



# 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.

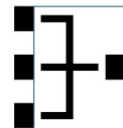


# What is the code?

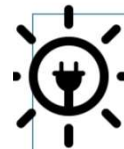
The code sets the **minimum standards** your electricity distribution company must meet while delivering electricity to you.



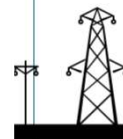
connections



network planning



quality of supply standards



reliability standards



communication standards



information provisions



Guaranteed Services Level scheme

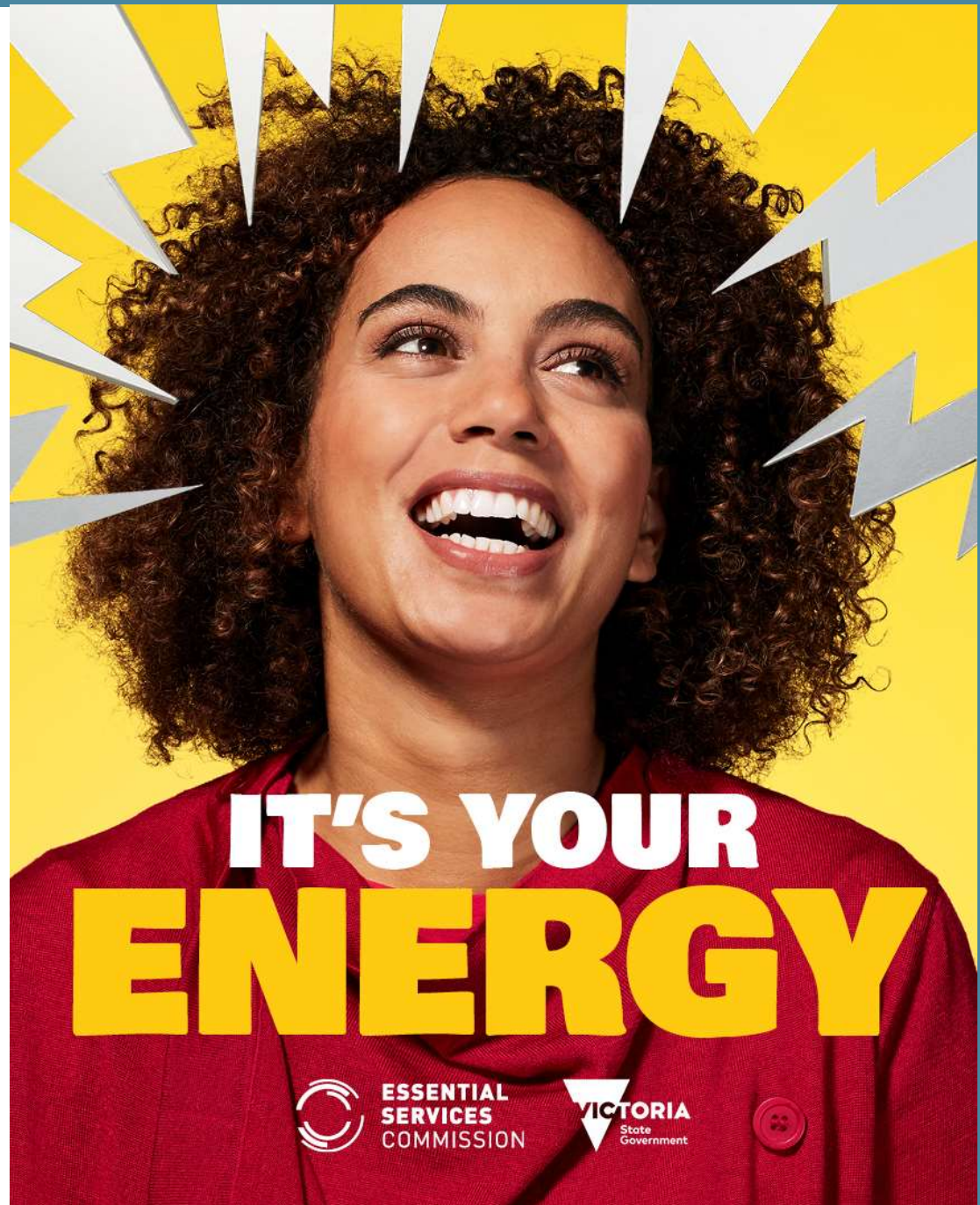
## How does the code affect you?

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?

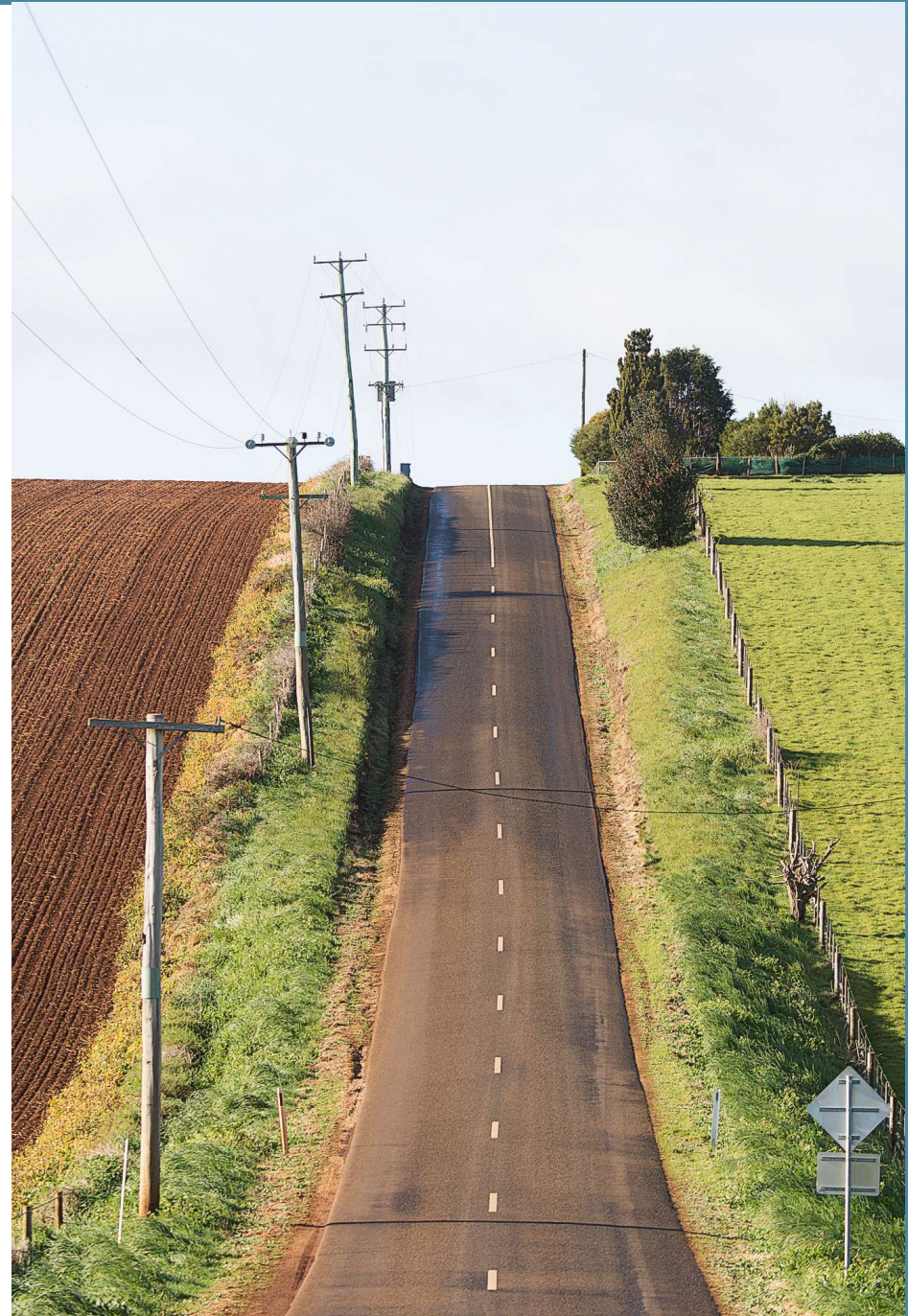
2. Customers are taking control of their energy needs and exploring new and innovative opportunities





# 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



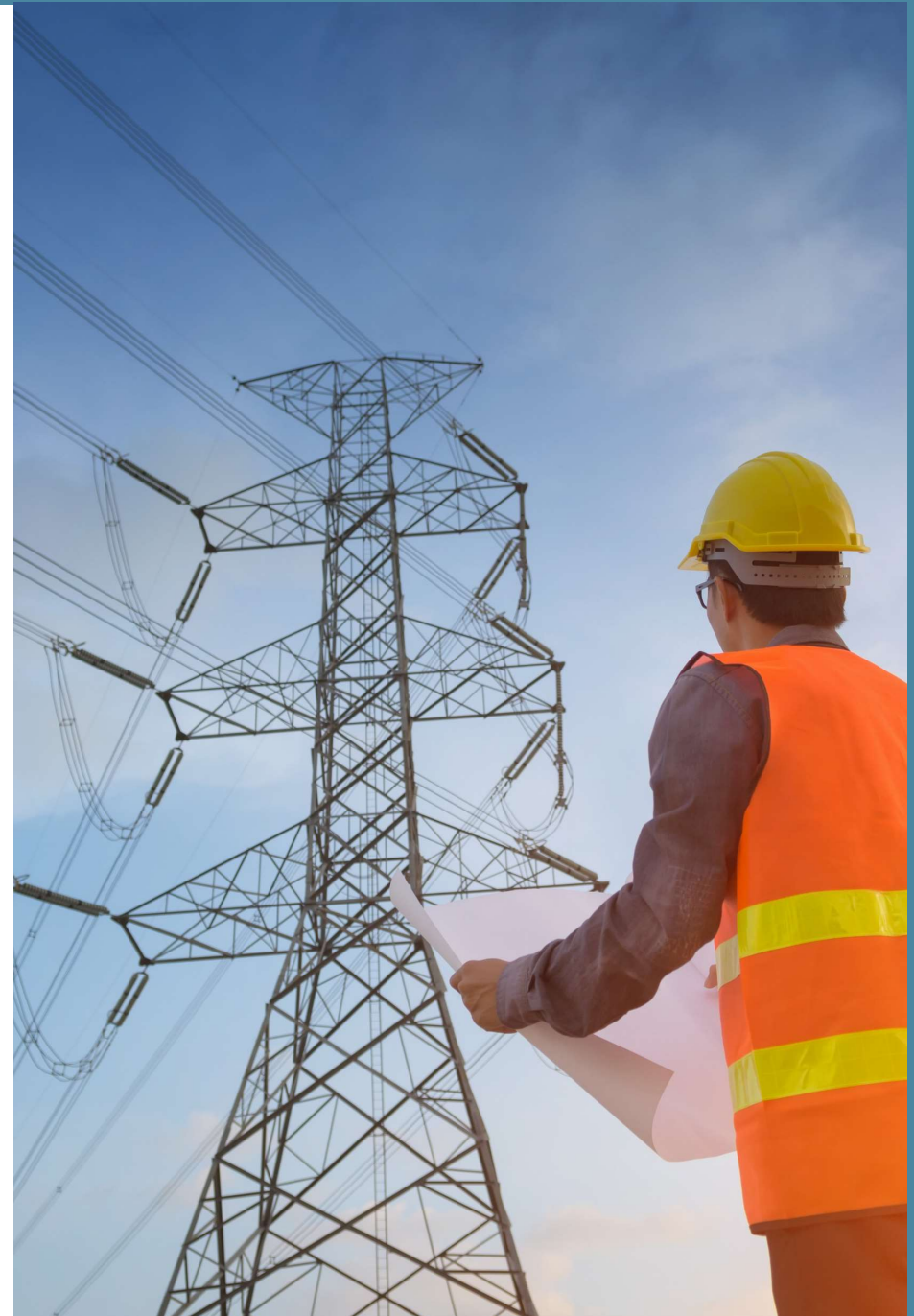
## What is reliability?

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.

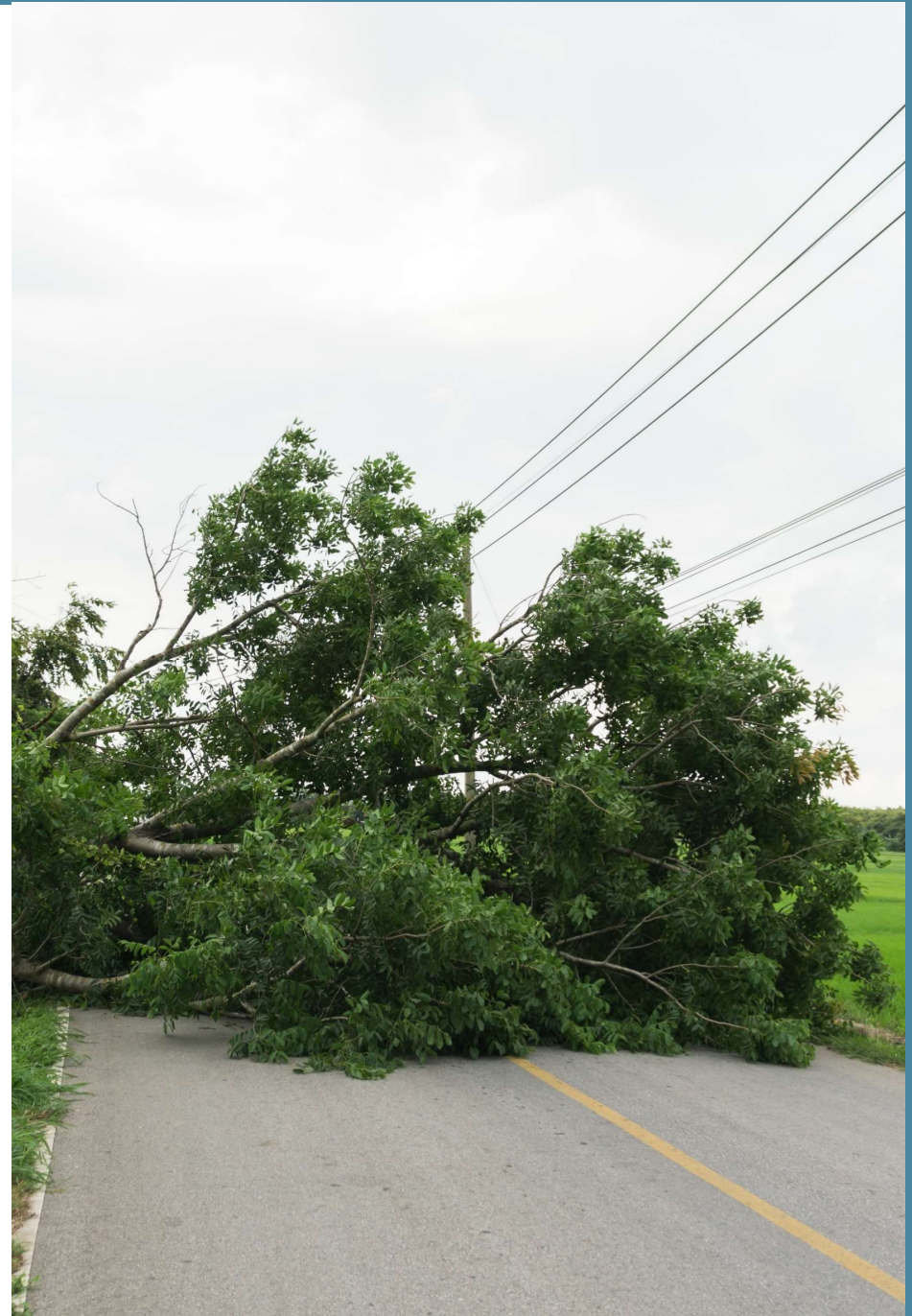


# What is reliability?

## 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



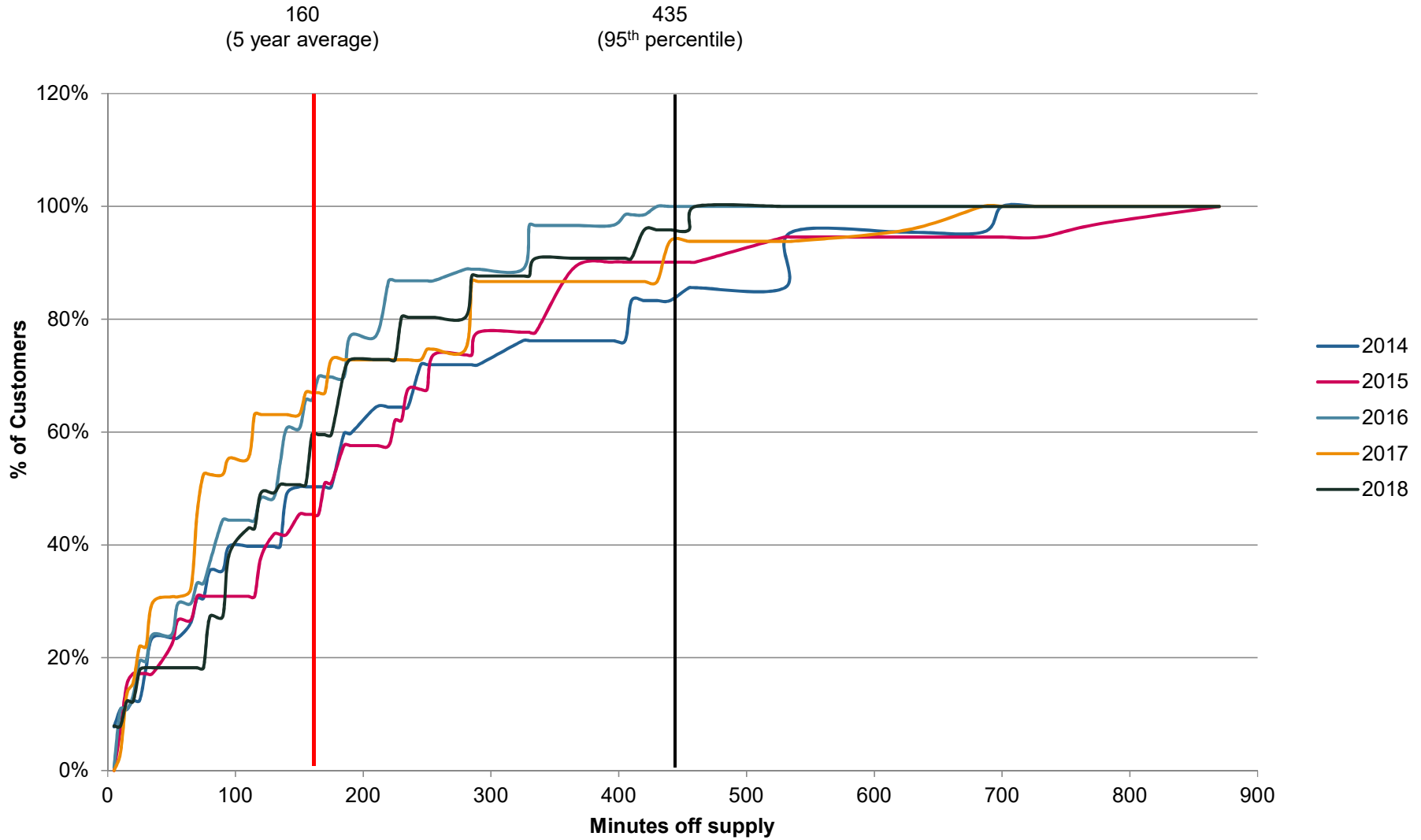
Up to 160  
minutes of  
interruptions  
a year



Between 2-3  
momentary  
interruptions a  
year (less than  
one minute).

# Customer experience

Source: AER – Powercor 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 but overall reliability has improved.

- In 2017, 50% of customers experienced fewer than 75 minutes of interruptions.
- In 2018, 50% of customers experienced twice that.
- But, the worst reliability was significantly better than 2017's worst reliability.



## **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 - PowerCor

	2013	2014	2015	2016	2017	2018
<b>Appointments</b>	-	4	-	-	7	15
<b>Connections</b>	45	57	46	287	2,826	601
<b>Reliability (duration)</b>	7,257	13,880	18,450	18,479	12,893	16,501
<b>Reliability (frequency)</b>	514	2,720	2,106	2,860	1,713	3,452
<b>Reliability (momentary)</b>	166	1,557	1,692	1,163	-	172
<b>Restoration</b>	-	-	-	7,051	1,920	403
<b>Total cost</b>	\$873,500	\$2,024,755	\$2,448,550	\$3,635,630	\$2,705,190	\$2,938,900
<b>Annual cost per PowerCor customer</b>	\$1.60	\$1.50	\$1.50	\$3.90	\$3.80	\$3.70

## 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 PowerCor network there are 32,623 worst served customers
  - about 4% of PowerCor'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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