

# Resetting the Greenfields Negotiated Electricity Connection Customer Service Standards: Final Decision

Final Decision

27 March 2023

## Acknowledgement

We acknowledge the Traditional Owners of the lands and waterways on which we work and live.

We acknowledge all Aboriginal and Torres Strait Islander communities and pay our respects to Elders past and present.

As the First Peoples of this land, belonging to the world's oldest living cultures, we recognise and value their knowledge, and ongoing role in shaping and enriching the story of Victoria.

### An appropriate citation for this paper is:

Essential Services Commission 2023, Resetting the Greenfields Negotiated Electricity Connection Customer Service Standards: Final Decision, 27 March 2023.

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# Summary

Our final decision ‘Resetting the Greenfields Negotiated Electricity Connection Customer Service Standards’ (the standards) is to direct electricity distribution businesses to report on the standards to the Essential Services Commission every six months from 1 April 2023 to 31 March 2026. Reporting on the standards is a condition under clause 24.2 of the [Electricity Distribution Code of Practice](#).

This will apply to four Victorian distribution businesses:

- AusNet Electricity Services Pty Ltd (AusNet Services)
- Jemena Electricity Networks (Vic) Ltd (Jemena)
- Powercor Australia Ltd (Powercor)
- United Energy Distribution Pty Ltd (United Energy).

We note that CitiPower Pty Ltd (CitiPower) has voluntarily developed standards relating to the connection of brownfields developments (as it does not have any greenfields sites in its distribution area). The commission supports this approach and directs CitiPower to report on its performance every six months.

Consistent with the standards, we expect distribution businesses to regularly consult with developers, their contractors and industry participants to ensure the continuous improvement of processes related to the underground connections of new housing developments in Victoria.

## **Greenfields Negotiated Electricity Connection Customer Service Standards**

In March 2021, we required distribution businesses to develop customer service standards that would apply to the connection of new housing developments in greenfields areas. The standards were introduced to address delays in connecting new housing developments to electricity networks in Victoria.

The standards require distribution businesses to engage with property developers (such as through a consultative committee) with a commitment to achieve certain outcomes relating to the timeliness of new negotiated connections. The standards also include performance metrics that distributors must report on to us on a regular basis.

## Revised standards consultation and development

In September 2022, we directed distribution businesses to consult on and develop revised customer service standards for the next regulatory period, to take effect from April 2023.

Based on the information presented to us and following stakeholder feedback, we are satisfied that the distribution businesses have effectively engaged with their stakeholders when developing their revised standards.

Most distribution businesses will continue to report on the same standards as the 2021–22 regulatory period. However, CitiPower and Powercor will report against some more stringent performance reporting metrics.

AusNet Services will continue to meet with its consultative committee every quarter. CitiPower, Powercor and United Energy will meet with their respective committees every six months but will provide reports on their performance to their respective committees on a quarterly basis. Jemena will continue to meet with developers on a one-on-one basis and are willing to convene a consultative committee if required by stakeholders.

All distribution businesses presented revised customer outcomes statements for the next regulatory period. AusNet Services has proposed changes to its statement that reflect its current practices and processes. Jemena, CitiPower, Powercor and United Energy have not proposed significant changes to the customer outcomes statement component of its standards or the associated engagement principles. All stakeholders that engaged through submissions to the consultation paper supported the proposed customer outcomes statements of all distribution businesses.

Based on our analysis of the performance of distributors since 2018, we have found that the introduction of the standards appears to have led to some improvements in distribution businesses' processes related to negotiated underground electricity connections of new housing developments. While some processes have improved, we also found that some distributors have not been able to perform against certain performance reporting framework metrics.

We continue to see a need for distribution businesses to be held accountable by reporting against their customer service standards.

Performance reporting will:

- increase the transparency of distribution businesses' processes
- improve the accountability of distribution businesses' processes
- help build effective business relationships with property developers.

### **A note on terminology**

The Greenfields Negotiated Electricity Connection Customer Service Standards are also referred to as the 'customer service standards' or 'standards' throughout this paper.

The development industry referred to in this paper includes peak housing development industry bodies and housing industry developers and their contractors.

The customer service standards only apply to underground negotiated connections in new residential developments in greenfields areas.

# Introduction

Currently, if a developer seeks to connect a new housing development to an electricity network, there are no prescribed processes to design and construct new electricity connections.

However, since March 2021, the Essential Services Commission has required distribution businesses to develop and report on their performance against customer service standards when working with developers (and their contractors) to connect new housing developments to electricity networks. These are known as the Greenfields Negotiated Electricity Connection Customer Service Standards.

The Greenfields Negotiated Electricity Connection Customer Service Standards include three components:

1. A **performance reporting framework** that distribution businesses are to report their performance against to the commission every six months.
2. A requirement to form a **consultative committee** that meets regularly to discuss improvements in greenfield connections.
3. An **overarching customer outcomes statement** setting out what a distribution business expects to deliver over the next regulatory period in relation to negotiated connections.

The three components mean that distribution businesses regularly engage with the development industry to increase the transparency of their negotiated connection processes. In addition, the public performance reporting component of the standards improves distribution businesses' accountability.

The commission currently publishes distribution businesses' performance on its website. The reports against the standards are available at [Reports against the Greenfields Negotiated Electricity Connection Customer Service Standards](#).

The commission has also published the performance of distribution businesses against their customer service standards in its annual [Victorian Energy Market Report](#).

## The regulatory framework for negotiated electricity connections

In Victoria, there are two regulatory frameworks that are relevant to negotiated, basic and standard connections – the national electricity regulatory framework under the National Electricity Law and

the National Energy Rules,<sup>1</sup> and the Victorian electricity regulatory framework established under the *Electricity Industry Act 2000* and the *Essential Services Commission Act 2001*. Both frameworks are established under Victorian law and apply concurrently.<sup>2</sup>

### **What are negotiated electricity connections in greenfield developments?**

Electricity connections are classified as basic, standard, or negotiated under Chapter 5A of the National Electricity Rules. Negotiated connections are more complex, bespoke arrangements.

Electricity connections to new housing developments are typically classified as negotiated connections due to the complexity of the task. Connecting a new subdivision, for example, involves many participants and occurs over several stages and involves distribution businesses, developers, electrical designers, civil contractors, electrical cable installers and councils, for example.

### **What are greenfield developments?**

Greenfields refers to largely undeveloped land identified for the creation of new communities on the fringe of the city.<sup>3</sup>

Under Chapter 5A of the National Electricity Rules distribution businesses are obliged to publish Australian Energy Regulator approved model standing offers for basic connections and may elect to have model standing offers for standard connection services.<sup>4</sup> Negotiated connections do not have this requirement, and instead allow for bespoke arrangements with customers (or a property developer for most new housing developments connections).

Under the Victorian electricity regulatory framework, electricity distribution licences are the primary mechanism used to regulate distribution businesses. Anyone supplying electricity in Victoria must hold an electricity distribution licence granted by the commission or be exempt from the requirement.<sup>5</sup> We may grant distribution licences subject to any conditions we consider appropriate having regard to our objectives under the Electricity Industry Act and the Essential Services

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<sup>1</sup> The 'national' electricity framework is not enshrined in Commonwealth legislation. Rather, the National Electricity Law was initially passed in South Australia under the *National Electricity (South Australia) Act 1996 (SA)* and was then adopted in each of the participating states by their own legislation. Victoria has implemented Chapter 5A of the National Energy Rules in Schedule 2 of the *National Electricity Victoria Act (2005)*.

<sup>2</sup> *National Electricity (Victoria) Act 2005*, section 6.

<sup>3</sup> Victorian Planning Authority 2020, *Precinct Structure Planning Guidelines: New Communities in Victoria*, October 2021.

<sup>4</sup> Subject to the Australian Energy Regulator's approval.

<sup>5</sup> *Electricity Industry Act 2000*, section 16.



Commission Act.<sup>6</sup> Victorian distribution businesses are also required to comply with the Electricity Distribution Code of Practice.

While terms and conditions of negotiated connections are agreed directly between a developer and the distribution business, distribution businesses are obligated, under clause 24.2.1 of our Electricity Distribution Code of Practice, to participate in the development, issue and review of any standards and procedures that we require. Under clause 24.2.2 of our Electricity Distribution Code of Practice, the commission can direct a distribution business to report on its performance against applicable standards and procedures.<sup>7</sup>

### **The Victorian Government’s regulation of electricity connection timeframes for new housing developments consultation process**

The Department of Energy, Environment and Climate Action (formerly the Department of Environment, Land Water and Planning) has previously consulted on regulating timeframes for negotiated underground connection processes. This is a separate process from the commission’s work in developing customer service standards.

The *Energy Legislation Amendment (Licence Conditions) Act 2020*, amended the *Electricity Industry Act 2000* and the *Gas Industry Act 2001* by allowing for the Minister for Energy and Resources (the Minister) to impose conditions on electricity and gas licences by ministerial order published in the Government Gazette. The Minister has previously indicated these powers may be used to address delays in connecting electricity to new housing developments through licence conditions regulating timeframes for stages of the connection process. We note that DEECA has stated that there will be further opportunities for consultation on any draft ministerial order before it is finalised.<sup>8</sup>

We further note that distribution businesses may have factored in potential regulated timeframes when considering the performance metrics in their revised standards.

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<sup>6</sup> *Electricity Industry Act 2000*, sections 19–20.

<sup>7</sup> We note that clause 24.2 of the Electricity Distribution Code of Practice took effect from 1 October 2022 and replaces comparable former distribution licence conditions.

<sup>8</sup> Further information is available at <https://www.energy.vic.gov.au/about-energy/legislation/regulations/electricity-connections>.

## **Keeping distribution businesses accountable for their performance in connecting new housing developments**

Using the powers provided by clause 24.2 of our Electricity Distribution Code of Practice, in March 2021 we introduced the standards to address delays in connecting new housing developments to electricity networks in Victoria, noting that delays in the process can affect developers financially, with increased costs potentially being passed onto new home buyers.

We recognise that distribution businesses have made some improvements to their negotiated connection processes since the standards came into effect in 2021.<sup>9</sup> The standards seem to have contributed to reducing lengthy delays in negotiated electricity connections, due to the transparent process and accountability through the required public reporting.

The primary objectives of the standards since 2021 have been to:

- promote continuous process improvement
- build effective business relationships between electricity distribution businesses and developers.

This helps to resolve some of the issues that cause delays in connecting new housing developments with electricity.

We understand that developers also continue to value the standards due to the transparency and accountability over electricity distribution businesses' performance they provide. Additionally, our engagement has shown that the development industry values regular consultation as it helps to collaboratively and continually improve connection processes and practices.

Despite the positive effects the standards appear to be having, we are aware that some distribution businesses have not achieved the level of performance that they agreed to report on with their stakeholders. While there are various reasons for the periods of poor performance, such as workforce illness and labour shortages resulting from the COVID-19 pandemic, the current levels of performance reiterate the need for the continued accountability of distribution businesses.

Therefore, we continue to see a need for distribution businesses to publicly report on their performance against the standards they have developed with industry participants operating in their distribution area.

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<sup>9</sup> For the reports against the standards see [Reports against the Greenfields Negotiated Electricity Connection Customer Service Standards](#).

## Directing distribution businesses to develop revised customer service standards



In September 2022, we requested that distribution businesses consult on and submit revised Greenfields Negotiated Electricity Connection Customer Service Standards, with reporting obligations to apply from April 2023 to March 2025. We also asked them to consider if the length of the regulatory period associated with the standards should be extended from two to three years, meaning distribution businesses would need to report on the revised standards from April 2023 to March 2026.

We received the revised standards proposed by distribution businesses in October 2022 and we have subsequently consulted on them.

### Engaging stakeholders

We released [a consultation paper](#) that sought feedback from stakeholders on the proposed revised standards in December 2022. Written feedback to this consultation was received in January 2023. We also conducted a stakeholder consultation forum in mid-December 2022. One-on-one stakeholder meetings were conducted in December 2022, to enable all stakeholders to participate. We also met with stakeholders in January and February 2023, to follow-up on ideas, concerns and issues raised in consultation paper submissions and the stakeholder consultation forums.

### How we engaged

Engagement summary	
	<b>Key dates</b> <ul style="list-style-type: none"><li>• 12 December 2022 – consultation paper published.</li><li>• 15 December 2022 – stakeholder information session held.</li><li>• 23 January 2023 – submissions to consultation paper closed.</li></ul>
	<b>Methodology</b> <ul style="list-style-type: none"><li>• Consultation submissions received via Engage Victoria website.</li><li>• Stakeholder information sessions held to allow stakeholders to ask questions.</li><li>• Eight one-on-one meetings with stakeholders held.</li></ul>



### **Number of participants and submissions**

- Fourteen stakeholders attended our information session.
- We received six written submissions to the consultation paper.
- We received two submissions to the Engage Victoria questionnaire.

## Addressing the timeliness of electricity connections

Since 2018 the commission has been working with distribution businesses in an effort to address the issue of delays with electricity connections in greenfield developments. Table 1 outlines the processes that have occurred which led to this final decision.

**Table 1:** Previous processes used to address the timeliness of electricity connections by distribution businesses

Year	Summary of steps we took to address the timeliness of electricity connections by distribution businesses
2018–19	<p>The commission undertook a review to determine why there were delays in connecting new developments in greenfields areas to the electricity distribution network. We found that the processes and practices of distribution businesses when connecting electricity to new Victorian residential development sites were poor and collaboration between distribution businesses, developers and their contractors was limited.</p> <p>Following our review findings, distribution businesses agreed to participate in a service improvement commitment, to implement several measures to address these delays.</p> <p>The commission facilitated an industry governance committee comprised of distribution businesses and representatives from developers, to oversee the implementation of distribution businesses' commitments.</p>
2020–21	<p>Despite the service improvement commitment, lengthy connection times continued. In March 2021, the commission required distribution businesses, under condition 23.2 of their license, to consult with the development industry and develop the new Greenfields Negotiated Electricity Connection Customer Service Standards. Distribution businesses were also required to report on their performance against the standards.</p>
2021–22	<p>Distribution businesses implemented the standards, ran consultative committees with developers and have publicly reported on their performance for two six-month periods.</p> <p>In September 2022, the commission required distribution businesses to consult on and develop revised standards that would take effect from April 2023 to March 2026 under clause 24.2.1 of the Electricity Distribution Code of Practice.</p> <p>The current standards expire in March 2023.</p>

## **Incorporating stakeholder feedback**

The following chapter sets out our final decision relating to the proposed standards and discusses stakeholder feedback. The components of the standards are discussed in the following order:

- performance reporting framework
- consultative committees
- customer outcomes statements.

## Our final decision

Our final decision is to direct distribution businesses to report on their proposed customer service standards for the next regulatory period. Based on the information presented to us and through our engagement activities, we are satisfied with the stakeholder engagement undertaken by distribution business to develop their proposed standards.

As in our previous decisions, we acknowledge that distribution businesses have different business specific needs in relation to greenfields connections.<sup>10</sup> This is because different stages of the negotiated connection process in various parts of Victoria can be performed by either distribution businesses or contractors.<sup>11</sup> Also, where there are common stages in the negotiated connection process by the distribution business or contractors across distribution areas, the ways of measuring performance can differ.<sup>12</sup>

While we anticipated that each distribution business would propose different customer service standards, we required the standards to include the following three components:

1. A **performance reporting framework** that distribution businesses are to report against to us every six months.<sup>13</sup>
2. A requirement to form a **consultative committee** that meets quarterly to discuss improvements in negotiated connections.<sup>14 15</sup>
3. An **overarching customer outcomes statement** setting out what a distribution business expects to deliver over the next regulatory period in relation to negotiated connections.

### Reporting against revised standards to occur for three years

The obligation to report on the previous standards applied to the two-year period from March 2021 to March 2023. The reporting against the revised standards outlined in this paper apply from April

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<sup>10</sup> Essential Services Commission, *Timely Negotiated Electricity Connections: Issues Paper*, June 2020.

<sup>11</sup> Essential Services Commission, *Timely Negotiated Electricity Connections: Final Decision*, March 2021.

<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> As explained in the following sections, CitiPower, Powercor and United Energy have proposed changing the frequency of its consultative committee meetings from quarterly to six-monthly. Stakeholders supported the change to the frequency of consultative committee meetings.

<sup>15</sup> Jemena has proposed to continue its industry stakeholder engagement on an individual, one-on-one basis, noting that this was the preferred approach for its development partners. The Property Council of Australia supported Jemena's one-on-one meeting format for consultation.

2023 to March 2026. This will allow for consultation on the subsequent revised standards to begin after the new standard has been in effect for at least two years (as opposed to only one year).

### Stakeholder feedback

All stakeholders supported the extension of the revised customer service standards from two to three years. We received feedback via written submissions, the stakeholder forum and the Engage Victoria survey.

### Our view

As stakeholders unanimously agreed with our proposal to extend the regulatory period of the standards from two years to three years, distribution businesses will be required to report to us on the standards every six months for the regulatory period from 1 April 2023 to 31 March 2026.

Noting that distribution businesses have developed the standards and based on our stakeholder engagement activities and our communications with distribution businesses, the commission does not anticipate any impacts or implementation challenges for the reporting of the revised standards.

Our final decision directs distribution businesses to report to the commission on their proposed customer service standards under clause 24.2 of the Electricity Distribution Code of Practice.

From 1 April 2023, reporting to the commission will be required as follows:

- For the period 1 January to 30 June – reporting due by 31 August that year.
- For the period 1 July to 31 December – reporting due 28 February the following year.

The report must include:

- progress against commitments in the customer outcomes statement
- copy of minutes of their consultative committee meetings
- performance against the measures included in their customer service standard
- the reason why any performance measures were not achieved (where appropriate)
- what actions have been or are being taken to rectify the issue.
- any initiative the distribution business has taken to improve the service, or an update on any initiative taken.

The report must be submitted on or before the due dates specified above and submitted by email to [energyreform@esc.vic.gov.au](mailto:energyreform@esc.vic.gov.au).



Failure to report to the commission may be a breach of clause 24.2.2 of the Electricity Distribution Code of Practice. Such a breach may result in enforcement action by the commission, including but not limited to the issue of a penalty notice.

The commission will continue publishing the performance of distribution businesses against their customer service standards on its website and in its annual Victorian Energy Market Report.

# 1. Performance reporting framework

The performance reporting framework component of the standards requires distribution businesses to report their performance against metrics that measure the time taken to complete key steps of the negotiated connections process.

As each distribution business has different connection processes, each distribution business reports on its performance differently. However, each distribution business generally reports on the same broad steps: reviewing an offer application, reviewing designs, construction of assets, auditing of assets, and handover and commissioning.

Table 2 summarises the proposed performance reporting metrics for each distribution business.

**Table 2:** Overview of each distribution businesses' performance reporting framework metrics applicable from April 2023, by negotiated connection stage

	Applying for an offer	Reviewing designs		Construction	Auditing	Handover and commissioning	
<b>AusNet Services</b>		Designs reviewed (master plan and design) (90% in <15 days)		As built plan reviewed (95% in <3 days)	Pre-commission audit (95% in 10 days)		Final network audit (95% in 10 days)
<b>Jemena</b>	Offer issued (Target 40 days, max 65 days)	Master plan reviewed (Target 15 days, max 20 days)	Design reviewed (Target 15 days, max 20 days)		Pre-commission audit (Target 5 days, max 10 days)	Consent to statement of compliance (Target 5 days, max 10 days)	Time taken to tie-in (Target 30 days, max 40 days)
<b>CitiPower Powercor</b>		Master plan reviewed (80% in 10 days)	Design reviewed (Average 15 days)	As-built plans reviewed (70% in 5 days / 8 days average)	Requested final audit (first audit) (70% in 6 days)	Sign certificate of completion (95% in 5 days)	Time taken to tie-in (>95% by agreed date / 20 days average)
<b>United Energy</b>	Offer issued (Target of 20 days)	Master plan reviewed (Target of 10 days)	Design reviewed (Within 20 days)	Authority to construct (Within 10 days)		Authority to commission (Within 10 days)	

Note: Days = business days.

## AusNet Services

AusNet Services has not proposed changes to its performance metrics. We note that its customer consultative committee has agreed to this approach. AusNet Services' proposed metrics are outlined in Table 3.<sup>16</sup>

**Table 3:** Comparison of AusNet Services' proposed 2023–26 performance reporting metrics against 2021–22 metrics

Connection step	Performance metric 2021–22	Final 2023–26 proposal
<b>Designs review approvals</b>	90% < 15 days	90% < 15 days
<b>As built plan reviewed</b>	95% in < 3 days	95% in < 3 days
<b>Pre-commission audit</b>	95% in 10 days	95% in 10 days
<b>Final network audit</b>	95% in 10 days	95% in 10 days

Note: Days = business days.

**Table 4:** Analysis of AusNet Services' performance against metrics for the 2021–22 reporting period

Connection step	Performance measure	Quarterly Performance			
		July to September 2021	October to December 2021	January to March 2022	April to June 2022
<b>Designs reviewed approvals</b>	90% in < 15 days	92%	95%	88%	97%
<b>As built plan reviewed</b>	95% in < 3 days	100%	100%	100%	100%
<b>Pre-commission audit</b>	95% in 10 days	100%	98%	98%	98%
<b>Final network audit</b>	95% in 10 days	99%	93%	93%	97%

Note: Days = business days. Metrics marked in red have not met the performance indicators

<sup>16</sup> AusNet Electricity Services Pty Ltd, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

## Stakeholder feedback

Most stakeholders supported AusNet Services maintaining its existing performance metrics, though Stockland Development expressed concern that it had failed to meet some of its performance metrics in several past reporting cycles.<sup>17</sup> Stockland Development also supported repercussions and penalties for not meeting these performance metrics and emphasised the importance of avoiding repeated failures on the same metric.

AusNet Services provided explanations for its poor performance on certain metrics, noting that it had been affected by the end-of-year industry shutdown period, pandemic-related shutdowns or developer-requested delays. AusNet Services has advised that none of the reported causes of the underperformance are likely to occur frequently.

## Our view

Noting that AusNet Services' consultative committee support its performance reporting framework metrics, we direct AusNet Services to report to us on the performance reporting metrics set out in Table 3 of this paper every six months for the next 2023–26 regulatory period as follows:

- for the period 1 January to 30 June, reported by 31 August that year
- for the period 1 July to 31 December, reported by 28 February the following year.

We also recognise that Stockland Development asked whether the commission could issue penalty notices for distribution businesses who do not achieve their performance metrics.

Currently, the commission cannot utilise its enforcement tools in relation to the meeting of the performance metrics in the standard. However, the commission can enforce distribution businesses who fail to report on their standards. Distribution businesses that do not comply with the commission's direction to report on their performance against the customer service standard will be in breach of our Electricity Distribution Code of Practice.<sup>18</sup> If distribution businesses do not report on the standards, the commission can utilise a range of enforcement options, including issuing penalty notices.

We take non-compliance with our energy rules seriously and will take appropriate enforcement action.

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<sup>17</sup> Stockland Development, *Greenfields Electricity Connection Customer Service Standards Review*, January 2023.

<sup>18</sup> Clause 24.2 of the [Electricity Distribution Code of Practice](#).

## Jemena

Jemena has not proposed any changes to its performance metrics. Jemena does not convene a consultative committee as the developers that operate in its distribution network area have provided feedback that individually tailored engagements are currently its preferred consultative approach.<sup>19</sup> However, we understand that the main developers operating in Jemena's distribution area are satisfied with maintaining the 2021–22 performance measure metrics for the 2023–26 regulatory period.<sup>20</sup>

Further discussion about Jemena's approach to stakeholder engagement can be found in the [Consultative committees](#) section of this paper.

**Table 5:** Comparison of Jemena's proposed 2023–26 performance reporting metrics against 2021–22 metrics

Connection step	Performance metric 2021–22	Final 2023–26 proposal
<b>Offer issued</b>	40–65 days	40–65 days
<b>Mater plan reviewed</b>	15–20 days	15–20 days
<b>Design reviewed</b>	15–20 days	15–20 days
<b>Pre-commission audit</b>	5–10 days	5–10 days
<b>Consent to statement of compliance</b>	5–10 days	5–10 days
<b>Time taken to tie in</b>	30–40 days	30–40 days

Note: Days = business days.

## Stakeholder feedback

Most stakeholders supported Jemena's proposal to maintain its existing performance metrics. The Property Council of Australia and Stockland Development noted that Jemena has not met many of

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<sup>19</sup> Jemena Electricity Networks (Vic) Ltd, *Greenfields Negotiated Electricity Connection Customer Service Standards – Customer Service Standard Submission*, October 2022.

<sup>20</sup> Ibid; Stockland, participation at the Essential Services Commission stakeholder consultation forum, December 2022; Housing Industry Association, participation at the Essential Services Commission stakeholder consultation forum, December 2022.

its performance targets.<sup>21</sup> Both stakeholders emphasised the importance of achieving performance targets and avoiding repeated failures.

Stockland Development also asked if the commission could issue penalty notices for distribution businesses who do not achieve their performance metrics. As noted above, the commission cannot utilise its enforcement tools in relation to the meeting of the performance metrics in the standards (as opposed to the reporting against those performance metrics).

**Table 6: Analysis of Jemena’s performance against metrics for the 2021–22 reporting period**

Connection step	Performance measure (average days)	Performance measure (maximum days)	Average performance July to December 2021	Average performance January to June 2022
<b>Offer issued</b>	40 days	65 days	50 days	34 days
<b>Master plan reviewed</b>	15 days	20 days	84 days	44 days
<b>Design reviewed</b>	15 days	20 days	34 days	45 days
<b>Pre-commission audit</b>	5 days	10 days	16 days	15 days
<b>Consent to statement of compliance</b>	5 days	10 days	3 days	3 days
<b>Time taken to tie-in</b>	30 days	40 days	36 days	35 days

Note: Days = business days. Metrics marked in red have not met the average or maximum days performance indicators.

## Our view

We agree with both the Property Council of Australia and Stockland Development that it is important that Jemena achieves its performance reporting framework metrics to avoid failures in its greenfields negotiated connection process.<sup>22</sup> However, for both the ‘July to December 2021’ and the ‘January to June 2022’ performance reporting periods, Jemena provided us with details as to

<sup>21</sup> Property Council of Australia, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023; Stockland Development, *Greenfields Electricity Connection Customer Service Standards Review*, January 2023.

<sup>22</sup> Property Council of Australia, submission to the Essential Services Commission consultation paper ‘Resetting the greenfields underground negotiated electricity connection customer service standards’, January 2023; Stockland Development, *Greenfields Electricity Connection Customer Service Standards Review*, January 2023.

why the performance measure was not achieved. The reasons provided ranged from processes requiring improvements to resourcing issues.<sup>23</sup>

We consider Jemena's plans for dealing with its underperformance to be appropriate and timely. We expect improvements in Jemena's performance against the metrics in the next reporting period.

As such, noting that all developers in Jemena's distribution network area have supported its performance reporting framework metrics, we direct Jemena to report to us on the performance measure framework metrics set out in Table 5 of this paper every six months for the next 2023–26 regulatory period.<sup>24</sup>

## **CitiPower, Powercor and United Energy**

In its October 2022 proposed greenfields negotiated connection customer service standards, CitiPower, Powercor and United Energy proposed a reduction in its performance reporting metrics. CitiPower and Powercor proposed a reduction in reporting metrics from six to three performance reporting metrics. United Energy proposed a reduction from five to three performance reporting metrics.

As part of our stakeholder engagement activities, CitiPower, Powercor and United Energy have clarified an apparent confusion between the standards which are to be reported to us and the stages of the negotiated connections process that the Minister for Energy and Resources may seek to regulate.

As a result, in its submission to our December 2022 greenfields negotiated connection customer service standards consultation paper, CitiPower and Powercor confirmed that it would continue to report on six metrics, some with improved timeframes as performance targets.<sup>25</sup> United Energy also confirmed that it would continue to report to us on five performance metrics every six months.<sup>26</sup>

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<sup>23</sup> 'Timely electricity connections – reporting against the Greenfields Negotiated Electricity Connection Customer Service Standard' Essential Services Commission, 21 February 2023, [Timely electricity connections – reporting against the Greenfields Negotiated Electricity Connection Customer Service Standard | Essential Services Commission](#).

<sup>24</sup> Jemena Electricity Networks (Vic) Ltd, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

<sup>25</sup> CitiPower, Powercor and United Energy, *Re:Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

<sup>26</sup> Ibid.



**Table 7:** Comparison of CitiPower and Powercor’s proposed 2023–26 performance reporting metrics against 2021–22 metrics

Connection step	Performance metric 2021–22	Final 2023–26 proposal	Analysis
<b>Master plan reviewed</b>	80% in 10 days	80% in 10 days	No change to 2021–22 metric
<b>Design reviewed</b>	Average: 16 days	Average: 15 days	1 day better than 2021–22 metric
<b>As built plan reviewed</b>	70% in 5 days	70% in 5 days	No change to 2021–22 metric
	Average: 8 days	Average: 8 days	No change to 2021–22 metric
<b>Audit complete</b>	70% in 6 days	70% in 6 days	No change to 2021–22 metric
<b>Certificate of practical completion</b>	90% in 5 days	95% in 5 days	5% better than 2021–22 metric
<b>Time to tie in</b>	Average: 20 days	Average: 20 days	No change to 2021–22 metric
	>95% by agreed date	>95% by agreed date	No change to 2021–22 metric

Note: Days = business days.

**Table 8:** Analysis of CitiPower and Powercor’s performance against reporting metrics for the reporting period of 2021–22

Connection step	Performance measure 2021	Performance measure 2022	Quarterly Performance			
			July to September 2021	October to December 2021	January to March 2022	April to June 2022
<b>Master plan reviewed</b>	70% reviewed in 10 days	80% reviewed in 10 days	77%	64%	45%	17.6%
<b>Design reviewed</b>	18 days	16 days	16.1 days	19.2 days	22.2 days	19.9 days
<b>As built plans reviewed</b>	70% in 5 days	70% in 5 days	93%	97%	85%	83.1%

<b>Audit completed</b>	70% in 6 days	70% in 6 days	78%	74%	83%	26.3%
<b>Issued certificate of practical completion</b>	90% in 5 days	90% in 5 days	94.2%	93%	84.4%	93.7%
<b>Time to tie in</b>	90% by agreed date	>95% by agreed date	100%	100%	98%	94.7%

Note: Days = business days. Metrics marked in red have not met the performance indicators.

**Table 9: Comparison of United Energy’s proposed 2023–26 performance reporting metrics against 2021–22 metrics**

Connection step	Performance metric 2021–22	Final 2023–26 proposal	Analysis
<b>Offer issued</b>	20 days	20 days	No change to 2021–22 metric
<b>Master plan reviewed</b>	10 days	10 days	No change to 2021–22 metric
<b>Design reviewed</b>	Within 20 days	Within 20 days	No change to 2021–22 metric
<b>Authority to construct</b>	Within 10 days	Within 10 days	No change to 2021–22 metric
<b>Authority to commission</b>	Within 10 days	Within 10 days	No change to 2021–22 metric

Note: Days = business days.

**Table 10: Analysis of United Energy’s performance against reporting metrics for the reporting period of 2021–22**

Connection step	Performance measure 2021 – 22	Quarterly performance			
		July to September 2021	October to December 2021	January to March 2022	April to June 2022
<b>Offer issued</b>	Within 20 days	100%	100%	100%	N/A%
<b>Master plan reviewed</b>	Within 10 days	N/A	N/A	100%	N/A
<b>Design reviewed</b>	Within 20 days	100%	100%	100%	100%

<b>Authority to construct</b>	Within 10 days	100%	100%	100%	100%
<b>Authority to commission</b>	Within 10 days	N/A	100%	100%	100%

Note: Days = business days. N/A indicates metrics that were not measured as United Energy did not receive any greenfields connection applications during those reporting periods.

## Stakeholder feedback

Stockland Development and the Urban Development Institute of Australia expressed strong support for CitiPower and Powercor retaining all six metrics and United Energy retaining all five metrics.<sup>27</sup> Similarly, the Housing Industry Association stated that removal of any metrics needed to be accompanied by clear explanations and justification.<sup>28</sup>

Stockland Development also asked if the commission could issue penalty notices for distribution businesses who do not achieve their performance metrics. As noted above, the commission cannot utilise its enforcement tools in relation to the meeting of the performance metrics in the standards (as opposed to the reporting against those performance metrics).

## Our view

We consider that CitiPower, Powercor and United Energy’s revised reporting framework performance metrics achieve the aim of demonstrating a commitment to continued improvements in its negotiated connection process for greenfields housing development sites. We therefore direct CitiPower, Powercor and United Energy to report six-monthly for the regulatory period of 2023–26 on all the metrics proposed in its January 2023 submission to our consultation paper.<sup>29</sup>

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<sup>27</sup> Stockland Development, *Greenfields Electricity Connection Customer Service Standards Review*, January 2023; Urban Development Industry of Australia (Victoria), *Submission: UDIA Victoria’s response to Resetting the greenfields underground negotiated electricity connection customer service standards consultation paper*, January 2023.

<sup>28</sup> Housing Industry Association, *Greenfields Negotiated Underground Electricity Connection Customer Service Standards Review 2023*, January 2023.

<sup>29</sup> We note that CitiPower has voluntarily entered into greenfields underground negotiated connection performance reporting as its distribution area only contains brownfields sites.

## 2. Consultative committees

In our March 2021 final decision, we required all distribution businesses include in the standards a commitment to consult quarterly with their key stakeholders, such as developers and industry bodies.<sup>30</sup> The aim of this requirement was to maintain the communication between distribution businesses, developers and industry bodies that began in 2018 due to our review of the greenfields underground negotiated connections processes. In 2021, we recognised that the success of the customer service standards would need ongoing and regular stakeholder engagement.<sup>31</sup>

As a result, we required each distribution business to form a consultative committee to discuss its performance and possible improvements to its negotiated connection processes. The previous standards (2021–23) required quarterly consultative committee meetings. We note that for the 2023–26 regulatory period, some distribution businesses and their consultative committees have agreed to meet every six months.

### **AusNet Services**

AusNet Services proposed to maintain existing quarterly consultative committee meetings. We note that AusNet Services has a very high attendance of industry stakeholders to its developer consultative committee meetings and that its engagement activities include industry briefings and education and information-sharing sessions.

### **Stakeholder feedback**

Stakeholders supported AusNet Services maintaining its developer consultative committee quarterly reporting and meetings. The Property Council of Australia wrote that the material presented was ‘always comprehensive’ but recommended that this material should be distributed earlier ahead of meetings.<sup>32</sup>

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<sup>30</sup> Essential Services Commission, *Timely Negotiated Electricity Connections: Final Decision*, March 2021.

<sup>31</sup> Ibid.

<sup>32</sup> Property Council of Australia, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

## Our view

We consider that AusNet Services' approach to convening a consultative committee continues to meet the requirements of the standards. We are supportive of its proposal to continue to meet quarterly for the next regulatory period.

## Jemena

Jemena have proposed ongoing industry stakeholder engagement on an individual, one-on-one basis. This is because the small number of developers operating in Jemena's distribution network area have provided feedback that this is the preferred approach as it provides individually tailored engagement, maintains one point of contact with clear escalation points and allows issues to be raised and addressed outside of a consultative committee forum.<sup>33</sup>

## Stakeholder feedback

The Property Council of Australia supported Jemena's one-on-one meeting format for consultation and strongly supported the opportunity for commercial in confidence discussions and negotiations.<sup>34</sup> However, the Property Council of Australia also commented on the benefits of a round table consultative committee which would allow for the sharing of ideas and time and cost savings.<sup>35</sup> The Urban Development Institute of Australia and the Association for Land Development Engineers more strongly supported the creation of a consultation committee, citing the predicted increase in the number of developments expected in Jemena's distribution area.<sup>36</sup>

## Our view

In February 2023, we met with Jemena to discuss feedback from stakeholders that were concerned that Jemena's industry stakeholder engagement on an individual basis may no longer be fit for purpose. These concerns were mainly due to the predicted significant increase in greenfields development in its distribution network area.

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<sup>33</sup> Jemena Electricity Networks (Vic) Ltd, *Greenfields Negotiated Electricity Connection Customer Service Standards – Customer Service Standard Submission*, October 2022.

<sup>34</sup> Property Council of Australia, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

<sup>35</sup> Ibid.

<sup>36</sup> Urban Development Industry of Australia (Victoria), *Submission: UDIA Victoria's response to Resetting the greenfields underground negotiated electricity connection customer service standards consultation paper*, January 2023; Association for Land Development Engineers, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

At the February meeting, Jemena advised that it would be willing to start a consultative committee throughout the 2023–26 standards regulatory period if the majority of the developers operating in its distribution network area advised that a consultative committee would be beneficial to them.

Jemena further advised that it recognises that the feedback we discussed in our February 2023 meeting came from industry bodies and that it would arrange a meeting with them to understand their needs and requirements. Jemena then advised it would continue to work collaboratively with industry bodies by arranging further meetings if required.

We agree with Jemena that consultative committees are meant to be impactful and not create meetings that are of low interest or value to developers. As such, we expect Jemena to continue to engage with the developers that operate in its distribution network area individually. If during the next regulatory period the majority of developers see value in collaborative consultative committee meetings, we expect Jemena to consider establishing a consultative committee.

However, given the property development industry's suggested need for a wider stakeholder forum for broader discussion, we strongly recommend Jemena consult with developers on organising such a forum. We also encourage developers to share their views with Jemena if they see value in creating a consultative committee.

## **CitiPower and Powercor**

CitiPower and Powercor proposed changing the frequency of its consultative committee meetings from quarterly to six-monthly but will continue to report its performance against its standards to its consultative committee each quarter.<sup>37</sup>

### **Stakeholder feedback**

Stakeholders supported the change to the frequency of consultative committee meetings with CitiPower and Powercor.

The Property Council of Australia wrote that six-monthly meetings are likely to be more beneficial than the existing quarterly meetings.<sup>38</sup> However, the Property Council of Australia commented that the use of quarterly updates was unnecessary and a waste of resourcing as the updates should just be associated with the six-monthly meetings.<sup>39</sup> In contrast, the Urban Development Institute of

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<sup>37</sup> CitiPower, Powercor and United Energy, submission to Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

<sup>38</sup> Property Council of Australia, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

<sup>39</sup> Ibid.

Australia supported both six-monthly meetings and quarterly updates because of the clear communication and strong stakeholder engagement provided by CitiPower and Powercor.<sup>40</sup> Dennis Family Corporation also supported six-monthly meetings because of Powercor's 'mature and advanced reporting systems'.<sup>41</sup>

## Our view

We recognise that stakeholders consider six-monthly consultative committee meetings appear to strike the balance of having timely discussions on connection issues, while considering the resourcing needs of both developers and distributors. However, we consider there is a continued benefit in requiring distributors to report on performance on a quarterly basis to the committees (without the need of conducting a meeting every quarter). This will provide timely information to the commission and developers, and we do not consider this would add unnecessary cost to distributors (given distributors have established internal processes and systems to collect and report on this information).

To continue to promote transparency, we support CitiPower and Powercor's proposal to continue to report to its consultative committee quarterly even when future meetings are held every six months.

## United Energy

United Energy also proposed changing the frequency of its consultative committee meetings from quarterly to six-monthly with continued quarterly reporting on performance standards.

## Stakeholder feedback

Stockland Development supported United Energy's change to six-monthly meetings.<sup>42</sup> This was echoed by all other stakeholders. The Property Council of Australia noted that the continuation of quarterly updates would be a waste of resourcing given the move to six-monthly meetings.<sup>43</sup> In

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<sup>40</sup> Urban Development Industry of Australia (Victoria), *Submission: UDIA Victoria's response to Resetting the greenfields underground negotiated electricity connection customer service standards consultation paper*, January 2023.

<sup>41</sup> Dennis Family Corporation, participation at the Essential Services Commission stakeholder consultation forum, December 2022.

<sup>42</sup> Stockland Development, *Greenfields Electricity Connection Customer Service Standards Review*, January 2023.

<sup>43</sup> Property Council of Australia, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

comparison, the Urban Development Institute of Australia supported quarterly updates on the condition that United Energy provided performance reports against its targeted metrics.<sup>44</sup>

### **Our view**

As we stated within the CitiPower and Powercor section of the consultative committee chapter of this paper, we consider that requiring distributors to report on performance on a quarterly basis to the committees promotes process and performance transparency. As such, we support United Energy's proposal to continue to report to its consultative committee quarterly even when future meetings are held every six months.

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<sup>44</sup> Urban Development Industry of Australia (Victoria), *Submission: UDIA Victoria's response to Resetting the greenfields underground negotiated electricity connection customer service standards consultation paper*, January 2023.



### 3. Proposed customer outcomes statements

Each distribution business is required to include an overarching customer outcomes statement in their standards. The statement must clearly explain what it expects to deliver over the next few years in relation to negotiated connections.

#### **AusNet Services**

AusNet Services has proposed changes to its customer outcomes statement that reflect its current practices and processes. The new statement was agreed to by AusNet Services' customer consultative committee and moves away from statements based on improving its connections processes, to statements based on maintaining its current practices, processes, and levels of performance.<sup>45</sup>

AusNet Services and its consultative committee agreed to three outcomes to be achieved over the next period:

- Maintain current high standards for connection timeframes for the parts of the greenfields underground negotiated electricity connection process that are AusNet Services' responsibility.
- Maintain public reporting on performance against the standards.
- Maintain channels for proactively identifying and resolving issues with, and sharing information on, the greenfields connection process.<sup>46</sup>

AusNet Services and its consultative committee proposed to maintain its existing customer engagement principles which include:

- Never compromise safety when it comes to the connection of greenfield residential developments to our network.
- Continue to work collaboratively and proactively with the industry, to reduce the overall time to connect to our network and to ensure our metrics and targets remain fit for purpose.
- Maintain transparency when it comes to published timeframes for the end-to-end connection process.

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<sup>45</sup>. AusNet Electricity Services Pty Ltd, *AusNet Greenfields Negotiated Electricity Connections Customer Service Standard*, October 2022.

<sup>46</sup> Ibid.

- Maintain open conversations and engagement with the developer consultative committee and broader industry, including seeking feedback on major AusNet technical standard changes before implementation.
- Continue to communicate minor technical standard updates and changes via the AusNet website.
- Continue to provide developers with a point-of-contact for each project, whose responsibility it is to respond to any developer queries in a helpful and timely manner.
- Maintain our proactive work with the industry to provide guidance around audits, audit fail rates (and reasons) as well as additional information on audits that can be performed by certified third parties (as we understand that this is what the industry would like from us).<sup>47</sup>

### Stakeholder feedback

Most stakeholders supported AusNet Services' minor changes to its customer outcomes statements and the continued use of the same customer engagement principles.

The Property Council of Australia supported the focus on maintaining current high standards for timeframes and resolving issues in connection processes but emphasised that 'appropriate and adequate training in all safety measures' should be prioritised over reducing timeframes.<sup>48</sup> The Urban Development Institute of Australia wrote that AusNet Services should amend the language of its customer outcomes statement to better reflect the 'current nature' of the service.<sup>49</sup> This involves adding the words 'establish' to illustrate that not all connection timeframes are currently at a high standard.

### Our view

We consider that AusNet Services' revised customer outcomes statement, which outlines AusNet Services' aims for the next three years, is consistent with the requirements of the customer service standards.

In particular, the customer outcomes statement aligns with the aims of improving accountability and transparency around connections timeframes and building and maintain effect business relationships. We acknowledge the Urban Development Institute of Australia's concern that not all

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<sup>47</sup> Ibid.

<sup>48</sup> Property Council of Australia, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

<sup>49</sup> Urban Development Industry of Australia (Victoria), *Submission: UDIA Victoria's response to Resetting the greenfields underground negotiated electricity connection customer service standards consultation paper*, January 2023.

current connections timeframes adhere to a high standard. However, we encourage that the issue be discussed at AusNet Services' next consultative committee meeting.

## Jemena

Jemena has proposed minor changes to the wording of its original customer outcomes statement, but the substance of the previous statement remains unchanged.

Jemena (JEN) has proposed the following as key aspects of its customer outcomes statement:

JEN is committed to ongoing improvements to meet the needs and expectations of its customers, including delivering on its customer service standards. Below is an update on the work completed by JEN to date aimed at improving our customer outcomes.<sup>50</sup>

The customer outcomes that Jemena is seeking to deliver are:

1. Ongoing digital customer experience improvements – continuous improvement to Jemena's digital platforms, including Jemena Portal.
2. Design review process improvements – deliver improved tracking of the design review process, including commencement date and accurate expected review dates, to assist in managing construction planning.
3. Project manager accessibility – a dedicated project manager to assist in with end-to-end processes and provide an escalation pathway within Jemena should further assistance be required.<sup>51</sup>

Jemena also proposed the same principles it agreed to with its consultative committee in 2021 which include:

- Keep safety in the front of mind as we work through operational efficiencies.
- Maintain a high-quality collaborative approach with our development partners.
- Ensure Jemena remains flexible in its ability to react to industry demands.
- Ensure clear channels of communication are maintained with our developer partners and industry representatives.
- Explore further opportunities to align Jemena processes with our accredited contractors, with a focus on driving efficiencies.
- Create a feedback loop with key customers when developing improvement solutions.

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<sup>50</sup> Jemena Electricity Networks (Vic) Ltd, *Greenfields Negotiated Electricity Connection Customer Service Standards – Customer Service Standard Submission*, October 2022.

<sup>51</sup> Ibid.

- Establish clear accountabilities for both Jemena and its development partners.<sup>52</sup>

We also note that though Jemena has used the same customer outcome deliverables as it did in 2021, it has explained the last two years' progress against the outcomes and the initiatives it will enact to continue to satisfy its future customer outcomes statement.<sup>53</sup> These initiatives include:

- Customer Experience (CX) Uplift Project
- Digital Boards Project
- End-to-End Asset Management Project
- Dedicated Project Manager Initiative
- Accredited Contractor Program

## Stakeholder feedback

Stakeholders supported Jemena's proposal to continue using the existing customer service standard with minor amendments.

The Urban Development Institute of Australia recommended that Jemena include 'in-person customer service experience improvements' and 'face-to-face customer service consultations' to ensure greater outcomes for both parties.<sup>54</sup> The Property Council of Australia and Housing Industry Association particularly supported Jemena's focus on continued improvements to the review process and customer experience.<sup>55</sup>

## Our view

We acknowledge that Jemena's revised customer outcomes statement provides a greater level of detail than the previous iteration.

Most stakeholders supported this revision. However, we acknowledge the Urban Development Institute of Australia's concern about the need for ongoing in-person and face-to-face support.

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<sup>52</sup> Jemena Electricity Networks (Vic) Ltd, submission to the Essential Services Commission draft decision on *Timely Negotiated Electricity Connections: Decision paper*, 'Greenfields Negotiated Electricity Connection Customer Service Standards, February 2021.

<sup>53</sup> Jemena Electricity Networks (Vic) Ltd, *Greenfields Negotiated Electricity Connection Customer Service Standards – Customer Service Standard Submission*, October 2022; Jemena Electricity Networks (Vic) Ltd, submission to the Essential Services Commission draft decision on *Timely Negotiated Electricity Connections: Decision paper*, 'Greenfields Negotiated Electricity Connection Customer Service Standards, February 2021

<sup>54</sup> Urban Development Industry of Australia (Victoria), *Submission: UDIA Victoria's response to Resetting the greenfields underground negotiated electricity connection customer service standards consultation paper*, January 2023.

<sup>55</sup> Property Council of Australia, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023; Housing Industry Association, *Greenfields Negotiated Underground Electricity Connection Customer Service Standards Review 2023*, January 2023.

Upon further engagement, Jemena advised that both online and in-person customer service engagement and consultations were available to stakeholders and industry bodies. As such, Jemena will retain its proposed customer outcomes statement. We encourage stakeholders interested in face-to-face meetings to directly request them from Jemena.

## **CitiPower, Powercor and United Energy**

CitiPower, Powercor and United Energy have not proposed significant changes to its customer outcomes statement or the associated engagement principles.

CitiPower, Powercor and United Energy and its consultative committee proposed to maintain its existing customer engagement principles which include:

- The safe connection of reliable electricity supplies to their new property is the ultimate expectation of our mutual customers.
- The safety and stability of the network is essential to delivering these customer outcomes.
- Commitment to working together to continue to reduce timeframes for the overall connections process and understanding that this may require changes to the current process and targets deployed by both industry and the networks.
- Provide a collaborative and flexible framework to these issues on the expectation that is the most proactive way to yield positive results across industry.
- Maintain open communication and regular forums and reviews while maintaining clear communication pathways between decision makers on both sides.
- Improve communication and accountability between the distribution businesses and developers to present clear timelines, requirements, and key milestones in each project.
- Work with industry to provide guidance on industry-led development and training of contractors and consultants.

As a result, CitiPower, Powercor and United Energy have proposed the following main customer outcomes statement:

We are committed to ongoing collaboration with industry and continually seeking ways to fast track and simplify our connections processes, without compromising safety and reliability. As

such, we will continue with the commitments (where relevant) which support the customer outcomes statement.<sup>56</sup>

CitiPower and Powercor state, as part of its supporting customer outcomes statement, that it and the residential development industry operating in its distribution area aim to achieve the same result: safe, secure and reliable power for customers, together with timely connections to allow more Victorians to move into their new homes promptly.<sup>57</sup>

CitiPower and Powercor also state that industry stakeholders have agreed to continue to work together to achieve an overall reduction in timeliness across the design and audit process, focusing on the specific customer outcome statements relating to a time reduction in the final stage and a continued focus on process efficiency.<sup>58</sup>

United Energy has the following supporting customer outcome statements:

- United Energy and the residential development industry are committed to maintaining a strong working relationship to deliver a small, but important, number of greenfield underground negotiated electricity connections each year. United Energy will continue to seek improvements in its due diligence process to maintain, and where possible, improve timelines without sacrificing the delivery of safe, secure and reliable power for residents.
- By engaging with industry, United Energy will continue to work to refine internal processes to reduce the effort on the part of developers to progress through a contestable project lifecycle.<sup>59</sup>

## Stakeholder feedback

Stakeholders supported CitiPower, Powercor United Energy's customer outcomes statement.

The Property Council of Australia particularly supported CitiPower and Powercor's focus on ensuring safety and reliability and continued collaboration to seek improvements in the connections

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<sup>56</sup> CitiPower, Powercor and United Energy, *Greenfields Connections – customer service standard*, October 2022.

<sup>57</sup> Ibid.

<sup>58</sup> Ibid.

<sup>59</sup> Ibid.

process.<sup>60</sup> Housing Industry Association wrote that it supported a ‘fast and efficient as practicable process’ and the ‘stabilisation of distribution business performance in target ranges’.<sup>61</sup>

Stakeholders did not provide specific feedback on United Energy’s customer outcomes statement likely due to the low volumes of greenfields development within its distribution area.

### **Our view**

We acknowledge stakeholders’ general support for CitiPower, Powercor and United Energy’s revised customer outcomes statements. We consider that the revised customer outcomes statements for all three distribution businesses are consistent with the direction and purpose of the standards.

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<sup>60</sup> Property Council of Australia, submission to the Essential Services Commission consultation paper *Resetting the greenfields underground negotiated electricity connection customer service standards*, January 2023.

<sup>61</sup> Housing Industry Association, *Greenfields Negotiated Underground Electricity Connection Customer Service Standards Review 2023*, January 2023.

## Next steps

The Essential Services Commission will assess the effectiveness of the 2023–26 standards in 2025 and will consider whether to request distribution businesses consult and develop revised standards for another period. Table 11 provides a summary of our next steps.

**Table 11.** The commission’s next steps for the Greenfields Negotiated Electricity Connection Customer Service Standards

Next step	Timings
Greenfields Negotiated Electricity Connection Customer Service Standards: Final Decision paper released	Monday 27 March
The Greenfields Negotiated Electricity Connection Customer Service Standards 2023–26 take effect	1 April 2023
Distribution businesses report to the commission on their performance against the standards	Every six months from 1 April 2023 to 31 March 2026: <ul style="list-style-type: none"><li>• for the period 1 January to 30 June – reporting by 31 August that year</li><li>• for the period 1 July to 31 December – reporting by 28 February the following year.</li></ul>
We commence our assessment of the effectiveness of the 2023–26 standards. If further standards are required, we commence the review for the next regulatory period.	July 2025

## Conclusion

The standards continue to be a useful mechanism for improving the negotiated connection process for greenfields developments in Victoria.



They provide transparency for the residential building industry and stakeholders and ensure accountability with the required public reporting to the Essential Services Commission.

The commission would like to thank the distribution businesses for their contribution to this process and all the stakeholders who have provided feedback.

### **Further information**

For further information about the Greenfields Negotiated Electricity Connection Customer Service Standards visit [Resetting the greenfields negotiated electricity connection customer service standards | Essential Services Commission](#).

You can also contact us via email: [energyreform@esc.vic.gov.au](mailto:energyreform@esc.vic.gov.au)