AusNet

AusNet Greenfields Negotiated Electricity Connections

Progress Report for ESC

1 July - 31 December 2024

Monday, 31 March 2025

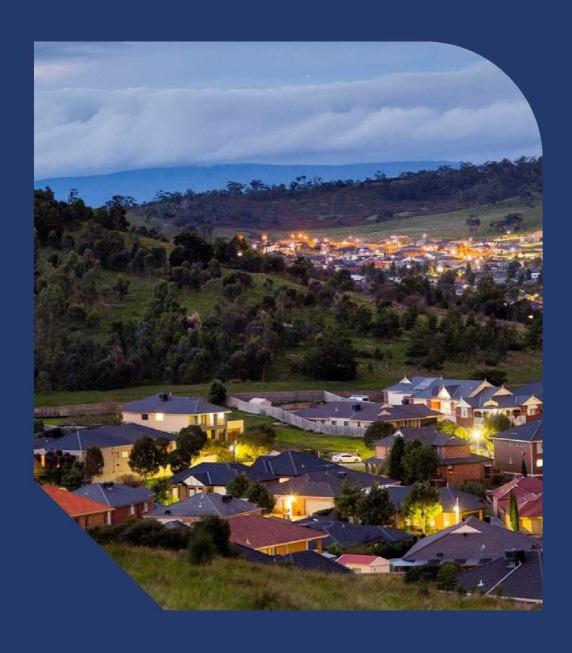




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Introduction

We remain committed to enhancing our customers' experiences with our services. As greenfield development lots continue as the primary source of new connections for our distribution networks, residential greenfield developers remain an important customer group for us. In an approach that is unique among distribution businesses, we actively encourage the contestable industry to handle this work - our role focuses on managing the quality and safety of delivered assets. Our collaboration with housing developers and industry associations is subsequently highly valued.

Following the Essential Services Commission of Victoria's (ESC) 2022 review of the Customer Service Standard for Greenfields Negotiated Electricity Connections, we welcomed the decisions detailed in the report 'Resetting the Greenfields Negotiated Electricity Connection Customer Service Standards,' which took effect on 1 April 2023.

In the 6 months July – December 2024, we have continued to prioritise maintaining strong engagement and a constructive relationship with developers connecting into our electricity distribution network. Our focus remains on understanding the needs and priorities of property developers, their consultants and contractors in the Greenfields negotiated electricity connections process within the evolving landscape of the energy transition.

The Victorian Government's ban on new gas connections has come into effect since 1 January 2024, which will impact developers' energy designs for future builds. During this time of change, we remain dedicated to meeting or exceeding customer service standards in the Greenfields negotiated electricity connection space. Additionally, we are committed to maintaining open, honest and genuine engagement with the industry, having witnessed the mutual benefits for both developers and AusNet.

About this document

This document and its appendices include the following elements, for the period July - December 2024, as per the Essential Services Commission's (ESC) requirements.

- a report of our progress against commitments in the Customer Outcomes Statement
- minutes of Developer Consultative Committee (DCC) meetings
- 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.

During the reporting period AusNet met or exceeded targets for four performance measures.

A full copy of AusNet's current <u>Customer Service Standard</u> is available via the ESC website.

Progress against commitments and metrics

AusNet has continued to productively engage with the industry and meet or exceed all our performance targets. Links to meeting minutes and slide packs from our Developer Consultative Committee meetings, which provide further detail, are included in the appendix.

Note that in keeping with developers' desire to only call broader industry briefings when warranted (i.e. we have something to discuss that is of sufficient importance), we did not schedule any industry briefings in the second half of 2024. We will continue to put regular calls out to the industry for topics they would like briefings on and proactively look for opportunities for these ourselves.

Summary of topics engaged on

DCC MEETING #13 DCC MEETING #14 OTHER ITEMS (AUG 2024) (OCT 2024) Welcome | Actions from past meetings Welcome | Actions from past AusNet has begun sharing a 12-month 2. Safety moment | Cable theft causing meetinas view of key metrics to help demonstrate damage to assets Safety moment | Car driving 3. AusNet Updates | EV Charaina & through work site AusNet internal updates AusNet has begun sharing an analysis of Metrics | Quarterly performance: Metrics | Quarterly performance: April design application trends as a regular July - September 2024 - June 2024 agenda item with greenfield Construction compliance | Field Construction compliance | Field audit developers. The trend analysis showed audit & build quality trends & build quality trends that housing estate application rates URD development trends | AusNet have slowed in 2024 compared to 2023. Application trends & Future sharing insights from development Automation of Kiosks AusNet and developers have discussed Cable theft & site security | Open floor with DCC members the issue of increasing rates of copper manage vandalism as an industry Next steps & Close cable theft with developers. AusNet Open floor with DCC members shared that they are considering using aluminium cables rather than copper Next steps & Close ones to help deter theft. However, it was noted that this would require an industry shift. Developers shared strategies they have taken to help deter people from stealing copper cables including using steel cages and CCT cameras. AusNet and developers have agreed that this is an ongoing and evolving issue.

Quarterly performance for key metrics

Between July and December 2024, AusNet received 118 applications for 3,701 greenfield development lots on our electricity network. For the same period in 2023 AusNet received 165 applications for 4,031 greenfield development lots on our electricity network. This indicates that the development trend continues to soften.

During the current reporting period, **AusNet met or exceeded all its performance targets across all 4 process steps:** design review (approvals), as built plan review, pre-commission network audit and final network audit.

There was discussion around the reduction in the number of design reviews, as outlined in <u>DCC Meeting #14 Minutes</u>. AusNet suggested that reduction is likely due to high interest rates and the industry still recovering from COVID-19. AusNet shared that they would expect this reduction to flow through to the other categories, however, does expect the industry will experience an influx at some point to catch up.

Key metric performance: July - September 2024

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

Process step	Description	2023 Target	Quarterly performance	Target met?
Design reviews (approvals)	This stage includes Design reviews and Master Plan reviews.	90% completed < 15 clear business days	QTR Performance: 96% Volume: 337 Rejected: 20%	Ü
As built plan review	Review of Cable Detailing quality to ensure compliance with Dial Before You Dig licence obligations	95% completed < 3 clear business days	QTR Performance: 100% Volume: 836 Rejected: 36%	Ü
Pre-commission network audits (audit before we energise)	Our accredited auditors assess the accuracy of the staged audits. Developers are provided with a pass/fail result.	95% completion within 10 clear business days	QTR Performance: 100% Volume: 114 Failed: 18%	Ü
Final network audit	Our accredited auditors assess the tie-in work to ensure it meets compliance and safety standards. Sites can be energised ahead of this stage.	95% completion within 10 clear business days	QTR Performance: 99% Volume: 140 Failed: 14%	Ü

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 section.



Key metric performance: October - December 2024

AusNet exceeded all performance targets during this period.

Process step	Description	2023 Target	Quarterly performance	Target met?
Design reviews (approvals)	This stage includes Design reviews and Master Plan reviews.	90% completed < 15 clear business days	QTR Performance: 96% Volume: 488 Rejected: 15%	Ü
As built plan review	Review of Cable Detailing quality to ensure compliance with Dial Before You Dig licence obligations	95% completed < 3 clear business days	QTR Performance: 100% Volume: 795 Rejected: 31%	Ü
Pre-commission network audits (audit before we energise)	Our accredited auditors assess the accuracy of the staged audits. Developers are provided with a pass/fail result.	95% completion within 10 clear business days	QTR Performance: 100% Volume: 126 Failed: 17%	Ü
Final network audit	Our accredited auditors assess the tie-in work to ensure it meets compliance and safety standards. Sites can be energised ahead of this stage.	95% completion within 10 clear business days	QTR Performance: 100% Volume: 151 Failed: 8%	Ü

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.

Reporting period performance for key metrics

Key metric performance: summary data for 6-month reporting period

July - December 2024

AusNet exceeded all performance targets during this period.

Process step	Description	2023 Target	Quarterly performance	Target met?
Design reviews (approvals)	This stage includes Design reviews and Master Plan reviews,	90% completed < 15 clear business days	QTR Performance: 96% Volume: 825 Rejected: 17%	Ü
As built plan review	Review of Cable Detailing quality to ensure compliance with Dial Before You Dig licence obligations	95% completed < 3 clear business days	QTR Performance: 100% Volume: 1631 Rejected: 34%	Ü
Pre- commission network audits (audit before we energise)	Our accredited auditors assess the accuracy of the staged audits. Developers are provided with a pass/fail result.	95% completion within 10 clear business days	QTR Performance: 100% Volume: 240 Failed: 17%	Ü
Final network audit	Our accredited auditors assess the tie-in work to ensure it meets compliance and safety standards. Sites can be energised ahead of this stage.	95% completion within 10 clear business days	QTR Performance: 99% Volume: 291 Failed: 11%	Ü

Audit trends

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 has been provided to developers for further discussion at the DCC meetings. We continued this approach throughout 2024, as demonstrated by the slides below.

July - September 2024

Audit field trends

Update on key audit trends for the period July – Sep 2024

URD Network audits completed on Accredited service providers in the Third quarter of 2024.

Total non-conformances trending down from Q2 to Q3

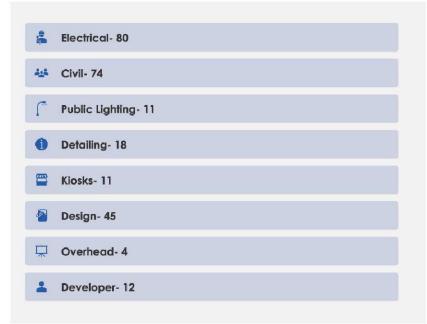


Identified Areas of Findings

Design Related issues have risen sharply. This is due to constructor varying from design on-site without obtaining approval.

We have set up a new inbox option2enquires@ausnetservices.com.au

Please use this inbox to gain approval for works that cannot be constructed as per plan.



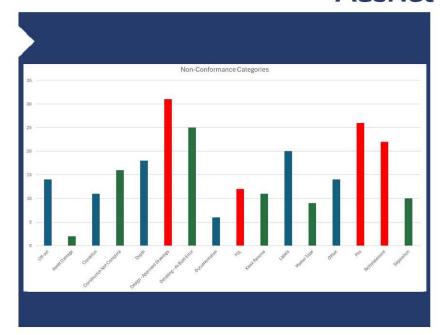
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Audit field trends

Overview of Non-Conformance Types

We have seen a rise in nonconformances relating to;

- -Deviation from approved designs
- -Final Surface levels
- -Pits not installed correctly or damaged
- -Poor reinstatement



October - December 2024

Audit field trends

Update on key audit trends for the period Oct – Dec 2024

URD Network audits completed on Accredited service providers in the Last quarter of 2024.

Total non-conformances trending down from Q3 to Q4





Identified Areas of Findings

Electrical and Civil related issues have dropped sharply. However Overhead and Public Lighting have both risen considerably.

Overhead only works will no longer be exempt from Pre-Com Audits. This was a decision that was made due to the increase in issues in this area.

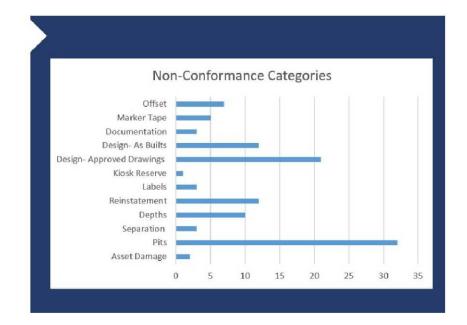
2	Electrical- 33
222	Civil- 35
ſ	Public Lighting- 11
0	Detailing- 19
	Kiosks- 1
a	Design- 32
□	Overhead- 17
1	Developer- 7

Audit field trends

Overview of Non-Conformance Types

We have seen a rise in nonconformances relating to:

- · Pit Installation
- · Poor Reinstatement
- · Under-depth Installations



Next steps

As Victorian communities transition to renewable energy sources, understanding the priorities of property developers, their consultants and contractors in the Greenfields negotiated electricity connections process remains essential. Feedback and collaboration through the DCC and Industry Briefings continue to be invaluable. Open and honest communication between developers and AusNet has become even more critical as we advance through the energy transition. Since the DCC's inception in 2021, we have worked diligently to enhance our engagement with developers.

This report highlights that we are:

- meeting targets
- open to hearing about issues, ideas or improvements, and
- proactively sharing insights and learnings of value to the industry.

We know both AusNet and the development industry find value in our engagement approach from the feedback we receive and continued strong interest and participation in our various activities, including our DCC forum.

Looking forward our focus is **maintaining** the uplift in our engagement with developers since the original Standard came into place, and **monitoring** to ensure our approach remains appropriate and fit-for-purpose. As the environment and industry around us evolve, we remain focussed on maintaining efficient connection processes for new housing developments with extensive contestability options for design, construction, and connection. We will retain our approach that encourages the contestable industry to perform this work with our role being that of managing the quality and safety of delivered assets.

We welcome the ongoing contributions of our DCC members and new members alike and in the six months ahead will continue to work with them and industry colleagues more broadly to:

- Continue 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.
- Continue to listen to and work with developers on the investigation and implementation of process improvements.
- Continue to liaise with the ESC and industry members as we implement our updated service standards.
- Continue the current quarterly frequency and formatting of reporting on our metrics.
- Continue expanded reporting of our metrics to include comparison of quarterly metrics to the average (as calculated from all data since 2021).
- Continue to hold quarterly meetings with the DCC, including a review of members to ensure appropriate balance and representation.
- Share knowledge of emerging issues and trends, from across AusNet's wider business, and of relevance to the
 industry, as was done with issue of copper cable theft.
- Ensure DCC meetings continue to feature an 'open floor' item, where members can raise any questions or concerns in an open and honest way for discussion.
- Hold an Industry Briefing during 2025 on a topic of interest and relevance to the broader industry. Note Industry
 Briefings are only held where it is worthwhile to do so. AusNet will continue testing potential topics with the DCC
 prior to convening the industry for briefings to ensure we are using the industry's time efficiently.

Appendices

Appendix 1 – Meeting minutes

Materials from meetings held in the reporting period can be found via the following links, and via the DCC and **Industry Forums** pages on Community Hub:

- DCC Meeting #13 | August 2024 (covers key metrics & audit trends from April June 2024)
 - **Minutes**
 - Slide Pack
- DCC Meeting #14 | October 2024 (covers key metrics & audit trends from July September 2024)
 - **Minutes**
 - Slide Pack

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Appendix 2

End-to-end greenfield connection process and associated metrics

