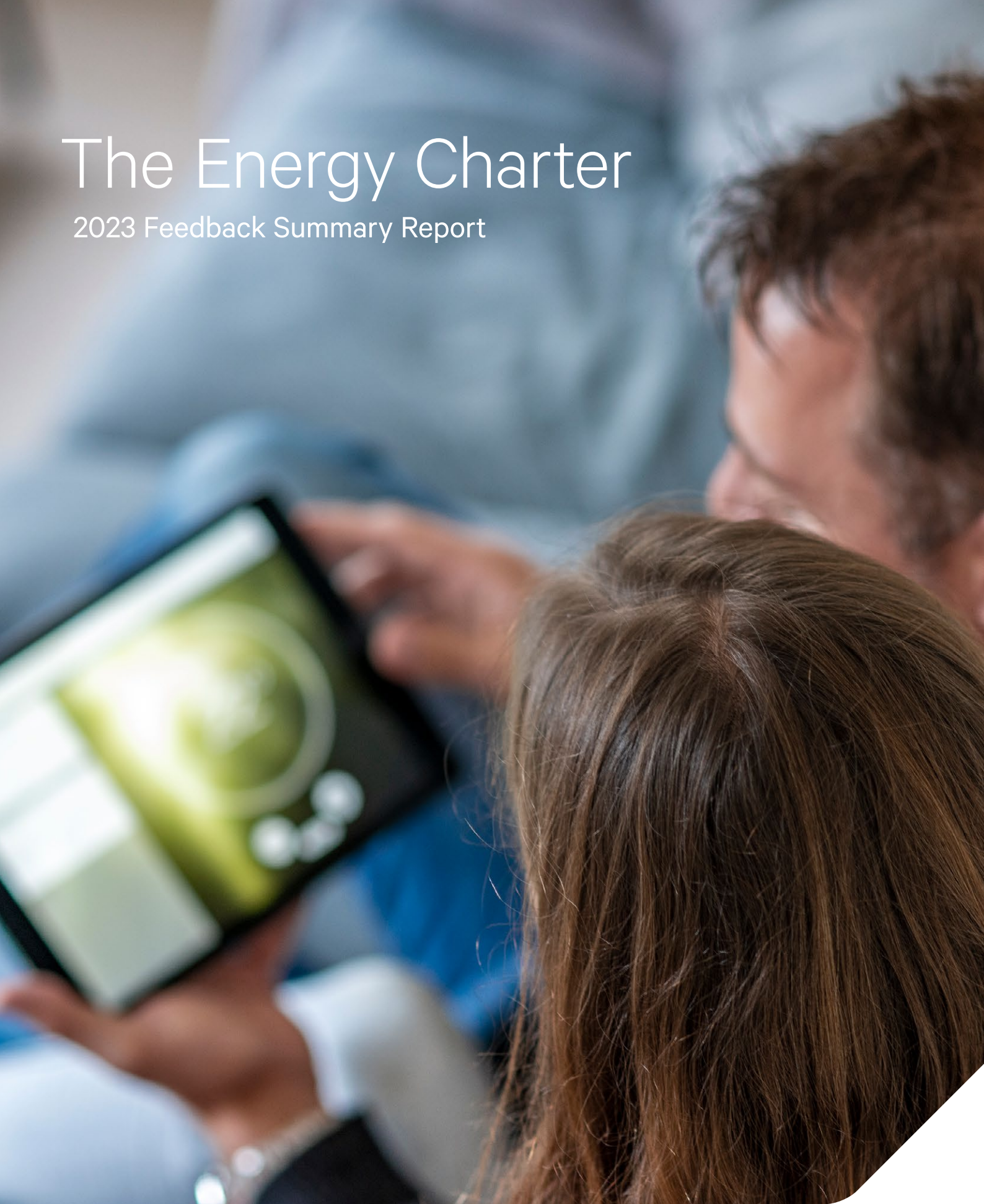


The Energy Charter

2023 Feedback Summary Report



People. Power. Possibilities.



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Acknowledgement of Country

In the spirit of reconciliation, Transgrid acknowledges the Traditional Custodians of the lands where we work, the lands we travel through and the places in which we live. We pay respects to the people and Elders, past, present and emerging and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW and ACT.



About this report

Transgrid is one of the founding organisations and first signatories to The Energy Charter, and we are proud to collaborate with our industry peers, customers and communities, to usher in a cleaner energy future together.

Our 2023 Signatory Disclosure Report reflects our performance and progress in the financial year 2022-23 and recognises the work still ahead in supporting landowners and communities affected by essential transmission infrastructure for the energy transition.

This Feedback Summary Report details our engagement approach and feedback received from the Transgrid Advisory Council (TAC), throughout the process of preparing, reviewing and finalising our 2023 Signatory Disclosure Report. It highlights key opportunities to improve future Disclosure Reports and the supporting engagement approach.

For the purposes of this Report, the term ‘customers and communities’ refers to the directly connected customers, end-user consumers and communities and landowners who rely on us to provide a safe, secure, reliable and affordable energy supply to serve generations to come.

We are grateful for the time and insights provided by TAC members in preparing and reviewing our 2023 Signatory Disclosure Report. We look forward to our continued collaboration with the TAC and The Energy Charter as we work to create a better energy future for all Australians.

Consultation and engagement approach

Who we engaged

Transgrid Advisory Council

The TAC is our principal stakeholder engagement forum, providing customer and industry insights to better improve the value of Transgrid’s transmission services. Formed in 2018, the TAC supports our commitment to put the customer first by ensuring consumer, community and other stakeholder perspectives are considered in the decisions we make.

TAC members come from a variety of organisations, representing electricity consumers, the community, energy industry stakeholders and other subject matter experts. Members have a broad understanding of the electricity market and offer insights on stakeholder needs and issues related to our business and the broader energy sector.

The TAC member organisations highlighted in bold below, participated in our 2023 Energy Charter Disclosure Report engagement and feedback loop processes. General feedback on our engagement performance was provided by St Vincent de Paul as part of this process. Feedback on engagement is sought from all members following each of our TAC meetings.

- Aboriginal Affairs NSW, Department of Premier and Cabinet
- **Australian Industry Group**
- City of Sydney Council
- **Clean Energy Council**
- **Commonwealth Bank**
- Energy Consumers Australia
- **Energy Users Association of Australia**
- **Ethnic Communities Council NSW**
- Goldwind
- NSW Farmers Association
- **Public Interest Advocacy Centre**
- **Snowy Hydro**
- **St Vincent de Paul Society**
- Tesla
- Tomago Aluminium Co.

The TAC is being expanded in 2024 to include a broader representation of industry, regulatory, consumer and advocacy groups.

Transgrid internal working group

The preparation of our 2023 Signatory Disclosure Report also involved consultation and engagement with an internal employee working group, comprised of senior leaders from across our business. The internal working group included representatives from our Network, Community and Policy, People and Culture, Delivery and Major Projects divisions, who contributed data and reviewed our performance across each of the five Energy Charter principles.

How we engaged

In line with The Energy Charter’s Disclosure Guidance 2023, our engagement approach included two touch points – one during the preparation of our Disclosure Report and one after the Disclosure was published, to create an effective ‘feedback loop.’ Figure one summarises the key elements of our engagement approach, which was discussed with TAC members at the TAC meeting held on 28 June 2023.

The feedback included in this report was collected through eight interviews with TAC members in late October and early November, and discussions with TAC members at the TAC meeting held on 16 November 2023. Additional written feedback was also provided by the Public Interest Advocacy Centre. Appendix A lists the questions asked during TAC member interviews.

During the preparation of our draft Disclosure Report, we also held three TAC meeting consultations and discussions, and distributed two TAC members surveys, to inform the maturity self-assessment ratings and key achievements highlighted in our final Disclosure Report. Members of our Executive Leadership Team were present at each of these TAC meetings, to ensure customer and community feedback was heard and considered at the most senior level.



Customer and community feedback

Table one summarises the feedback provided by TAC members on Transgrid’s 2023 Signatory Disclosure Report.

Table one: Feedback received on Transgrid’s 2023 Signatory Disclosure Report

Theme	What we heard	Our response
Report structure and format	<ul style="list-style-type: none"> – The structure and layout of the Report was mostly supported, including a mix of narrative and data. The Report was easy to digest. – Opportunity to improve consistency of Report format from year to year. 	<ul style="list-style-type: none"> – We are encouraged by the overall feedback provided on our 2023 Disclosure Report. – We acknowledge the variability in our Report over previous years and we aim to provide a more consistent approach to the presentation and format of our Report moving forward.
Language used to refer to customers and consumers	<ul style="list-style-type: none"> – Confusing use of the terms ‘customer’ and ‘consumer’ throughout the Report. – Greater emphasis and focus needed on ‘consumers,’ recognising that Transgrid is an agent for consumer investment and provides a basic human right. 	<ul style="list-style-type: none"> – We adopted the term ‘customers and communities’ to align with the terminology used in The Energy Charter’s Disclosure Guidance 2023. – Within our 2023 Disclosure Report we define our ‘customers and communities,’ which includes end-user consumers. – We note concerns that the terminology of customers and consumers is confusing, and concerns that the language does not provide enough emphasis on consumers. – We will review our definition of ‘customers and communities’ and consider how we can refine the language used in future Disclosure Reports, to better reflect the importance of consumer issues and outcomes.
Maturity ratings	<ul style="list-style-type: none"> – The self-assessed maturity ratings included in Transgrid’s final 2023 Disclosure Report were mostly supported. – Some feedback that the maturity rating for principle one should be ‘elementary/ emerging.’ – Satisfaction with Transgrid revising our draft self-assessed maturity ratings, which had initially rated several principles higher. – Maturity rating definitions should be included in the Disclosure to explain the meaning of rating terminology. 	<ul style="list-style-type: none"> – We are grateful for the feedback provided by TAC members on our draft self-assessed maturity ratings. – We are pleased that our final maturity self-assessed ratings reflect a more representative view of our performance. – We will continue to engage with customers and communities to review and assess our maturity against The Energy Charter principles for future Disclosure Reports. – We recognise that there is not an established understanding of maturity rating terminology and that the maturity model definitions provide important context. Given The Energy Charter Disclosure Reports are limited to a maximum of ten pages and maturity rating definitions are quite extensive, we did not include them in the 2023 Disclosure Report. – We will consider how we can link to or incorporate The Energy Charter maturity model definitions in future Disclosure Reports.

“Good, informative.”

“Initially unimpressed – after we discussed and Transgrid changed their ratings and took on feedback, I was impressed.”

TAC member feedback



Customer and community feedback continued

Theme	What we heard	Our response
Measures and metrics	<ul style="list-style-type: none"> - The inclusion of measures and metrics to demonstrate progress and provide transparency around maturity ratings is supported. - Greater context needed in the Report to provide meaning to metrics and measures. - Metrics need to demonstrate substantive impact. - Opportunity to include metrics to measure customer diversity and performance in engaging with Culturally and Linguistically Diverse (CALD) and First Nations customers. - Opportunity to review and evolve metrics over time, including a metric related to efficiency and productivity. - Opportunity to link to other detailed reports and existing information to support the Disclosure Report. 	<ul style="list-style-type: none"> - Measures and metrics are an important element of our Disclosure Report, providing evidence and transparency around our performance. - We will continue to review and enhance the metrics provided in future Disclosures, including for a more diverse range of customers and communities, to provide a comprehensive and representative assessment of our performance. - We will consider how we can better demonstrate material and positive impacts through measures, metrics and supporting contextual information. - We will consider opportunities to better integrate and reference existing reports and information to further strengthen future Disclosure Reports.
Principle 2 – energy affordability	<ul style="list-style-type: none"> - Noted that consumers are interested in the total cost of energy services, despite transmission services comprising a small proportion of electricity bills. - Recognition that transmission is not where the bulk of electricity costs or affordability challenges lie. - Opportunity to highlight more clearly, how Transgrid can influence affordability. Identify what is in and out of scope. 	<ul style="list-style-type: none"> - We acknowledge that customers and communities are focused on the total cost of energy services overall. - We will consider how we could more clearly delineate the opportunities for Transgrid to improve energy affordability for customers. - We will continue our focus on delivering major transmission projects at the lowest sustainable cost, to support the rapid connection of renewable generation capacity, to place significant downward pressure on energy prices.
Principle 5 – customers facing vulnerable circumstances	<ul style="list-style-type: none"> - Acknowledgement of the complexities in addressing principle five, given Transgrid’s role in providing transmission services. 	<ul style="list-style-type: none"> - We will continue to work with The Energy Charter signatories and other industry bodies to support customers facing vulnerable circumstances.



“Favourable, appreciate layout, narrative, data and graphics. Good to show tracking over time. Very easy to digest.”

“Be clearer on customer and consumer language. Greater focus and emphasis needed on consumers. Need to focus on what impact has been achieved (metrics) and provide greater context.”

TAC member feedback

Our engagement performance

The interviews with TAC members undertaken to prepare this Feedback Summary also included a wide range of questions about our TAC engagement approach more generally. TAC member interviews form part of our broader TAC program evaluation process, and our commitment to continuously improve our engagement practices, in line with customer and community expectations and the Australian Energy Regulator's Better Resets Handbook.

The feedback provided through TAC member interviews highlighted several opportunities for Transgrid to improve our engagement performance when preparing future Disclosure Reports and more generally, in engaging with the TAC and in engaging with consumers and their advocates.

Overall feedback highlighted opportunities for Transgrid to improve the way we engage with consumers as partners, by taking a more co-designed engagement approach. Feedback highlighted the need for Transgrid to more clearly identify the purpose and objectives of our engagement processes, with a need to move beyond 'informing,' to a more genuine and meaningful exploration of key issues and concerns.

While some TAC members noted improvement in Transgrid's engagement performance over the last six to twelve months, referencing the increased frequency of meetings, the timeliness of engagement was identified as an area for further improvement. Feedback included that Transgrid should engage earlier on regulatory processes and provide more adequate information with a greater lead-time, to enable more informed input and decision-making processes.

Another theme in feedback on Transgrid's overall engagement with the TAC related to 'closing the loop' with feedback, highlighting an opportunity for Transgrid to demonstrate how feedback has been heard and considered and provided benefit to final outcomes.

Feedback specific to Transgrid's engagement for our 2023 Signatory Disclosure Report, included an opportunity for Transgrid to more clearly outline opportunities for TAC member input throughout preparation of the Disclosure Report, and referring to the Disclosure Report more frequently throughout the reporting year, to keep Transgrid and TAC members more focused on its principles and objectives.

The limited resources and demand for consumer involvement in energy industry engagements was also highlighted as an ongoing challenge for consumer representatives, influencing the extent of participation in engagement processes and feedback provided. Engaging with consumer representatives early, and following up to solicit feedback, was highlighted as important, given existing time and resource pressures.

It was also noted that given the extensive work program and regulatory approvals across the industry in the year ahead, an intensive effort will be required to solicit engagement in the 2024 Energy Charter Disclosure Report process.

The broader results of TAC member interviews are detailed in Transgrid's TAC Q1 23/24 Engagement Survey Results Report, November 2023. Transgrid is preparing a TAC Continuous Improvement Plan, as an update to our 2023 TAC Engagement Strategy, detailing the actions we will take to improve our engagement with the TAC, in line with TAC member feedback.



Appendix 1

TAC Interview questions

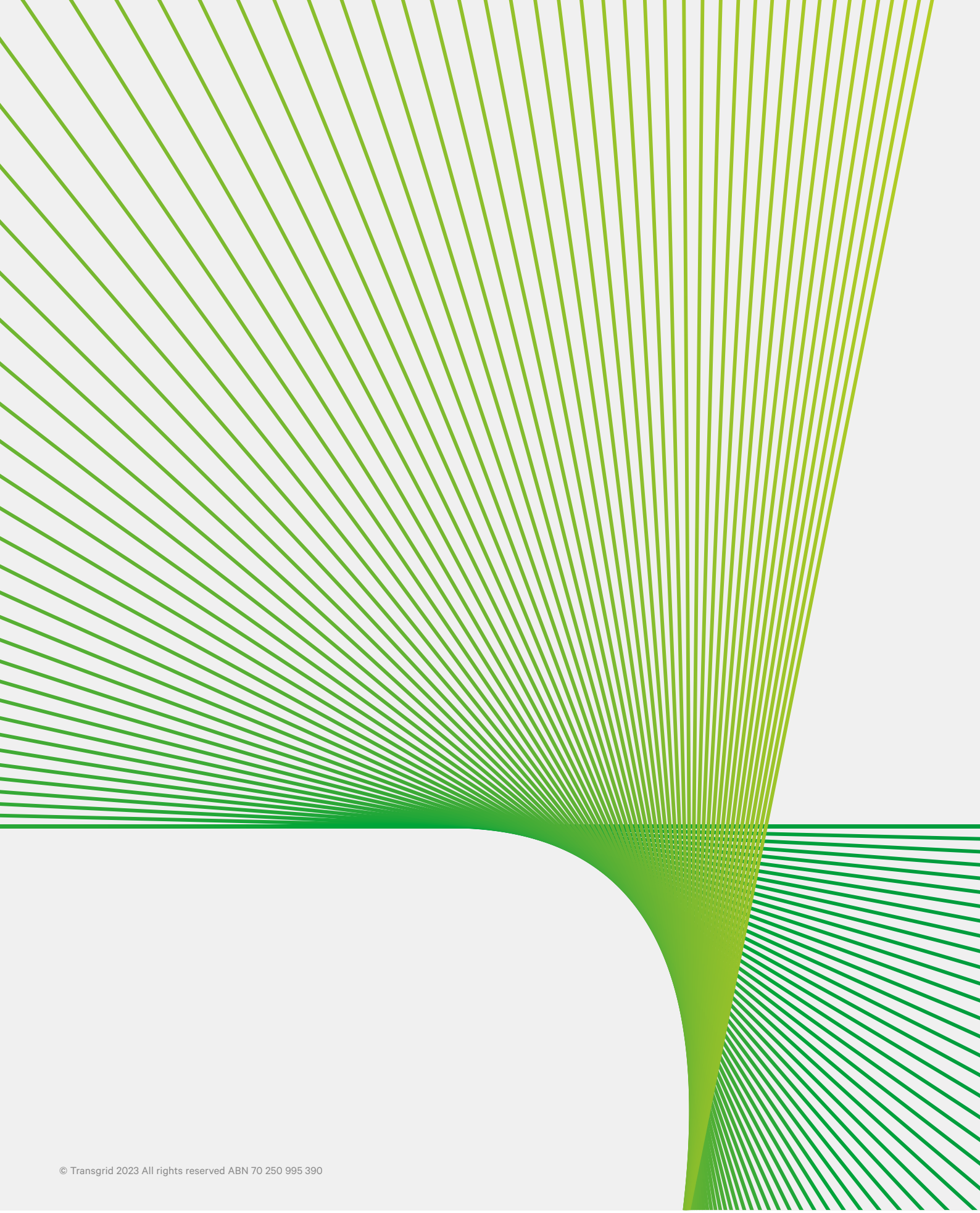
1. Overall, what was your impression of Transgrid's 2023 Energy Charter Disclosure Report?
2. To what extent do you agree with Transgrid's 2023 maturity self-assessment ratings?
3. Do you think the measures and metrics included in the report are effective at demonstrating our progress?
4. Do you have any specific feedback about our progress on any of the five principles?
5. How do you think we could improve our Disclosure Report in 2024?
6. On a scale from 1 to 10, where 1 means 'very poor' and 10 means 'excellent', overall, how would you rate our engagement performance in relation to the Energy Charter engagement objectives (see Appendix B) for the preparation of our 2023 Disclosure Report?
7. How could we improve the way we engage with the TAC for our FY24 Energy Charter Disclosure Report?

Appendix 2

The Energy Charter shared engagement objectives

Principles	In practice
Clear purpose	All are clear on purpose, including whether engagement is to inform, consult, involve, collaborate or empower. At a minimum, engagement around Disclosures is “consultative”.
Genuine	Really listen and respond to the needs of customers and communities.
Clear accurate and timely communication	Provide information that is clear and accurate and with enough time to be read.
Accessible and inclusive	Offer different ways to engage including face-to-face and online forums.
Open and transparent	Be prepared to be questioned and respond to information customers and community representatives are after.
Close the loop	Record feedback, communicate what you heard and how you are responding to it.
Measurable	Collect feedback to find out how well the engagement went and ways to improve. This may include a survey.





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