

2023

Energy Charter Disclosure Report



*Owned by the
people of WA*

HORIZON
POWER

Acknowledgement of Country

We acknowledge and pay our respect to Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia.

We are privileged to share their lands throughout 2.3 million square kilometres of regional and remote Western Australia and Perth, where our corporate office is based, and we honour and pay respect to the past, present and emerging Traditional Owners and Custodians of these lands.

We acknowledge Aboriginal and Torres Strait Islander peoples' continued cultural and spiritual connection to the seas and the lands on which we operate. We acknowledge their ancestors who have walked this land and traveled the seas and their unique place in our nation's historical, cultural and linguistic history.



Six Mile Creek, Port Hedland

CEO & Board Report

As Western Australia’s regional energy provider, Horizon Power is committed to delivering sustainable, innovative and affordable energy solutions to regional and remote communities across our state.

We understand the value of collaborating with our customers as we bring them along on the energy transition. With that in mind, we continued to embed our customer-centric approach this year to create a culture that focuses on delivering the best experience for our customers.

We’re passionate about energy equity at Horizon Power and believe strongly that transitioning to renewable sources should be accessible to all customers, regardless of their location or size. Whether it is our smallest remote communities in the Kimberley or our biggest industry partners in the Pilbara, our goal is to promote ways for all our customers to participate in the new energy landscape and reap the positive economic benefits that come with it.

We’re proud of the progress we have made in our customer-centric journey since becoming Western Australia’s first signatory to the Energy Charter in 2019. Our progress this year included another first for a WA utility when we established the Horizon Power Customer Council. We’re excited about working with this group, and value the feedback these customers and stakeholders will provide as we explore strategic issues and understand their community’s expectations.

Our new Sunshine Saver product is one way we’re addressing the existing equity gap in our customers’ ability to access renewable energy technologies that improve bill savings. Launching in Esperance for an initial 12-month period, the subscription-based offering will deliver bill savings to our eligible residential customers for whom rooftop solar has previously been out-of-reach due to personal and financial barriers. For a \$1 daily fee, eligible customers will have five units of energy credited to their account, and the ability to boost savings further by moving energy use from the evening to the daytime between 6am and 6pm.

Our role as an Energy Charter signatory aligns with our guiding principles of Community Involvement; Aboriginal and Torres Strait Islander Commitment; Cleaner, Greener; and Regions First. Our principles drive us to engage regularly with our customers and communities, co-create energy solutions where practicable and deliver tangible outcomes to improve the communities where our customers live and work.



Stephanie Unwin
Chief Executive Officer



Sandra Di Bartolomeo
Director/Chair Horizon Power People, Safety and Culture Committee

We understand our residential customers face unique challenges and significant inflationary pressures living in remote and regional WA, and that they prioritise affordable and reliable energy above all else. By engaging with our remote customers through our Customer Service on the Move program, helping customers manage energy costs through our Prepaid Power product, delivering energy literacy coaching via the Household Energy Efficiency Scheme (HEES) or discussing future energy systems across WA, we proactively engage and listen to our customers – continually evolving our products and services to reflect their feedback and insights whenever possible.

Our Executive and Board are committed to supporting the business as we continue to evolve our customer-centric approach. In the coming year, we will engage with and listen to our customers and communities through our Customer Council members, to better understand how we can respond to their most pressing concerns in a proactive and meaningful way.

We also recognise that our small to medium sized commercial customers are facing significant pressures and we will continue to seek ways to provide practical support for this segment of our business. We will prioritise the development of decarbonisation solutions to meet the continually evolving needs of our large enterprise customers.

As WA’s only signatory to the National Energy Charter, we are proud to share our recent progress and look forward to your feedback and ongoing collaboration as we work together to deliver our commitments under the Energy Charter.

A handwritten signature in black ink, appearing to be 'Stephanie Unwin'.

Stephanie Unwin
Chief Executive Officer

A handwritten signature in black ink, appearing to be 'Sandra Di Bartolomeo'.

Sandra Di Bartolomeo
Director and Chair of the People, Safety and Culture Committee

Highlights

Key customer outcomes

Improving the customer experience

52

Net Promoter Score

2021 = 59 (record high)

Energy industry NPS benchmark: -23 tp -38[^]



Lightbulb Lab

Established customer online forum for more customer collaboration and insight gathering

94%



Customer satisfaction

Esperance Energy Transition customers post completion satisfaction rating

Improving energy affordability

292

 customers approved for solar

4.305 MW of hosting capacity approved, enabled by revisions to technical calculations and installation of community batteries

11

 community and grid batteries operationalised

We successfully operationalised three community batteries and eight grid scale battery energy storage solutions which enabled more hosting capacity release

15.9%

 Increase in customer concessions

A total of 11,567 customer concessions applied in 2023

Improving support for customers facing hardship

11.3%

 increase in proactive support for customers facing hardship

883 customers facing hardship circumstances effectively managed through the Hardship Assistance Program. Our focus is to proactively identify emerging signs of hidden hardship and improve the experience of overall hardship customers under management.



Customer Service on the Move

29

 visits in **11** towns and

300

 customers served*

*estimated

\$13.8M

 In relief payments

Delivered \$400 WA Household Electricity Credit to every residential customer on behalf of the State Government. Work completed to deliver \$9.01M as part of the National Energy Bill Relief automatically from 7 July 2023.

Focus areas for 2024

To achieve our strategic goal of removing constraints to rooftop solar installations, we will launch the distributed energy resources management system (DERMS). The platform enables the new Smart Connect Solar product, allowing all customers who want to connect solar PV to be able to invest in their renewable energy and reduce energy bills. The new Smart Connect Solar product improves previous reliability and stability challenges when excess solar energy generation entered the network.

Life Support customer outage process is in development which will have an improved customer experience and automation to deliver an end-to-end outage management solution that will protect the most vulnerable members of our communities.

In an Australian first, we successfully completed the Esperance Energy Transition Plan, which saw Horizon Power convert ~400 homes and businesses from a reliance on the reticulated gas network toward energy-efficient electrification equivalents. Learnings from this project will form the basis of broader future electrification opportunities, which we expect to benefit low-income households.

Developing a new customer MyAccount hybrid app with improved security features and improves account management and usage data access for business customers.

Preparing regional WA for electric vehicles (EV) with the installation of 96 public chargers at 48 locations across WA in partnership with Synergy and on behalf of the State Government. Of those, Horizon Power is installing 54 chargers at 27 locations. To further support our emissions reduction goal and improve customer bill savings potential, we are developing products and services to promote lower cost EV charging behaviours supported by the right price signals for efficient energy use. This will also improve visibility of EVs on our network to support system reliability.

Working with our Customer Council we will explore priority issues facing business customers and work to develop practical and effective solutions aimed at addressing their challenges.

[^]Energy industry NPS benchmark: -23 to -38 across jurisdictions (-32 for small business); source: Energy Consumers Australia: Sentiment Survey Findings. All results reported in this Disclosure Report are based on the reporting period 2022/23 financial year, unless specifically stated otherwise.

Principle 1

STATUS: ON TRACK

We will put customers at the centre of our business and the energy system.



Being a customer-centric organisation fosters a positive customer experience at every stage of the customer journey. In alignment with our guiding principles, we place customers firmly at the centre of all that we do at Horizon Power, with the aim of building positive, long-term relationships. We continually seek new ways to authentically engage with our customers to understand their needs and encourage them to participate in today's energy transition.

Outcomes achieved

- In support of our ongoing commitment to being a customer-centric organisation, we became the **first WA utility to establish a Customer Council** this year. The advisory board will provide a valuable forum for us to collaborate with our customers and stakeholders, enabling them to have a voice to represent their local communities. The Customer Council includes members from the Kimberley, Gascoyne/Mid West and Esperance/Goldfields regions, and stakeholders representing the regional business community and customers facing vulnerable circumstances. We expect the Council to provide ongoing input to our Executive and Board on customer and community issues to enhance our support for them and their communities. The Customer Council will provide an ongoing customer advocacy mechanism to elevate the customer perspective in key decision-making across the business.
- We **expanded our Customer Service on the Move (CSoM)** program, with regular visits to all regions in our service area. The program delivers face-to-face customer engagement in remote regional communities that do not have a local Horizon Power office. The personal engagement permits a level of service and support that otherwise would not be available to this remote customer cohort by aiding with billing enquiries, concessions and rebate eligibility and application, payment challenges and hardship assistance requests.

CSoM creates valuable synergies with other community stakeholder groups, providing our customers with a more fulsome 'wraparound' service available in their local communities. Anecdotal feedback indicates the program is especially valuable to those customers with literacy or language barriers, who benefit from the in-person support that phone interaction does not provide. CSoM is supported by three Customer Relationship Officers, based in Broome, Port Hedland and Carnarvon, providing case management services for customers facing hardship throughout their account lifecycle.

Our People, Safety and Culture Committee, a sub-committee of our Board of Directors, continues to provide ongoing oversight and governance for the business, including a focus on customer commitment, ensuring the voice of customer is represented at the highest levels of the organisation.



- **We embedded our human-centred design training** across the Customer & Community division to gain a deeper understanding of our customers' needs, preferences and challenges. This employee capability uplift, commencing at the division level, will expand across the enterprise with further training for key staff. This will cultivate a more customer-centric culture, and incorporating this process allows us to gain valuable insights for developing the right solutions, products and services that are tailored to the community or customer's unique requirements.
- Each of our regions is assigned an Executive mentor to enable our depots and regional-based teams to have an advocate at Executive level. By attending, listening and engaging with our regional team members at this close level, **our Executives gain a better understanding of the local customer and community needs.** Executives visit their regions regularly throughout the year to enable two-way engagement to share business updates and address questions and concerns from our people based in the regions.



\$1.1M

**2023
Community
Partnership
funding**

Work in progress

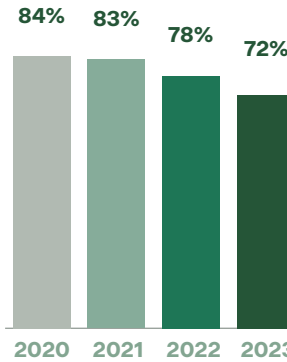


We'll expand our **Customer Council** to include representation from the Horizon Power Board, to provide deeper customer insights for our Board members and further embed the voice of customer in regular Board discussions.

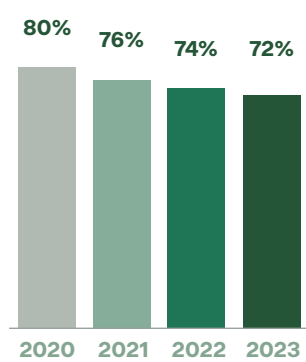
The noticeable decline in both our **corporate reputation and customer service ratings** as shown in the adjacent graph is concerning. A thorough analysis of the annual survey data reveals a consistent alignment with the broader national trend of declining corporate reputation and satisfaction among enterprises. These findings underscore for us the urgency of delving deeper into the critical issues confronting our business customers. In response, we are committed to working closely with our Customer Council and engaging in a co-creation process with our business customers to develop practical and effective solutions aimed at addressing these pressing challenges.

How we measure outcomes

Corporate reputation*



Customer service*

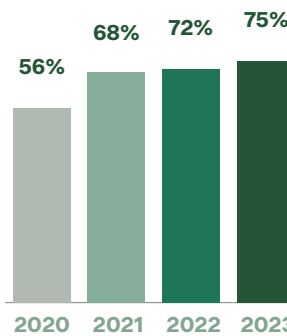


*Source: 2023 Annual Brand and Customer Satisfaction Survey. While there has been a small decline in residential customer ratings across our three KPIs of reputation, performance and customer service, the majority of the decline is attributed to business customer ratings of our corporate reputation and customer service, with overall performance rating the same as FY2022.

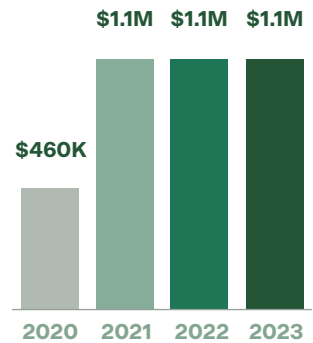
Commitments for the future

Our **DER management system**, known to our customers as Smart Connect Solar, will help us efficiently manage the two-way flow of energy on our networks. DERMS will monitor a town's network – including individual rooftop solar systems – and coordinate the various systems to maintain grid stability and reliability in our communities. Bringing DERMS to our communities removes hosting capacity limits and allows more customers to access the benefits of renewable energy, reducing bills, ensuring network stability and lowering carbon emissions across WA. We'll roll out this end-to-end solution across all our microgrids with completion expected at the end of the 2024 calendar year.

Customer focus employee engagement^



Community partnership funding^



^Source: Customer focus results obtained from the May 2023 Horizon Power employee engagement survey. The Customer focus dimension gauges our organisation's readiness to support employee ideas aimed at enhancing customer services and solutions. Horizon Power's results are +11 points above the ANZ Electric Utilities benchmark.

How we're tracking on the promises we made

In development

The framework for our Customer Essentials program, Voice of Customer Phase 2, is in development, in tandem with the technology platform implementation to support the roll-out across the business. The program will further promote our customer-centric focus and reinforce a deeper understanding of our customers across every employee in the organisation. The program incorporates empathy questions to be answered after listening to a series of anonymized customer service calls. The program will commence in early 2024 with a cohort of employees, followed by a review and assessment period to incorporate any improvements required. The program will then rollout to all existing employees, Executive and Board members, and will be incorporated as part of the new employee onboarding process.

Achieved

We remain committed to actively listening to our customers and community when planning long-term future energy generation solutions for each town. By employing our Integrated Resource Planning (IRP) approach, we demonstrate the importance of delivering the best results tailored to each community. This year we have further refined the process for greater customer inclusion in the designed generation outcomes. With this greater consideration of customer and community insights and the unique needs of each regional community, we increase the opportunity for increasing levels of customer solutions.

Principle 2

STATUS: DELAYED

We will improve energy affordability for all our customers.



Data from the Australian Bureau of Statistics shows that the cost of living in Australia has reached an all-time high, and we are witnessing the impact this is having across our service area. We are committed to helping our customers reduce their energy bills by offering a range of products that meet their specific energy needs. We will continue to inform and educate our customers so they can be more efficient energy consumers as we bring them along on the energy transition.

Outcomes achieved

- Our **Distributed Energy Resources Management System (DERMS)** project is a crucial enabler for our decarbonisation strategy. Our DER management system is the advanced technology that resolves the previous hosting capacity technical constraints and unlocks the potential for all customers to invest in their own rooftop solar. The DERMS technology has been successfully configured, tested and commissioned in our systems. Known to customers as Smart Connect Solar, the technology will help us efficiently manage the two-way flow of energy on our networks. DERMS will monitor a town's network – including individual rooftop solar systems, larger generation sources and weather variability – and coordinate the various systems so we can maintain grid stability and reliability in our communities. We're planning to rollout this end-to-end solution across all our microgrids over the next 12 months, with the Gascoyne community of Carnarvon the first town planned to go live later this year.
- For many of our residential customers, the benefits of rooftop solar are out of reach due to personal and financial barriers, including lack of home ownership or high capital costs. To help address this equity gap, we are planning to launch and demonstrate **Sunshine Saver** in one regional town before expanding to additional towns after the 12-month demonstration. This first-of-a-kind subscription based product is enabled by our increased investment in local renewable energy. This means we can share savings from lower cost energy to eligible customers that would otherwise not be able to improve energy affordability. Estimates project \$186 in annual savings per customer, representing approximately 11% of their annual energy bill.
- Our Customer Solutions team led people from across the business to successfully transition ~400 customers from reticulated gas to alternate energy sources through the **Esperance Energy Transition Plan (EETP)**. Ongoing community engagement was key to the program's success, providing flexibility in assessment outcomes to enable fairness and equity for all impacted customers. We received a 94% customer satisfaction rating at the time of

Concessions campaign — to help reduce the impact of increased cost-of-living pressures we deployed a rebates and concessions awareness campaign to stimulate registrations of concession cards for eligible customers to improve energy affordability for this segment. The two campaigns ran December 2022 and June 2023 and achieved a 6% increase in concession queries at our contact centre during the campaign period.



program completion, with 75% of residential customers fully transitioning to electric appliance alternatives, with additional funding provided for efficient options such as induction and heat pumps. The project is expected to deliver household utility savings through both energy efficient appliances and removing gas supply charges. The program will also help decrease carbon emissions for the Esperance community.

- To increase the percentage of renewable energy generated in our power stations, we are continuing to roll out **battery energy storage systems (BESS)** in five Mid West towns and in Norseman in the Esperance/Goldfields region. The BESS power solution improves power supply reliability for our customers and enables the storage of surplus energy. Importantly, the BESS also enables more hosting capacity so customers can install their own rooftop solar in currently constrained towns.

~400



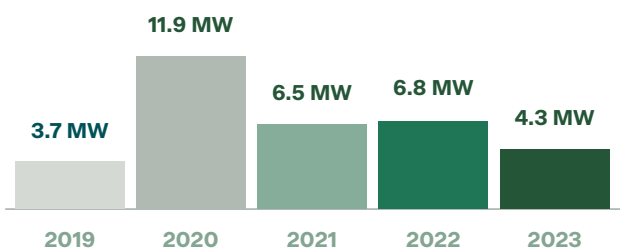
customers successfully transitioned from reticulated gas to alternate energy sources through the Esperance Energy Transition Plan

We commissioned our **first three community batteries this year**, two in Broome and one in Derby, helping us improve customer access to solar and reduce energy costs and carbon emissions. Community batteries provide customers with solar smoothing capabilities, meaning excess energy generated from rooftop solar can be absorbed by the batteries with simultaneous energy flow back into the network. Solar Smoothing makes it easier and more affordable for our business customers to access solar energy as it avoids the additional expense of purchasing and installing their own smoothing batteries and feed-in management services. This effectively halves the cost of the solar PV system installation expense.

- We are completing Stage 2 of the State Government's **Solar Schools program**, deploying solar systems in 28 schools across the Kimberley and Pilbara regions. Created in partnership with the Department of Education, the program is helping deliver cleaner energy solutions for remote and regional schools and improve energy affordability with estimated average bill reductions of 24% per school. We're leveraging the program through our Bright Horizons educational curriculum, helping teachers introduce students to renewable energy concepts through hands-on activities and STEM-focused content. When completed, the program will have deployed solar systems in more than 60 WA schools, with total bill savings projected to exceed \$1.5 million.

How we measure outcomes

Additional customer rooftop solar approved*



The 2023 result is due to the technical limitations imposed on certain microgrids to ensure reliability and stability of the network is maintained. The DERMS technology will resolve these technical challenges by balancing energy flows and this will remove barriers for customers to access rooftop solar.

*Source: Renewables Application Tracker
Data shown in financial years

Work in progress

- We're working with Synergy and the State Government to build the WA EV Network, Australia's longest connected **EV fast-charging network**. Ninety-eight charging stations will be installed in 49 locations; the first of 27 Horizon Power branded stations will be launched in Broome in July, with the remainder of the installations to be completed throughout the 2024 calendar year. These fast-charging stations are the first step in reducing the barriers for EV use across our vast state. With EVs producing zero emissions while driving, this project is helping WA reach its net zero carbon emissions target by 2050. When managed correctly, EVs can help smooth demand on the grid and improve network utilisation, which could help reduce future system costs.

28 

Kimberley and Pilbara schools installed rooftop solar, bringing the total Solar Schools to 58

\$1.5M 

projected total bill savings in schools after completion of State Government's Solar Schools program

98 

EV charging stations will be installed in 49 locations

How we're tracking on the promises we made

Achieved

We established a #BetterTogether working group with representation from key stakeholders across the business, including Customer Insights, Marketing, Retail Services, Customer and Community Engagement, Aboriginal Engagement and Strategy and Operations Support. The group meets monthly to progress our #BetterTogether initiatives.

In development

Key learnings from the Esperance Energy Transition Plan (EETP) will identify opportunities for broader implementation of electrification for households and businesses across our service area. Broad themes identified included:

- the need to balance customer choice for 100% electric appliances or LPG alternatives while maintaining Horizon Power's quality standards
- on-the-ground support is essential for positive customer experience
- educating customers is vital to enable greater uptake of energy efficient appliance selection.
- trades are critical to program success as they influence customer appliance selection and overall customer experience

Principle 3

STATUS: **DELAYED**

We will provide energy safely, sustainably and reliably.



Balancing the delivery of affordable, reliable energy with our ambitious plans for decarbonisation is critical to Horizon Power’s success, and a strategic priority for the business. Our customers depend on us to meet their energy needs today, while planning for a cleaner and sustainable future. We’re committed to collaborating with our customers to develop new energy solutions that deliver greater levels of renewables across WA.

Outcomes achieved

- We officially opened our **Denham Hydrogen Demonstration Plant** this year, Australia’s first remote renewable hydrogen microgrid. Commissioning is now complete and the project team is preparing for operational handover and the start of the reliability run. When fully operational later this year, we expect the plant to produce green hydrogen energy that will be used for baseload energy generation which may power approximately 100 households and businesses in Denham. The project will provide valuable insight and lessons to support commercialisation for future renewable hydrogen power generation. If replicated, future projects would reduce carbon emissions for remote towns that are traditionally powered by diesel-generated microgrids.
- Our **swift response to the once-in-a-century Kimberley floods** in December 2022/January 2023 required a coordinated effort from teams across the business to look after our customers and continue to provide safe and reliable power supply. Flooded and damaged roads complicated our ability to deliver adequate fuel supplies to the impacted Kimberley power stations. To help ease the risk of fuel shortages, we mobilised and connected additional diesel generators; supplementary fuel was delivered via truck from the Northern Territory and a 20-hour barge journey from Broome to Derby. Rotating crews worked around the clock to restore or maintain safe power supplies for our customers, enabling them to return to their homes and access additional support via our relief package, including waiving daily supply charges, reconnection and new meter fees.
- The State Government has committed to deliver 1,000 **standalone power systems (SPS)** by 2025, with Horizon Power receiving \$45.8 million in funding to deliver 150 of these units across our service area. Delivery of the first 50 State-funded SPS began earlier this year in the Esperance region, bringing our total to 68 SPS providing continuous, off-grid, reliable power solutions to our customers across regional WA.
- **Boundary Power, our joint venture with Ampcontrol Limited, is our SPS delivery partner.** Boundary Power is an industry leader in designing and producing technologically advanced SPS to enable operational efficiencies, lower costs and lower emissions. Boundary Power is currently deploying 100 SPS units for Western Power, Australia’s single-largest deployment of SPS. The program will replace approximately 760 km of

Our Remote Essential Services Project (RESP) team completed a significant scope of work to prepare the business for the transfer of responsibility for delivering power and water services in 117 Aboriginal communities, in partnership with Water Corporation. To support a smooth transfer, the RESP team completed asset condition inspections of all generation, network and service apparatus, developed a three-year asset management plan, completed an internal community engagement workshop and defined our Retail Strategy Transition Plan. For more information about the program, please see the ‘Work in progress’ section below.

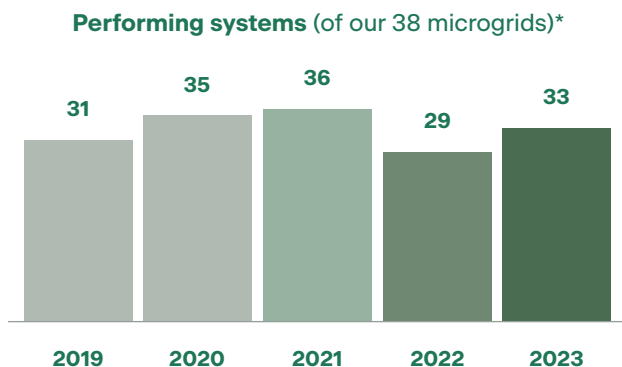


overhead power lines, improve land amenity for farmers and reduce the risk of bushfires.

- **Understanding and managing critical risks is fundamental to maintaining a safe workplace.** In 2021 we identified and communicated across our business eight critical risks and since then, have focused on defining key controls for each risk. With our strong focus on critical risk, we have shifted from injury metrics to measures which drive action and reduce risk. Contractors make a significant contribution to the delivery of work across our business and establishing contractor relationships that result in the safe delivery of work is a key priority for us. This year, we refined our contractor onboarding system, moving to a self-registration model which delivered efficiencies for contractors and our people who manage contractor relationships.
- In our ongoing proactive approach to creating awareness around community safety incidents, we launched a **fuse safety campaign** this year. The campaign delivered messages about the dangers of pulling fuses, and reinforced the importance of our customers to report incidents through our Faults and Emergency number. The campaign creative was delivered in both English and Kriol to meet the communication needs of our diverse customer base.

- We are committed to **delivering a long-term power solution for the Esperance community** - delivering cleaner electricity by reducing the carbon footprint, increasing the generation of renewable energy and reducing the need for traditional thermal gas generation. To successfully achieve this outcome, we must overcome several technical challenges as we integrate new increased levels of renewables into our systems. Our engineering and operations teams are improving the stability of the network with increasing levels of renewables achieved over the last few months – in some instances, renewable levels have been over 60% for short periods of time, exceeding original forecasts. Further finetuning will focus on achieving consistently higher levels of renewables able to withstand changes in weather and associated intermittency.

How we measure outcomes



*Source: Asset Management Reports

Internal rating assessment of system performance within target SAIDI / SAIFI limits. (SAIDI - System Average Interruption Duration Index; SAIFI - System Average Interruption Frequency Index).

Work in progress

- Ensuring all our customers have access to the same standard of power and water service regardless of where they live is the ambition of the **Remote Essential Services Project (RESP)**. Horizon Power has assumed responsibility for 117 remote Aboriginal communities and three town-based reserves, previously managed by the Department of Communities (DoC). Approximately \$200 million in funding from the State Government via the Remote Communities Fund will support the initial upgrades to power and water infrastructure. The project will deliver standardised power and water services for these communities over the coming decade.
- To help our commercial customers successfully plan and navigate the energy transition and address operating challenges related to energy efficiency, this year we launched our inaugural **Decarbonisation Pathways: business energy transition index** report. Developed with consultation and collaboration from our regional WA businesses, the Index will help businesses identify ways in which partnering with Horizon Power can help create a framework for their respective decarbonisation journeys.

The Decarbonisation Pathways Index is part of our long-term commitment to support and partner with regional WA businesses to empower them in their own decarbonisation goals. For our larger commercial customers, our Major Customer Accounts team has a collaborative approach to develop bespoke solutions and implementation plans.

Commitments for the future

We have shifted our focus from delivering a **zero hydrocarbon town** as feasibility studies indicated there may be other more economically viable options for some of our communities. Our largest generation systems account for approximately 88% of Horizon Power's total carbon emissions so we are strategically focusing our decarbonisation efforts on these systems – located in the Pilbara and the towns of Broome, Esperance, Carnarvon, Derby, Exmouth and Onslow. First up is Exmouth and our goal is to generate up to 80% of the town's power requirements from renewable energy sources, from both centralised and distributed solar PV. The Exmouth Power Project will include a solar farm and an additional large battery for energy storage, firmed by gas-powered generators to deliver a safe and reliable power source.

How we're tracking on the promises we made

In progress

Our number of **performing systems increased from 29 to 33** this year (out of a total of 38 systems), a key internal measure that tracks our reliability of supply performance. Generation outages, flooding in the Kimberley, lightning and storm activity and wildlife interactions have all impacted the reliability of our non-performing systems in Halls Creek, Mount Magnet, Esperance (rural), Fitzroy Crossing and Broome in the most recent financial year. Of particular impact was the flooding caused by ex-Tropical Cyclone Ellie in January 2023, affecting the towns of Fitzroy Crossing, Halls Creek, Camballin/Looma.

Principle 4

STATUS: **DELAYED**

Improve the customer experience.



The rapid pace of change in today's energy transition requires us to continually adapt to evolving customer needs and expectations. Our ongoing engagement efforts provide valuable insights, help us design new products and deliver positive outcomes for our customers.

Outcomes achieved

- We continued to **refine our distributed call centre model this year**, with an increasing level of calls, and specifically more complex service support for customers in hardship circumstances, now answered by regionally based staff. The approach provides customers with support from people who live and work in regional WA and understand the unique challenges this entails.

Our customer-facing staff have been trained to provide energy advisory information and more expansive service supports for vulnerable customers.



Work in progress

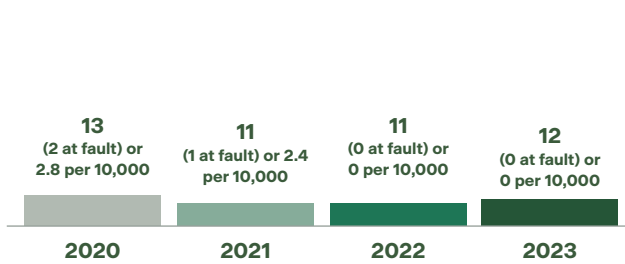
- A **Life Support and Outage Management project** is underway to strengthen our outage management capability and streamline our customer notification processes with a strong focus on a best-practice process for life support customers, so we continue to meet our compliance obligations. The project will implement the required systems to be in place to enable early detection and improved responsiveness to faults and network outages, with accurate and timely notifications and updates to minimise impact on our vulnerable life support and critical load customers. We expect to commence implementing this project over the next 12 months with completion expected at the end of the 2024 calendar year. This will deliver an end-to-end outage management solution that will protect the most vulnerable members of our communities.
- We will implement a **knowledge management system** to support our customer-facing staff with simple, easy-to-access and up-to-date information to assist customers. The system supports our team to be well equipped to answer and address customer queries in an efficient, accurate and consistent manner, providing an improved, streamlined service approach for our customers across regional WA.
- To enhance the customer experience and improve customer service agent interactions, we identified the need to accelerate and remediate our retail operations processes and system deficiencies. We have established a comprehensive **Customer Experience Improvement Program** for continuous improvement, offering faster and more effective services achieved through uplifts in our existing retail technology and ensuring best-practice process is deployed. The program will mitigate business risk and support our commitment to an improved customer experience.
- To help customers gain greater control over their accounts, understand their energy usage, and meet customer expectations for an improved digital self service experience, we are building a new customer MyAccount app. The new MyAccount app will meet customer expectations with an improved digital experience in the streamlined hybrid solution. The **new MyAccount app** was designed based on customer co-creation workshops which identified key pain points and essential improvements required for both residential and business customers. The new MyAccount app is in final stages of development and is planned to be launched in the last quarter of the 2023 calendar year. Improvements will include a streamlined and cyber-secure registration process, improved payment and usage insights functionality and an enhanced personalised outage notification alert planned for the next tranche of enhancements.

Launching a new MyAccount app to improve the digital self serve experience for customers



How we measure outcomes

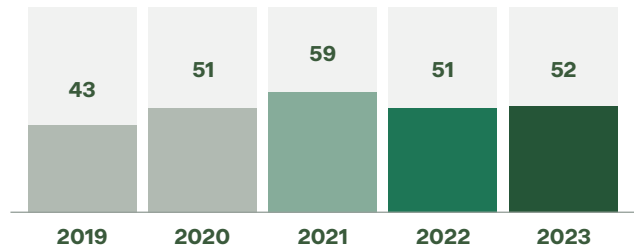
Ombudsman complaints*



*Source: Energy Ombudsman and Customer Service Monthly Report

Horizon Power works closely with the WA Energy Ombudsman to resolve customer complaints. The following information is tracked and advised by the Ombudsman. In FY2023 there were 12 Stage 1 inquiries and all progressed to Stage 2 complaints, of which two proceeded to investigation. Of all closed complaints/inquiries, Horizon Power has not been found at fault for any. At the time of reporting, there is one active complaint in final stages of completion.

Net Promoter Score (NPS)*



*Source: Customer Service Monthly Report

Commitments for the future

Our current retail systems are not designed to support our enhanced customer service and product goals or enable the retail operating model required to sustain a successful enterprise. The limitations in our existing system hinder our ability to offer the seamless online experience our customers desire. This presents potential impacts for our customers, such as extended pre-payment outages. We're embarking on a **Retail Systems Transformation Project** to create a fit-for-purpose system that addresses both current and emerging business requirements. In tandem, we're developing a Customer Experience Improvement initiative to reduce risk and support business continuity while we transition our existing systems, including pre-payment and manual billing of customers.

Kimberley customer

How we're tracking on the promises we made

In development

Our new **Horizon Power MyAccount app** is in the final stages of testing and will be launched in the second half of 2023. We reimagined the authentication process, which now features a new streamlined and secure registration log-in. The new app was developed with human-centred design principles to enable a seamless and positive customer experience. This includes resolving identified customer user experience pain points including simplified access to the most frequently used features such as bill payments, improving visualisation and accuracy of power outage maps, and designing to meet AA accessibility standards.

Principle 5

STATUS: DELAYED

We will support customers facing vulnerable circumstances.



We are committed to bringing all our customers along on the energy transition, and we offer a range of hardship measures for those customers needing extra support and assistance.

Outcomes achieved

- We developed an **emerging hardship algorithm** to utilise payment data to proactively identify and assist customers in vulnerable circumstances. Our focus is to proactively identify and support customers facing financial difficulty and to reduce payment challenges. Our aim is to always consider the individual circumstances of our customers in hardship, and we consider disconnection as a last resort.
- Our **Household Energy Efficiency Scheme (HEES)**, launched in partnership with Synergy in November 2021, is now being trialled in the Kimberley. HEES is part of a WA Government initiative aimed at reducing power costs by improving energy efficiency for our most vulnerable customers. To enable a supportive engagement we have tailored our approach which will enable our Customer Relationship Officers to work one-on-one with customers facing hardship to regularly assess and review their energy usage, providing ongoing coaching aimed to reduce household energy debt over time. With the WA Government, we will review outcomes of the program at the three-year completion and assess opportunities for potential expansion across our regions.
- New provisions were enacted to the Code of Conduct for Supply of Electricity to Small Use Customers this year, implementing changes to **identify customers experiencing or recovering from family violence**. Our call centre team members, Customer Service staff and dedicated Customer Relationship Officers are highly trained to help our customers who may be impacted by issues related to family violence, including managing their electricity account, providing support and assistance with payment options and helping them avoid disconnection. Partial or full debt waivers may be applied for customers experiencing or recovering from family or domestic violence. To promote consistency in service delivery, our employees receive annual refresher training to keep up-to-date with family violence policies, processes and support options. To further assist customers, a comprehensive wrap-around supporting information pack was also developed for easy and discrete access on our website.

Our Prepaid Power product provides an opt-in option for our customers who seek to take control of their power costs by managing and budgeting for their energy use on a pay-as-you-go basis. Using our Horizon Power mobile app, these customers gain control and visibility of their power usage, which minimises bill shock and provides the ability to purchase power wherever and whenever they like. We have improved system reliability over the past year to provide a product that supports our customers' lifestyle and cash flow needs. Over the course of the past year, we have assisted approximately 1,400 customers across the regions.



Work in Progress

- We recognise that many **customers facing hardship** situations may feel challenged when needing to make personal contact with us to request the application of concession cards or to request payment extensions. To help empower our customers facing hardship circumstances, we have improved the ease and functionality of these two priority services within the new MyAccount app (detailed in Principle 4).

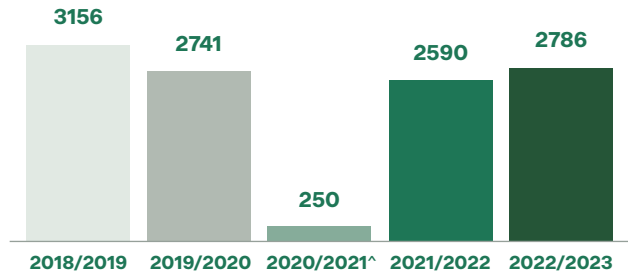
Commitments for the future

We are collaborating with the Energy Charter signatories on the priority **#Better Together initiatives (BT)**. The #BT initiatives are delivered through investment in nominated working groups. Horizon Power is collaborating on the priority #BT Concessions Awareness & Engagement initiative. In addition to our existing 'rebates and concessions campaign' we are supporting this initiative with culturally and linguistically diverse (CALD) content tailored to meet the specific needs of our diverse regional customers.

In support of the **#BT Life Support customer initiative**, we are conducting an extensive redesign of our life support customer outage notification process. Taking a human-centred design approach, the future state solution will resolve known customer pain points and be delivered through an improved automated back-end process.

How we measure outcomes

Residential customer disconnections for non-payment*



*Source: ERA Annual Performance Data CCR40 (excludes pre-payment customers)

[^]COVID-19 disconnection moratorium in place



Horizon Power Customer Council members

(Back row, L-R): Louisa Frome (Horizon Power), Graham Hansen Western Australia Council of Social Services (WACOSS), Chris Mitchell (Broome), Brent Savage Department of Mines, Industry Regulation and Safety (DMIRS).

(Front row, L-R): Krystal Skinner (Horizon Power), Justin Lee (Kimberley), Stephanie Unwin (Horizon Power), Connor Davies (Esperance), Kitty Prodonovich Regional Chamber of Commerce & Industry WA (RCCIWA).

How we're tracking on the promises we made

In progress

The Prepaid Power product has demonstrated benefits to certain customer segments that seek better budgeting controls in their household, improved energy management and payment options. The scaling of the Prepaid Power product which was planned for 2023 has been delayed due to a dependency on a technology system upgrade. This is expected to be scaled in the last half of this financial year.

18 Brodie Hall Dr, Bentley WA 6102

1800 267 926

horizonpower.com.au

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