AusNet



Electricity Availability Panel

Meeting #4 | Summary Notes

Details	Members	AusNet Staff	External Observers
11.30-1.30pm Thursday 28 September 2023 **Online (MS Teams)** **Chair:** Charlotte Eddy **Secretariat:** AusNet	Emma Birchall Jeff Nottle Mark Grenning Chris Harvey Kieran Donoghue Tricia Hiley Piang Lilian **Apologies**: Helen Bartley	Charlotte Eddy Robert Ball Lucy Holder Michaela Jackson Gaurav Sharma Rafi Muneer	Yulia Moore (AER) David Prins (AER, CCP) Eileen Khou (AER)

Focus Question

FQ2: How might we assess how customer characteristics and activities are influencing the value they place on reliability and ensure our investment plans reflect this?

Objective of the meeting

- Consult on how AusNet manages reliability outcomes across its network, including use of network and non-network solutions, the role of DER, and the role of incentive schemes.
- Collaborate on customer preferences around reliability, including sharing customers' views gathered through engagement and research.

Key agreed positions

- Support for AusNet to progress planning work to identify investment options for further consultation . Outcomes of planned customer research activities, supported by the panel, will also be informative.
- AusNet should play a role in improving reliability for life support customers, but panel members

Next meeting on FQ2

- Mid-2024: Involve on proposed expenditure to meet customer reliability preferences, including options assessed, supporting cost benefit analysis, and how the proposed investment plans align with engagement/ research insights.

			were not supportive of major investment by AusNet to improve reliability specifically for these customers. There was support expressed for a review of the life support customer register. • Support for AusNet to take a leadership role in the community energy space, through more responsive and timely engagement that sets clear upfront expectations of network value of community energy projects.

Item	Time	Topic	Lead/s
	11:30am	Welcome	Charlotte Eddy
01	11:35pm	The big picture | How customer preferences fit into investment planning	Rob Ball
02	12:00pm	How we manage reliability outcomes	Rob Ball
		Break	
03	12:30pm	Understanding our customers' reliability preferences	Lucy Holder
04	12:50pm	Improving reliability for Life Support Customers	Rob Ball
05	1:10pm	Answering the focus question	Charlotte Eddy
	1:25pm	Open floor and close	Charlotte Eddy

Summary

Welcome

- AusNet GM Regulation & Policy (Distribution) Charlotte Eddy welcomed participants and observers. Yuliya Moore and Eileen Khou from the AER, David Prins and the AER's Consumer Challenge Panel Representative were introduced to the panel, as was AusNet Energy Solutions Specialist, Rafi Muneer. David Prins shared he has been formally appointed to the AER's Consumer Challenge Panel and will observe various activities.
- Charlotte advised members that AusNet had started planning for the next in-person meeting, which is being scheduled for February 2024, at which AusNet will share expenditure forecasts for the first time.
- AusNet's Rob Ball reminded members that the Joint Victorian Distribution Business Resilience session will be held on Monday 9 October.

Part 1: The big picture | How customer preferences fit into investment planning

Topics	Discussion points
Customer preferences and investment planning	Rob Ball introduced the first session, highlighting that electrification may have a large impact on customer preferences and in turn have implications for the network and reliability investment planning. Discussion indicated broad comfort among the group for AusNet's proposed further engagement on reliability and approach to investment planning, as well as the trends and factors impacting reliability in the pack. There were many comments on the Padlet (attached at end) which were discussed during the meeting. Discussion included: • That understanding customers' needs and preferences on reliability is complex and that lines of communication between AusNet and panel members will be kept open re: whether the right insights are being collected to help answer this question. • That is it surprising Victoria doesn't have minimum reliability standards, and that there is no specific proposal to implement them. AusNet noted the AER STPIS targets act as reliability standards but there are limitations to this framework. AusNet took a question on notice about how South Australia's "best endeavours" approach for meeting and reporting on its performance on standards works in practice. • Agreement that minimum standards are just one way AusNet can address reliability for Worst Served Customers. • Confirmed AusNet will speak with local councils on topics related to reliability and resilience through the upcoming Joint Victorian Distribution Business Resilience Workshop on 9 October. • In discussing Stand Alone Power Stations (SAPs), AusNet indicated that the first round of ~17 trial SAPS has been completed with another 20 planned for 2024, and there may be flexibility going forward to have multiple dwellings served by one SAPs. • The group spoke about the end of the premium feed-in tariff and a possible spike in Consumer Energy Resource (CER) connections, and AusNet took an action to consider in forecasting and projections.

Part 2: How we manage reliability outcomes

Topics	Discussion points

a) Framework and solutions to manage reliability | Statistics on typical causes of supply interruptions

b) Case studies

c) Role of CER in maintaining reliability during outages

Rob Ball spoke briefly to the slide pack, which provided an overview of incentive schemes, the balance across those incentives to encourage AusNet to maintain and improve reliability, and the role of CER in improving reliability.

Discussion included:

- Clarifying the mechanics of incentive schemes, including when AusNet is incentivised to spend Capital Expenditure (capex) vs Operational Expenditure (opex).
- AusNet's reliability performance over time pursuing improvements under the STPIS scheme. There was discussion on which improvements have been prioritised (answer: the less expensive ones with higher benefits) and that further reliability improvements that are more material are harder to justify under the STPIS.
- Clarifying the causes and prevention of asset failures. AusNet noted that most asset failures relating to animals and weather are relatively minor, and while it's inevitable there will be some failures (with different risks for different assets), AusNet uses criticality assessments and tools to help make prudent asset replacement decisions, and reports on asset failures. AusNet also noted it is trialling Early Fault Detection technology. Field staff are also critical in early fault detection.
- Panel members watched a video highlighting the implications wildlife (swans) can have on the network (and vice versa). Subsequent discussion included measures taken to avoid further bird-strikes and increased numbers of swans in the area (wetter summers). A panel member shared the positive example of how AusNet and Regional Roads Victoria turn off streetlights to Philip Island to account for the migratory patterns of shearwaters.
- AusNet answered questions on the costs of various projects to improve reliability, noting the distribution feeder scheme is configured and reconfigured over many years, and that costs vary – e.g. a new feeder at Kalkallo will cost about $10m, and the new switchboard and feeder at the Officer zone substation will cost about $5m.
- The ability of customer-owned CER to provide supply during outage, and that this depends on their equipment and configuration which AusNet has low visibility over, and there are some barriers to the uptake of this (including low customer awareness). Discussion added that:
    - several parties need to be involved which creates complexity, and there is a role for AusNet in helping communicate on this e.g., the kinds of benefits customers can expect if they invest in CER
    - there may be ways to attract funding streams beyond AusNet's regulated business
    - there are opportunities to partner with community groups
    - AusNet should look at replicability, so initiatives that prove successful can be rolled out to a broader range of communities on the network.

  AusNet took an action to continue discussing these points in other meetings.
- There was further discussion on community energy. Several panel members said they'd like AusNet to take a leadership role in the community energy space and help communities realise their CER ambitions. Others added that expanding tariff trials and piloting microgrids will also help make achieving CER ambitions a reality. Another member added that while microgrids are technically feasible they are not palatable from a regulatory and economic perspective. Two members agreed that in addition to a leadership role, there is a need for a trusted source of information in the CER space to among vested commercial interests.

Part 3: Understanding our customers' reliability preferences

Topics	Discussion points
Customer insights	AusNet shared key insights from research into customers' reliability preferences, noting that much of this information had been shared previously. Discussion covered: • A panel member indicated that they understand from an equity point of view that rural and city areas should have the same standards of reliability, but that it would be interesting to re-test that sentiment with dollar values attached. Another panel member asked whether AusNet will capture willingness to pay for reliability improvements at the Local Government Area level (like Ausgrid did for resilience) and customers' willingness to cross-subsidise. AusNet noted it will do through the planned engagement activities, including at the upcoming customer workshops and in the Quantifying Customer Values (QCV) research, and that AusNet is open to doing additional work if gaps still persist. • Regarding large commercial and industrial customers, AusNet and panel member Mark agreed to discuss large commercial and industrial customers members' reliability preferences and how to capture them at a separate meeting.

Part 4: Life support

Topics	Discussion points
Improving reliability for life support customers	AusNet clarified existing obligations and support for Life Support Customers (LSCs). Rob shared information on the number of LSC on the AusNet network, noting a large increase in LSC registrations (many of whom are not medically confirmed). There was discussion on: • AusNet role in improving reliability for LSCs and the challenges of this, including the high number of non-medically confirmed LSCs (59%, according to the Energy Charter). Panel members discussed the options AusNet presented for improving reliability for LSCs, such as supply them with back-up systems. • There was agreement that AusNet should maintain a focus on LSC reliability but should not invest considerably to improve LSCs' reliability. There was support for AusNet participating in industry initiatives to better identify those with genuine life support needs and communicate with them on outages, and partner with government and social service organisations to ensure LSCs are supported during outages.

Part 5: Answering the focus questions

Topics	Discussion points
FQ2. how customer characteristics and activities are influencing the value they place on reliability	Charlotte advised panel members that AusNet is hoping to soon share draft answers to focus question and opened discussion on how panel members would like to see the question answered, building on the day's discussion. Panel members approached the question from different perspectives under the following themes: • **evidence-gathering**, including: ○ Comprehensive surveys, strategic questions (to solicit thinking and understanding, to test reliability). AusNet should translate information received into actionable programs, cost and test them, then demonstrate

through data the expected impact of the solutions, including on customer bills.

  - Strong quantitative and qualitative data that covers all customer classes, evaluation of the options, then circling back to deliberative forums. A need to clearly explain that the focus is reliability and *not* resilience.
  - Considering whether reliability extends to things like mobile communication devices? Should I be able to charge my phone at any time? Are there expectations there?
  - Representative samples across all customer types and geographic areas, incl. trying to capture what they think before and after a weather event.
  - Customers' understanding of renewables, their behaviour and how it impacts the grid locally, as well as technology, and what they expect to charge.
- **Community concerns and involvement** - a reluctance in some communities to fully electrify because of a lack of back-up energy source, as well as value in recognising the passion local community members have to find innovative solutions and community solutions.
- **Information and education** - The importance of investing in education, communication and information and an opportunity for AusNet to become trusted provider of information on these issues. The importance of notifications upon reconnections after unplanned outages, as well as AusNet increasing visibility of CER use and characteristics.
- **Commitment to action** - a commitment to action in the proposal, as well as being strategic and proactive.

Close & Next Steps

Charlotte thanked everyone for their time, and in closing noted that there were no specific actions for AusNet, panel members provided plenty of feedback to think about and AusNet has considerable research to do.

Action items			
Action	**Assigned to**	**Status**	**Due date**
AusNet to investigate how 'best endeavours' work in South Australia and share with interested panel members	R&E Team	Complete (see hyperlink)	N/A
AusNet to consider if/how to reflect the end of the premium feed-in tariff and a possible spike in Consumer Energy Resource (CER) connections in forecasting and projections	Reg team	In progress	29.2.24
AusNet & Mark to catch up re: capturing C&I customers' reliability preferences and willingness to pay	R&E Team	Not yet started	31.10.23