

Minutes

Electricity Connections – Governance Committee Meeting #7

Time and date: 1.30-3.00 pm, 26 November 2019

Location: Commission Boardroom room, level 37, 2 Lonsdale Street, Melbourne 3000

Committee Members Present

Name	Organisation	Name	Organisation
Kate Symons (Chairperson)	Essential Services Commission	John Hamill (Chair)	Essential Services Commission
Felicity Galluzzo	United Energy	Justin Betlehem	AusNet Services
James Walker	Powercor	Andrew Cooke	Jemena
Neil O'Connor	UDIA	Chris Masson	Jemena

Apologises

Matthew Kandelaars – Property Council of Australia

Laurie Mitchell – Victorian Planning Authority

Dean Rochfort – Victorian Planning Authority

Sarah McDowell – Essential Services Commission

Adam Gellie – United Energy

Committee Support

Aaron Yuen – Essential Services Commission

Merryn Wilson – Essential Services Commission

Agenda items

Introduction – Chairperson Essential Services Commission

The commission's Chairperson welcomed committee members and thanked them for their contributions toward improving the timeliness of electricity connections. She added that the commission was very interested in the work of the Governance Committee and keen to see the outcomes.

Introduction – Chairperson Governance Committee

The Chair said that the focus of the meeting would be to reflect on highlights generated by the Service Improvement Commitment. And then look at the challenges and risks we face to make improvements sustainable.

Highlights

Commission staff asked committee members what their three highlights had been since the implementation of the Service Improvement Commitment.

Highlights put forward by committee members are shown in table 1 below.

Table 1

Highlight	Who	Highlight	Who
Increased collaboration around the table	Chair	Developing a single source of truth (of where a development is at). Through having better consultation on the real issues	United Energy
Reduction in the heat and anxiety in relation to matters concerned with connections	Chair	Authorities have jumped on this and improved performance and transparency. But it is fair to say developers could improve too	UDIA
Tangible investment in improvements, for example the implementation of customer portals	Chair	Relationship building is improving. Issues are not so black and white	UDIA
Turning the focus on matters that previously didn't receive much attention	AusNet Services	The process is improving the understandability of costs per lot- for example upstream,	Jemena

		high voltage and low voltage costs. It has also improved transactions between developers and distribution businesses	
Improving throughput times (the time to complete a development). Including improving the times to reaudit	AusNet Services	Manuals and work process documentation has been updated	Jemena
Working on IT portals guided by SIC	AusNet Services	Transparency has improved. This has helped address previous frustrations through poor communications	Powercor
Developing a better understanding of community players and improving communications	United Energy	This forum is a place to resolve issues	Powercor

Commission staff summarised the key themes coming out of the discussion on highlights. Which were:

- real discussions are occurring between the right people on the right issues
- a sense of collaboration
- tangible investments in improvements

The Chair asked whether there were any other drivers of improvement. Powercor responded that peer pressure was a driver of improvement, and that it was important to see what others were doing and respond. The UDIA added that the fact that the Governance Committee meetings are well attended is a good sign that things are improving. And if people weren't interested in the process then they wouldn't attend committee meetings.

Challenges and risks

Commission staff facilitated a discussion on the challenges and risks facing delivery of the Service Improvement Commitment and electricity connections more generally. Staff characterised challenges as issues that are happening now that could affect delivery of the commitment and risks as issues that might arise in the longer term.

Challenge (short term)	Risk (longer term)
<p>Market or growth rates increase rapidly. Not catching the growth curve.</p>	<p>Back to where we started from, particularly if distribution businesses' desires change.</p> <p>Mitigating this is distributors are motivated to connect new customers.</p>
<p>Some developers are doing the wrong thing</p> <p>While some developers are building better, audit pass rates haven't changed. But there is better knowledge about how to resolve matters more quickly</p> <p>Lag to get skilled auditors</p> <p>New participants without skills necessary to undertake the work</p> <p>To mitigate the points above distributors could initiate discussions with contractors before construction commences, so as there won't be any grey areas</p>	
<p>Emerging technologies for example electric vehicle charging stations, increased uptake of solar PV and batteries. This makes assessing connections applications more challenging, increases costs and design work and creates some uncertainties.</p> <p>To mitigate the point above suggestions were made to talk to the distributor about the technical challenges of installing some new technology before committing to install it.</p>	

Communicating effectively that if quality standards are met then only need to audit once.

Implementing performance timeframes.

Service improvement commitment updates by exception

Jemena

Jemena reported that its contestable works framework had been updated and that it had updated its URD manual and that it was ready for sign-off. Jemena added that developing a process to measure audit performance was proving to be a difficult task. But nevertheless, it was aiming to be able measure audit performance next year.

AusNet Services

AusNet Services reported that it was well underway with its tender process to get new auditors and so far, it had been a positive process. AusNet Services added that it was looking at its internal resource plan, KPIs and other metrics to meet developer targets.

Powercor

Powercor reported that it had implemented two IT portals. One gave developers information about what technical standard applies to an audit non-compliance. The other gave information to developers about where a development was at – it is designed to act as a single source of truth.

Powercor reported that its master plan scope review process was in place in October. A feature of the process is projects are reviewed once, rather than being reviewed at every stage. Powercor added the review takes on average 12.3 days.

Powercor reported that it had recently experienced a major issue with the quality of sand being used in some developments. Powercor added that managing the dispensation process was difficult because dispensation could only be granted after an assessment was made to the likely risk to electrical assets and the potential impact on safety or reliability. Powercor said they wanted to be responsive to the problem without compromising quality and safety. So far about 20 stages have been affected and that it appeared to be a large batch problem rather than industry wide.

Powercor also reported that there had been some uptake of the 20-day tie-in process, but uptake continued to be on a case-by-case basis.

Technical Standards Committee

Powercor reported that the Technical Standards Committee met on 1 November. So far 190 technical criteria have been assessed for harmonisation across the distribution businesses. The aim of the process is to develop a set of URD standards that apply across the industry. The next

step is to work with industry to improve constructability. Powercor reported that the Technical standards committee had provided valuable input into identifying the standards for harmonisation.

The next stage is work through (for each standard to be harmonised) whether all three distribution businesses standards move to a new common standard, or whether distribution businesses adopt the standard of another distribution business.

Performance reporting for H2 2019

Commission staff reminded distribution businesses that their performance reports for the period July 2019 to December 2019 are due by 31 January 2020.

To support performance reporting and provide a fuller picture of performance could distribution businesses please:

- for each performance measure, show the number of times the activity was undertaken. For example, for the measure temporary connection times, please also provide data on the number of temporary connections.
- a comparison between the H1 2019 average and H2 2019 average for each measure.

Next meeting

The next meeting is at the commission's offices on 3 March 2020 at 1.30 to 3.00 pm.