



# Have your say on the future of the electricity network!

Electricity Distribution Code  
Community forums

Ballarat and Traralgon  
24-25 September 2019



## Why we're here

This is a chance for us to explore the issues facing the electricity industry in Victoria with you:

- What is the Electricity Distribution Code?
- How does the code affect you?
- Why are we reviewing the code?
- Your network's performance

## Why we're here

A chance to hear about what is important in relation to your electricity supply:

1. reliability
2. performance
3. Guaranteed Service Level scheme



## Why we're here

To make sure we design a new Electricity Distribution Code that is:

- informed by your perspectives, and
- Meets the needs of Victoria's changing energy market, now and in the future.

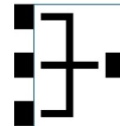


# What is the Electricity Distribution Code?

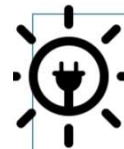
The code sets the **minimum standards** your electricity distribution company must meet while delivering electricity to you.



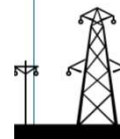
connections



network planning



quality of supply standards



reliability standards



communication standards



information provisions



Guaranteed Services Level scheme

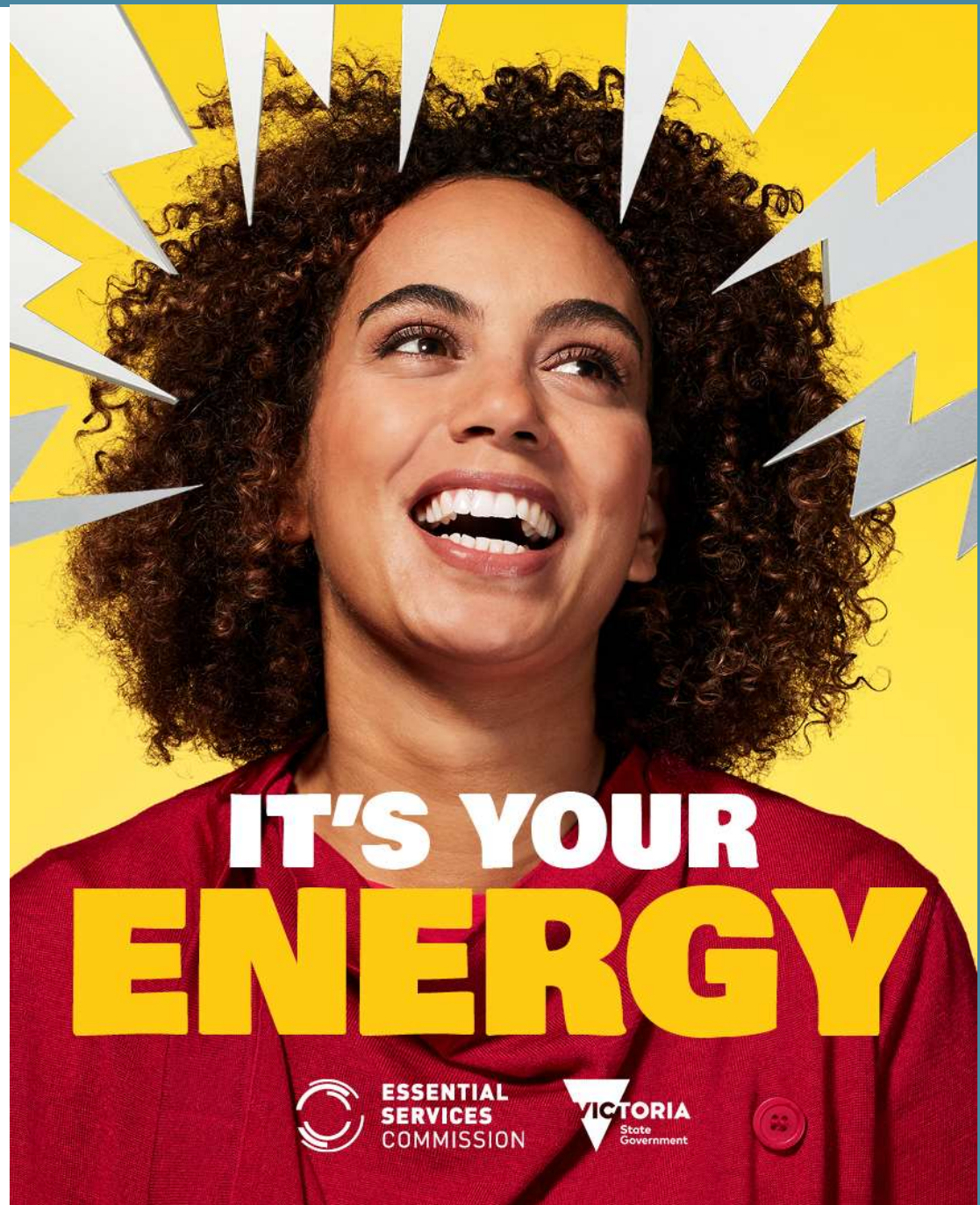
## How does the code affect you?

The code affects the cost of your electricity bills and the level of service you receive from your distribution company

- The Australian Energy Regulator allows network companies to charge a network cost to meet our code as part of their total revenue allowance.
- The code sets the minimum levels of service including:
  - ‘acceptable’ levels of interruption to electricity supply (i.e. the frequency and length of outages), and
  - ‘acceptable’ rates of response to interruptions to electricity supply (i.e. how your distributor communicates with you about outages).

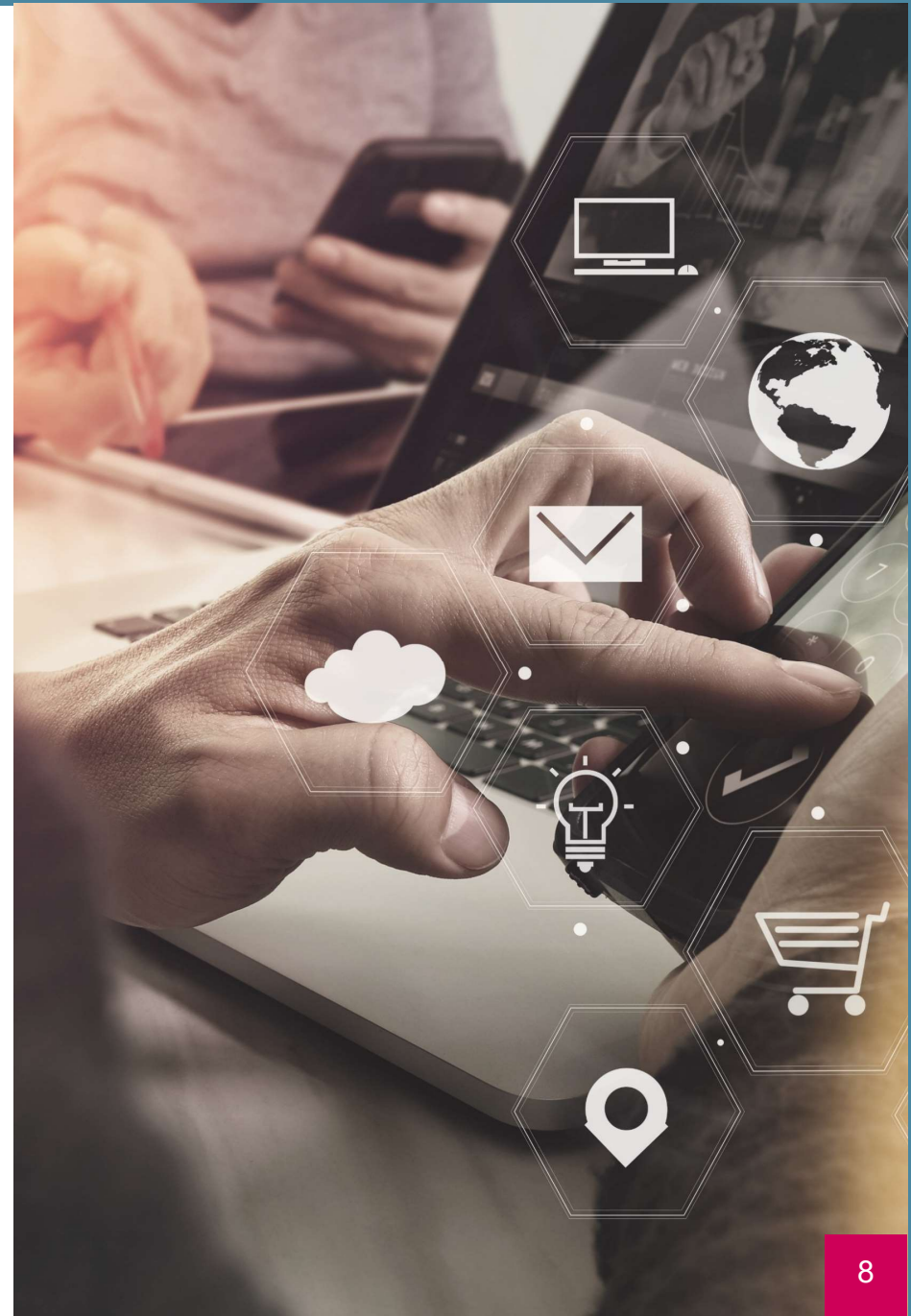
## Why are we reviewing the code?

1. The energy system is rapidly changing, offering customers greater choices in the purchase and supply of energy



## Why are we reviewing the code?

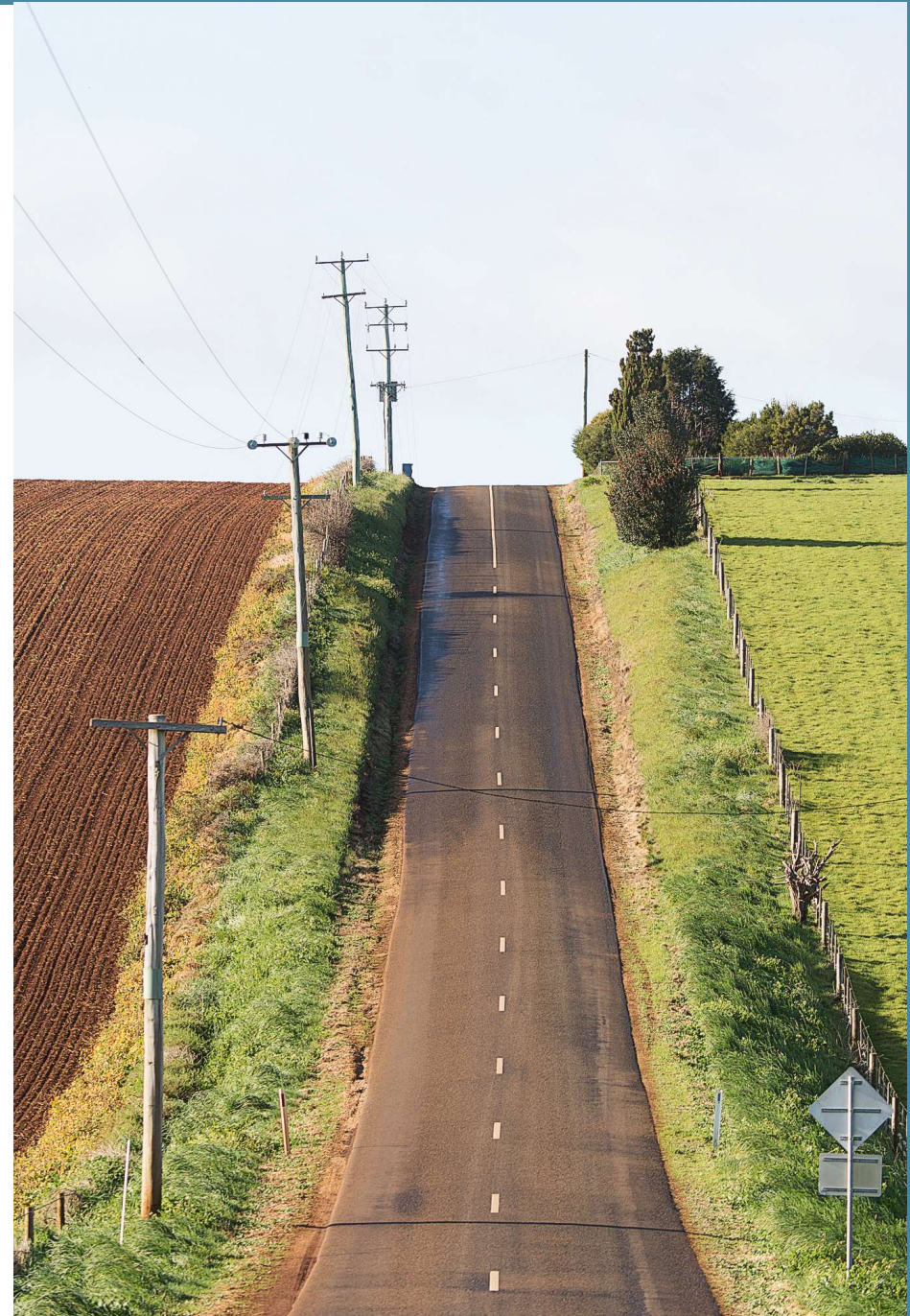
2. Customers are taking control of their energy needs and exploring new and innovative opportunities





# Why are we reviewing the code?

3. The code needs to reflect these changes to remain relevant for the long term interests of Victorians



# Our timeframes

## Customer service standards



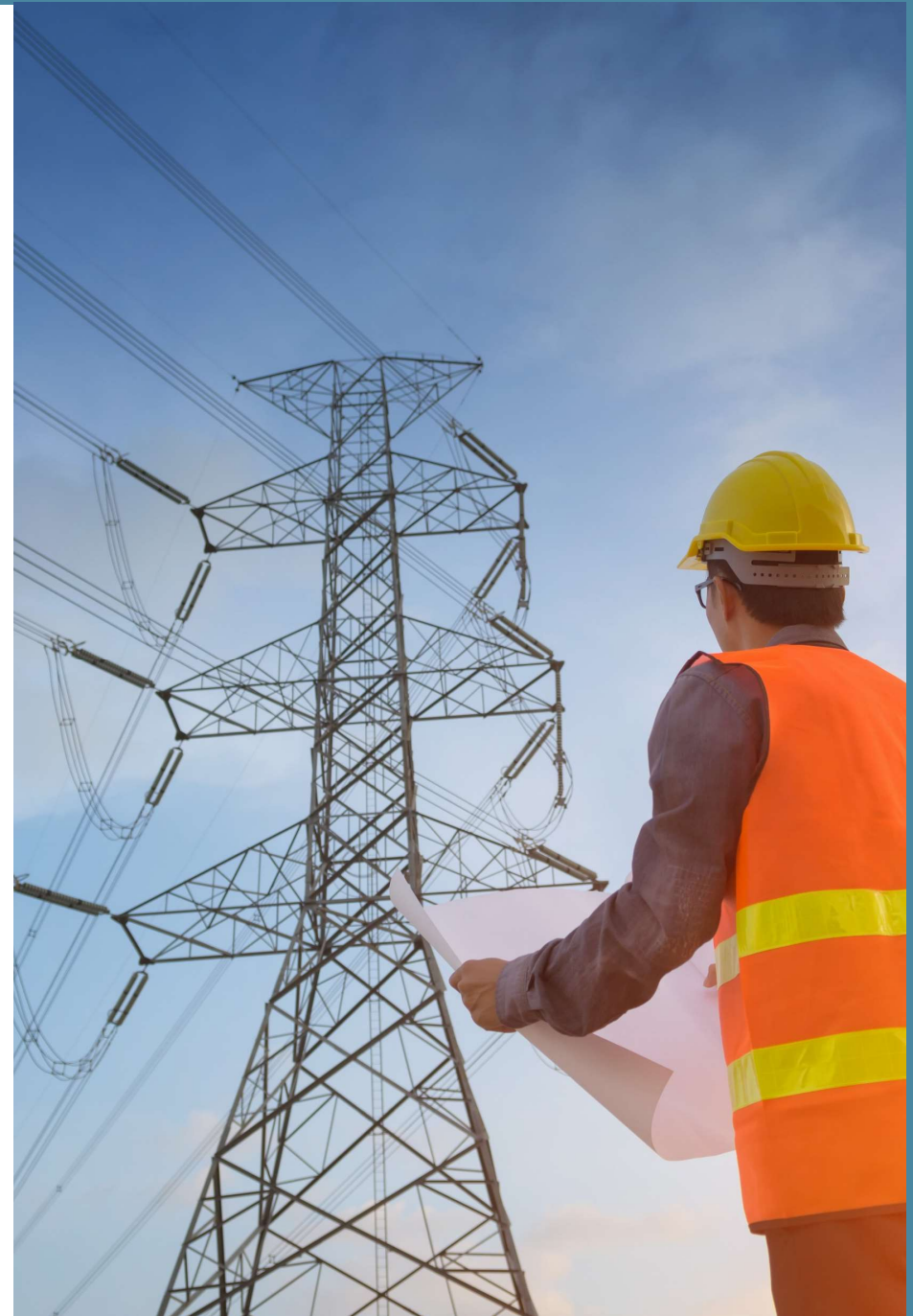
## What is reliability?

There is no guarantee that a interruptions won't occur.

There are three types of interruptions:

### **1. Planned interruptions**

Sometimes interruptions are needed for maintenance or upgrades of the network.

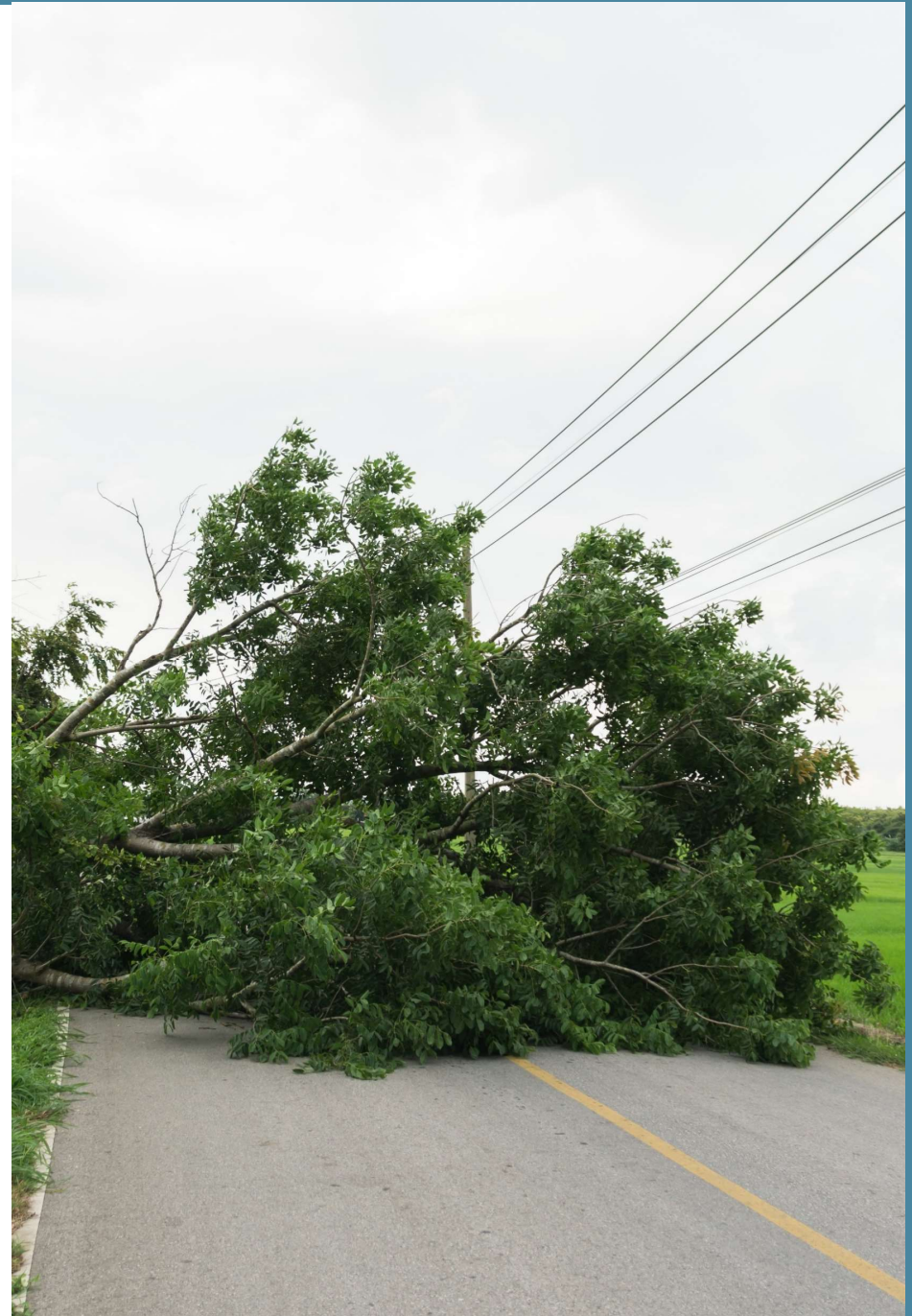


# What is reliability?

## 2. Unplanned interruptions

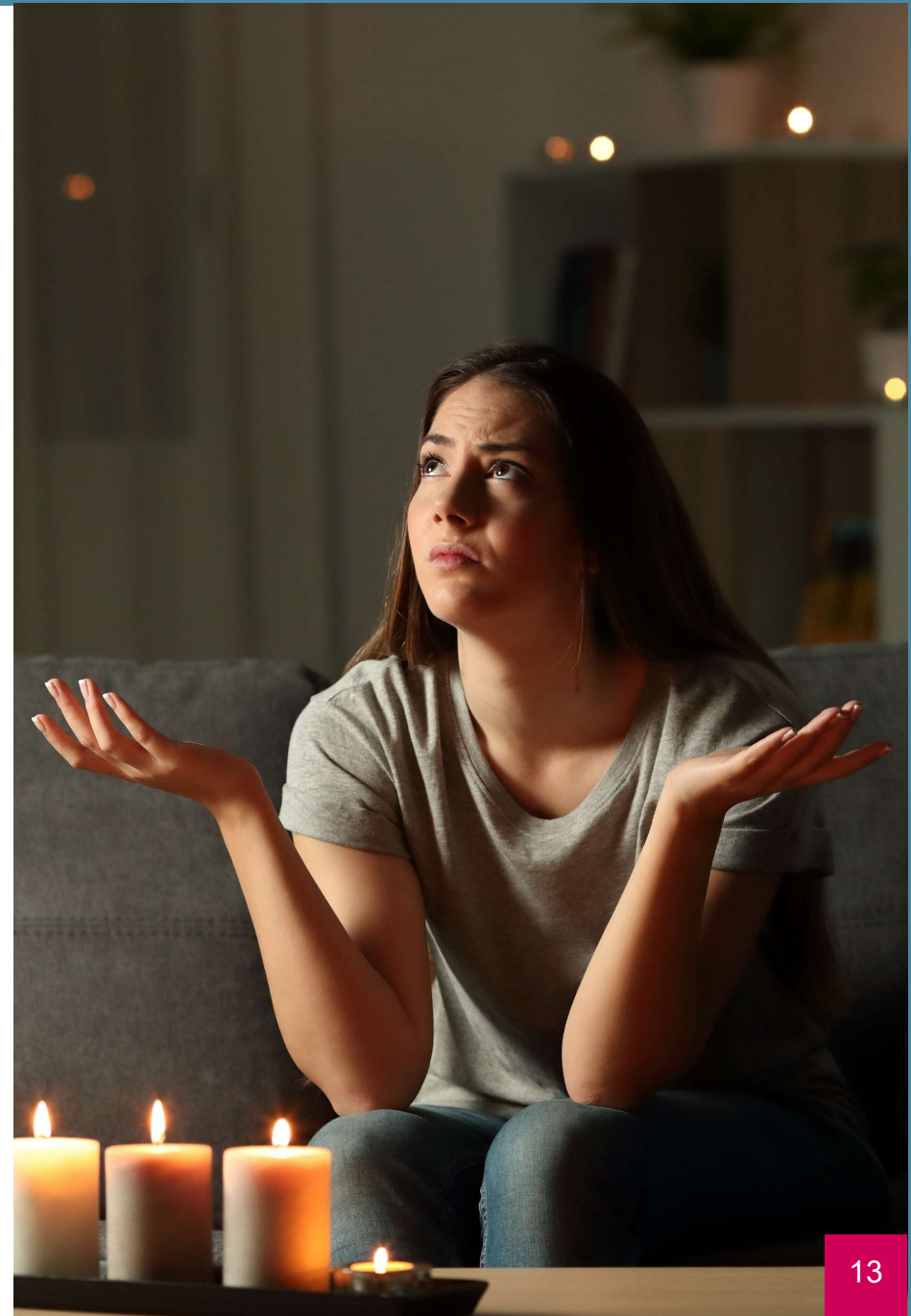
The network is built to a particular standard to withstand normal conditions and, to a point, major conditions.

However unplanned interruptions can occur from events such as a car hitting a power pole or a major storm blowing trees onto lines.



# What is reliability?

- 3. Momentary interruptions**  
sometimes brief interruptions occur that last less than a minute. These can be caused by animals on lines or branches hitting lines.



## Performance and Reliability

A majority of customers experience no interruptions in their electricity service throughout the year, however, on average, most customers experience:



Between 1-2  
sustained  
(e.g. longer  
than 1  
minute)  
interruptions  
a year



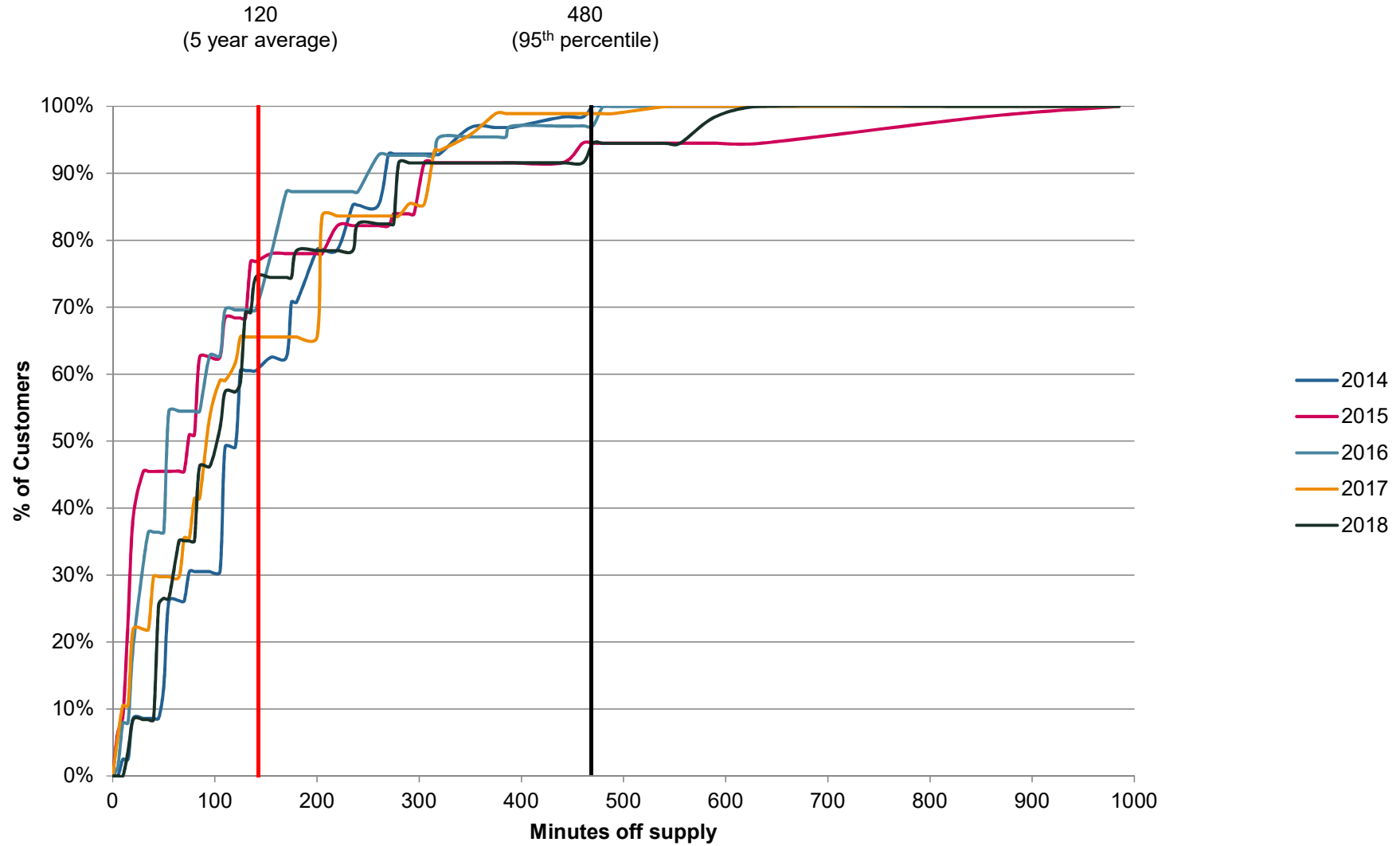
Up to 2 hours  
(120 minutes)  
of  
interruptions  
a year



Between 4-6  
momentary  
interruptions a  
year (less than  
one minute)

# Customer experience

Source: AER – Ausnet RIN responses



*The closer to the left hand side of the graph, the better the reliability you had.*

## Performance

Performance has varied for the past 5 years.

- 2016 had the one of the best average performances but also had the longest outages.
- 2018 had a good level of reliability. The average experience of outages was between 1.5-11 hours.



## **Have a say:**

**What do you think of reliability in your region?**

1. What has been your experience?
2. Is the current performance good enough?

## Guaranteed Service Level

- 1990s: the Guaranteed Service Level scheme started
- 2001: reliability payments introduced
  - to promote investment in parts of the network that don't normally get attention
  - where there was no business case to invest or to recognise ongoing poor service
- 2010: separation of powers between the Australian Energy Regulation and the commission
  - we stopped setting distribution prices or revenue
  - we kept the guaranteed service level scheme

<b>Payment type</b>	<b>Amount</b>
<b>Appointments</b>	
15 minutes late	\$30
<b>Connections</b>	
Each day late	\$70
Capped at 5 days	\$350
<b>Reliability – duration</b>	
20 hours	\$120
30 hours	\$180
60 hours	\$360
<b>Reliability – frequency</b>	
8 interruptions	\$120
12 interruptions	\$180
24 interruptions	\$360
<b>Reliability – momentary</b>	
24 momentary interruptions	\$30
36 momentary interruptions	\$40
<b>Restoration (per interruption)</b>	
Urban (12 hours)	\$80
Rural (18 hours)	\$80

## Guaranteed Service Level performance

	2013	2014	2015	2016	2017	2018
<b>Appointments</b>	-	-	-	23	6	16
<b>Connections</b>	230	159	56	396	587	1,123
<b>Reliability (duration)</b>	25,290	28,948	21,940	62,130	12,610	17,360
<b>Reliability (frequency)</b>	9,079	10,269	15,312	27,853	4,964	23,745
<b>Reliability (momentary)</b>	21,794	24,619	13,436	15,016	14,293	14,808
<b>Restoration</b>	-	-	-	2,307	4,348	2,301
<b>Total cost</b>	\$4,901,680	\$5,958,445	\$4,759,710	\$17,695,370	\$3,275,110	\$6,614,650
<b>Annual cost per AusNet customer</b>	\$6.40	\$6.30	\$6.10	\$10.40	\$10.20	\$9.90

## Worst served customer

### **Customers who experience the worst 1% of service per annum**

- Approximately 184,669 customers across Victoria were considered worst served in 2018
- On the AusNet network there are 29,169 worst served customers
  - about 4% of AusNet's total customers
  - mostly customers in rural locations
  - generally customers on single wire earth return lines

## Have a say:

### **What do you think of the guaranteed service level?**

1. What should be the purpose of the guaranteed service level going forward?
2. What parts of the network service do you think should be covered by the scheme?
3. Currently, you can't have both a restoration payment and a reliability (duration) payment. Do you think you should?
4. Should we do anything more about the worst served consumer?

## Communication of planned outage current requirements

- Four day notification before the planned outage
- Must include:
  - date of outage
  - time of outage
  - expected length of outage
  - a 24/7 hotline
- Networks are required to minimise the length of outages.

## **Have a say:**

### **Is this enough?**

1. What would you like to see in notifications?
2. Should distributors try to engage with the community while in the planning stage of an outage?
3. What should networks do if a planned outage is cancelled?



## **What we've heard from you tonight**

*[We will theme up the comments during the presentation portions and present back to the room.]*

## Next steps

### Customer service standards



### **Next phase of consultation: following the release of the draft decision in March 2020**

Until then, you can email us with any comments you would like us to consider.

# Contact us

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