

# Electricity Connections

Commission briefing

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# Electricity Connections – recap

In September 2018 we advised the Minister for Finance about how to improve the timeliness of electricity connections.

The following actions were committed to by distributors in a Service Improvement Commitment (SIC):

- Taking actions such as increasing resourcing and improving transparency for developers' projects
- Participating in a governance committee to oversee progress (bi-monthly meetings)
- Establish and monitor performance of connection timeframes

# Latest performance reported

Distributors have been reporting on connection timeframes:

- these differ by distributors, due to different processes
- the most contentious stages for new connections were when distributors reviewed masterplans, audited construction quality, and completed electrical tie-in

## Timeframes for reviewing masterplans

Distributor	2017-2018 Est.	H1 2019 Target	H1 2019 Result	H2 2019 Target	H2 2019 Result
AusNet Services	5-10 days	15 days	> 15 days	15 days	< 15 days
Jemena	>10 days	15 days	20 days	Not measured	Not measured
Powercor	40-100 days	10 days	16 days	10 days	16 days

# Latest performance reported

## Timeframes for auditing construction

Distributor	2017-2018 Est.	H1 2019 Target	H1 2019 Result	H2 2019 Target	H2 2019 Result
AusNet Services	5 days	100% return within 10 days	from March onwards 100 %	100% return within 10 days	99.7%
Jemena	5 days	Service contestable	Service contestable	Service contestable	Service contestable
Powercor	10 days	5-8 days	6.1 days	5-8 days	6.7 days

## Timeframes for electrical tie-in

Distributor	2017-2018 Est.	H1 2019 Target	H1 2019 Result	H2 2019 Target	H2 2019 Result
AusNet Services	20- 180 days	Not measured		Not measured	
Jemena	20 -180 days	25 days or by agreed date	N/A contestable service	25 days or by agreed date	N/A contestable service
Powercor	40 -180 days	50 days	42.8 days 90 % by customer agreed date in June	Agreed date	93 % to agreed date across 2019

# Where are we up to now?

- Governance committee ends its role in October.
- Office of the Commissioner for Better Regulation undertook a planning and buildings approval review, with the following recommendation:
  - *The ESC should amend the Code to include an appropriate performance framework for distributors in respect of the non-standard connection. The framework would encourage continuous improvement, maintain safety standards and include consequences for non-compliance.*
- Building Victoria's Recovery Taskforce established in April 2020.
- The ESC is now looking at options for beyond the governance committee.

# Negotiated connections options

Options	Description
<b>Option 1:</b> Public reporting (currently done voluntarily)	<ul style="list-style-type: none"><li>• Distributors would publicly report on performance (either voluntarily with agreement by the committee, or via a regulated guideline).</li></ul>
<b>Option 2:</b> Set regulated connection timeframes with penalties. Public reporting required.	<ul style="list-style-type: none"><li>• Distributors would be required to achieve specific connection timeframes set out in the Electricity Distribution Code (EDC). Timeframes could be unique to each distribution business, or uniform across Victoria.</li><li>• Penalty provisions could be introduced, for not achieving connection timeframes.</li><li>• Distributors would also be required to publicly report on performance (via a regulated guideline).</li></ul>
<b>Option 3:</b> Obligation to maintain timely connections. Public reporting required.	<ul style="list-style-type: none"><li>• Distributors would be required to publish their connections processes and plans on how they will resource connections work on a regular basis.</li><li>• Penalty provisions could be introduced, for not publishing adequate information.</li><li>• Distributors would also be required to publicly report on performance (via a regulated guideline).</li></ul>

# Workshopping the options

Option	Will this option improve connection times?	Are there any downsides?	What needs to happen to make this option successful?
<b>Option 1:</b> Public reporting (currently done voluntarily)			
<b>Option 2:</b> Set regulated connection timeframes with penalties. Public reporting required.			
<b>Option 3:</b> Obligation to maintain timely connections. Public reporting required.			

# Commission's proposed plan

Commission makes decisions on changes to energy codes, where stakeholders can formally comment on a draft decision of the commission.

We are considering the following:

- May – Governance committee meeting to discuss proposed options
- June – Commission makes a draft decision with proposed options for timely connections
- August – Stakeholder submissions close
- September – Commission makes a final decision
- 1 January 2021 – New regulations take effect