

Customer Insights Collaboration

In developing reforms to integrate DER and flexible demand, customer input will be key to test assumptions and to understand how customers might want to engage with different service providers or products. While the DER Implementation Plan will not be developing energy products or services, feedback from a customer perspective as to how they need or intend to use their customer owned assets, will inform development of standards to support effective switching, or inform where risks or harms may emerge with new services becoming available.

The Final Post-2025 Advice endorsed by Ministers included an initiative called the ‘Maturity Plan’, intended to streamline engagement by bringing multiple stakeholder interests together and build an evidence base of customer insights to inform reforms (and related activities) in the DER Implementation Plan.

As part of approaching the delivery of the DER reform activities, the ESB has reframed this as the **Customer Insights Collaboration (the Collaboration)** to more clearly articulate the intention of the mechanism set out in the Final Advice.

The Collaboration will be organised around six-month blocks of work on key customer issues relevant to DER Implementation Plan reform activities. It will involve active engagement with stakeholders through iterative co-design workshops. These workshops will be framed with human-centred design principles to support customer centric thinking from those participating and will leverage use cases to test practical implementation issues.

A new stakeholder steering cohort will be established for each release following an expression of interest (EOI) process with stakeholders. Market research and direct customer engagement will be incorporated into the program as well as any additional technical work to inform the process.

At the end of each release, a knowledge sharing report will be published to detail the insights and possible solutions emerging from the work. At that stage, the next Release will commence. The Collaboration will be a vehicle for collaboration – it is not a decision-making body and does not replace existing governance processes. Rather, the Collaboration will inform decision and policy makers (at ESB, market bodies and across jurisdictions and agencies more broadly) with insights on cross cutting issues facing customers today.

How to get involved

There will be three key avenues for stakeholders to participate and contribute to the Collaboration:

1. Responding to calls for evidence
 - The ESB will gather and commission research to build an evidence base for the collaboration, including the latest insights emerging out of real-world DER and demand flexibility trials, customer research and other relevant work.
2. As a member of the **Stakeholder Steering Group (SSG)** formed for each six-month release
 - The SSG will be stood up for each release with a diverse membership, including stakeholders from technology, networks, retailers, market bodies, consumer organisations, clean energy providers and academic institutions.
 - The group will meet to plan and work through insights from the workshops. This will require a total time commitment of approximately 30 hours over the course of each six-month release.
 - The ESB will work with industry peak bodies to coordinate participation in the SSG for each release.

Attachment B – Customer Insights Collaboration

3. Participating in the stakeholder workshops

- Three workshops over the course of each release, to define the problem, explore the issues and synthesise emerging insights and opportunities.

Roles and responsibilities

- ESB Board
 - Receive the Collaboration knowledge sharing reports and consider implications for DER Implementation Plan delivery
 - Publish knowledge sharing reports to build collective knowledge base of key insights from each release
- ESB Secretariat
 - Resource and support the collaboration
 - Engage independent facilitators
 - Engage Stakeholder Steering Group
 - Gather evidence and commission research
 - Draft and publish knowledge sharing reports, working with SSG and independent facilitator
 - Share insights in briefings with consumer groups, industry stakeholders, decision makers and interested parties
- Stakeholder Steering Group
 - Play a key role in guiding the collaboration, including by reviewing relevant evidence and exploring different perspectives to refine problem statements, identifying the key issues to be explored through the stakeholder workshops, and interpreting the insights to be captured in the knowledge sharing reports.
 - The Group will be independently facilitated and operate on a consensus basis
- Independent facilitators
 - Plan and facilitate the Stakeholder workshops, drawing on relevant human-centred design methodologies
 - Ensure all voices and perspectives are heard

Focus for Release One

Removing barriers for customers to be rewarded for flexible demand

The topic for the first release of the Collaboration is considering barriers and enablers to customers being rewarded for their DER and flexible demand.

There is limited participation of DER and flexible demand in the wholesale energy market today, particularly at a household and small business level. There are significant customer challenges to be overcome if participation is to increase, and an estimated \$6.3bn in long term market benefits from DER and flexible demand realised.¹

Electricity is an essential service, and its use is embedded in the way people live their lives and run their businesses, meaning some households may have limited flexibility to change their energy usage. For example, flexible management of heating and cooling may be constrained by the energy efficiency performance of housing stock. Some customer groups may also face barriers to investing and installing rooftop solar PV and other forms of DER because, for example, the up-front cost of DER technologies, or because they rent or reside in apartments.

¹ Discussed in the ESB Post-2025 Market Reforms. The ESB Final Advice can be found on the ESB microsite. Part A of the advice is here: <https://esb-post2025-market-design.aemc.gov.au/32572/1629944958-post-2025-market-design-final-advice-to-energy-ministers-part-a.pdf>

Attachment B – Customer Insights Collaboration

Many households and businesses who have invested in rooftop solar PV to date, have done so to meet their own energy needs, with opportunities to trade or otherwise leverage their assets for financial reward as part of a larger market a secondary consideration. A key motivator for many has been a desire to become more energy independent.

New energy products and services may also create new risks for customers, and adequate protections will need to be in place to give people the confidence to explore new opportunities.

The first release of the Collaboration will seek to gather insights about how to grow access to the benefits of DER and flexibility services, make it easy for customers to make choices, as well as simple and safe to switch between service providers, the level of risk customers are prepared and able to take (e.g., safe default settings on devices), explore customer needs and expectations around rewards for the flexibility that they may choose to provide to the system (in ways they wish to be rewarded), and how to design arrangements that work for all customers (not just those with DER assets).

Next steps

Public workshops will commence in **late February 2022**. See **Table 1** below.

Ahead of the workshops, the ESB is seeking expressions of interest from stakeholders wishing to participate in the SSG that will guide the first release of the Collaboration. Expressions of interest to be submitted by **24 January 2022**.

The ESB is also issuing a call for evidence relevant to the topic to gather relevant research on barriers and enablers to customer reward for DER and flexibility that will be a key input for this work. The intention with this research is to leverage the significant volume of useful insights already available to inform these considerations and enable the first release to hit the ground running. As part of commissioning any new research for subsequent releases, the ESB will seek further input and feedback from stakeholders. The ESB welcomes any research stakeholders would like to share for inclusion in this public process to be submitted by **24 January 2022**.

Information about how to apply to be a member of the SSG or respond to the call for evidence is set out on the ESB website: <https://esb-post2025-market-design.aemc.gov.au/>. Any feedback or queries should be sent to info@esb.org.au.

Attachment B – Customer Insights Collaboration

Table 1 – Customer Insights Collaboration – indicative timing for 2022 activities

Timing	Activities
December	<ul style="list-style-type: none"> • Launch Release One <ul style="list-style-type: none"> ○ EOI's to recruit interested parties for Stakeholder Steering Group ○ Call for evidence for Release One: <i>Removing barriers to reward for customer DER and flexibility</i>
February	<ul style="list-style-type: none"> • R1 - Publish research to inform Release One activities • R1 - Stakeholder Steering Group meeting • R1 - Collaboration Workshop 1
March	<ul style="list-style-type: none"> • R1 - Stakeholder Steering Group meeting • Consider evidence base to support Release Two activities <ul style="list-style-type: none"> ○ DER Advisory Group to consider scope of research activities
April	<ul style="list-style-type: none"> • R1 - Collaboration Workshop 2 • R1 - Stakeholder Steering Group meeting
May-June	<ul style="list-style-type: none"> • R1 - Collaboration Workshop 3 • R1 - Stakeholder Steering Group meeting
June-July	<ul style="list-style-type: none"> • R1 - Publish knowledge sharing report • Launch Release Two <ul style="list-style-type: none"> ○ EOIs to recruit interested parties for Stakeholder Steering Group ○ Call for evidence for Release Two: <i>How do customers want to give and receive signals from the market?</i>
August	<ul style="list-style-type: none"> • R2 - Stakeholder Steering Group meeting • R2 - Publish research to inform Release Two activities
September	<ul style="list-style-type: none"> • R2 - Collaboration Workshop 1
October	<ul style="list-style-type: none"> • R2 - Stakeholder Steering Group meeting • R2 - Collaboration Workshop 2
November	<ul style="list-style-type: none"> • R2 - Stakeholder Steering Group meeting • R2 - Collaboration Workshop 3
December	<ul style="list-style-type: none"> • R2 - Publish knowledge sharing report