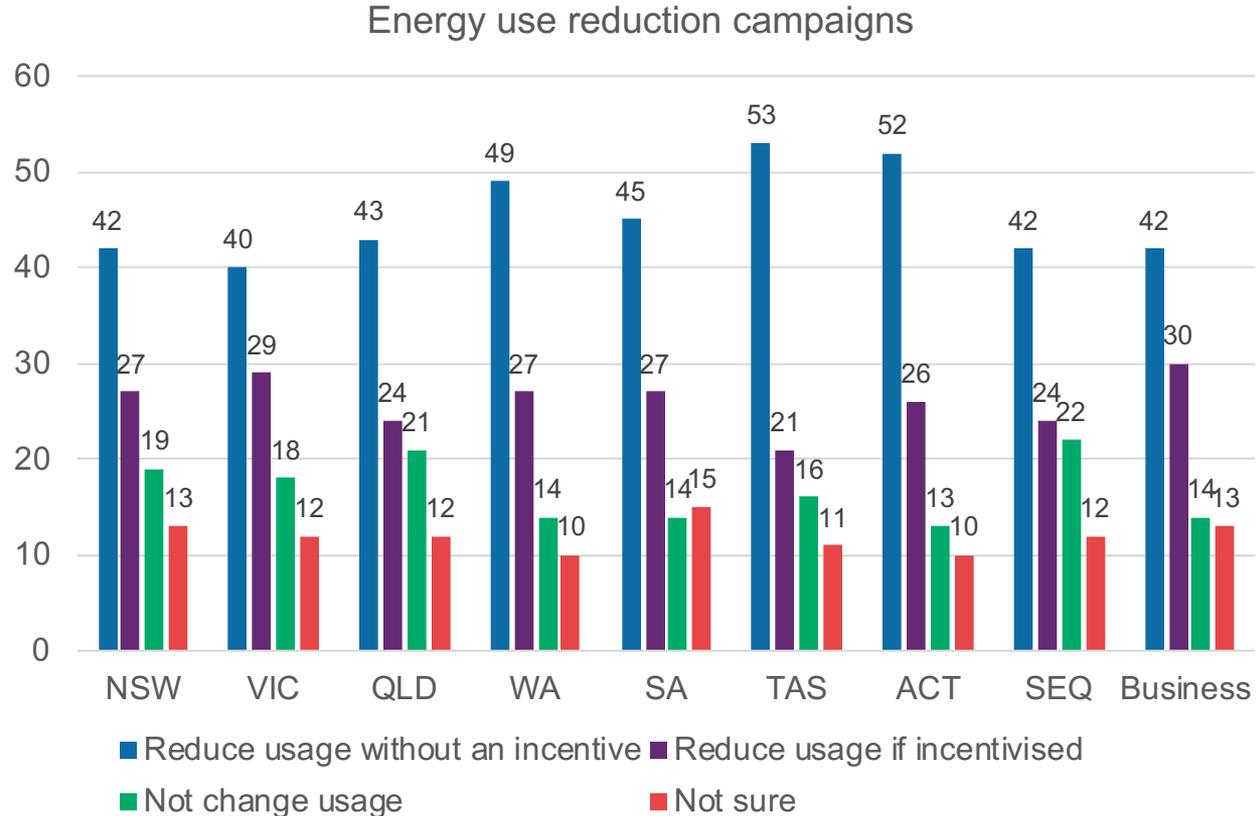
Confidence measures – household

Consumers have some confidence in their own ability to make choices about energy, but less confidence there is enough useful information and tools to help them.



Consumers are willing partners in transformation

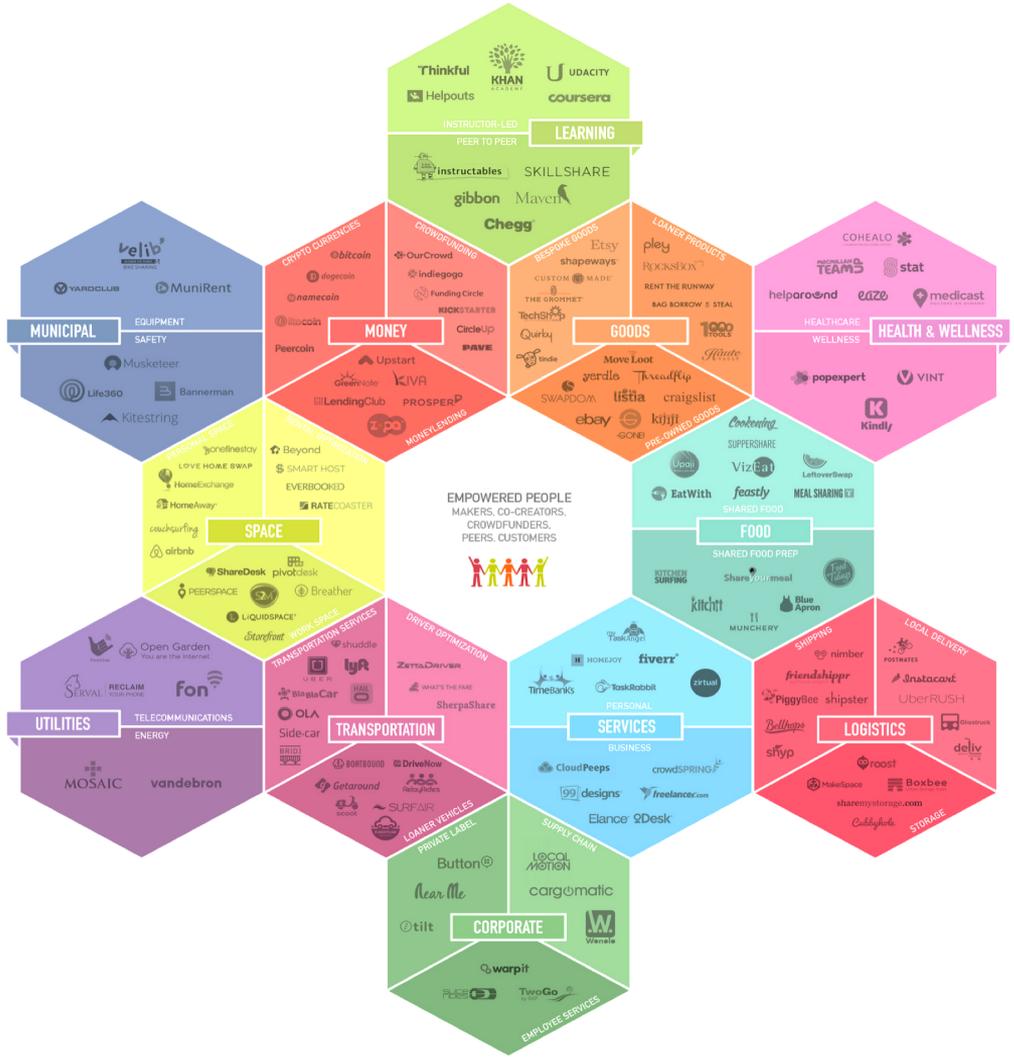
Energy Consumer
Sentiment Survey
Dec 2018



Consumers driving change

“I would prefer my six cents of power, sorry my units of power, which aren’t six cents, to go into my community. I get six cents from [energy retailer], but if I get 25 cents because I gave it to you because you have fallen on hard times, well I’m delighted.”

Attendee, ECA Regional Listening Tour April-June 2016



Next...*HOW* do consumers really make decisions?

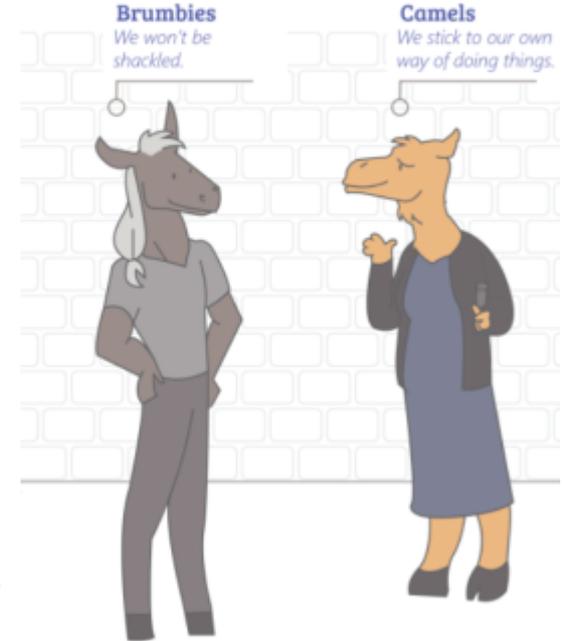
Household Personas

for time-of-use pricing and technology

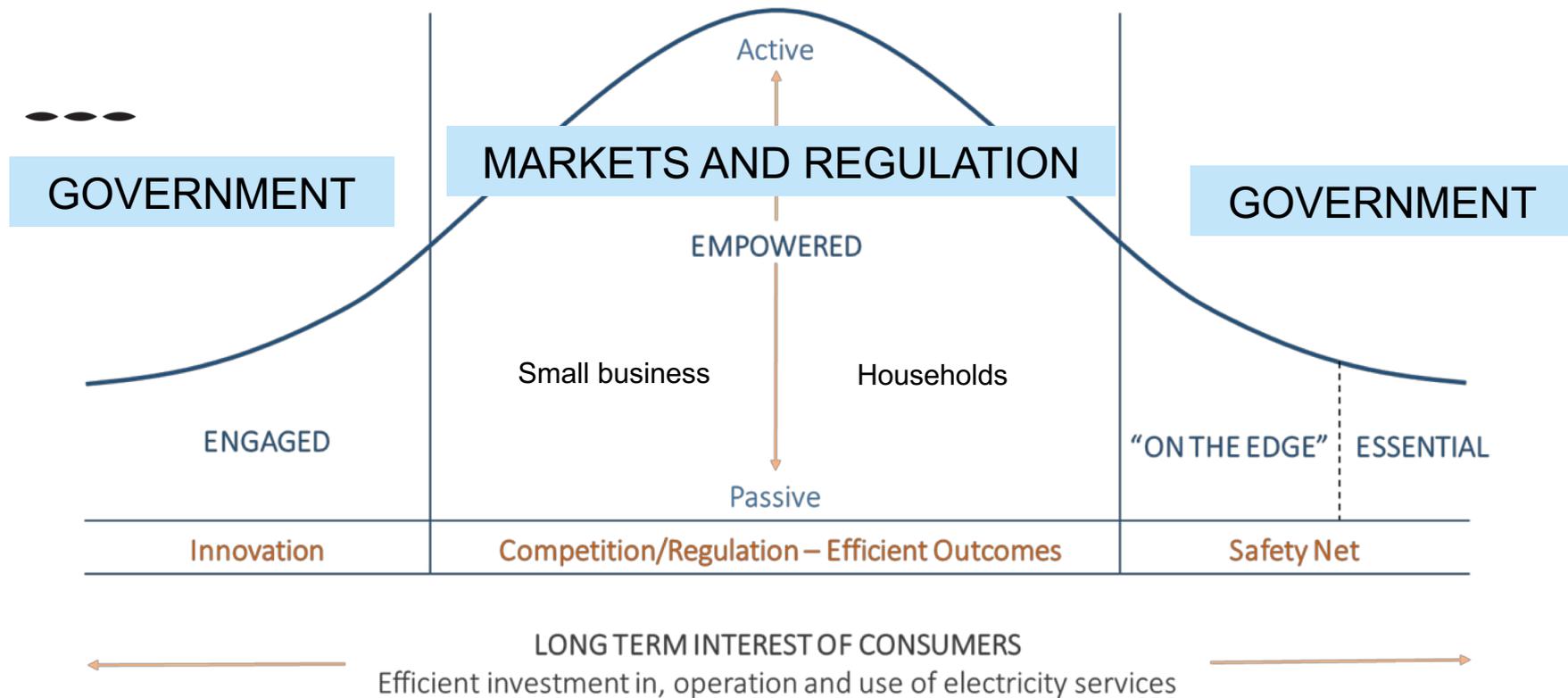


Anti-Personas

for time-of-use pricing and technology



Taking everyone with us



Our vision for the market

Energy Consumers
Australia promotes these
three advocacy principles
as the basis for better
consumer outcomes.

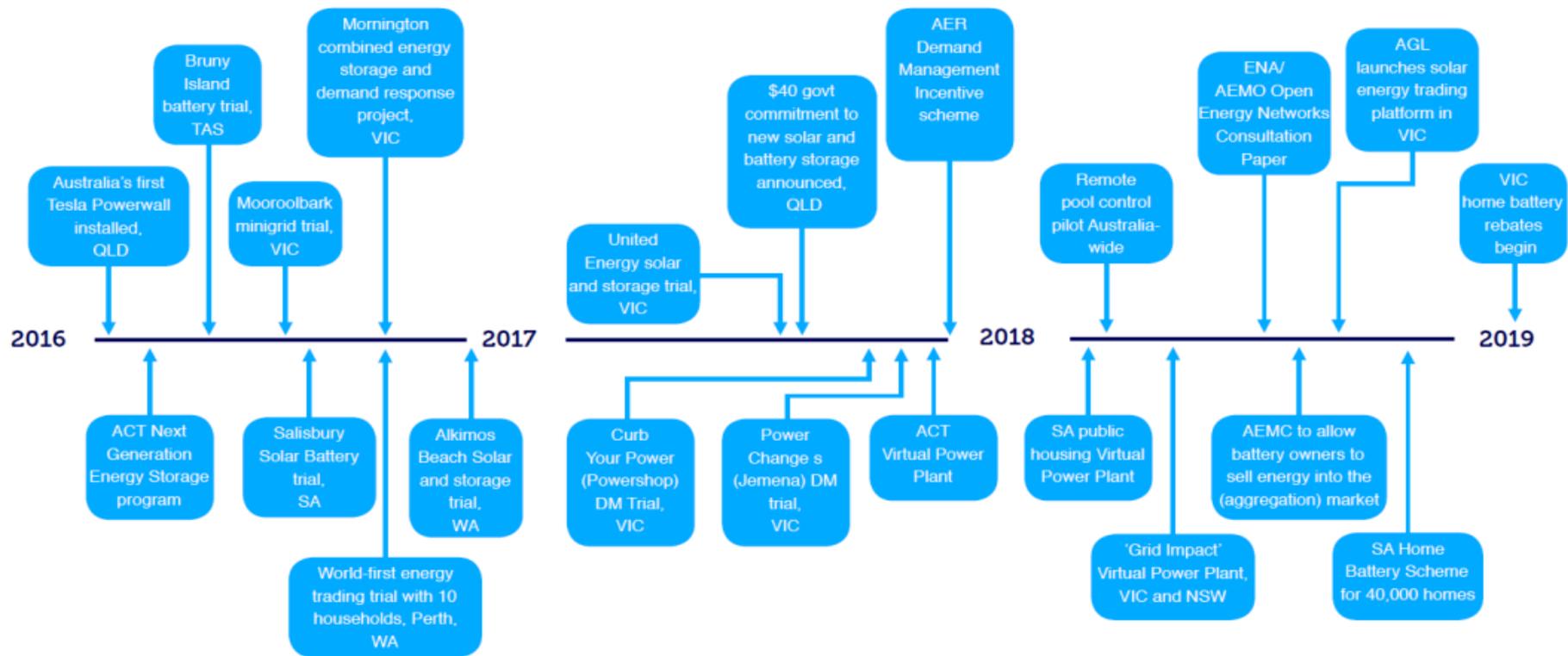


Moving beyond the 'trilemma' – three parts to consumer focused outcomes



Industry Dimension	Consumer Attribute
Affordable The industry can only regain trust by addressing prices	Satisfied Paying no more than they need to for the service they want
Individualised Information and services to meet consumers where they are	Engaged Consumers can engage on their terms
Optimised System decisions include consumers and their assets, rewards, prices and decisions	Confident That the markets/systems are working in their interests

Figure 1. Sample of household solar and demand management initiatives and announcements in Australia 2016-2018





DOMAIN		
Individual	Organisation	System

	DOMAIN		
LENS	Individual	Organisation	System

Global

Behavioural – Consumer

Regulation

Technical

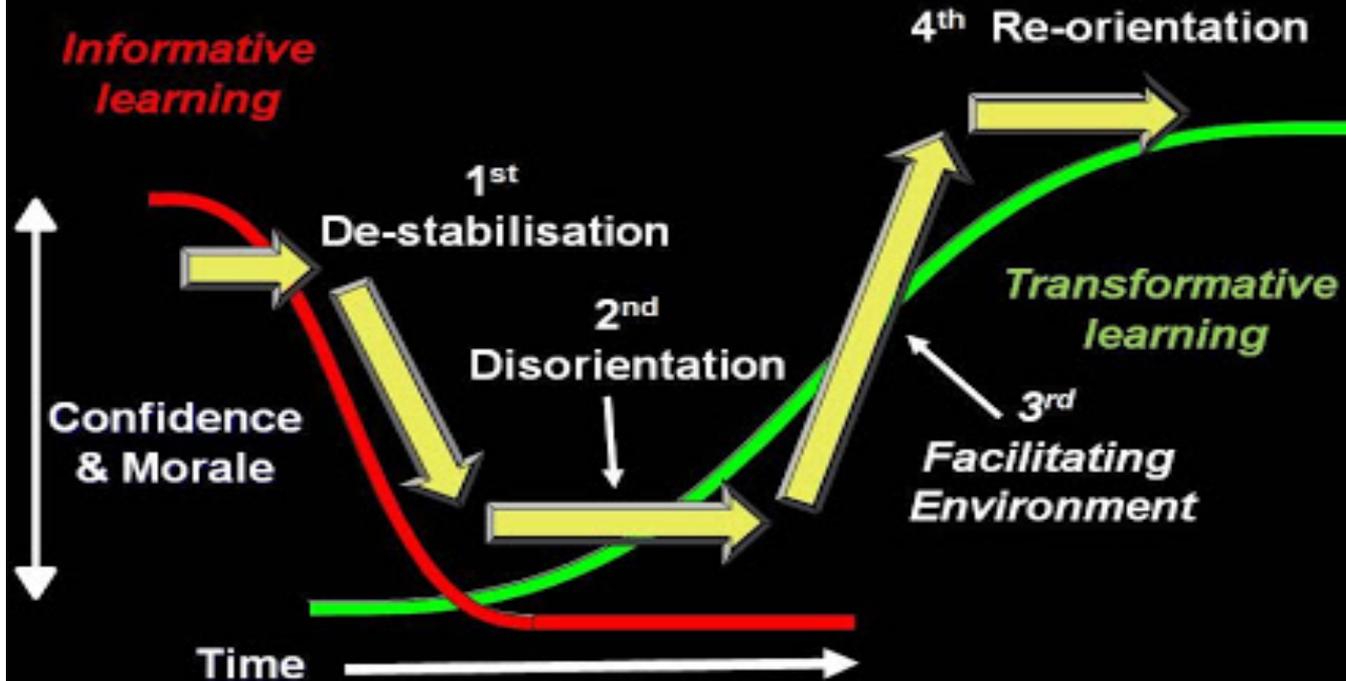
Digital

	DOMAIN		
LENS	Individual	Organisation	System
Global	Affordable, Individualised and Optimised		
Behavioural	Motivations	Incentives	Decision making under Uncertainty
Regulatory	Barriers	New roles – DSO?	Independent Integrate Whole of System Plan
Technical	Customer Investment	New services	Optimised System management
Digital	Data management	Data sharing	Communications

	DOMAIN
LENS	Individual
Global	Affordable, Individualised and Optimised
Behavioural	<p>Motivations</p> <p>Why will consumers behave in the way envisioned?</p>
Regulatory	<p>Barriers</p> <p>Are there regulatory barriers that impede the ability of organisations to make proposals to consumers?</p> <p>Are there regulatory barriers that restrict consumers ability to adopt the proposal?</p>
Technical	<p>Customer Investment</p> <p>What technical capabilities do consumers need to invest in for the proposal?</p>
Digital	<p>Data management</p> <p>Is the data for the solution available to the consumer or the consumer's agent?</p>

	DOMAIN	DOMAIN	DOMAIN
LENS	Individual	Organisation	System
Global	Affordable, Individualised and Optimised	Affordable, Individualised and Optimised	Affordable, Individualised and Optimised
Behavioural	Motivations Why will consumers behave in the way envisioned?	Incentives What are the incentives on businesses under the proposal?	Uses How do other parts of the system respond to the proposal?
Regulatory	Barriers Are there regulatory barriers that impede the ability of organisations to make proposals to consumers? Are there regulatory barriers that restrict consumers ability to adopt the proposal?	New roles What new roles need to be performed by businesses to implement the proposal? Do we need new types of participant?	Policy Does the policy environment support the proposal?
Technical	Customer Investment What technical capabilities do consumers need to invest in for the proposal?	New services What are the new services that businesses need to provide to enable the proposal?	System management What is the impact of the proposal on overall system performance?
Digital	Data management Is the data for the solution available to the consumer or the consumer's agent?	Data sharing What information do businesses need to make available to facilitate the proposal?	Communications How will parts of the system communicate with each other/people to operate the proposal?

Sequence of paradigm shift process



Shell acquires First Utility (among other thing) ... a turning point?



Shell's Shopping List Paints
Picture Of The Power Market Yet
To Come



ELECTRIC VEHICLES

Shell Acquires Greenlots to Lead North American EV Charging Push

The Los Angeles startup found a well-capitalized backer for its charging network software platform.

JULIAN SPECTOR | JANUARY 30, 2019

**SHELL AGREES TO ACQUIRE SONNEN, EXPANDING ITS OFFERING OF
RESIDENTIAL SMART ENERGY STORAGE AND ENERGY SERVICES**



OhmConnect ... gamification and partnering with consumers in California.

OhmConnect Gamifies Energy Use to Shift Energy Demand

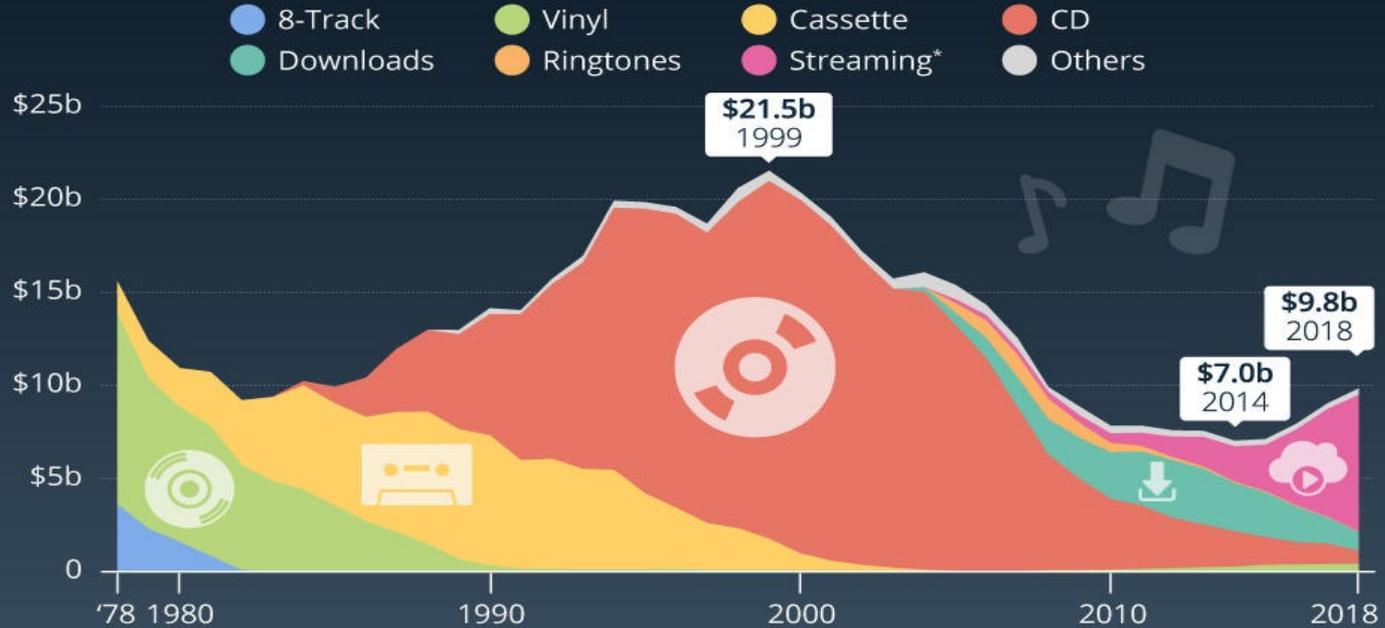
CALIFORNIA ENERGY COMMISSION - THURSDAY, MARCH 28, 2019 RESEARCH & DEVELOPMENT



Source: [OhmConnect California](#)

The Times They Are A-Changin'

U.S. recorded music revenues from 1978-2018, by format (adjusted for inflation)



* incl. SoundExchange payments to performers and copyright holders for digital and customized radio services



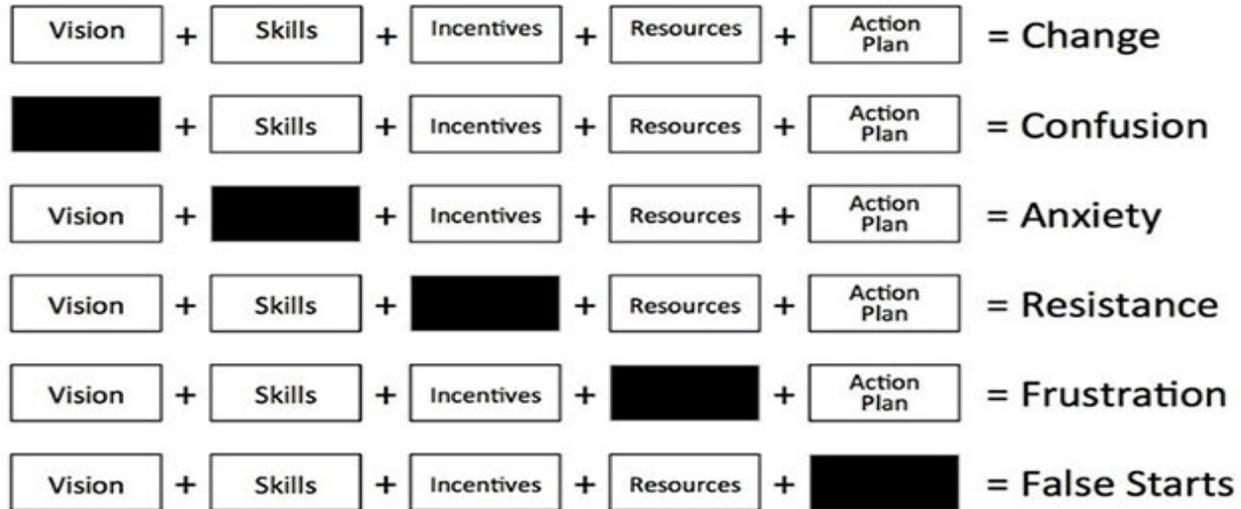
@StatistaCharts

Source: RIAA

statista

Complex Change

Managing Complex Change



The Energy Charter ... whole of system thinking to win the trust to transform

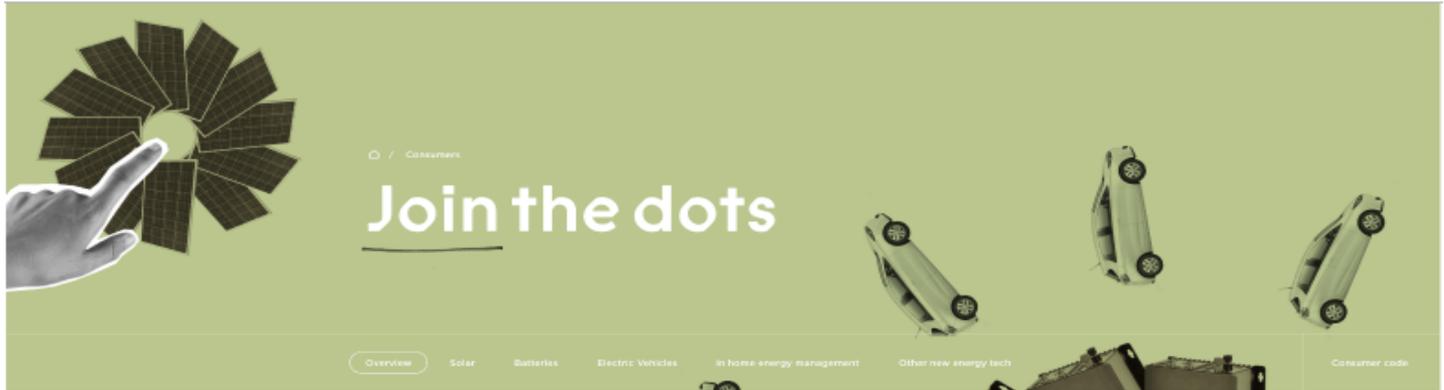
The Five Principles



Source: The [Energy Charter](#)

New Energy Technology Consumer Code

Here we help join the dots for people looking to make sense of new energy tech for their home or business. We provide independent advice on finding, buying and using new energy tech, covering what you should expect and what to do if something goes wrong.



A shift from Trilemma to AIO?



1. *AFFORDABLE* – price is the price to regain Trust (Confident)
2. *INDIVIDUALISED* – data and information to meet consumers where they are (Engaged)
3. *OPTIMISED* – system decisions which include consumers and their assets, rewards, prices and decisions (Satisfied)

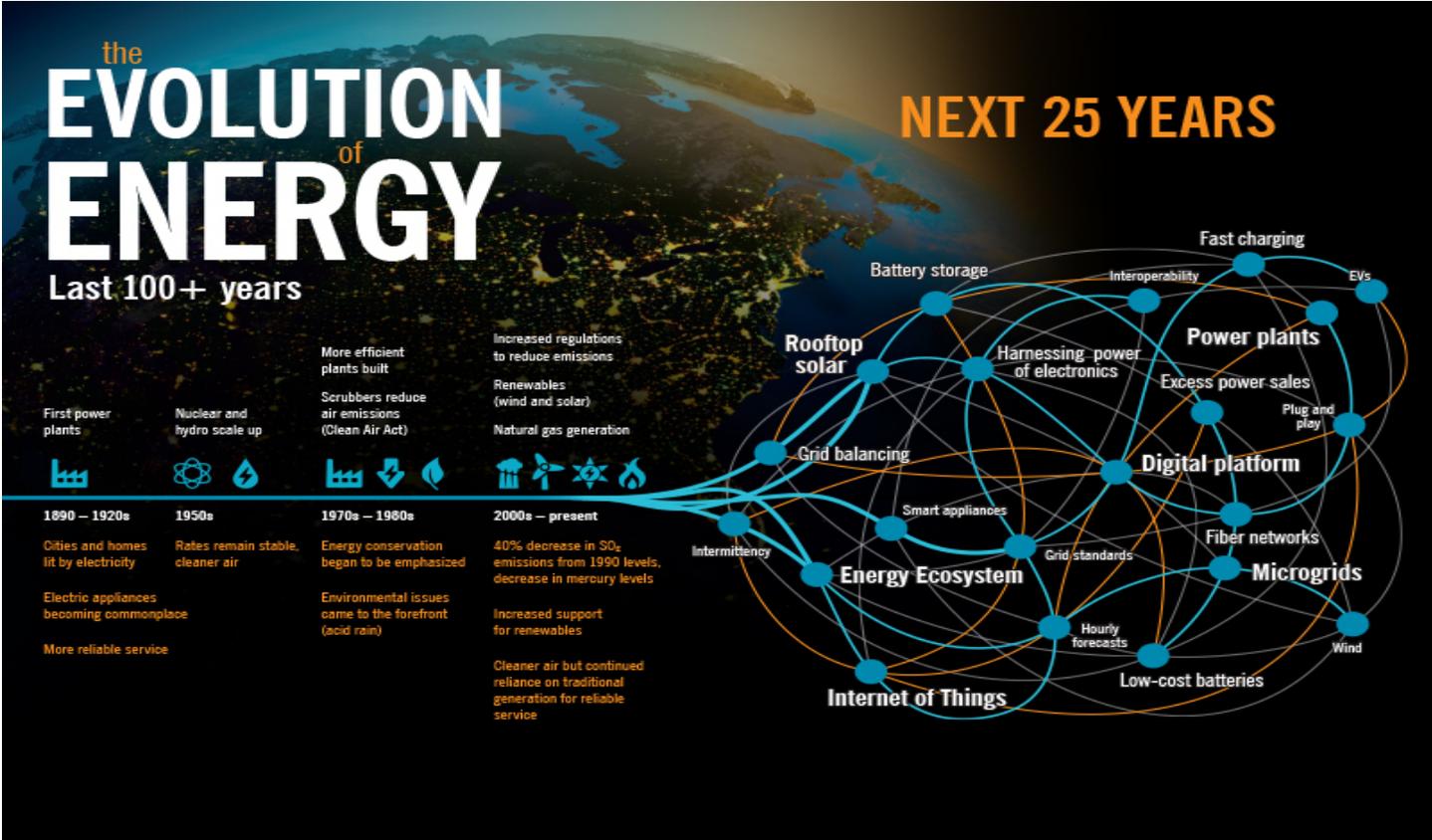
Dick Fosbury – inventor
(after much trial and error)
of the 'Fosbury Flop'

Optimise principles exhibited by Fosbury

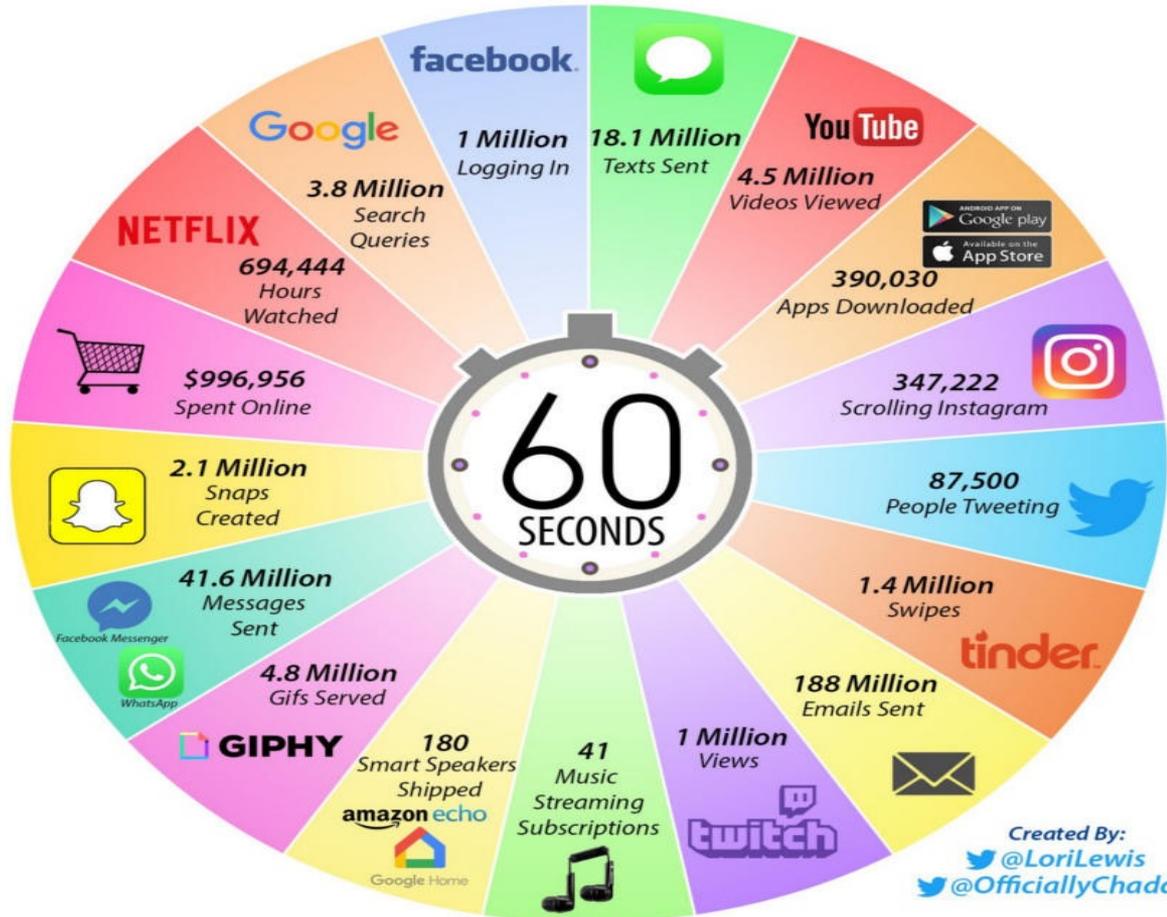


- Capacity utilization ... getting more out of what you've got
- Experimentation ... trial and error
- Regulatory flexibility ... the high jump rules did not preclude a different approach
- The importance of a safety-net ... a change to soft landing mats allowed Fosbury to experiment with a technique that had him landing on his back.

Evolution of Energy



2019 This Is What Happens In An Internet Minute



Created By:
@LoriLewis
@OfficiallyChadd

Our vision for the market

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three advocacy principles
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Thank you

