

Timely negotiated electricity connections

Final decision

16 March 2021

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Summary

Our final decision directs AusNet Services, Jemena, Powercor and United Energy to report on their performance against their “Greenfields Negotiated Electricity Connection Customer Service Standard” to us, under condition 23.2 of their licence. The customer service standards will apply for the next two years. New customer service standards will be reviewed and finalised after this.

In October 2020, we directed distribution businesses to engage with stakeholders to develop customer service standards to improve the way negotiated electricity connections in greenfields areas are managed. Distribution businesses submitted their customer service standards, and we are satisfied that these customer service standards will promote:

- continuous improvement and building effective business relationships between distribution businesses and developers and their contractors to resolve issues that cause delays in the negotiated electricity connections process
- accountability and transparency about the time it takes distribution businesses to complete key stages or steps of the negotiated electricity connections process.

Stakeholder engagement has been at the core of this work

We thank stakeholders who have freely given their time and expertise to contribute to this important work. This has included participating in the governance committee, meeting with us, inviting us to attend industry events, providing submissions to our papers and working to develop the distribution businesses’ customer service standards. This contribution has been invaluable in ensuring our decisions best meet the needs of stakeholders now and into the future.

Introduction

In 2018, we were asked by the Minister for Finance to undertake a review to determine why there were delays in connecting new developments in Melbourne's greenfields areas to the electricity distribution businesses' networks.¹ Following our review, Victorian electricity distribution businesses agreed to a service improvement commitment to implement measures to address these delays. We also established an industry governance committee to oversee the implementation of this commitment. The governance committee ended its role in late 2020.

In June and October 2020, we released issues and decision papers that recognised problems remained for negotiated electricity connections in greenfield developments.^{2,3} This was despite many improvements made by distribution businesses over the past two years. The remaining problems are a lack of:

- effective working relationships between distribution businesses and developers to resolve issues causing delays
- accountability and transparency from distribution businesses about the times to complete key stages in the negotiated connections process.

What are negotiated electricity connections in greenfield developments?

Electricity connections are classified as basic, standard, or negotiated.⁴ Negotiated connections are more complex, bespoke arrangements, with all terms and conditions typically negotiated directly between a developer and the distribution business and captured in a negotiated connection agreement.

Typically, contractual arrangements to connect new developments to wider distribution networks are negotiated due to the complexity of the task. Connecting a new subdivision involves many participants, occurs over several stages, and can take about 18-36 months to complete from the time an initial enquiry to connect is made by a developer to an electricity distribution business. The connection process involves distribution businesses, developers, electrical designers, civil contractors, electrical cable installers and councils.

¹ In this decision paper, greenfields areas refer to largely undeveloped land identified for the creation of new communities on the fringe of the city, as per Victorian Planning Authority 2020, Guidelines, for Precinct Structure Planning in Melbourne's Greenfields – Draft, September.

² Essential Services Commission, Timely negotiated electricity connections, decision paper, October 2020

³ Essential Services Commission, Timely negotiated electricity connections, issues paper, June 2020

⁴ Under Chapter 5A of the National Electricity Rules Electricity connections are classified as basic, standard, or negotiated.

We identified five broad stages in the negotiated connections process, as shown in table 1.

Table 1: Stages in the connections process

Stages	Applying for an offer	Designing the connection	Construction	Auditing	Handover and commissioning
Role of developer and contractors	Submitting an application to the distribution business to connect	Preparing designs for how each lot and the development connects to the wider network	Carrying out civil and electrical works to connect the development	Preparing for and booking an audit	
Role of distribution business	Issuing an offer to connect	Reviewing and approving designs		Auditing civil works and installed electrical assets	Final checks of assets and allow development to be energised

A regulatory approach to improve the timeliness of negotiated electricity connections

In our October 2020 decision paper, to address the remaining problems, we required each electricity distribution business to develop a new customer service standard under clause 23.1 of its licence. The customer service standard would only apply to underground negotiated connections in new residential developments in greenfields areas.

Each distribution business was required to develop its customer service standard through effective engagement with developers and their contractors. We expected the following engagement principles to be considered when developing the customer service standards:

- **Principle 1:** The engagement program should contain clear, accessible and comprehensive information.
- **Principle 2:** The engagement program should be suitably designed to receive and consider feedback distribution businesses receive from developers and their contractors in a timely manner.
- **Principle 3:** The engagement program should be ongoing and tailored to the developers' needs and their contractors' needs. This means we expect distribution businesses to conduct (if appropriate) more than one engagement session with their developers and their contractors in a format preferred by developers and their contractors.
- **Principle 4:** The engagement program should prioritise areas of significance and identified as important to distribution businesses' developers and their contractors.
- **Principle 5:** The engagement program should inform those that distribution businesses have engaged with of the outcomes of the engagement and how they have influenced the customer service standard.

Each distribution business submitted its proposed customer service standard to the commission in December 2020. We have since met with stakeholders who had participated in distribution businesses' engagement processes to understand the effectiveness of the process and whether the customer service standards met their expectations. We met with:

- Association of Land Development Engineers
- Housing Industry Association
- Property Council of Australia
- Urban Development Institute of Australia (Victoria)
- MAB Corporation Pty Ltd
- Plan B
- Stockland

We also received four written submissions in response to our 14 January 2021 invitation for public comment regarding the proposed customer service standards from:

- Association of Land Development Engineers
- Housing Industry Association
- Property Council of Australia
- Urban Development Institute of Australia (Victoria)

After the close of public comment on 9 February 2021 and based on further discussions between staff and the distribution businesses, AusNet Services and Jemena submitted revisions to their proposed customer service standards.

Following our review of each customer service standard and stakeholder feedback, this paper sets out our final decision directing AusNet Services, Jemena, Powercor and United Energy to report on their performance against their customer service standards to us, under condition 23.2 of their licence.

Table 2 **Key steps and timings**

Key steps	Timings
Commission decision to require distribution businesses to develop new customer service standards (our decision paper)	14 October 2020
Distribution businesses consult and develops customer service standards, including draft terms of reference for their consultative committees	October to 4 December 2020
Distribution businesses submit proposed customer service standards to commission for review	4 December 2020
Commission consults on proposed customer service standards	14 January - 9 February 2021

Commission directs distribution businesses to report to the commission on its performance against the proposed customer service standard (or an amended standard)	March 2021 (this decision paper)
Distribution businesses report on performance every six months and hold consultative committee meetings	2021 to 2023

This decision paper sets out our review of the proposed customer service standards developed by the distribution businesses, the engagement process undertaken in their development, and our final direction.

Victorian government proposes regulating negotiated connection timeframes

Alongside our approach to develop and implement the customer service standards, the Minister for Energy, Environment and Climate Change (the Minister) introduced the Energy Legislation Amendment (Licence Conditions) Bill 2020 into Parliament.⁵ The Bill received Royal Assent on 1 December 2020 and enables the Minister to impose conditions on electricity and gas licences by Ministerial Order published in the Government Gazette.

The Minister has indicated her intention to consider the use of these powers to address delays in connecting electricity to new housing developments through licence conditions regulating timeframes for these connections, or stages of the connection process.⁶ We anticipate the customer service standards will complement any new licence conditions, as the standards focus on performance reporting rather than regulated timeframes.

⁵ <https://content.legislation.vic.gov.au/sites/default/files/2020-12/20-037aa%20authorised.pdf>

⁶ <https://www.lilydambrosio.com.au/media-releases/speeding-up-energy-connections-for-new-homes/>

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We direct electricity distribution businesses to report on customer service standards developed through engagement with the development industry.

Our October 2020 decision paper required distribution businesses to engage with developers and their contractors about their Greenfields Negotiated Electricity Connection Customer Service Standard.

The customer service standard comprises three elements:

- An overarching **customer outcomes statement** that will set the outcomes the distribution businesses expect to deliver over the next two years in relation to negotiated connections. This includes principles that the distribution businesses will follow when working with developers and their contractors to connect new residential developments in greenfields areas.
- A requirement to form a **consultative committee** that meets quarterly to discuss improvements in negotiated connection processes.
- A **performance reporting framework** that distribution businesses are to report against every six months.

The following section sets out our review of the engagement process undertaken by distribution businesses, and the three elements of each distribution business' proposed customer service standard.

Stakeholder engagement undertaken to develop each customer service standard

In this section, we provide a summary of how each distribution business engaged with stakeholders to develop its customer service standard. Appendix A includes further detail on our assessment of how each distribution business performed against the engagement principles we set out in our October 2020 decision.

CitiPower, Powercor and United Energy

Our review found CitiPower, Powercor and United Energy's engagement process was largely based on three online stakeholder workshops, each building on the findings from the previous workshop. The workshops were used to understand the issues facing developers in relation to negotiated connections, discuss possible solutions and prioritise issues for inclusion into its

customer service standard.⁷ Workshop participants were provided agendas and prior workshop minutes, and an opportunity to provide written comment on the draft customer service standard.⁸

CitiPower, Powercor and United Energy wrote that it responded to stakeholder preferences by changing its approach to performance reporting from reporting average times to reporting the percentage of total stages or steps completed within a timeframe.⁹

Stakeholder feedback

Most stakeholders provided positive feedback about the engagement process, particularly undertaken in relation to Powercor's customer service standard:

Powercor was challenging to deal with, but over recent years had begun to work more collaboratively with industry.¹⁰

Powercor's proposed customer service standards reflect their willingness to embrace the engagement process and demonstrates an ongoing focus on service improvement, which is commended.¹¹

Powercor demonstrated a willingness to engage and focus on improvement and is very open to industry concerns and quick to respond.¹²

We did not receive any specific feedback on CitiPower and United Energy's engagement process. However, both CitiPower and United Energy undertook the same process as Powercor.

Our view

We consider that the stakeholder engagement undertaken by CitiPower, Powercor and United Energy to develop their customer service standards is consistent with our five engagement principles. On this basis we are satisfied that CitiPower, Powercor and United Energy customer

⁷ CitiPower, Powercor and United Energy, submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

⁸ ibid

⁹ ibid

¹⁰ Urban Development Industry of Australia (Victoria), submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

¹¹ ibid

¹² Plan B, verbal submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

service standards captures the issues and performance measures identified by stakeholders in that engagement process.

AusNet Services

Our review found AusNet Service's engagement process consisted of one-on-one interviews with 13 developers and contractor organisations, and a workshop with these stakeholders to present its customer service standard and to seek further stakeholder input. AusNet Services also briefed its existing customer consultative committee on the project. It reported the committee was supportive of the process and outcomes.¹³

AusNet Services wrote it considered alternative approaches to deal with stakeholder priorities that could not be addressed immediately under the customer outcomes statement. It reported that stakeholders had raised two issues, notification of tie-in cancellations and measuring the end-to-end connection timeframe, as priority improvements to the connections process. AusNet Services explained that it would not be able to address these issues now as part of the customer outcomes statement. However, it advised that these matters would be consulted on through the developer consultative committees to develop mutually beneficial solutions.¹⁴

In addition, AusNet Services reported that many stakeholders commented it was positive to see the links between the information gathered through the interview process and the focus areas in the customer outcomes statement.¹⁵

Commission staff had a follow up meeting with AusNet Services to understand its views on the engagement process. AusNet Services advised that, overall, stakeholders were positive about the engagement process and saw it as opportunity to be heard and a starting point to build relationships.¹⁶

Stakeholder feedback

Through written submissions and one on one meetings with the development industry, some stakeholders have given feedback on the way AusNet Services engaged to develop its customer service standard. The Association of Land Development Engineers wrote that AusNet Services

¹³ AusNet Services, submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

¹⁴ *ibid*

¹⁵ *ibid*

¹⁶ AusNet Services, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

had engaged with stakeholders to identify issues and report on findings.¹⁷ However, we did hear through an interview with one stakeholder that, while AusNet Service gave stakeholders an opportunity to provide feedback on the customer service standard, there was little time to respond.¹⁸

Our views

We consider that the engagement program underpinning AusNet Services' customer service standard is consistent with our five engagement principles. On this basis we are satisfied that AusNet Services' customer service standard, as ultimately submitted, captures the issues and performance measures identified by stakeholders.

We acknowledge stakeholder comments about the short time to provide feedback on AusNet Services' proposed customer service standard. However, we are mindful that distribution businesses were also required to engage with stakeholders and develop their customer service standards within a relatively tight timeframe. Moreover, we note that stakeholders had an additional opportunity to provide feedback during the public comment period from 14 January to 9 February 2021, and that AusNet Services' revisions to its originally proposed standard reflected stakeholders' views more closely.

Jemena

Our review found Jemena's engagement process involved a workshop with key developers, including an interactive 'walk through' the current underground residential development process where stakeholders were given an opportunity to:

- identify problem points at each stage of Jemena's current process
- provide insights on what their individual customer service expectations were
- advise Jemena what key performance measures would assist them.

The workshop included Jemena's large underground residential development partners and the Urban Development Institute of Australia (Victoria).¹⁹ We understand that Jemena advised it had invited several smaller developers to the workshop, but all had declined.

¹⁷ Association of Land Development Engineers, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

¹⁸ Plan B, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

¹⁹ Jemena, submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

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Jemena reported that the themes from the workshop informed the customer service standard. We also note that Jemena continued to discuss performance measures and targets with stakeholders after submitting its draft customer service standard to the commission in December 2020.²⁰

Stakeholder feedback

The Property Council of Australia stated that its “members generally report positive experiences with Jemena and good engagement”.²¹

Our views

On balance, we consider that the engagement program underpinning Jemena’s customer service standard is consistent with our five engagement principles. Jemena has demonstrated that its engagement was based on an interactive process that focused on relevant issues and we understand Jemena gave stakeholders more than one opportunity to provide feedback.

Customer outcomes statement

We considered it important that distribution businesses and developers and their contractors clearly understand the desired outcomes of the customer service standard. In our October 2020 decision, we required that the customer outcomes statement must include:

- the outcomes each distribution business aims to achieve over the next two years in relation to negotiated connections
- the principles or considerations each distribution business will commit to when interacting with developers and their contractors.

CitiPower, Powercor and United Energy

CitiPower and Powercor proposed two primary outcomes of their customer service standards:

- to reduce the time it takes to consent to a statement of compliance from when a local council has deemed the construction of the development as being complete
- to reduce overall connection times through process efficiency, with a focus on its audit process and working with developers and contractors who need more assistance to improve the quality of their connection work.²²

²⁰ Jemena, submission to the Essential Services Commission consultation on ‘Electricity Distribution Businesses Customer Service Standards’, February 2021.

²¹ Property Council of Australia, submission to the Essential Services Commission consultation on ‘Electricity Distribution Businesses Customer Service Standards’, February 2021.

²² CitiPower, Powercor and United Energy, submission to the Essential Services Commission consultation on ‘Timely negotiated electricity connections, decision paper’, October 2020.

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United Energy separately outlined five outcomes within its customer outcomes statement:

- improving timelines without sacrificing the delivery of safe, secure and reliable power for residents
- aiming to maintain a strong working relationship with the development industry
- delivering a small but important number of negotiated electricity connections each year
- aiming to refine internal processes
- streamlining the way developers can be granted early release.²³

To achieve these outcomes, CitiPower, Powercor and United Energy outlined the principles they would follow when interacting with developers and their contractors. These principles include:

- safety of connection to new properties and safety and stability of the network
- being collaborative and flexible in their processes to reduce timeframes
- having open communication through regular forums and reviews
- improving their accountability based on clear timelines and key project milestones
- providing guidance on industry-led development and training of contractors and consultants.²⁴

Stakeholder feedback

The Association of Land Development Engineers particularly supported CitiPower and Powercor's focus on reducing the time taken to consent to a statement of compliance.²⁵

The Urban Development Institute of Australia (Victoria) commented that Powercor's customer service standard generally demonstrated an ongoing focus on service improvement.²⁶ The Property Council of Australia considered Powercor's proposal to create a more interactive auditing system would help ensure continued quality.²⁷

Stakeholders did not provide specific feedback on United Energy's customer outcomes statement, likely due to the low volumes of greenfields development within its distribution area.

²³ *ibid*

²⁴ *ibid*

²⁵ Association of Land Development Engineers, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

²⁶ Urban Development Industry of Australia (Victoria), submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

²⁷ Property Council of Australia, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

Our views

We acknowledge stakeholders' general support for CitiPower and Powercor's customer outcomes statement. We also consider that the customer outcomes statements for all three distribution businesses are consistent with the direction provided in our October 2020 decision.

AusNet Services

Customer outcomes statement and guiding principles

As set in its February 2021 revised customer service standard, AusNet Services committed to achieve three customer outcomes over the next two years:

- reducing the overall time to connect through continual improvement in the timeliness of its service delivery
- increasing the transparency of the audit process through the inclusion of performance metrics and sharing of information around the volume of audits passed and failed, re-audits and audits requested and completed
- streamlining communication processes to make it easier for developers to connect to their network, provide a single point of contact, and make it easier to get into contact with AusNet Services. This ensures developers can easily gather the information they need in a timely manner.

To achieve these outcomes, AusNet Services outlined the principles it would follow when interacting with developers and their contractors:

- never compromise safety when it comes to the connection of greenfields residential developments to their network
- work collaboratively and proactively with industry to reduce the overall time to connect to its network and continue working with the industry to refine metrics and targets
- be more transparent when it comes to published timeframes for the end-to-end process as this is a 'pain point' for developers
- maintain open conversation and continually engage with the developer consultative committee and broader industry to seek feedback on major AusNet Services technical standard changes before implementation. Ausnet will also host industry briefings to proactively communicate changes
- regularly communicate minor technical standard updates and changes on the AusNet Services website
- provide developers with a point-of-contact for each project whose responsibility is to respond to any developer queries in a helpful and timely manner

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- based on industry's preference, AusNet Services will work proactively with the industry to provide guidance around audits, audit fail rates (and reasons) as well as additional information on audits that can be performed by certified third parties.²⁸

Stakeholder feedback

The Urban Development Institute of Australia (Victoria), wrote that AusNet Service's customer outcomes statement did not address two key pain points raised during the consultation stage – the overall process timeframes and the management of cancelled tie-ins.²⁹ The Housing Industry Association noted that AusNet Service's customer outcomes statement did provide some detail in relation to the outcomes that AusNet Services intended to deliver over the next two years, but added the statement was useful as background and that more focus should be provided on pragmatic methods by which connections issues are managed and mitigated.³⁰

Our views

We consider that AusNet Service's revised customer outcomes statement adequately deals with issues concerned with measuring the overall process timeframes and managing tie-in cancellations. AusNet Services noted that it will leverage the creation of the developer consultative committee to explore measuring end-to-end timeframes and develop guidelines to manage and communicate tie-in cancellations.³¹ Furthermore, AusNet Service's revised customer outcomes statement clearly outlines the activities it is committed to delivering and how they related to improving the negotiated connections processes. Therefore, we consider AusNet Services' customer outcomes statement is consistent with our October 2020 decision, which required a demonstrable commitment to meaningful and productive working relationships that aim to deliver sustainable improvements in relation to the greenfields negotiated connections processes.

Jemena

Customer outcomes statement

Jemena outlined the following three outcomes in its customer service standard:

²⁸ AusNet Services, submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

²⁹ Urban Development Industry of Australia (Victoria), submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

³⁰ Housing Industry Association, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

³¹ AusNet Services, revised submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

- ongoing digital customer experience improvements which will assist in simplifying the application and offer process and timeframes
- design review process improvements to assist in the management of construction planning
- project manager accessibility which will better enable them to provide timely responses when swift decisions are required during the construction phase.

We asked Jemena to clarify the principles which will help it achieve these outcomes and guide its interactions with developers. Jemena's revised customer service standard, received by the commission on 17 February 2021, contained the following principles:

- keeping safety in the front of mind as it works through operation efficiencies
- maintaining a high-quality collaborative approach with its development partners
- ensuring Jemena remains flexible in its ability to react to industry demands
- ensuring clear channels of communication are maintained with developer partners and industry representatives
- exploring further opportunities to align Jemena's processes with accredited contractors, with a focus on driving efficiencies
- creating a feedback loop with key customers when developing improvement solutions
- establishing clear accountabilities for both Jemena and its development partners.³²

Stakeholder feedback

The Urban Development Institute of Australia (Victoria) noted that Jemena's current processes were adequate for managing the low volume of greenfields development experienced now. However, it considered the customer service standards proposed by Jemena did not demonstrate that it was well placed to manage the forecast growth associated with new Precinct Structure Plans for Sunbury and Diggers Rest.^{33,34} The Association of Land Development Engineers' raised nearly identical concerns, noting expected growth in these two precincts.³⁵ As with AusNet Services,

³² Jemena, submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

³³ Urban Development Industry of Australia (Victoria), submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

³⁴ The Victorian Planning Authority explains - A Precinct Structure Plan is a high-level strategic plan that sets out the preferred spatial location of key land uses and infrastructure to guide decisions on staging of development, subdivision permits, building permits and infrastructure delivery. Victorian Planning Authority, Guidelines for Precinct Structure Planning in Melbourne's Greenfields Areas – Draft, September 2020.

³⁵ Association of Land Development Engineers, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

Jemena submitted a revised customer service standard on 17 February 2021, responding to the issues raised in stakeholder comments.

Our views

We consider that Jemena's revised customer outcomes statement adequately deals with forecast growth in new residential developments within its service area. This is because one of the principles it will apply in relation to developer interactions is ensuring it remains flexible in its ability to react to industry demands.³⁶ Therefore, we consider on balance Jemena's customer outcomes statement and principles are consistent with our October 2020 decision, which required the statement to demonstrate a commitment to meaningful and productive working relationships that aim to deliver sustainable improvements in relation to the greenfields negotiated connections processes.

Ongoing customer consultation

We recognised that the success of the customer service standards would need on-going and regular stakeholder engagement. Our October decision required that distribution businesses establish a customer consultative committee that would meet quarterly to discuss matters relating to connection processes. We also expected a clear terms of reference for the committee and appropriate membership representing developers and contractors that operate in the distribution businesses' respective distribution areas.

CitiPower, Powercor and United Energy

Customer consultative committee

CitiPower, Powercor and United Energy established a single customer consultative committee to support the customer service standard and to provide open communication and accessibility between the development industry, contractors, and consultants. The committee's terms of reference included governance arrangements and noted some responsibilities would include identifying and implementing opportunities to further streamline the greenfields estate connections process, providing a forum for raising issues and sharing information, and reviewing quarterly reporting on performance outcomes.

The committee will have a flexible membership, but will always include representatives of CitiPower, Powercor, United Energy, Urban Development Institute of Australia (Victoria),

³⁶ Jemena, revised submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

Greenfields Development Committee, Property Council of Australia, The Association of Land Developer Engineers, Civil Contractors Foundation, and consultants and contractor representatives not formally part of an industry body.³⁷

We did not receive any stakeholder feedback on CitiPower, Powercor and United Energy's proposed customer consultative committee. We consider that the committee's terms of reference and proposed membership are consistent with our October 2020 decision.

AusNet Services

Customer consultative committee

AusNet Services established a Developer Consultative Committee to support the implementation of the customer service standard and to promote open communication and accessibility between the development industry, contractors and consultants and AusNet Services. The committee's terms of reference included governance arrangements and noted that its responsibilities would include reviewing technical standards and auditing requirements and reviewing elements of the customer service standard including performance reporting measures.

The membership of the committee will comprise of four AusNet Services representatives and up to 10 external representatives from a diverse group of property developers, industry representative, consultants and contractors. The developer consultative committee proposed by AusNet Services will meet on a quarterly basis, with membership reviewed annually.³⁸

We did not receive any stakeholder feedback on AusNet Service's developer consultative committee. We consider that the committee's terms of reference and proposed membership are consistent with our October 2020 decision.

Jemena

Customer consultative committee

Rather than propose a customer consultative committee that meets quarterly, Jemena proposed to continue to consult with its developer partners directly through weekly or fortnightly meetings. Jemena reported that quarterly consultative committee meetings would not be as beneficial as direct contact with developers and more frequent meetings would allow developers more access and control of the consultation with Jemena.

³⁷ CitiPower, Powercor and United Energy, submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

³⁸ AusNet Services, revised submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

However, Jemena noted that there is potential for further growth in its distribution area. It would be open to establishing a consultative committee if its greenfields partners considered there was benefit in doing so.³⁹

Stakeholder feedback

MAB Corporation Pty Ltd is a large developer that operates in Jemena's area. During commission staff consultation it acknowledged that it had an effective relationship with Jemena and that problems could be escalated and resolved relatively efficiently.⁴⁰

Although Jemena has proposed a consultative approach different from that outlined in our October 2020 decision, we consider Jemena's proposed approach is appropriate given the relatively low number of greenfields developments currently occurring in its area and local developers' satisfaction with more frequent, direct meetings with the company. Accordingly, we accept Jemena's ongoing consultation proposal. However, we expect minutes or other records of meetings to be published for transparency for other developers or industry representatives, which may result in the formation of a broader consultative committee.

Performance reporting framework

In our October 2020 decision, we required distribution businesses to develop performance measures to improve the transparency and accountability of its performance in connecting new developments. Distribution businesses were required to consult with developers to determine the areas of the negotiated connections process to publicly report on performance.

Overview

Each distribution business proposed several performance measures and targets that focus on processes where stakeholders provided direct feedback on known issues or delays.

We note that each distribution business' connections processes are different and that there may be entirely appropriate business or historical reasons for the differences. This has resulted in the distribution business proposing different performance measures, suited to each business' specific negotiated connections process. For example, Powercor undertakes audits of newly constructed assets itself, while AusNet Services and Jemena allow developers to arrange for a third-party

³⁹ Jemena, submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

⁴⁰ MAB Corporation Pty Ltd, verbal submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

(approved) auditor to conduct the audit. The developer or its contractor then manages the audit process.

Victorian distribution businesses have generally proposed to report on the following common processes:⁴¹

- **Applying for a connection offer**, which includes either issuing an offer to connect or the distribution business assigning a project co-ordinator to begin the connection process (a measure for this process was proposed by AusNet Services, Jemena, and United Energy).
- **Reviewing designs**, this is an early process that allows construction to begin when approved by the distribution business (proposed by all distribution businesses).
- **Auditing**, which includes auditing of electrical assets and civil works (proposed by Powercor, CitiPower, AusNet Services and Jemena).
- **Handover and commissioning**, which involves final checks by the distribution business or consent to issue of statement of compliance. These processes are generally followed by electrical 'tie-in' which allows the site to be energised (various measures proposed by all distribution businesses).

We recognise that stakeholders, such as the Housing Industry Association, sought greater consistency in the customer service standards from distribution businesses.⁴² Figure 1 provides a summary of the final performance measures proposed and provides for some comparability.

⁴¹ The exceptions are CitiPower and Powercor have not proposed a measure in relation to 'applying for a connection offer' process, AusNet Services and Jemena have not proposed a measure in relation to construction and United Energy has not proposed a measure in relation to auditing.

⁴² Housing Industry Association, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

Figure 1 An overview of proposed performance measures from distribution business's (summary of proposed targets for 2021)

	Applying for an offer	Reviewing designs		Construction	Auditing	Handover and commissioning	
Powercor CitiPower		Masterplan reviewed (target of 70% in 10 days)	Design reviewed (average 18 days)	As-built plans reviewed (70% in 5 days or 8 days average)	Audit completed (average 70% in 6 days)	Issue certificate of practical completion (average 90% in 5 days)	Time taken to tie-in (average 20 days)
AusNet Services	Project coordinator assigned (target of <10 days)	Designs reviewed (masterplan and design) (target of <15 days)			Pre-commission audit (target of 95% in 10 days)		Final network audit (average 95% in 10 days)
Jemena	Offer issued (average 40 days)	Masterplan reviewed (average 15 days)	Design reviewed (average 15 days)		Pre-commission audit (average 5 days)	Consent to statement of compliance (average 5 days)	Time taken to tie-in (average 30 days)
United Energy	Offer issued (target of 20 days)	Masterplan reviewed (target of 10 days)	Design reviewed (target of 20 days)	Authority to construct (target of 10 days)		Authority to commission (target of 10 days)	

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Powercor and CitiPower

Powercor and CitiPower proposed six performance measures related to their negotiated connection process, with associated targets for 2021 to 2022, as summarised in the table below.⁴³

Table 3 Proposed measures from Powercor and CitiPower on negotiated connection processes

Proposed measure	Measure to be reported	2021 target	Ongoing target
Masterplan review	% reviewed within time frame	70% within 10 days	80% within 10 days
Design review	Average business days taken to review	18 days	16 days
As-built plans reviewed	% reviewed within time frame Average business days taken to review	70% within 5 days or 8 days	TBD
Audit (requested final audit)	% completed within time frame	70% within 6 days	70% within 6 days
Issue certificate of practical completion	% completed within time frame	90% within 5 days	90% within 5 days
Time taken to tie-in	Average business days to tie in % completed within time frame	20 days or >90% of agreed date	20 days or >95% of agreed date

Powercor and CitiPower also proposed that the success rates of audits should be reported on in order, to identify the quality of its audits. The distribution businesses also proposed that a measure of the time taken between practical completion and statement of compliance would be explored with stakeholders through the customer consultative committee.

Stakeholder feedback

The Urban Development Institute of Australia (Victoria) and the Property Council of Australia noted that Powercor had submitted the most comprehensive performance reporting framework of all distribution businesses.^{44, 45}

⁴³ CitiPower, Powercor and United Energy, submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

⁴⁴ Property Council of Australia, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

⁴⁵ Urban Development Industry of Australia (Victoria), submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

However, some stakeholders suggested that some of the timeframes proposed in Powercor's targets should be reduced. The Association of Land Development Engineers suggested that issuing certificates of practical completion should move to a target of three days⁴⁶, and The Urban Development Institute of Australia(Victoria) suggested 70 per cent of masterplan reviews within five days and audit timeframes to a target of 90 per cent within two days.⁴⁷

Our decision

We recognise that Powercor submitted a comprehensive set of measures and associated targets for performance reporting. We also note that these performance targets are demonstrative of recent improvements in its negotiated connections processes, and that the targets seek to improve performance over time. Furthermore, the performance measures and targets are broadly consistent with improvements on voluntary performance measures and targets reported to us under the previous service improvement commitment established in 2018. Therefore, the commission's final decision as set out below is to direct Powercor to report on all the measures it has proposed.

We also acknowledge that CitiPower does not have (or expect to have) greenfields developments given its distribution area is confined to central Melbourne. Notwithstanding this fact, CitiPower proposed to voluntarily report against these proposed measures for brownfield developments. The commission supports this approach.

AusNet Services

In December 2020, AusNet Services submitted an initial proposed customer service standard to the commission, detailing two performance measures linked with the negotiated connection process:

- design review – an average target of 15 business days to review
- audit – an average target of 95% within 10 business days for audit attendance.

AusNet Services also proposed that the success rates of audits should be reported on to identify the quality of its audits and a measure of end to end timeframes but that this would be explored with stakeholders through its developer consultative committee.

⁴⁶ Association of Land Development Engineers, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

⁴⁷ Urban Development Industry of Australia (Victoria), submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

Stakeholder feedback

Some stakeholders expected AusNet Services to report against a broader set of performance measures than what was initially proposed. This would make the performance measures more consistent with the proposals put forward by CitiPower, Powercor and United Energy. For example, the Urban Development Institute of Australia (Victoria) recommended further targets “to increase accountability”.⁴⁸ In particular, the Property Council of Australia raised several areas where performance measures were needed, including issuing offers, statements of compliance, final audits, overall process timeframes, and tie-ins.⁴⁹

Our decision

Following stakeholder submissions, AusNet Services revised its customer service standard and outlined four measures to be reported on from 2021, as shown in the table 4 below.⁵⁰ Due to current reporting limitations, AusNet Services would implement changes to be able to report on measures relating to assigning a project coordinator from October 2021 onwards.

Table 4 Measures to be reported by AusNet Services on negotiated connection processes

Proposed measure	Measure to be reported	2021 target	Ongoing target
Project coordinator assigned	% completed within target time frame <i>(to be reported on from October 2021)</i>	<10 days	<i>(to be developed in consultation with stakeholders, based on performance)</i>
Design approvals (masterplan and design review)	% completed within time frame	<15 business days per plan	<15 business days
Pre-commission network audits	% completed within target time frame	95% within 10 days	95% within 10 days
Final network audit	% completed within time frame	95% within 10 days	95% within 10 days

We recognise that the revised measures proposed by AusNet Services responds to stakeholder (and commission) concerns by incorporating measures relating to the offer stage (assigning a

⁴⁸ Urban Development Industry of Australia (Victoria), submission to the Essential Services Commission consultation on ‘Electricity Distribution Businesses Customer Service Standards’, February 2021.

⁴⁹ Property Council of Australia, submission to the Essential Services Commission consultation on ‘Electricity Distribution Businesses Customer Service Standards’, February 2021.

⁵⁰ AusNet Services, revised submission to the Essential Services Commission consultation on ‘Timely negotiated electricity connections, decision paper’, October 2020.

project co-ordinator in a timely manner), and further transparency on timeframes to complete audits.

AusNet Services also proposed to consult and develop four additional performance measures to report on, depending on feedback through its developer consultative committee. These include measures related to the time taken to:

- issue an 'authority to commence contestable construction', which is typically issued within three to four days upon request
- to complete a design where AusNet Services does the work, and designs have not been contracted out to private contractors (noting that less than five per cent of development projects opt for this arrangement)
- to reject or approve as-built plans, which is currently outsourced by AusNet Services to an external provider with a target to review within 3 days
- to release a statement of compliance, which is typically issued within three to four days

AusNet Services is required to continue consulting with its stakeholders on the feasibility and benefit of these measures.

The commission's final decision as set out below, is to direct AusNet Services to report on its revised measures (set out in table 4) for the next two years and report on the development of the additional performance measures described above.

We also note that AusNet Services have also committed to investigating whether additional measures can be reported on, such as on end-to-end timeframes. We expect this discussion to continue under the customer service standard and will consider directing AusNet Services to report on any new performance measures when developed.

Jemena

Jemena proposed three performance measures linked with its negotiated connection processes when it initially submitted its proposed customer service standard to the commission in December 2020. These measures were related to:

- design submission – time between the submission of designs and the beginning of review
- design review
- tie-in – time between passing audit to tie-in date.

Stakeholder feedback

Most stakeholders recognised the relatively good performance of Jemena in connection processes and noted the low volume of greenfields developments currently occurring in its area.^{51, 52}

However, stakeholders also noted that Jemena submitted the fewest number of quantifiable performance measures of all distribution businesses. Both the Urban Development Institute of Australia (Victoria) and the Association of Land Development Engineers noted that Jemena may soon experience significant increased residential growth in new developments in its service area.^{53,54} The Urban Development Institute of Australia (Victoria) wrote that Jemena should set clear performance targets and reporting measures that can guide the distribution business through its next phase of growth and ensure accountability and transparency.⁵⁵

Our decision

Following stakeholder submissions (and commission comments), Jemena proposed a revised customer service standard incorporating five specific performance measures as shown in the table below.⁵⁶

⁵¹ Property Council of Australia, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

⁵² Urban Development Industry of Australia (Victoria), submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

⁵³ *ibid*

⁵⁴ Association of Land Development Engineers, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

⁵⁵ Urban Development Industry of Australia (Victoria), submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

⁵⁶ Jemena revised submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

Table 5 Measures to be reported by Jemena on negotiated connection processes

Proposed measure	Measure to be reported	Target	Maximum target
Offer issued	Average business days to issue offer	40 days	65 days
Masterplan review	Average business days taken to review	15 days	20 days
Design review	Average business days taken to review	15 days	20 days
Pre-commissioning audit	Average business days to complete audit	5 days	10 days
Consent to statement of compliance	Average business days to release statement	5 days	10 days
Time taken to tie-in	Average business days of time taken between passed audit and tie-in date	30 days	40 days

We recognise that the revised measures proposed by Jemena have been extended to cover more stages of the negotiated processes in which it has a direct role. We consider that these measures provide for further accountability about Jemena’s performance, particularly as it may experience a growth in developments over the coming years.

The commission’s final decision, as set out below, is to direct Jemena to report on its revised measures for the next two years.

United Energy

United Energy submitted five performance measures related to its processes with associated maximum targets, noting that its negotiated connections processes were largely contestable, as shown in the table below.⁵⁷

Table 6 Measures to be reported by United Energy on negotiated connection processes

Proposed measure	Measure to be reported	Target
Offer issued	% completed within time frame	20 days
Masterplan review	% completed within time frame	10 days
Design review	% completed within time frame	20 days

⁵⁷ CitiPower, Powercor and United Energy, submission to the Essential Services Commission consultation on ‘Timely negotiated electricity connections, decision paper’, October 2020.

Proposed measure	Measure to be reported	Target
Authority to construct	% completed within time frame	10 days
Authority to commission	% completed within time frame	10 days

Our decision

The commission's final decision, as set out below, is to direct United Energy to report on its revised measures for the next two years, noting that stakeholders did not raise specific concerns relating to its proposed measures.

Our final decision

Our final decision directs distribution businesses to report to the commission on their performance against the new Greenfields Negotiated Electricity Connection Customer Service Standards. The objectives of the customer service standards are promoting:

- continuous improvement and building effective business relationships between distribution businesses and developers and their contractors to resolve issues that cause delays in the negotiated electricity connections process
- accountability and transparency about the time it takes distribution businesses to complete certain stages or steps of the negotiated electricity connections process.

We are satisfied that the customer service standards proposed by CitiPower, Powercor and United Energy on 4 December 2020 and the customer service standards revised by AusNet and Jemena on 17 February 2021 – are appropriate for the purposes of achieving the objectives outlined above.

We consider that the distribution businesses have engaged constructively with developers and their contractors, in accordance with the five principles we outlined in our 13 October 2020 decision, in developing their proposed customer service standards.⁵⁸

Our final decision requires AusNet Services, Jemena, Powercor and United Energy to report to the commission on their performance against the Greenfields Negotiated Electricity Connection Customer Service Standard under condition 23.2 of their licence.⁵⁹

⁵⁸ Essential Services Commission, Timely negotiated electricity connections, decision paper, October 2020

⁵⁹ The licensee must in accordance with any guideline published for this purpose, or as directed by the commission, report to the commission on its performance against applicable standards and procedures.

We have decided not to require CitiPower to report to us under licence condition 23.2, This is because CitiPower do not have greenfields areas within their jurisdiction. Nevertheless, we encourage CitiPower to report against its proposed customer service standard, and particularly its quantitative measures of performance, at the same frequency so we can monitor performance.

From March 2021, distribution businesses are to report to the commission on their performance against their specified customer service standards. Reporting to the commission will be required every six months as follows:

- for the period 1 January to 30 June, reporting by 31 August that year
- for the period 1 July to 31 December, reporting by 28 February the following year.

The report must include:

- progress against commitments in the customer outcomes statement
- copy of minutes of their consultative committee meetings
- performance against the measures included in their customer service standard
- the reason why any performance measures were not achieved (where appropriate)
- what actions have been or are being taken to rectify the issue.
- any initiative the distribution business has taken to improve the service, or an update on any initiative taken.

We recognise that these customer service standards could be further refined, as suggested by some stakeholders, but by putting these customer service standards and reporting requirements in place now, we can make swift progress towards ensuring appropriate accountability and transparency from distribution businesses when connecting new developments in Victoria.

By October 2022, we also expect each distribution business to provide us with recommendations for its customer service standard that will apply from March 2023. Recommendations should relate to all elements of the customer service standard including performance measures and targets. Distribution businesses should demonstrate that recommendations are based on engagement with stakeholders, such as through its consultative committees.

We will also monitor the performance of distribution businesses on the timeliness of connections. We will use this information to help assess whether the recommendations made by the distribution businesses are reasonable or whether alternative action, such as reporting against new or amended customer service standards is appropriate.

We also intend to publish the performance of distribution businesses against their customer service standards through our Victorian Energy Market Report and updates.

Enforcing the customer service standards

Distribution businesses that do not comply with the commission's direction to report on their performance against the customer service standard will be in breach of a condition of their licence.⁶⁰ We take non-compliance with our obligations seriously and may consider taking appropriate compliance or enforcement action.

⁶⁰ Clause 23.2, Distribution licence

Appendix A

This appendix sets out our assessment of each distribution business' engagement against the five engagement principles set out in our 14 October 2020 decision. Our analysis includes our review of the distribution businesses' proposed Greenfields Negotiated Electricity Connection Customer Service Standard, submitted on 4 December 2020, our meetings with stakeholders involved in the engagement process, and through the Engage Victoria submissions process from 14 January to 9 February 2021.

AusNet Services

Table A1

Engagement principle	AusNet Services submission (4 Dec 2020)	Further information from our engagement
The engagement program should contain clear, accessible and comprehensive information.	<p>AusNet Services provided stakeholders with a series of questions before interviews. The questions covered topics concerned with understanding the issues causing delays and which performance measures would be meaningful.</p> <p>AusNet Services provided its engagement plan. Its approach included:</p> <ul style="list-style-type: none">• stakeholder identification• one-on-one interviews• core project team workshops• customer focus group	

Engagement principle

AusNet Services submission (4 Dec 2020)

Further information from our engagement

- existing customer consultative committee briefing.⁶¹

The engagement program should be suitably designed to receive and consider feedback distribution businesses receive from developers and their contractors in a timely manner.

AusNet Services used a checks and balances approach. It conducted interviews, validated the interview results with stakeholders, sought feedback from its customer consultative committee and used internal reviews to review elements of the process.

AusNet Services conducted interviews between 17 - 23 November 2020, and then a follow up customer workshop on 26 November 2020 to replay the themes and validate them from the interviews. This session also allowed property developers, consultants, contractors and industry groups to add additional feedback that may not have been raised in their first interview.⁶²

AusNet Services reported that stakeholders were satisfied that AusNet had captured the themes accurately and that they should be included in the customer service standard.⁶³

AusNet Services approached stakeholders involved in greenfields developments in its area.

⁶¹ AusNet Services, submission to the Essential Services Commission consultation on ‘Timely negotiated electricity connections, decision paper’, October 2020.

⁶² *ibid*

⁶³ *ibid*

Appendices

Engagement principle	AusNet Services submission (4 Dec 2020)	Further information from our engagement
<p>The engagement program should be ongoing and tailored to the developers' needs and their contractors' needs. This means we expect distribution businesses to conduct (if appropriate) more than one engagement session with their developers and their contractors in a format preferred by developers and their contractors.</p>	<p>AusNet Services appointed a consultant to assist with stakeholder interviews.</p> <p>One-on-one interviews and the focus group session were held online. This was appropriate given COVID-19 restrictions.</p> <p>Stakeholders could provide feedback at interviews and to the customer focus group.⁶⁴</p>	
<p>The engagement program should prioritise areas of significance and identified as important to distribution businesses' developers and their contractors.</p>	<p>The views of stakeholders were gathered through the interview process and then grouped into themes.</p> <p>The issues identified through the consultation included:</p> <ul style="list-style-type: none"> • tie-in delays and cancellations • confusion and frustration around the auditing process • understanding of the standards; and 	<p>The Association of Land Development Engineers advised that AusNet did engage with stakeholders to identify the issues.⁶⁶</p> <p>One stakeholder noted AusNet Services gave stakeholders an opportunity to provide feedback on the customer service standard there was little time to respond⁶⁷</p>

⁶⁴ *ibid*

⁶⁶ Association of Land Development Engineers, submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

⁶⁷ Plan B, verbal submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

Engagement principle	AusNet Services submission (4 Dec 2020)	Further information from our engagement
	<ul style="list-style-type: none"> frustration with the way AusNet Services engages with developers and their consultants. <p>Each of these issues were addressed in the Customer Outcomes Statement.</p> <p>However, there were two areas that have not been able to be included in the customer service standard, as they require further consultation with property developers and stakeholders.</p> <p>These issues are:</p> <ul style="list-style-type: none"> communicating tie-in cancellations better understanding end to end timeframes.⁶⁵ 	<p>At later meetings with commission staff, AusNet Services committed to resolving these issues through the developer consultative committee.⁶⁸</p>
<p>The engagement program should inform those that distribution businesses have engaged with of the outcomes of the engagement and how they have influenced the customer service standard.</p>	<p>AusNet Services validated the themes and issues derived from the interviews at the customer focus group session. It also demonstrated how insights from the interviews were used to underpin the Principles and outcomes included in the Customer Outcomes Statement. It is unclear whether AusNet Services formally evaluated the engagement program.</p>	<p>In a follow up meeting AusNet Services reported stakeholders were happy with the engagement process.⁶⁹</p> <p>Stakeholders also had an opportunity to comment on AusNet Services's engagement and customer service standard through our Engage Victoria consultation.</p>

⁶⁵ AusNet Services, submission to the Essential Services Commission consultation on 'Timely negotiated electricity connections, decision paper', October 2020.

⁶⁸ AusNet Services, verbal submission to the Essential Services Commission consultation on 'Electricity Distribution Businesses Customer Service Standards', February 2021.

⁶⁹ *ibid*

Appendices

CitiPower, Powercor and United Energy

Table A2

Engagement principle	CitiPower, Powercor and United Energy submission (4 Dec 2020)	Further information from our engagement
<p>The engagement program should contain clear, accessible and comprehensive information.</p>	<p>CitiPower, Powercor and United Energy provided their engagement plan. The plan consisted of a series of workshops and opportunities for stakeholders to provide feedback on draft documentation.⁷⁰</p>	
<p>The engagement program should be suitably designed to receive and consider feedback distribution businesses receive from developers and their contractors in a timely manner.</p>	<p>CitiPower, Powercor and United Energy’s engagement approach was to run a series of stakeholder workshops. Each workshop built on the previous workshop and before each workshop participants were given a detailed agenda. Further each workshop was designed to achieve specific objectives:</p> <ul style="list-style-type: none"> • Workshop 1 – Understand industry’s concerns, where they were looking for 	

⁷⁰ CitiPower, Powercor and United Energy, submission to the Essential Services Commission consultation on ‘Timely negotiated electricity connections, decision paper’, October 2020.

Engagement principle

CitiPower, Powercor and United Energy submission (4 Dec 2020)

Further information from our engagement

The engagement program should be ongoing and tailored to the developers’ needs and their contractors’ needs. This means we expect distribution businesses to conduct (if appropriate) more than one engagement session with their developers and their contractors in a format preferred by developers and their contractors.

- improvement and any ideas on the improvement and how it could be achieved.
- Workshop 2 – Framing the outcomes of workshop 1 into commission’s four deliverables.
- Workshop 3 – Involving a broader range of stakeholders (including those who attended previously) to refine the proposed deliverables with the aim of structuring the feedback to be shared with all workshop participants in document form.⁷¹

The engagement program should be ongoing and tailored to the developers’ needs and their contractors’ needs. This means we expect distribution businesses to conduct (if appropriate) more than one engagement session with their developers and their contractors in a format preferred by developers and their contractors.

CitiPower, Powercor and United Energy consulted with the UDIA on the best way to engage with stakeholders given COVID-19 restrictions.

CitiPower, Powercor and United Energy consulted with the Urban Development Institute of Australia(Victoria) and Property Council of Australia on stakeholder expectations about the final workshop.

⁷¹ ibid

Engagement principle

CitiPower, Powercor and United Energy submission (4 Dec 2020)

Further information from our engagement

Stakeholders could provide feedback at each of the three workshops and finally on the draft customer service standards.⁷²

The engagement program should prioritise areas of significance and identified as important to distribution businesses’ developers and their contractors.

Stakeholder views were gathered through workshops. It appears from the meeting minutes that the workshops focused on developing the elements of the customer service standard. Developers agreed with CitiPower, Powercor and United Energy’s proposed draft principles for interactions and the governance arrangements for the customer consultative committee. Representatives of the development industry preferred a wider range of KPIs reported against than those currently reported against and that averages could be misleading given the large number of developments undertaken by Powercor. Powercor expanded the range of performance measures and moved away from averages to percentage within a timeframe.⁷³

⁷² ibid

⁷³ ibid

Engagement principle

**CitiPower, Powercor and United Energy
submission (4 Dec 2020)**

Further information from our engagement

The engagement program should inform those that distribution businesses have engaged with of the outcomes of the engagement and how they have influenced the customer service standard.

CitiPower, Powercor and United Energy shared the draft customer service standard with stakeholders for comment. It is unclear whether CitiPower, Powercor or United Energy undertook a review of their engagement program.⁷⁴

Stakeholders also had an opportunity to comment on CitiPower, Powercor and United Energy’s engagement and customer service standard through our Engage Victoria consultation.

⁷⁴ *ibid*

Jemena

Table A3

Engagement principle	Jemena submission (4 Dec 2020)	Further information from our engagement
The engagement program should contain clear, accessible and comprehensive information.	<p>Jemena advised that their engagement consisted of a session with current underground residential development partners on 12 November 2020.</p> <p>Jemena provided an overview of its process as a starting point for discussions on developing the customer service standard.⁷⁵</p>	
The engagement program should be suitably designed to receive and consider feedback distribution businesses receive from developers and their contractors in a timely manner.	<p>Jemena described its approach as a ‘walk through’ of the current underground residential development process’ where stakeholders were given an opportunity to:</p> <ul style="list-style-type: none"> • identify pain points at each stage of Jemena’s current process • provide insight on what their individual customer service expectations were 	<p>In a follow up meeting Jemena advised that it invited 3 developers to attend a meeting about developing the customer service standard. Two large developers attended as well as the UDIA. The HIA came in later in the process.⁷⁶</p>

⁷⁵ Jemena, submission to the Essential Services Commission consultation on ‘Timely negotiated electricity connections, decision paper’, October 2020.

⁷⁶ Jemena, verbal submission to the Essential Services Commission consultation on ‘Electricity Distribution Businesses Customer Service Standards’, February 2021.

Engagement principle	Jemena submission (4 Dec 2020)	Further information from our engagement
	<ul style="list-style-type: none"> advise Jemena what key performance measures would assist them. <p>Jemena advised it engaged with current underground residential development partners.</p>	<p>Jemena advised in a later meeting that it also invited some smaller developers to attend but that they declined.⁷⁷</p>
<p>The engagement program should be ongoing and tailored to the developers' needs and their contractors' needs. This means we expect distribution businesses to conduct (if appropriate) more than one engagement session with their developers and their contractors in a format preferred by developers and their contractors.</p>	<p>It appears from the submissions that stakeholders only had one opportunity to provide input on the customer service standard.</p>	<p>In follow up meetings with Jemena, it appears the business engaged later (after it submitted its initial proposed customer service standard) with stakeholders on the content of the customer service standard.⁷⁸</p>
<p>The engagement program should prioritise areas of significance and identified as important to distribution businesses' developers and their contractors.</p>	<p>It appears that engagement did focus on the elements of the customer service standard. It included discussions on issues with the current processes, stakeholder service expectations and performance measures.</p> <p>Jemena's submission indicated that the stakeholder session identified the following themes as areas for focus over the next two years:</p> <ul style="list-style-type: none"> ongoing Digital Customer Experience Improvements 	

⁷⁷ ibid

⁷⁸ ibid

Engagement principle

Jemena submission (4 Dec 2020)

Further information from our engagement

- design review process improvements
- project manager accessibility.

Jemena aligned with reported stakeholder views that quarterly consultative committee meetings would not be beneficial. Instead, Jemena’s customer service standard commits to maintain its more direct approach with underground residential development partners which includes hosting regular weekly (or fortnightly) meetings.

Jemena’s submission indicated that it had considered stakeholder input when developing its performance reporting framework. Jemena explained which indicators would be included and which would not be included.⁷⁹

The engagement program should inform those that distribution businesses have engaged with of the outcomes of the engagement and how they have influenced the customer service standard.

It is unclear from Jemena’s submission whether it reported back to stakeholders the outcomes of the engagement. However, it appears that Jemena considered stakeholder feedback to develop elements of the customer service standard.

Stakeholders had an opportunity to comment on Jemena’s customer service standard through our Engage Victoria consultation.

⁷⁹ Jemena, submission to the Essential Services Commission consultation on ‘Timely negotiated electricity connections, decision paper’, October 2020.