

Minutes

Electricity Connections – Governance Committee Meeting #2

Time and date: 2.30-4.00 pm, 5 December 2018

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

Committee Members Present

| Name | Organisation | Name | Organisation |
|----------------|---|---------------------|-------------------------------|
| Dean Rochfort | Victorian Planning Authority | Angus Crawford | Property Council of Australia |
| Neil O'Connor | Villawood, Urban Development Institute of Australia | Leesa Penaluna | AusNet Services |
| Adam Gellie | United Energy/Powercor | Andrew Davis | Jemena |
| James Walker | Powercor | John Hamill (Chair) | Essential Services Commission |
| Sarah McDowell | Essential Services Commission | | |

Apologies: Nil

Committee Support

Aaron Yuen – Essential Services Commission

Merryn Wilson – Essential Services Commission

Agenda items

Summary of actions that have been taken so far

The Chair commended the distribution businesses for sending through their updates on progress against the Service Improvement Commitment in a timely manner.

Attendees then gave an update on how their organisation was progressing actions assigned in our advice to the Minister for Finance (the Minister) on timely electricity connections.

Essential Services Commission

The commission has developed the web based feedback register. In November a link to the register was emailed to Committee members. The commission has begun to scope how it will undertake other actions assigned to it. This is expected to be completed by the end of the year.

We have also begun our wider review of the electricity distribution code, and on 10 December are running an industry forum to gain a preliminary understanding of areas for reform.

Victorian Planning Authority

The Victorian Planning Authority board has reviewed our advice to the Minister and is supportive of the Victorian Planning Authority being involved in the public lighting review.

A project to streamline utility connections has been established. Its scope will be finished by the end of the year and includes streamlining the public lighting approvals processes. Before the scope is finalised the Victorian Planning Authority hopes to get feedback from local government and the distribution businesses.

Property Council of Australia

The Property Council of Australia reported that it had spilt its committees and that they would be refreshed soon. The Property Council of Australia said that it had heard that there were concerns with the timeliness of new non-residential connections. And at some sites delays were causing people to hire generators to get power. **Committee members from Powercor and AusNet added that they were happy to have their names put forward as points for escalation.**

Urban Development Institute of Australia

The Urban Development Institute of Australia commented that its members reported there had been some improvement in audit processes.

Electricity Distribution Businesses – updates against Service Improvement Commitment

Each distribution business submitted an update on progress against the Service Improvement Commitment. A copy of each submission is attached to these minutes.

Jemena

Jemena has undergone a reorganisation and implemented technology to improve the connections process. It has built a front end customer portal that allows customers to see how their projects are progressing. Jemena noted that it had received a number of complaints from EWOV related to the implementation of Power of Choice. Jemena is upgrading its mass connections portal and working with the three biggest retailers to help address these issues. Powercor added that energising

connections is an onerous process. **Powercor offered to lead the preparation of a position paper to describe the issues and put forward ideas so to turn around connection requests within 10 days. The paper would be presented at the next committee meeting.**

Committee members added that delays in energisation are sometimes a result of retailers not correctly entering information into connection forms.

As a result of our connections review, we were given the role of improving monitoring of temporary connections. **The distribution businesses committed to investigating whether their systems would enable them to extract data on the times to make temporary connections. The businesses will present this data at the next Committee meeting.**

AusNet Services

AusNet Services gave an update on how it was progressing against the Service Improvement Commitment. The Chair asked the development industry whether AusNet's measures were understandable. The Urban Development Institute of Australia commented that the measures did make sense.

Powercor

Powercor gave an update on how it was progressing against the Service Improvement Commitment. The Urban Development Institute of Australia raised concerns with Powercor's 10 point failed audit system. Powercor explained that it had modified its approach and was now trialling a process where they are completing the audit (rather than walking off after major non-compliances of 10 points). Powercor also noted that an impact of this change may be to lower audit scores for contractors due to a larger sample of sites being audited and this may negatively affect their performance ratings. This new approach is still in the feedback phase. Powercor added two auditors worked on larger jobs where possible. The Chair asked whether this improved consistency of audit results. Powercor responded that contractors sometimes apply undue pressure on auditors and having two auditors on site helps with this and improves their level of comfort when this pressure is applied.

Powercor stated that it is important to have enough resources to complete audits at the end of the calendar year. However, this year volumes seemed to have dropped. Nevertheless Powercor is geared up to meet the demand for audit services. The Urban Development Institute of Australia added that there has been a slowdown in sales. But construction work is still progressing at a high rate. This might slow down in mid-2019.

Powercor is now looking to work collaboratively with industry to understand why audits are failing. It is also looking to amend contractual terms so as it knows who to provide feedback to. This will help alleviate misunderstandings between Powercor and developers about the stage a project is at.

The Chair asked why there were differences in standards. Powercor responded that differences were driven by history and different experiences with each of the networks. Powercor noted that rather than developing common standards it would be more productive to develop common guidelines on civil construction and electrical infrastructure installation. **The Committee will forward contact details of someone who part of a committee to harmonise water industry standards / asset installation practices.**

Powercor said it aimed to turn option 2 audits around in between 5 to 8 business days. And had recently added 3 new 6 month audit roles to test whether it had capacity to meet that target. The Urban Development Institute of Australia commented that it could boom again. The Chair asked where the distribution businesses got information on volumes from. Powercor said developers tell them when to flex up or down and that the Victorian Government website has information about planning approvals. The Victorian Planning Authority said it used data from Victoria in Future and Land Monitor and granular data sets from councils. AusNet Services said that in addition it also scoured council websites and that some councils (City of Casey and City of Wyndham) had developed good heat maps.

Powercor added that it had made the preparation of planning scopes contestable and was aiming to relinquish responsibility for preparing master plans and would review these as prepared by developers.

Next Steps

The Chair said that each of the update reports are very different and asked how they could be made more consistent. **The Committee decided that the commission would circulate a template that attempted to harmonise the way updates are presented. The template will be circulated by the end of 2018 or early 2019.**

The Chair asked which business would take the lead to establish the Standards Committee. **Powercor indicated that it would take the lead to do this.** The Chair added that Terms of Reference for the Committee would need to be targeted to achieve the outcomes under the Service Improvement Commitment.

The Urban Development Institute of Australia a requested a short report early in the New Year that showed progress against the initiatives outlined in our advice to the Minister. The report would be circulated to industry stakeholders. **The commission will prepare a short report for circulation.**

Next meeting

The next meeting is at the commission's offices on 5 March 2019 at 2.00 to 3.30 pm.