

Endeavour Energy

Energy Charter Disclosure Report 2023/24



Chair and CEO's foreword

We are pleased to account for our efforts towards better customer and community outcomes in our sixth Energy Charter Disclosure Report.

It provides a platform for us to stand up and be counted and demonstrate our purpose in powering communities for a brighter future.

This year we turned our minds to what we believe our customers need from us by 2035. We charted a course for the positive impact we believe Endeavour Energy must have for our customers and communities to thrive.

As a community based, essential services business for over 130 years, we occupy a privileged position in society. We want to help build a world that our customers have told us they want – one where people and communities can flourish for generations to come, and one that is created at least cost, not at any cost.

One of our greatest opportunities and challenges is to lead the shift from a traditional electricity network to a smarter, cleaner and more customer centric energy system. One that democratises, decentralises and decarbonises the future grid. In this Disclosure, we want to introduce our high level strategy - Decarbonising the Grid 2035 - to you. It is ambitious, and needs us to focus on value for money, managing our costs by tightly directing what we can control with an increased emphasis on our customer priorities of innovation and resilience.

The path to success lies in collaboration within and beyond Endeavour Energy. Contributing as Chair of the CEO Council of the Energy Charter throughout 2023 was a privilege and we commend all Energy Charter signatories for their willingness to think beyond traditional industry sectors, to dare to think about the possibilities and turn the 'hard to do' into 'can do' and 'must do' for the benefit of energy customers, and for Australia.

A highly skilled, highly motivated workforce is central to us achieving our ambition, and core to delivering outstanding customer experience and bespoke customer solutions as massive growth unfolds across our regions. We have made great progress over the past few years. Our customers, rightly, have been the beneficiaries of a more efficient, more reliable and more customer-centric business. That's why we were deeply disappointed to see this progress falter on negotiations for a new enterprise agreement for our people with the commencement of protected industrial action in February 2024. We recognise the significant negative impacts this has caused for many developers and accredited service providers and are doing all we can to resolve this for our people, our customers and our shareholders.

While the purpose of the Energy Charter Disclosure is to publicly report against the five Energy Charter Principles, our Disclosure sits within a broader, decentralised accountability model that encourages self reflection, frank feedback and a commitment to continuous improvement and cultural change.

Our Peak Customer and Stakeholder Committee has worked closely with our Board, Executive Leadership team, and subject matter experts to help us think deeply about our richly diverse customers. We value and respect their support and thank them for challenging us to be the change our customers want to see.



Cheryl Bart AO
Independent Chair



Guy Chalkley
Chief Executive Officer

Acknowledgement of Country

Endeavour Energy acknowledges the traditional custodians of Country where we work - the people of the Dharug, Wiradjuri, Dharawal, Gundungarra and Yuin nations - and recognises their continuing connection to Country, cultures and community.



Verification statement from Endeavour Energy's Peak Customer and Stakeholder Committee (PCSC)

This Report has been shaped and approved by Endeavour Energy's Board and Executive Leadership team. The Report has been prepared with the assistance of our PCSC members throughout the year, who have helped shape our customer culture and strategy, improve our customer offerings, better understand customer needs and account for our performance.

PCSC members represent Endeavour Energy's richly diverse customer and stakeholder segments. The Committee has kindly offered the following statement to verify the process and contribution of its customer representatives in reviewing this Disclosure Report. Endeavour Energy highly values the role and unique contribution of each PCSC member and thanks them for their commitment and interest in driving better customer outcomes.

PCSC Statement

Endeavour Energy has continued its commendable commitment to maintain a partnership with its energy customers and the community through the extension of the Peak Customer and Stakeholder Committee (PCSC).

In the commentary regarding Endeavour Energy's regulatory reset process in 2023, the AER's Consumer Challenge Panel noted: "Endeavour's ongoing, careful listening and considered responsiveness was a highlight of their engagement".

We are pleased to confirm that this customer focus and spirit of engagement, transparency, active listening and meaningful response has continued in the renewal of the PCSC, with an effective membership of customers, community representatives and customer advocates.

Co-design planning sessions have established a set of priority areas for focus; including affordability, resilience, and the impacts of change in the energy landscape. Also in our remit is the responsibility of 'keeping Endeavour Energy honest' when it comes to the commitments made to the community.

Recently, the PCSC has worked closely with Endeavour Energy in developing information materials for consumers on topical matters such as metering and tariffs, and equitable access to customer-owned renewable energy and electric vehicle charging. The PCSC also plays a role in monitoring the key service indicators for Endeavour Energy's customers and stakeholders and providing support and feedback on performance improvement initiatives.

We have had the opportunity to review this report during its development and challenge the authors on its subject material and detail. We see Endeavour Energy's propensity to 'listen, consider and respond' as a key strength in their strategic arsenal.

Members of the Peak Customer and Stakeholder Committee

Annie Kiefer Country Women's Association NSW & National Council of Women, **Bruce McClelland** Business Western Sydney (retired December 2023), **Charlene Mundine** Black Women of Western Sydney, (from January 2024) **Claire Rozyn** Farrier Swier, (from January 2024) **Charles Kekovich** Urban Development Institute of Australia (from January 2024), **Elisabeth Ross** Reform Matters, **Iain Maitland** Ethnic Communities Council NSW, **Jan Kucic-Riker** Justice and Equity Centre, **Mariette Mikhael** Ethnic Communities Council NSW (from January 2024), **Mark Grenning** Energy Users Association of Australia, **Nicole Parsons** Illawarra Shoalhaven Joint Organisation (from January 2024), **Roger Stephan** Illawarra Shoalhaven Joint Organisation, **Mike Swanston** The Customer Advocate, **Trevor Oldfield** Greater Blacktown Business Chamber, **Nic Pasternesky** Western Sydney Organisation of Councils (retired December 2023), and **Simon Moore** Business NSW (retired December 2023). NSW EWON and Australian Energy Regulator representatives observe meetings.

Our customers and communities

Our purpose is powering communities for a brighter future. We own and operate a network serving 1.2 million customers in Sydney's Greater West, the Blue Mountains, Southern Highlands, the Illawarra and South Coast of New South Wales (NSW).

A population of 2.7 million depend on us every day for safe, affordable, reliable and resilient power so they can go about their lives and livelihoods, trusting us to look after their energy interests and plan and deliver a clean energy future that integrates distribution renewable energy zones, solar, batteries and electric vehicles at least cost for all. We power some of the fastest growing regions in NSW, including Sydney's Greater West, home to NSW's second international airport and the surrounding City of Bradfield.

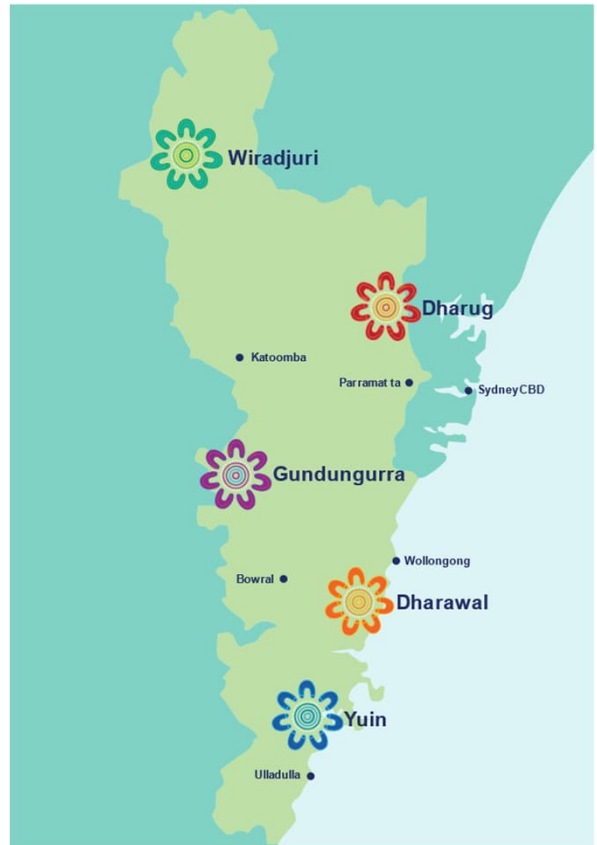
Our customer landscape is changing dramatically. Our challenge is to deliver safe, reliable and affordable energy while offering smart, simple, and bespoke energy solutions across a richly diverse customer base.

Our largest customer segment includes 1.1 million households located in thriving cities, urban and surrounding rural areas. A rapidly growing subset of this group includes more than 43,000 life support customers, an increase of 7.6% from FY23, who depend on reliable electricity to power medical equipment.

One in four customers now has rooftop solar and this is expected to grow to 1 in 2 by 2030.

We serve 100,000 commercial and industrial customers who rely on large amounts of affordable and reliable electricity for their businesses to thrive. They include local councils, hospitals, large logistic centres, government businesses, major shopping centres, manufacturers and a group of high voltage customers.

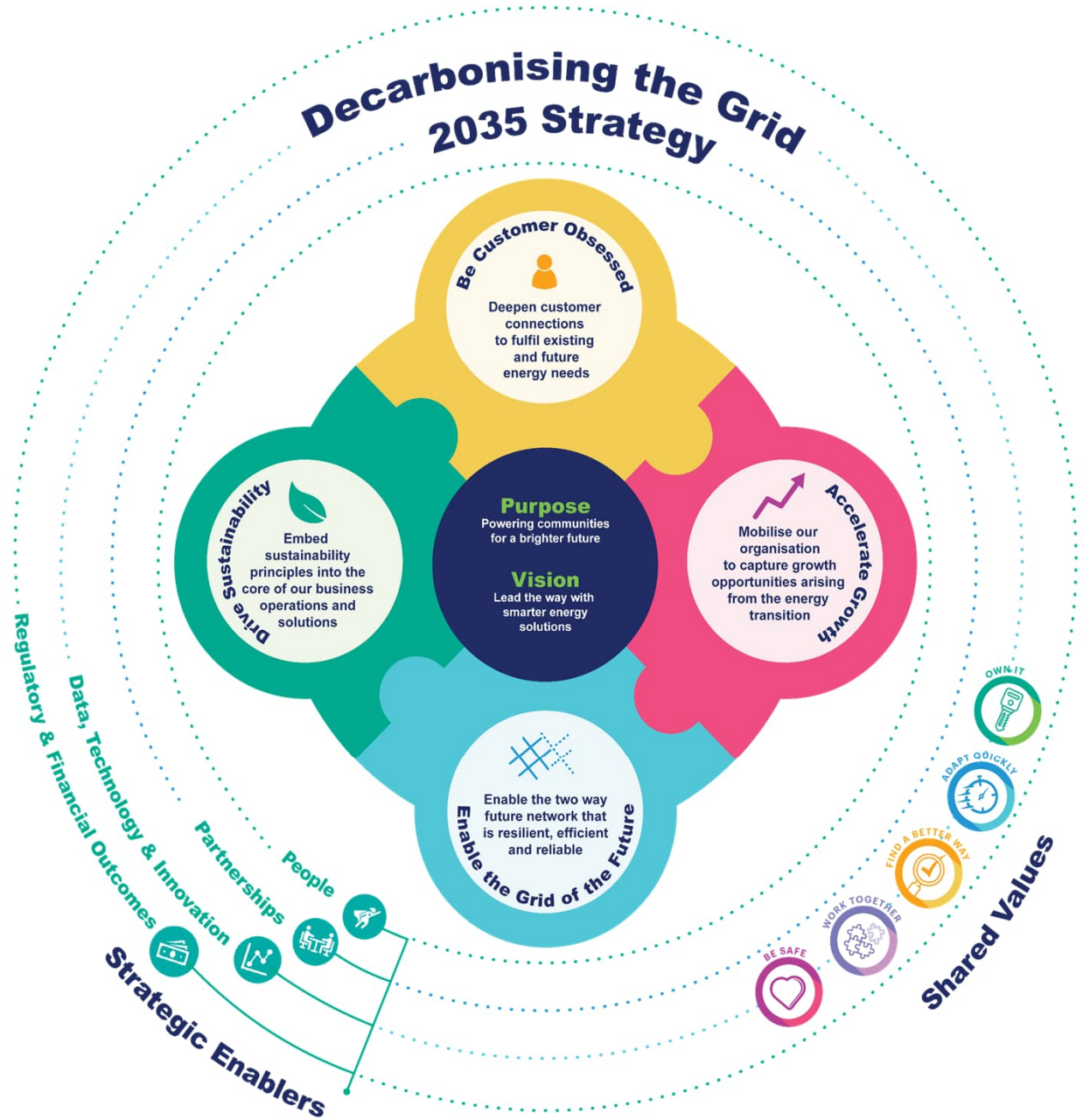
We continue to see enormous growth in international data centres, and they are expected to consume the largest portion of load of any customer segment over the next decade. Retailers are our largest customer group by revenue and are critical partners in driving better energy futures for all.



Decarbonising the Grid 2035 Strategy

We developed this strategy in FY24 by first outlining what 2035 might look like (with various potential scenarios) and then worked backwards to define how we can deliver our purpose of powering customers for a brighter future. This strategy draws extensively on engagement with different customer groups and incorporates their current and future priorities.

The four strategic objectives are inextricably linked. They are underpinned with enabling strategies, agreed outcomes and measures to drive performance. The case studies on the following pages were selected as practical demonstrations of how we are turning intent into action and delivering benefits for customers that improve their lives and livelihoods.



Customer and community highlights

Highlight 1: Co-design to create a renewable, reliable and resilient energy community



At Bawley Point and Kioloa on the NSW South Coast, Endeavour Energy partnered with over 500 local residents, community groups, suppliers emergency agencies, Council and Government to co-design and deliver the state's first community microgrid, transforming traditional ways of planning electricity grids to create a renewable, reliable and resilient energy future.

After the devastating 2019-2020 bushfires left 1500 residents without power for 10-days, the Bawley Point leadership group welcomed Endeavour Energy's invitation to work with local, state and federal Government, emergency services, business and community members to explore options for more resilient, reliable and renewable energy.

NSW's first community microgrid was launched in December 2023, marking a significant step in the transition to renewable energy. This effective partnership created a microgrid featuring a 3MW grid connected battery, coordinated with about 200 home battery and solar systems, with the help of a Virtual Power Plant (VPP) that controls, tracks and forecasts the microgrid's performance. The microgrid acts as an island when the power goes out, providing uninterrupted power to customers' homes.

The 18-month engagement journey showed a remarkable change in community sentiment, from doubt at the first face-to-face workshop, to trust and acceptance of the technology and enthusiastic involvement in the design of the microgrid.

Community benefits include **lower energy bills, improved reliability, more control over how electricity is used and more resilient and confident community**. Importantly, it met the community's desire to reduce its environmental impact and ensure that no-one would be left behind in the energy transition.

The project also led to **cultural change** within the business by demonstrating that community engagement is a powerful force for good.

It helped this community 'build back better' and helped Endeavour Energy learn how to do this well, and at speed. To that extent, it has been an incubator for positive community and cultural change. It has also shown other networks how and why customer centricity matters in the energy transition.

It's our blueprint for future NSW microgrids in remote communities seeking a more reliable, renewable and resilient energy future.

Highlight 2: Voice of the Customer transformed to empower customers



We introduced Voice of the Customer monthly surveys in 2023 to help ensure customer insights drive decision making. In 2024, we created accountability and organisational awareness to track our enterprise-wide customer strategy with key leaders across the business.

We have embedded the Voice of the Customer initiative in our operations, with verbatim comments providing actionable insights. Planned outages featured in 2023/24 as they disrupt routines. In response, we created customer narratives to proactively provide customers with more information on why the planned works are needed, enabling customers to make informed decisions about their day, whether it's for their household or their business.

Awareness letters for large scale projects, where there may be a series of planned outages to help show the work being done and the long-term benefits, have featured.

Feedback has been overwhelmingly positive, with a significant drop in inbound questions about planned outages.

Impact: In FY24 our customer satisfaction score achieved an overall score of 7.2. While this was 0.3 higher than FY23, we know that many customers experienced significant inconvenience in the second half of FY24 and we have work to do to rebuild customer satisfaction in FY25.

Key initiatives for FY25-FY26 include:

- Applying learnings and the narrative approach from planned outages to unplanned outages.
- Explaining why planned outages are going to start or finish late if times change.
- Communicating in different languages.
- Preferred communications channels. In FY25, we will trial this with our commercial customers, with plans to later implement for all customers.

Highlight 3: Enabling community access to the energy transition



We switched on our first community battery this year at Bungaribee, in our drive to decarbonise the grid by 2035 and create a two-way network that delivers resilient, efficient and reliable electricity or customers.

The program reflects customer feedback that they want us to find ways to improve energy equity. Customers want to be able to participate in the energy transition, but many feel like they are left behind if they're not able to afford rooftop solar, or a battery, and particularly if they don't own their own home. Our goal is to find ways for all customers to be able to participate in the transition to renewable energy.

Endeavour Energy, along with our partner Origin, and through the Federal Government's Community Batteries for Household Solar program, aims to establish 80 community batteries across our network. Community batteries work by enabling local residents to generate, store and share solar power without having to buy a battery. It allows customers to be part of and benefit from the energy transition

Community batteries have many benefits. They help lower electricity bills, support more households to install rooftop solar, allow households who cannot install solar panels to enjoy renewable energy, reduce pressure on the electricity grid, absorb excess energy that might cause voltage spikes in the electricity grid and lower emissions.

Three community batteries are now in place and operating in Bungaribee, Kiama Downs and Shell Cove. For around \$15 a month, about 150

customers now enjoy reduced energy costs of up to \$120-\$220 a year for people with solar and up to \$80-\$120 per year for people without solar.

Community batteries provide value for consumers and the community they support. We are targeting areas with high levels of solar export as it will help support the efficiency of the network, **putting downward pressure on costs for all customers by shaving peak demand and putting downward pressure on prices for all customers.**

We're also connecting with local councils and First Nations communities, with local Indigenous artists creating artwork for each battery, deepening the sense of community and place. You can read more about the artists and their work in our Appendix Item Two.

Over the next 18 months, we plan to establish close to 80 community batteries, working in partnership with local, State and Federal Government.

Highlight 4: Improved bushfire safety with drones



As part of our safety efforts to protect customers from the risk of bushfires, we're using drones equipped with high resolution cameras and advanced sensors to undertake essential powerline inspections with greater efficiency, speed and precision. The drones replace helicopters to inspect more than 13,000 kilometres of powerlines for defects, surveying 180,000 poles across the network.

This change included a detailed communications and engagement process, [including this video](#), to ensure customers were aware of the change before they saw the drone completing an inspection.

Positive impacts for customers include a less intrusive, quieter, inspection regime, reducing the impact on customers and livestock. This initiative aligns with Endeavour Energy's commitment to improving network management to ensure customer safety, reliable electricity supply, and bush fire preparedness. Our full media release is available [here](#), as is the [7 NEWS coverage](#).

Highlight 5: Improving grid reliability and responsiveness



Customers have told us over many years that they value reliability and expect us to find efficient and clever ways to improve our service to them.

They are now set to enjoy improved reliability through the increased use of 'self healing' technology that enables us to locate and isolate faults and quickly restore power without physically being onsite. This innovative solution is part of the digital transformation program we have been rolling out over the past few years in response to changing customer needs and to further improve service delivery and safety.

The implementation of the 'self healing' network has delivered a **40-50% reduction in frequency of outages and a 44% reduction in the number of customers impacted by outages.**

This project, which integrated safety and leveraged innovative ideas to bridge data gaps, **has improved reliability and customer experience for 9% of the high voltage network, which equates to 168,000 customers.** In FY25, we will continue to implement this technology across the HV network, helping to keep downward pressure on electricity costs through automation.

This clever technology also **helps restore power to rooftop solar systems**, which are designed to disconnect and cease energy production during power outages. This ensures that rooftop solar systems maintain their connection to the grid, continuing their production of green energy.

This digitisation of our outage management system (otherwise known as Advanced Distribution Management System or ADMS for short), has had a transformative impact on how we manage the network. Crews can now use iPads in the field to interact with the grid in real time and assess the status of a certain segment of network that they need to work on.

The system also pinpoints fault locations, thereby reducing the time crews spend on the road searching for the fault site. This decrease in travel contributes to a reduction in greenhouse gas emissions and improves efficiency, staff fatigue and related safety risks.



Highlight 6: Pioneering the grid of the future

Customers in large growth areas in Western Sydney are set to benefit from digital substations, **which will significantly improve the affordability, reliability, and sustainability of the network.** We have reduced the timeline associated with substation construction and commissioning by almost half, delivering most substation components with internal resources. This builds Endeavour Energy's capability to respond to faults and emergencies more effectively, **restoring power to our customers faster.**

The constant monitoring of every communications-based signal, as opposed to conventional copper-based systems, allows us to mobilise staff to **respond to substation faults within minutes** rather than waiting for a fault and subsequent investigation. Digital substations are integrated with our Advanced Distribution Management System, providing timely wide-area automation to maintain the quality of supply and facilitate fault isolation and restoration.

Our commitment to advancing digital substation technology has positioned us as a leader using our proactive approach, supported by industry collaboration and a culture of knowledge sharing. This has driven significant improvements in efficiency, sustainability, and reliability. By pioneering the digitisation of substation systems and inspiring others to follow suit, we are contributing to a more advanced and resilient energy system both in Australia and internationally.

Each of our featured case studies were selected as a practical demonstration of how we are delivering against the four pillars of our new corporate strategy

- Be customer obsessed
- Drive sustainability
- Enable the grid of the future and
- Accelerate growth

Energy Charter Scorecard

| Measure | Description | FY20 | FY21 | FY22 | FY23 | FY24 | Target FY25 |
|--|---|---------|-------|-------|-------|------------------|----------------|
| Principle 1 – We will put customers at the centre of our business and the energy system | | | | | | | |
| Customer Service | Customer satisfaction – outages and general enquiries. ^{1,2} | 7.5 | 7.5 | 6.5 | 6.9 | 7.2 | 7.2 |
| Reputation: stakeholders | Benchmarked reputation score of stakeholders ³ | - | - | 83.7% | 87.7% | 86.8% | 88.7% |
| Reputation: community | Quarterly benchmarked score of customers ³ | - | - | 72.6% | 71.0% | 68.3% | 69.0% |
| Principle 2 – We will improve energy affordability for customers | | | | | | | |
| Affordability | Average residential charges ⁴ | \$510 | \$573 | \$540 | \$550 | \$524 | \$545 |
| | Average small business charges ⁵ | \$1,000 | \$995 | \$940 | \$963 | \$909 | \$945 |
| Principle 3 – We will provide energy safely, sustainably and reliably | | | | | | | |
| Worker safety | Total Recordable Injury Frequency Rate ⁶ | 11.5 | 8.5 | 6.6 | 6.4 | 4.5 | 6.0 |
| Public safety | Domestic shocks | 100 | 104 | 94 | 68 | 92 | <83 |
| Sustainability | Global Real Estate Sustainability Benchmark (stars) | 4 | 5 | 5 | 5 | TBC ⁷ | 5 |
| | Greenhouse gas emissions (kt CO2-e) ⁸ | 632 | 621 | 609 | 598 | 592 | 581 |
| | Nature positive (ha) ⁹ | - | -2.6 | -0.7 | -0.8 | -0.06 | 0.0 |
| | Landfill diversion | 35% | 52% | 70% | 78% | 82.96% | 90% |
| Reliability | Unplanned SAIDI normalised (mins) ¹⁰ | 87.6 | 66.0 | 91.59 | 77.35 | 74.71 | 79 |
| Principle 4 – We will improve the customer experience | | | | | | | |
| Ease of service | Total EWON casework ¹¹ | 208 | 172 | 150 | 226 | 198 | 150 |
| | Per 10,000 | 1.95 | 1.59 | 1.5 | 2.0 | 2.0 | <1.8 |
| Principle 5 – We will support customers facing vulnerable circumstances | | | | | | | |
| Life support | Type 1 customer breaches | 15 | 24 | 50 | 67 | 5 | 0 |

- Results from FY22 are not reflective of a change in service, it is attributable to the survey method changing from outbound calls to SMS links. After engagement with customers, this measure was replaced with customer satisfaction targets in FY24.
- Averaging between 400-700 surveys per month from Jan 22.
- New from FY22, FY22 figures based on nine months of data.
- Distribution charges, 5MWh p.a. \$FY25.
- Distribution charges, 10MWh p.a. \$FY25.
- Number of lost time and medical treatment injuries per million hours worked for employees and contractor
- FY24 results will be available in October 2024, after report publication.
- Includes scope 1 and scope 2 emissions. FY24 data includes assumed estimated contractor data, which is subject to change. FY25 target is derived from our interim target for scope 1 and scope 2 emissions (excluding network losses) with AEMO Step Change scenario decarbonisation for network losses.
- New from FY22. Compensating for the vegetation management and other land clearing activities of the business. In FY22, FY23 and FY24, net habitat and targets met.
- Average duration of minutes interrupted per customer. Reliability result in FY22 reflects the impacts of outages due to numerous flooding events being excluded or partially excluded from SAIDI
- Electricity and Water Ombudsman NSW (EWON) provides independent and free customer advice.

Energy Charter Principles: Completed, in progress and future actions

Principle 1 – We will put customers at the centre of our business and the energy system

Our goal is to have capable and committed people in our workforce who are invested in delivering what matters to create a sustainable future for our customers and communities. We strive to develop a high-performance culture where our people are motivated to drive the right customer outcomes and empowered to enable innovation, improve customer experience and deliver leading energy solutions. This culture values collaboration with industry peers and partners to deliver better services and experiences for customers and communities.

Completed

- To help deliver better customer outcomes and place customers at the centre of our business, our senior leadership customer committee mapped a detailed customer strategy aligned to our ambition to improve customer outcomes and decarbonise the grid. Delivery continues to be a business-wide focus.
- Large customer needs are being shared across the business via a dedicated account manager so that we can provide a more responsive and tailored service to this vital customer segment.
- So that we can continue to embed authentic, best practice engagement as business-as-usual, and action learnings from our regulatory engagement program, we developed a Board approved strategic engagement program featuring a segmented customer panel to test new service offerings.
- To build a culture of service excellence and equip our people with the skills to place our customers at the centre of all we do, we shared the results of our Voice of the Customer program with front line workers at dedicated Safety Days so that they hear firsthand customer feedback.

- We formulated our Decarbonising the Grid Strategy based on customer insights and learnings for extensive engagement and incorporated their current and future energy priorities into the strategy.

In progress

- Having the right culture underpins all that we do. We have committed to fostering a culture focused on innovation and customer centred design, so we trained 30 leaders in design thinking principles to help create services and products that our customers value, rather than ones we think they need. Design thinking has underpinned improved pre and post outage information, helped design digital substations, and dramatically improved the prioritisation of our network maintenance program.
- To hold ourselves accountable to our customers and communities for our performance, we co-designed new customer metrics, tailored to Endeavour Energy's customers' needs. The new Customer Satisfaction Target measures key features of our service offerings including planned outage times and includes incentive payments if we achieve targets, and penalties if we don't.
- In a continued commitment to high quality engagement, Board members, executive leaders, and subject matter experts worked with our newly expanded Peak Customer and Stakeholder Committee to plan and prioritise a two-year program of customer initiatives.

The future – goals to FY26

- Achieve a customer reputation score of 68%, with 69% being a stretch target and a one-point year on year increase for FY25 and FY26. Reputation data shows that scores are significantly higher when customers have interacted with us, also borne out by FY23 Customer Panel evaluations.
- Achieve a Customer Satisfaction Score of 7.2 and extend our Voice of Customer survey to include additional customer touchpoints and experiences.
- Once the enterprise agreement is settled, rebuild trust that has been lost due to protected industrial action with our people, customers and developers
- Implement our ten-year strategy to decarbonise the grid and track progress against key metrics

Principle 2 – We will improve energy affordability for customers

Cost of living challenges continued and we focussed efforts on ways to further improve affordability. We have worked hard to reduce our contribution to energy bills over the last decade with network unit costs among the lowest in the National Electricity Market due to sustained efficiency programs. After five consecutive years of efficiency improvements based on the AER's independent benchmarking, our ranking fell slightly in FY24 after a change in methodology. We were disappointed to miss our target to contain operating costs as our customers directly benefit from lower operating costs and capital expenditure.

Completed

- Affordability and value for money for customers was recognised as a central theme throughout Endeavour Energy's five-year plans, approved by the Australian Energy Regulator in April, following extensive engagement with 1800 customers, informed stakeholders and the regulator.
- The plans reflected customers' priorities of affordability, and a safe, resilient, reliable electricity network, servicing the extraordinary growth of communities, and facilitating new customer energy choices.
- With cost of living a central concern for customers, the annual average price increase for network costs over the 2024-29 period approved by the AER is \$29 for a typical residential customer and \$48 for small-medium businesses. This equates to an increase of 1% in customers' total electricity bill, with our costs less than 27% of total bill.
- This pricing reflects Endeavour Energy's concerted effort to keep its part of customers' bills stable while making targeted investments to modernise the grid to deliver the energy services our customers have told us they value. We have worked hard to keep downward pressure on our costs through innovation, productivity improvements and operational efficiencies, aided by benefits flowing from recent investment in modern information systems.
- We continued to collaborate with retailers to help design products that help customers to control usage and costs.

- We continued to support 'Voices for Power', an energy literacy train the trainer support program, in partnership with Ausgrid and Jemena, for Culturally and Linguistically Diverse (CALD) communities delivered in language and in the community. This program trained 1633 people in 20 CALD communities across 13 local government areas with an estimated reach of 6,550 people in FY24.
- We advocated for a least cost transition via the uptake of customer energy resources by generating more transparency of connections to our network and the delivery of flexible connections (including dynamic operating envelopes.) This will modernise connection offerings for customers while managing the increasing two-way flows; increasing renewable energy use while minimising traditional network investment. It will also evolve tariffs to be more reflective and supportive of customer energy resources flexibility.

In progress

- Energy affordability is helped with better grid utilisation and by harnessing and co-ordinating customer energy resources. We have identified three to four gigawatts of potential renewable capacity, including solar, wind, commercial and industrial rooftop solar, that can be connected to our high and medium voltage levels within our network by 2030 without significant investments into network augmentation and/or storage using a 'distribution renewable energy zone' or DREZ. We have identified possible test sites and estimate that, if successful, we could generate up to 1.4GW from commercial and industrial rooftop solar and 1.5 GW from solar farms on easily accessible land. This has the potential to help deliver the energy transition quickly and cost effectively for customers while providing the appropriate grid controls for grid security.
- We are acting on customer commitments from our regulatory determination to implement a tariff education program. This program will feature ongoing engagement with our customer panel to critically assess customer education.

The future – goals to FY25

- To create value for customers, we will continue our focus on measurable improvements in efficiency, productivity and innovation and ongoing customer engagement.
- We will continue to advocate for the development of distribution energy zones with governments, rule makers and renewable energy partners to minimise the costs of the energy transition and ensure more customers can access the benefits of renewable energy.

Principle 3 – We will provide energy safely, sustainably and reliably

We're working towards a smarter, more flexible and modern grid that enables customers to maximise the value of their investment in solar, batteries and electric vehicles, while safely integrating them into the grid. Our customers also live in areas that experience some of the worst bushfires, floods and heat in NSW. Resilience matters to them, and they have told us they want us to act now, but to be prudent in the investments we make. With the move to 'electrify everything, safe and reliable electricity is increasingly central to customers' lives for transport, hybrid working, water, finance and telecommunications. Our network is also a critical enabler in realising growth across our region.

Completed

- Our sustainability linked loan met all sustainability performance targets for the third consecutive year.
- We have reduced our environmental impact across business sites and have completed two years with all our facilities utilising green power to reduce Scope 2 emissions. We installed 2,300 kilowatts of solar across 19 sites, reduced electricity purchased from the grid by 45%, installed LED lighting and hot water equipment and are using off grid battery systems in remote locations.
- We diverted 83% of our operational waste from landfill, exceeding our annual target of 80%.
- Protecting customers from the risk of electrical danger is a top priority. Our Public Safety Network Management Plan helps prepare and protect customers and communities, comply with safety obligations and informs stakeholders of hazards and controls in place to manage safety risks. The Plan details investments and targeted activities for at risk groups through safety awareness campaigns around electrical infrastructure. In FY24 we reached 94% of primary schools during Electricity Safety Week.
- We actioned customers' stated preference to act now to make the network more resilient in the face of climate change and transition to a low carbon environment through an award-winning, comprehensive, asset management plan that utilises climate data modelling and

- extensive customer engagement to account for investments and new technologies to address extreme weather.

In progress

- We continue to improve public safety at high-risk construction sites, partnering with SafeWork NSW. Our Public safety team attended 67 large industry forums to build awareness of cable strikes, considered vital in an area of dramatic growth.
- Community and network resilience is set to improve following a trial of fire mesh technology to help bushfire proof more than 1,200 wooden power poles. By wrapping the base of the pole with fibreglass mesh, trials revealed fewer poles were likely to fail in bushfire prone areas. By using fire mesh, Endeavour Energy crews will be able to restore the network faster after fires and better serve impacted customers.
- We will enable the grid to provide customer and community benefits via our co-designed Future Grid strategy, with milestones agreed through to 2029.
- Our biodiversity offset area is entirely regenerated. It is now so well established with native vegetation that it will be used by local councils to harvest seeds to utilise in other regeneration areas.
- Grid resilience investments will require attention to 2035. The ability to anticipate, withstand, quickly recover and learn from disruptive events is critical to our customers and communities. Our Decarbonising the Grid Strategy 2035 recognises investments to minimise three risks – organisational, cyber security and climate change,

The future – goals to FY40

- By 2025
 - 90% employee participation in wellbeing program
 - Divert 90% of waste from landfill
 - 50% apprentice and graduate roles filled by women
 - Nature positive
- By 2030
 - 40% emission reduction (scope 1 and 2, excluding line losses)
 - Connect 590,000 solar systems and batteries
 - 100% of new fleet be zero emissions
 - Waste neutral
- By 2040
 - Net Zero by 2040 (scope 1, 2, and 3)
 - Climate positive by 2040

Principle 4 – We will improve the customer experience

We believe that changes in the energy industry should benefit all customers, but understand that this is not yet the reality. Our customers value experiences that are easy, fair and respectful, with transparent outcomes, especially so when things go wrong. Customers expect us to understand where their pain points exist across industry sectors and work to overcome them. We are committed to making it easy for people to get the best service regardless of their ability to engage with us. We will continue to improve our processes and communication with customers.

Completed

- We strengthened collaboration with retailers and other energy businesses across multiple projects to bring improved customer experience to our customers, including assisting customers experiencing hardship.
- We identified customer pain points and improved communications about unplanned outages by implementing SMS notifications, both to notify of the outage and update once it has been resolved.

In progress

- Customers will enjoy better tailored service and fewer pain points via customer account managers for high voltage, commercial and industrial customers, local government, data centres, and accredited service providers. Anecdotal feedback indicates most customers welcome a central, regular point of contact who can streamline service requests and help navigate problems.
- We are continuing to push forward with improving the customer/Accredited Service Provider experience, despite the significant challenges of protected industrial action. We modernised our systems. In August 2023, we launched online payments to enhance our connections portal, eliminating manual paper-based payments and creating a more seamless and flexible online payment process for customers.

- Our fast-track application initiative continues to cut red tape and reduce connection times. Following a successful pilot in 2022, we have now issued over 1,400 fast-track supply offers and reduced the timeframe from application to design certification for our customers by 104 days on average. Our customers have said *“The new fast-tracked process has been excellent and one of the best improvements I’ve seen in the process in my 20 years”*
- Customers will be better able to manage their energy use and costs with the roll out of smart meters across the network. We are working with retailers and regulators to expedite this.
- We’re using insights from the Voice of the Customer program to improve digital offerings.
- We will continue to deepen our in language offerings to culturally and linguistically diverse communities in our engagement program and seek to involve our people in these programs to build community connections.

The future – goals to FY25

- We will work to increase language and ability options for our communications to help improve the ease of access to information for our customers.
- We will begin a trial of preferred communications channels with commercial customers to build foundations for the long-term plans to roll out for all customers.
- We will drive a transformative uplift in frontline customer service based on a strategic review of performance in mid FY24.
- We will update our website in line with user feedback to improve accessibility, content, navigation and customers' preferences for self-service.

Principle 5 – We will support customers facing vulnerable circumstances

Customers in vulnerable circumstances need tailored support and extra levels of care and flexibility to stay connected. It is important for customer-facing staff to be trained in identifying the varied underlying causes of vulnerability, and in aiding customers in the pathways to the right support. This has been a core focus for Endeavour Energy throughout the year.

Completed

- Life support customers are less likely to be at risk of an outage after we completed the commitments we made to the Board and AER, using systems thinking. Our Powering Life Program has improved training, systems and processes, as well as driving organisational awareness to keep our life support customers protected. Life Support breaches dropped from 67 to 5 at years end. Work continues to improve performance to reach our target of 0.
- A dedicated Social Programs team oversees customer support programs for customers experiencing hardship. [Support and resources | Endeavour Energy](#)
- We have continued to provide immediate support for customers during incidents via the Community Liaison function.
- We collaborated with Energy Charter signatories to share the learnings of our Knock to Stay Connected program and prevented 2,534 customers from being disconnected for non-payment as part our business-as-usual activities.
- We helped customers better prepare for power outages during major natural disasters by analysing locations most likely to be affected via the continued use of our network digital twin.
- 16 worthy community groups were selected from 274 applications from education, health and wellbeing, the environment and social welfare sectors for a community grant totalling up to \$10,000 per group.
- We recognise that rising energy costs also place great financial strain on our largest customers and strengthened our partnership with Energy Users Association of Australia to better understand large customer needs.
- We assessed 24 cases of financial hardship for customers who had been issued private asset defect notices. We also provided \$133,000 in financial hardship payments in FY24.

In progress

- In recognition of the need to offer customers tailored support as they often work through complex and difficult issues, we have made a three-year contribution to the Financial Counsellors Association of Australia, along with other energy businesses, banks and insurance industries.
- Our teams continue to undertake welfare check calls during widescale outages or unplanned outages, particularly when they go overnight, making sure that our customers are suitably notified and have implemented sufficient backup plans.
- We encourage life support customers to prepare for winter and summer with hints and tips on preparing for outages and use this to spark conversations and engagement between customers and our team.
- Endeavour Energy is highly engaged in Energy Charter Better Together initiatives, with our specialists contributing to life support improvements, resilience and communities of practice.

The future – goals to FY25

- To help customers experiencing hardship, we will continue to improve our escalation process, life support registrations and service guarantees by improving our case management system. Customer benefits will include faster resolution times, payments and a clear record of next steps.
- As the energy transition gathers pace and renewable energy zones impact people's lives, we will seek to strengthen and deepen stakeholder engagement and social licence expertise so that customers and communities become partners in the process and do not feel vulnerable.

Appendix

2023/24 Maturity Assessment

Our Energy Charter Disclosure Report helps us to track and assess improved performance and customer outcomes over time. We use a [maturity model](#) developed by Energy Charter signatories to self-assess performance against each principle using a set of agreed criteria and to also make clear our aspirations. Our Board, Customer Steering Committee subject matter experts and our Peak Customer and Stakeholder Committee help guide our assessments throughout the year. We have placed weight on customers' preferences to deliver the energy transition at least cost, not any cost, noting ongoing concern across many customer segments. We are also mindful that PCSC members have counselled Endeavour Energy to focus on sensible improvements, with a sharp eye on costs we can control. While our ambition is to lead the industry, our experience has shown that movement through the model requires sustained performance over time. Justification for the ratings are shown in the first column.

| | Elementary | Emerging | Evolving | Empowered | Exceeding |
|--|------------|----------|-----------|--------------------|-------------------------|
| Principle 1 – We will put customers at the centre of our business and the energy system | | | | | |
| Demonstrable customer- centred culture across the business, ambitious targets, and Board/CEO engage regularly with customers | | | FY21 | FY22/FY23/ | FY24/FY25 |
| Principle 2 – We will improve energy affordability for customers | | | | | |
| Investment decisions optimised for customer benefit; effective collaboration with advocates | | | FY21 | FY22/FY23 | FY24/FY25 |
| Principle 3 – We will provide energy safely, sustainably and reliably | | | | | |
| 3.1 Safety performance – managers accountable for embedding a safety culture | | | FY21 | FY22/FY23 | FY24/FY25 |
| 3.2 Environmental performance is benchmarked, publicly reported and drives decisions | | | | FY21 | FY22/FY23/ FY24/FY25 |
| 3.3 Shift to a cleaner energy system – focus on customer benefits and innovation driven by research and development | | | | FY21 | FY22/FY23/ FY24/FY25 |
| 3.4 Connection, service and reliability – customer feedback directly shapes solutions | | | FY21 | FY22/FY23/ FY24 | FY25 |
| Principle 4 – We will improve the customer experience | | | | | |
| 4.1 Fair, inclusive outcomes for customers | | FY21 | FY22 | FY23 | FY24/FY25 |
| 4.2 and 4.3 Clear customer communications | | FY21 | FY22 | FY23 | FY24/FY25 |
| 4.4 Handling complaints – insightful data use | | FY21 | FY22 | FY23/FY24/ FY25 | |
| Principle 5 – We will support customers facing vulnerable circumstances | | | | | |
| Early identification of at risk customers and partnering with agencies to improve outcomes. | | | FY21-FY23 | FY24 | FY25 |

Strengthening our Communities

Over the past few years, our customers and communities have expressed they want to see us further invest in our communities to help them thrive. Supporting good causes is something they expect from us, with almost half of our customers seeing this investment as very relevant. The [Grants Programme](#) was established in FY24 as an avenue to improve the social outcomes of our community at a grassroots level.

The programme was set up to bring valuable community initiatives to life with successful programs supporting communities to plan for weather events, encourage STEM development in schools, provide access to education or facilitate financial stability to empower those experiencing vulnerable circumstances.

With total funding pool of \$120,000, this year saw 274 grant applications received. [16 community groups were awarded grants ranging from \\$2,000 to \\$10,000.](#)

One STEM focused recipient in Sydney's Southwest enabled 1,370 kids to be able to count on receiving lunch at school. A principal shared that when kids are hungry, they can't concentrate and when kids can't concentrate, they can't learn.

For the 1st Camden Scouts, it enabled the installation of a solar system and LED lighting to reduce their carbon footprint and allow greater use of their facility. (see photo)

For the Megalong Valley Community and Landowners Association it enabled Public Emergency response kits to build the resilience of an isolated community.

The initial feedback from the community groups who have utilised their funding has been very positive.

The programme has helped to foster meaningful connections to community, with many organisations actively reaching out to invite Endeavour Energy to participate in community events that further support these communities and create space for engagement.

In FY25, we will again be offering a total funding pool for \$120,000 for community organisations to improve social outcomes

The grants program was leveraged to create additional opportunities that further connected to our values:

- Megalong Valley Community Association - Attendance at the Megalong Valley Community day and opportunity to connect to our resilience programs
- Street Industries - Participation in Western Sydney Wanders training camp. Opportunity to promote apprentice program.
- Macquarie Fields High School – STEM Incursion – opportunity to promote apprentice and engineering programs, and to provide a STEM learning opportunity for kids.
- Eat Up - Endeavour Energy staff to volunteer and make over 1000 sandwiches
- OzFish – Planting opportunity
- Parramatta Mission - Staff food drive and ongoing food donations. Volunteering opportunity.



In addition, across our organisation we have:

- Supported 22 charities
- Attended 55 community events
- Had 584 of our staff complete 3799 hours of volunteering.

“The Endeavour Energy Volunteering day combined some fabulous 'people power', team engagement dynamics and practical resource preparation resulting in very meaningful outcomes for vulnerable people across Western Sydney.”

Andrew, Westcare

Award winning people and projects

We're proud to see many of our people and our projects being recognised for the impact they are having within the industry and for our customers.

- **Leaders in customer engagement.** [Energy Network Industry Awards](#) awarded Endeavour Energy the 2023 Consumer Engagement Award, recognising that we lead the Australian market for best practice consumer engagement. We were delighted to win the Consumer Engagement Award again in 2024 for excellence in engagement for the first co-designed microgrid in NSW.
- In the [35th National Banksia Sustainability Awards](#), Endeavour Energy was a finalist in the Large Business Sustainable Leadership Award for accelerating the decarbonisation of the energy sector and making sustainability part of how we do business.
- Endeavour Energy won the [Asset Management Council's 2024 Resilience Award](#) for pioneering the concept of 'resilience investment' in light of the impact of escalating, climate-induced extreme weather events.
- Samer Rawas was awarded the [Apprentice of the Year for Western Sydney and Blue Mountains](#) at the NSW Training Awards. He thanked those who had trained him, stating this award was a reflection of the investment made to get him to where he is today.
- Our 'self-healing' network project was recognised by [The Australian Financial Review in their 2023 Digital Transformation Leaders](#) series and awarded the Resources, Energy and Utilities Industry Sector Award at their inaugural AFR Digital Transformation Leaders Awards.
- [The Western Sydney Leadership Dialogue](#) recognised the Bungarribee Community Battery as the Outstanding Sustainability Project for 2023.
- The [Western Sydney Awards for Business Excellence](#) recognised Endeavour Energy as a finalist in Excellence in Innovation, Excellence in Sustainability and Outstanding Employer of Choice.
- The [KARI Foundation](#) awarded Endeavour Energy for their Commitment to Positive Community Change.

Collaboration to provide better, cheaper energy to customers

In efforts to drive innovation and reduce network costs, instead of replacing off peak control equipment in the network that had reached end of life, we collaborated with retailers and meter providers to create an alternative option.

A smart meter allows two-way communication system that transmits meter readings at 30-minute intervals, as opposed to the traditional method of 3 monthly physical checks. This two-way communication enables dynamic control of energy type usage, which in turn enables more customers to lower their costs by utilising cheaper energy tariffs during off peak periods.

Together, we accelerated the deployment of smart meters to over 7,000 households, with plans to reach another 8,000 customers next financial year. Customer feedback has been positive, with many neighbouring communities keen to be involved.

Implementing smart meters provides a myriad of benefits including enabling better efficiency, solar capacity and solar soaking. This is a significant step in supporting customers in their energy transition journey and being able to better utilise solar power as a community.

We have over 60,000 customers currently under dynamic control using smart meters. This provides direct positive outcomes for customers, as well as achieving a broader base of solar soaking which improves the capability of the network. On average, 40% of energy usage is being shifted into the daytime through the smart control, enabling the equivalent amount of energy in new solar to be able to connect and export into the network.

This dynamic control has enabled Endeavour Energy to introduce a trial of a new third off peak tariff, its lowest tariff available. As the growth of smart meters continues and more customers can come under dynamic control, there is potential for direct customer savings.

The collaboration between network, retailers and meter providers has opened up many conversations and avenues for further customer-centred collaboration in the future.

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