

Stakeholder engagement summary: Making the Electricity Distribution Code of Practice

Project Background

The Victorian Government has modernised our enforcement framework. As a result, our existing energy codes have transitioned to 'codes of practice'. We need to review each of our codes before 31 December 2025 to ensure they remain fit for purpose.

We are now making the Electricity Distribution Code of Practice. The new code of practice will streamline obligations, remove outdated provisions, and align the code with national regulatory frameworks. We will also repeal outdated guidelines and make variations to electricity distribution licences to align them with the new framework.

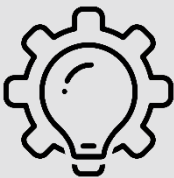
How we engaged

Engagement Summary



Key dates

- 29 March 2022 – published consultation paper.
- 3 May 2022 – stakeholder information session.
- 17 May 2022 – submissions to consultation paper closed.
- June-July – further consultation with key stakeholders.



Methodology

- Received consultation submissions with feedback via Engage Victoria.
- Held stakeholder information session to explain intent of proposals and allow stakeholders to ask questions.
- One-to-one meetings with stakeholders.



Number of participants and submissions

- 47 stakeholders attended our information session.
- Received six written submissions to the consultation paper.

Summary of feedback

Below we set out the key messages and themes raised by stakeholders in response to our consultation. The final decision document includes all the feedback we received, and responds to specific suggestions in more detail.

We asked	You said	We did
We proposed to limit the scope of our changes to mostly an administrative review.	<p>All stakeholders understood the reason for our proposal and supported this review being mostly administrative.</p> <p>Electricity distributors raised concerns with proposed changes that represented unintended policy changes and with outdated provisions which did not align with best regulatory practice.</p>	<p>We have kept the focus of this review as being mostly administrative in nature. However, we recognise that some provisions needed updating and we included some provisions to align the new code of practice with national regulatory frameworks.</p> <p>Where the proposed changes represented an unintended policy change, we have amended them to maintain the status quo.</p> <p>We acknowledge the code of practice will be a dynamic instrument, and we will review it in the future as needed to respond to any emerging issues and ensure rules are fit-for-purpose.</p>
We included a draft Electricity Distribution Code of Practice along with our consultation and sought stakeholder views on any potential issues or unintended consequences.	Electricity distributors raised concerns with some of our proposals, mainly in relation to:	<p>We have changed the presumed time for receipt of notices sent by post to align with Australia Post’s estimated delivery times.</p> <p>We have amended provisions on voltage and voltage variation limits to maintain the status quo and clarify their application.</p>

- changes in the presumed time for receipt of notices sent by post
- changes to the drafting of voltage variation limits and obligations
- provisions related to contestable services incorporated into the code of practice
- the proposed GSL exemption process
- removal of 'best endeavours' from certain clauses

Energy retailers commented that definitions in the code needed further revision to align them with other instruments and suggested clarifications of how obligations related to planned outages apply to exempt distributors.

Stakeholders also raised minor drafting issues to consider.

We have updated provisions related to contestable services to align them with current best practice.

We have reinstated 'best endeavours' clauses where some flexibility is warranted.

We have reviewed definitions and amended them where appropriate. We note that in certain instances we considered alignment with other instruments was not necessary.

We have clarified how obligations related to planned outages apply to exempt distributors.

We proposed to repeal certain guidelines related to electricity distribution and to bring any remaining relevant provisions into the Electricity Distribution Code of Practice.

No objections were raised in relation to the proposed repeal of guidelines 5, 11, 14 and 15.

Two electricity distributors suggested that the avoided costs calculation in Guideline 14 should be maintained for the benefit of Victorian customers, as there were no equivalent protections in the National Electricity Rules (NER).

We will be repealing guidelines 5, 11, 14 and 15.

We will retain the avoided costs calculation obligations in the Electricity Distribution Code of Practice to maintain the status quo and ensure the continuation of those protections for Victorian customers.

We proposed to make variations to electricity distribution licences to align them with the new regulatory framework.

Distributors were generally supportive of the proposal to vary the licences. Jemena and AusNet consented to the variations. CitiPower, Powercor and United Energy raised some concerns in relation to aspects of the proposed variations and did not consent to the proposal in its entirety.

We will make variations to distribution licences for the most part with the consent of distributors. In instances where distributors did not consent to the variation, it will be made by notice pursuant to section 29(1)(c) of the Electricity Industry Act 2000.

We proposed consequential amendments that would be needed to the Energy Retail Code of Practice.

No objections were raised in relation to the proposed consequential amendments.

We will make consequential amendments to the Energy Retail Code of Practice to align references with new clause numbering in the Electricity Distribution Code of Practice.

We asked if you could identify any issues with implementing the proposed Electricity Distribution Code of Practice that we should consider.

One electricity distributor asked for a transitional period to make system changes to apply the new timeframe for the presumed receipt of notices sent by post.

Another electricity distributor suggested another round of review would be helpful.

We will allow a transitional period for distributors to apply the new presumed timeframe for receipt of notices sent by post. The new timeframe will only apply from 1 February 2023.

We conducted further consultation with electricity distributors on proposed amendments in response to feedback.

We postponed the commencement of the new Electricity Distribution Code of Practice by one month, to 1 October 2022.