

AusNet

AusNet Greenfields Negotiated Electricity Connections

Progress Report for the ESC

1 July – 31 December 2022

Monday, 27 February 2023

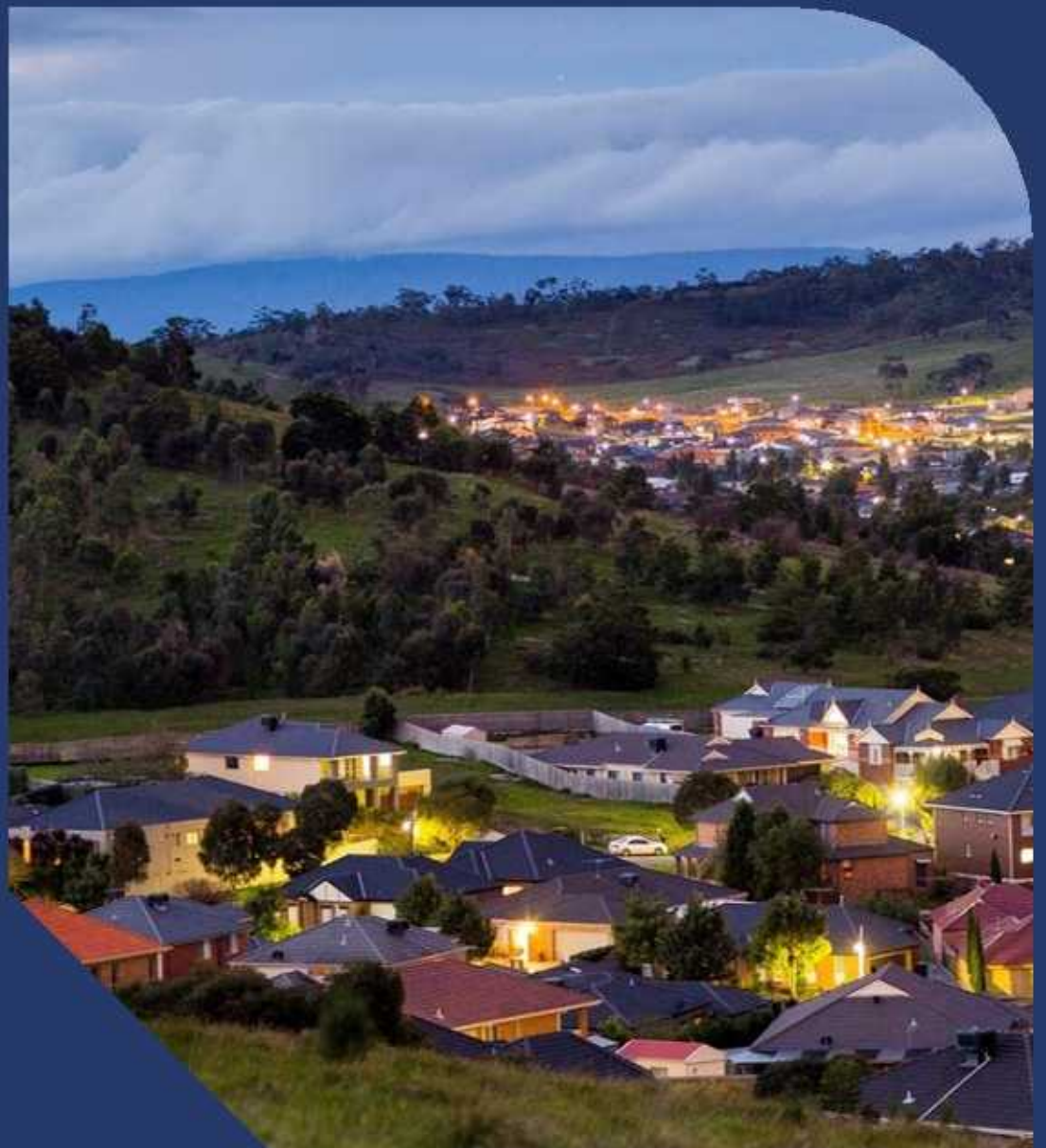


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Introduction

AusNet is committed to improving how customers experience our services. “Deliver for customers” is one of our key strategic pillars and drives business-wide focus on delivering for customers today and in future. Residential greenfield developers continue to be a key customer group for AusNet. Most new connections for our distribution networks are comprised of greenfield development lots.

Following a review by the Essential Services Commission of Victoria (ESC) in 2020 into improving the timeliness of electricity connections, AusNet engaged directly with greenfield developers to create a Customer Service Standard (the Standard) for Greenfields Negotiated Electricity Connections. The objective of the Standard is to ensure:

- continuous improvement and building effective business relationships between distribution businesses and developers to resolve issues.
- accountability and transparency about the time it takes distribution businesses to complete certain steps of the connections process.

More so than any other distribution business, we encourage the contestable industry to perform this work with our role being that of managing the quality and safety of delivered assets. In this capacity, we highly value our engagement with housing developers and industry associations. Two reports have subsequently been published on the [ESC’s website](#) which show our progress against the commitments in the Standard, covering the periods July – December 2021 and January – June 2022. This half-yearly report outlines our progress in July – December 2022.

The six-month period from July to December 2022 saw us meet or exceed all our performance metrics. During this period, our engagement with developers and their contractors also matured. We continued to build on the research and engagement activities undertaken, the feedback heard throughout our initial engagement process, and the progress made during the 12 months prior (and as outlined in earlier reports). The Developer Consultative Committee (DCC) and Industry Briefings (explained in prior reports) continue to allow for robust discussion of issues and challenges facing developers, AusNet and the industry more broadly; we continue to encourage developers to suggest agenda items.

We have also continued improvements to our mass **communication**. In September 2022 we launched [Community Hub](#), AusNet’s online engagement portal, which features dedicated pages on both the DCC and Industry Briefings. Information regarding the purpose of the [DCC](#), current members, our commitment to the Standard, and information about the connection process is available here. DCC Meeting minutes, which contain a summary of information and discussion on audit trends, are also shared via these pages (links to these meetings are available in Appendix 1).

In addition to continuing quarterly **DCC meetings**, we maintained our program of [Industry Briefings](#). The latest briefing, in August 2022 on the Future of Gas, was attended by more than 130 people and guest speakers. Following the event, we invited developers who attended this briefing to join the DCC and to raise any persisting pain points in the connection process with us. We are currently consulting members on the next briefing and its timing – the topic is likely to be on electrification and all-electric estates.

The energy transition is presenting opportunities and challenges to stakeholders and consumers. During this transition our focus remains on understanding what is important to property developers their consultants and contractors in the greenfields negotiated electricity connections process. The progress and achievements outlined in this report and our updated [Customer Service Standards Proposal](#) demonstrate that our engagement with developers has improved since we implemented the Standard and is delivering significant benefits for developers and AusNet alike.

About this document

Consistent with the ESC’s requirements, this document and its appendices include:

- a report of our progress against commitments in the Customer Outcomes Statement
- minutes of consultative committee meetings, in AusNet’s case, DCC meeting minutes
- details of our performance, reported against measures included in our Customer Service Standard
- initiatives the distribution business has taken to improve the service, or an update on any initiative taken.

As AusNet has met or exceeded all performance measures for the period July – December 2022 this report does not explain why performance measures were not achieved and actions taken to rectify these issues. For context, we first present the outcomes AusNet agreed to achieve over two years commencing March 2021. This is presented

alongside a summary of actions undertaken in the six-month reporting period. A full copy of AusNet's current [Customer Service Standard](#) is available via the ESC website.

Customer Outcomes Statement and summary of actions

AusNet agreed to achieve the following outcomes over 2 years, commencing March 2021. The following table presents outcomes and summarises actions taken to deliver on them during the period July – December 2022. These complement AusNet’s previous actions, as outlined in [reports](#) to the ESC.

Reduce the overall time to connect	Increase transparency of the audit process	Streamline our communications processes
Agreed outcomes		
<i>We are committed to continual improvement in the timeliness of our service delivery.</i>	<i>We are committed to further improvements in the auditing process through the inclusion of performance metrics and sharing of information around the volume of audits passed and failed, re-audits and audits requested and completed.</i>	<i>We are committed to making it easier for developers to connect to our network by streamlining our communication processes, providing a single point of contact, and making it easier for developers to get into contact with us. This will ensure that developers are easily able to gather the information that they need in a timely manner.</i>
AusNet’s Actions to deliver on agreed outcome (July – Dec 2022)		
<p>During the reporting period, AusNet received 170 new project applications for 5,674 lots and met or exceeded all its performance targets, across all four process steps of: Design reviews (approvals); As built plan review; Pre-commission network audits and Final network audit.</p> <p>The July 2022 DCC meeting discussed AusNet’s proposal to address developers’ payments holding up Authority to Commence Connect Construction (ACCC) issuance. AusNet proposed to trial the separation of the project contribution and the bond payment. DCC members agreed to implement the trial and review at the end of 2022.</p> <p>As it had been over-represented in audit trends, AusNet advised during the October 2022 DCC meeting that it will focus on the overhead process for Greenfield projects in 2023. This will deliver benefits to developers through fewer non-conformances, and ultimately quicker and smoother connections.</p>	<p>Aggregated audit results and trends continue to be presented and discussed at quarterly DCC meetings. A summary of these discussions is shared publicly via DCC minutes on Community Hub.</p> <p>In April 2022 network auditors requested that AusNet provide more granular information and reporting on audit non-conformance. Starting in July 2022, more detailed information is provided to developers for discussion at the DCC meetings.</p> <p>During the October 2022 DCC meeting AusNet advised of a one-off IT issue with the Energy Connect portal. AusNet advised that it was working to fast-track impacted applications; any developers who experienced issues with the portal or thought they might have been impacted were encouraged to contact AusNet.</p>	<p>Industry members’ direct contact with subject matter experts in AusNet’s Delivery & Design Compliance Team continued throughout the reporting period, via DCC meetings, and affiliated pages on Community Hub. Additional contacts were shared via the DCC as needed.</p> <p>Offers to contact AusNet are repeatedly made at each DCC meeting (as evidenced in meeting minutes). Members can contact AusNet at any time, and contact channels are detailed via Community Hub and in DCC meeting materials.</p> <p>During the October 2022 DCC meeting it was agreed that developers should continue to share experiences about the connection process, and AusNet to keep sharing information on timeframes, to help set and manage expectations for others.</p> <p>The discussion on AusNet’s approach to easements (at the February 2023 DCC #7 Meeting) came in direct response to discussion and feedback during DCC Meeting #6.</p>

Progress against commitments and metrics

In developing the current Standard, AusNet reviewed the end-to-end process for greenfield connections and proposed relevant metrics at each stage. Subsequent consultation with the ESC and DCC members was conducted in 2021 around additional metrics and the feasibility, cost and complexity to deliver them. The outcomes of these conversations are evident in the reporting we present to DCC members in each slide pack.

July 2022 meeting

Agenda

AusNet

Time	Item	Lead
2.00pm 5 mins	Welcome	Craig Velt & Lucy Holder
2.05pm 5 mins	Safety moment Need for 'one call' enquiry prior to civil works	Brian Morrison
2.10pm 20 mins	Gas Substitution Roadmap Summary	Tom Hallam
2.30pm 15 mins	Metrics Quarterly performance	Ross Morgan & Brian Morrison
2.45pm 10 mins	ACCC Payment trial	Craig Velt
2.55pm 10 mins	Sunset clause on rebate payments	Craig Velt
3.05pm 20 mins	Open floor with developers	Craig Velt
3.25pm 5 mins	Next steps Close	Craig Velt & Lucy Holder

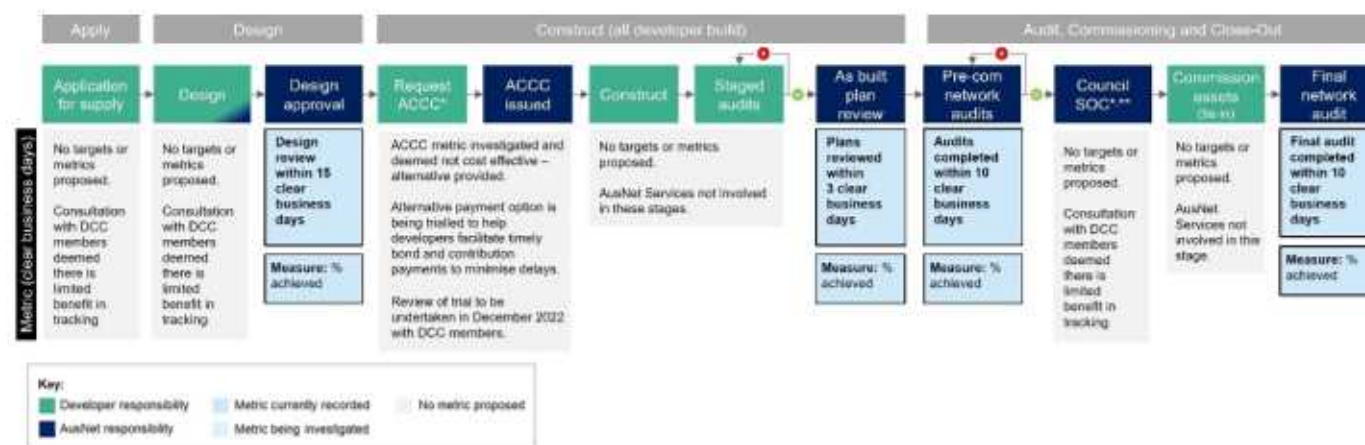


Figure 1. Updates made to the end-to-end connection process with the introduction of the ACCC payment trial. See Appendix 2 for a larger version of this diagram.

The July 2022 meeting was attended by 15 external members (60% attendance) and included discussion of AusNet’s proposed solution to address developers’ payments holding up ACCC issuance – i.e. the evolving conversation on the ‘average days to issue ACCC’ metric. To assist with payment challenges AusNet proposed to trial the separation of the project contribution (approx. \$6-7k) and the bond payment (approx. \$30k). The ACCC could then be issued on receipt of signed contract and project contribution payments, allowing for more time for the bond payment to be processed by developers, enabling construction to commence prior to receipt of the bond payment. DCC members expressed support for the trial and AusNet agreed to implement the trial. Should the trial be successful this program will be made permanent. The DCC agreed to review the trial at the end of 2022.

AusNet advised the group that they will be implementing a new sunset clause on rebate payments for Underground Residential Development (URD) & Network Modification Contracts. This has been implemented to cap the time in which rebates can be claimed to within 2 years of energisation of the site/s. It is not expected to impact the URD developments to any significant degree and has been put in place to encourage the broader construction market to close out works in a timely manner. AusNet advised it would consider extending the claim period should special circumstances apply.

The July 2022 meeting also featured an overview of the recently released Victorian Gas Substitution Roadmap, asking members for their initial reactions to the changes outlined in the document. This generated considerable discussion among members, who outlined a desire to engage further on the Roadmap to understand implications for AusNet’s gas and electricity networks.

October 2022 meeting

Agenda

AusNet

Time	Item	Lead
2.00pm 5 mins	Welcome	Craig Velt
2.05pm 5 mins	Safety moment Driving through floods	Michaela Jackson
2.10pm 5 mins	Energy Connect Portal Update	Craig Velt
2.15pm 15 mins	Metrics Quarterly performance	Ross Morgan & Brian Morrison
2.30pm 25 mins	Greenfields negotiated electricity connection customer service standards 2023-25 Feedback and discussion on proposal	Lucy Holder
2.55pm 20 mins	Open floor with developers	Craig Velt
3.15pm 5 mins	Next steps & Close	Craig Velt

The October 2022 DCC meeting was also attended by 15 external members. In addition to presenting quarterly performance data (outlined below), key topics included the Greenfields Negotiated Electricity Connection Customer Service Standard 2023-25. AusNet shared data collected from the recent developer survey and sought feedback to validate if these findings were consistent with the group’s views. A summary of what AusNet intended to propose to the ESC (i.e., the updated Standard) was also shared with the group and feedback sought. It was subsequently agreed that AusNet would prepare and submit the updated Standard to the ESC, based on discussions with DCC members. During the meeting AusNet also advised of a one-off IT issue with the Energy Connect portal. While AusNet advised that it was working to fast-track impacted applications, any developers who experienced issues with the Portal or thought they might have been impacted were encouraged to contact AusNet.

During the open floor with developers and following the previous meeting’s discussion of ACCC, it was agreed that developers should continue to share experiences about the connection process, and AusNet would continue to keep sharing information on timeframes, to help set and manage expectations for others. There was also discussion about AusNet’s approach to easements and Rapid Earth Fault Current Limiter (REFCL) kiosk sites, in which it was noted that developers had limited success locating them in other areas. This resulted in AusNet’s approach to easements and kiosks being scheduled as an agenda item for DCC Meeting #7 in February 2023.

Quarterly performance for key metrics

In 2022 as a whole, AusNet received 412 applications for 14,330 greenfield development lots on our electricity network. For July to December 2022, there were 170 applications for 5,674 lots. Compared to 2021, this represents a slight easing of applications. During the reporting period, **AusNet met or exceeded all its performance targets**, across all four process steps of: Design reviews (approvals); As built plan review; Pre-commission network audits and Final network audit.

Key metric performance: July – September 2022

As outlined below, AusNet exceeded all performance targets during this period.

Process step	2022 Target	QTR performance (Jul – Sep 2022)
Design reviews (approvals)	90% completion < 15 clear business days	95% within 15 clear business days Volume: 817 reviews Rejected: 24%
As built plan review	95% completion <3 clear business days	100% in <3 clear business days Volume: 710 Rejected: 22%
Pre-commission network audits	95% completion within 10 clear business days	99% completed within 10 clear business days Volume: 110 Failed: 16%
Final network audit	95% completion within 10 clear business days	95% completed within 10 clear business days* Volume: 131 Failed: 12%

Note: Rejections for design or as-built reviews are a result of designs not meeting AusNet's technical standards. Rejections for audits are outlined in the audit trends below.

Key metric performance: October – December 2022

AusNet exceeded all performance targets during this period.

Process step	2022 Target	QTR performance (Oct – Dec 2022)
Design reviews (approvals)	90% completion < 15 clear business days	97% within 15 clear business days Volume: 755 reviews Rejected: 20%
As built plan review	95% completion <3 clear business days	100% in <3 clear business days Volume: 729 Rejected: 21%
Pre-commission network audits (audit before we energise)	95% completion within 10 clear business days	99% completed within 10 clear business days. Volume: 112 Failed: 9%

Process step	2022 Target	QTR performance (Oct – Dec 2022)
Final network audit	95% completion within 10 clear business days	99% completed within 10 clear business days. Volume: 109 Failed: 11%

Note: Rejections for design or as-built reviews are a result of designs not meeting AusNet’s technical standards. Rejections for audits are outlined in the audit trends below.

Audit trends: July - September 2022

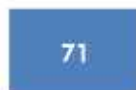
In April 2022 network auditors requested that AusNet provide more granular information and reporting on audit non-conformance. Starting in July 2022, this more detailed information is being provided to developers for further discussion at the DCC meetings.

For the period July – September 2022, a total of 71 non-conformance items were recorded. Most non-conformance issues recorded in this period were minor and were largely the result of civil pit issues of various types. AusNet’s Compliance Team discussed this with one service provider whose project presented several issues. While a considerable reduction compared to the previous quarter (200 non-conformances were recorded between April – June 2022), these figures should also be considered in light of the reduced volume of applications received.

Audit trends

Update on key audit trends for the period July – Sept 2022

Total non-conformance items July-Sept '22

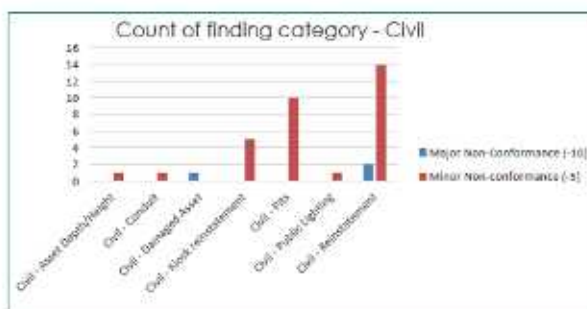
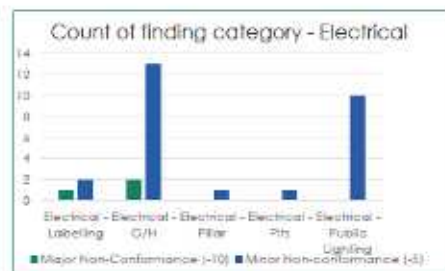


Breakdown of total non-conformance items

Major non-conformance	6
Minor non-conformance	65
Major safety non-conformance	0
Minor safety non-conformance	2

Identified findings

Civil	33
Electrical	21
Design	2
Kiosk	6
Detail	6
Public Lighting	11



Audit trends

AusNet

Detailed non-conformance for the period July – Sept 2022

Trending **civil non-conformance** items:

- Civil pits has no major trend just various issues identified over various projects
E.g. Wrong lid type, Expansion joints, Lead-ins
- Civil Reinstatement has no major trend just various issues identified over various projects.
E.g. Fencing, Drains, Tie-ins.

Trending **electrical non-conformance** items:

- Electrical O/H has no major trend just various issues identified although 1 project has majority of issues and the Compliance Team will discuss with the Electrical service provider the audit findings.
E.g. Crossarm tension, Missing washers, Stay Angle, Oversunk.
- Electrical P/L has no major trend just various issues identified over various projects.
E.g. Different location, Different lantern type, Wrong size cable.

1

Audit trends: October – December 2022

There was a large volume of applications (design reviews) received during the October – December 2022 quarter, but improvements to the quality of applications was observed. The failure rate for pre-commission had also improved from 16% in the previous quarter to 9% in October – December 2022. For the period October – December, 81 non-conformance items were recorded.

As with the quarter prior, most non-conformance issues recorded during this were minor and resulted from various issues with civil/ kiosk, overhead, or electrical or lighting-related issues. Finish surface levels or subsidence, and civic pits were the issues underpinning civil/kiosk non-conformances. Poles being oversunk, missing labels, and construction issues were the reasons behind overhead non-conformances, with one project associated with multiple construction non-conformances. Missing labels was the main issue associated with electrical and lighting non-conformances. As it had been over-represented in audit trends, AusNet will focus on the overhead process for Greenfield projects in 2023. This should deliver benefits to developers through fewer non-conformances.

Audit trends

Update on key audit trends for the period Oct – Dec 2022

Total Major – Minor non-conformance items Oct - Dec '22

78

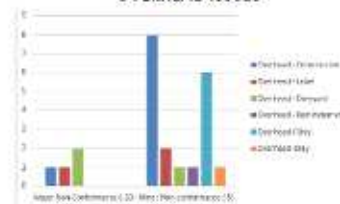
Breakdown of total non-conformance items

Major non-conformance	10
Minor non-conformance	68
Major safety non-conformance	0
Minor safety non-conformance	0

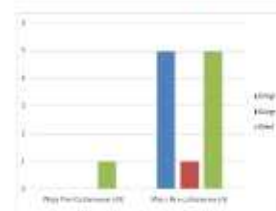
Identified findings

Civil / Kiosk	25
Electrical / Lighting	20
Design / Detail	12
Overhead	21

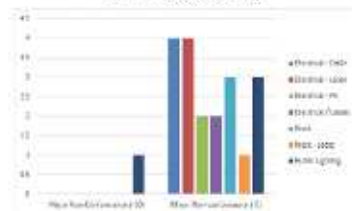
OVERHEAD ISSUES



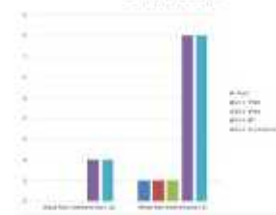
DESIGN / DETAIL ISSUES



ELECTRICAL ISSUES



CIVIL ISSUES



Audit trends

Detailed non-conformance for the period October – December 2022

Trending **civil non-conformance** items:

- Civil Reinstatements (10) underlying issue was around Finish surface levels / Subsidence
- Civil pit (10) no trends.

Trending **Overhead non-conformance** items:

- Poles oversunk (3) ranging from 100 – 150 mm
- Labels (3) Missing
- Construction (9) One significant project contributed to the stats.
- Stay (7) Same project contributed to these stats.

Trending **electrical non-conformance** items:

- Labels (7) Missing
- Cable (4) Traffic side was the main issue.

COMPLIANCE TEAM in 2023: Will be focussed on the Overhead process for Greenfield projects and ensuring that as much construction as far as reasonably practical is built prior to commissioning.

Other commitments and actions

During our engagement on the current Standard, we agreed to several other commitments that developers felt would deliver significant improvements. The status of these is outlined below:

Initiative	Status
<p>Publish information about the end-to-end process for AusNet. Specifically:</p> <ul style="list-style-type: none"> the steps involved in connecting a greenfield development (flow chart) average end to end time taken to connect greenfield developments end-to-end. total volumes of jobs completed: No metric proposed (est. 5,000 to 10,000) 	<ul style="list-style-type: none"> This information remains available on the AusNet website’s New Estate Connection Application page The connection process flow chart (as recorded in the July-Dec 2021 report) appears on the dedicated DCC page on Community Hub. The total volume of jobs completed is reported as part of this report (see pages 3 & 6). Quarterly updates are also provided at each DCC meeting.
<p>Publish information specifically relating to audits (pre-commission and final network audit), including:</p> <ul style="list-style-type: none"> volume of audits passed/failed audits requested and completed 	<p>As discussed on pages 8 – 10 of this report, more granular information and reporting is now disseminated at quarterly DCC meetings.</p>
<p>Proactive issue identification with top audit failure items.</p>	<p>Between July to December 2022, we continued to provide more detailed coding and code descriptions of audit failures. This enabled deeper analysis for sharing with developers and informs subsequent action. For example, as it has been over-represented in audit trends, AusNet will focus on the overhead process for Greenfield projects in 2023. This will deliver benefits to developers through fewer non-conformances.</p>
<p>Communicate AusNet’s auditing expectations with Victorian Electrical Distribution Networks (VEDN) auditors.</p> <p><i>Note: VEDN is an industry panel made up of representatives from all Distribution businesses, including AusNet.</i></p>	<p>Additional updates (to those provided in April 2022) from the VEDN, on relevant topics, are provided to the DCC as they arise.</p>
<p>Host briefings with the wider industry to proactively communicate significant standards changes and provide an opportunity for Developers (outside of the DCC) to raise issues.</p>	<ul style="list-style-type: none"> The second industry briefing on the Victorian Gas Substitution Roadmap was held on 24 August 2022. The forum included guest speakers from the gas industry and was attended by more than 130 individuals. The Briefing covered: <ul style="list-style-type: none"> Our Operating Environment What we’re hearing about how the industry is responding to these changes Answering some FAQs Renewable gases and what networks are doing to prepare for them The next briefing is planned to occur in the next six months.

Next steps

As we facilitate the energy transition, understanding what is important to property developers and their consultants and contractors in the greenfields negotiated electricity connections process remains a priority.

We continue to find the ongoing feedback and collaboration with the DCC and Industry Briefings to be extremely valuable. The research and engagement we undertook to prepare our updated [Customer Service Standards Proposal](#) and the progress and achievements outlined in this report provide support that our engagement with developers has greatly improved since we implemented the Standard and that this is delivering significant benefits for developers and AusNet alike.

Our reported metrics have demonstrated a track record of improvements to the point where we are substantially meeting our targets, despite experiencing some issues of staff availability during the COVID-19 pandemic and, more recently, IT issues with our online connection portal. We have an ongoing focus on maintaining efficient connection processes for new housing developments with extensive contestability options for design, construction, and the connection. More so than any other distribution business, we encourage the contestable industry to perform this work with our role being that of managing the quality and safety of delivered assets. In this capacity, we highly value our engagement with housing developers and industry associations.

The **update to our Customer Service Standards** is high on our agenda for the next six months. As outlined in our submission:

We look forward to continuing our quarterly engagement with our Developer Consultative Committee (DCC). The DCC forum has become beneficial in conducting research and consulting on issues of 100% solar estates and the implications of the Victorian Energy Transition policy. The meaningful engagement with the DCC, being informed by our regular connection customer service standards reporting, provides significantly more valuable than legislated prescriptive performance targets. Maintaining the DCC forum is mutually beneficial to us, the industry, and our customers, at this time. Therefore, we support the proposed extension of quarterly engagement and retaining our current reporting metrics for the next three years from March 2023 to February 2026

Actions aligned to our updated Standard, and planned for the next six months, include:

- Continuing to hold quarterly meetings with the DCC and continuing to expand membership to include new developers as requested. We have welcomed 2 new members in the previous 6-month period, replacing 2 former members.
- Holding another Industry Briefing to extended audiences, the subject of which will be determined based on feedback from DCC and industry.
- Continuing to help the development industry understand the changing policy and technology environment for the transition to net-zero emissions, particularly as it relates to the infrastructure needed in new developments.
- Continuing to listen to and work with developers on the investigation and implementation of process improvements.
- Continuing to liaise with the ESC and industry members as we implement our updated service standards from March 2023 onward.
- Continuing the current quarterly frequency and formatting of reporting on our metrics.

Appendices

Appendix 1 – Meeting minutes

Minutes from DCC meetings, as well Q&A from Industry Briefing listed below, can be found via the following links:

- [DCC Meeting #5 Minutes \(July 2022\)](#)
- [DCC Meeting #6 Minutes \(October 2022\)](#)
- [DCC Meeting #7 Minutes \(February 2023\)](#) Note: these minutes discussion of metrics and data for the period October – December 2022)
- [Industry Briefing – The Future of Gas Q&A \(August 2022\)](#)
- [Industry Briefing – The Future of Gas Slide pack \(August 2022\)](#)

Appendix 2

End-to-end greenfield connection process and associated metrics

