

Updating the Compliance and Performance Reporting Guideline: New performance indicators for electricity distributors

Final decision

16 April 2021

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Contents

1. Introduction	3
Background to this decision	3
Consultation on performance reporting changes	4
Structure of this document	4
2. Embedded generation connection timeframes	5
Our proposed indicators	5
Stakeholder feedback	5
Our final decision	6
3. Guaranteed service level data	8
Our proposed indicators	8
Stakeholder feedback	8
Our final decision	8
4. Unplanned interruption data	9
Our proposed indicators	9
Stakeholder feedback	9
Our final decision	10
5. Next steps	12

1. Introduction

This document outlines our final decision to add new performance indicators for electricity distributors to the Compliance and Performance Reporting Guideline. These indicators will support the implementation of our 2020 Electricity Distribution Code customer service standards reforms.¹

Accompanying this decision is an amended reporting guideline (version 6) and associated reporting templates. Version 6 of the guideline will take effect on 1 July 2021. Version 5 of the guideline continues to be in force until 30 June 2021.²

Background to this decision

Compliance and Performance Reporting Guideline

The Compliance and Reporting Guideline sets out reporting obligations for energy retailers and distribution businesses. The reporting guideline contains two types of reporting obligations:

- **Compliance reporting** – gas and electricity retailers and distributors must report to us when they have identified a situation where they have broken the energy rules. We set out the extent and type of information that must be reported to us.
- **Performance indicators** – currently only gas and electricity retailers are required to report to us certain data on their performance. We use this data to monitor and report on the energy market. Through this final decision we are introducing new performance indicators that electricity distributors will be required to report to us.

Electricity Distribution Code customer service standards final decision

Throughout 2020 we reviewed the customer service standards that protect customers as they interact with the electricity network. This review aimed to ensure protections remain fit for purpose and reflect customer expectations as the electricity sector undergoes change and modernisation. As part of our process to update these standards, we consulted with stakeholders on new indicators electricity distributors must report to us. This data and information will help us better understand the service performance of distributors and assist us with evaluating whether further reform may be required in the future.

¹ Essential Services Commission, [Electricity Distribution Code customer service standards final decision](#), 16 November 2020.

² Essential Services Commission, [Compliance and Performance Reporting Guideline – Version 5](#), 1 July 2020.

As set out in our November 2020 final decision, from 1 July 2021, electricity distributors will be required to report to us on:

- the time it takes to process embedded generation applications and connect solar and battery systems
- all guaranteed service level data they currently provide to the Australian Energy Regulator
- smart meter unplanned outage data.

Consultation on performance reporting changes

In response to industry feedback about increased workload pressures during 2020, in part due to the impact of the coronavirus pandemic, we conducted a targeted consultation with industry on proposed performance reporting guideline changes.

On 9 December 2020, we held a meeting to outline proposed changes with industry. Between 9 and 14 December 2020, we held individual meetings with electricity distributors to discuss our proposed new performance indicators in more detail. These meetings informed the design of the draft performance indicator templates, which we circulated to electricity distributors for feedback on 22 December 2020.

Submissions on our performance reporting proposals closed on 22 January 2021. We received feedback from all electricity distributors. We have taken this feedback on board in reaching our decision. We thank all stakeholders for their involvement in this consultation process.

Structure of this document

This decision is structured as follows:

- section two discusses indicators on embedded generation connection timeframes
- section three discusses indicators on guaranteed service level data
- section four discusses indicators on unplanned interruption data
- section five sets out next steps.

2. Embedded generation connection timeframes

Our proposed indicators

In our November 2020 final decision on customer service standards in the Electricity Distribution Code, we confirmed distributors would be required to report on the time taken to process embedded generation applications (such as solar PV and battery systems), including information relating to installations, inspections, meter replacement/reconfiguration and network tariff re-assignment needed to complete a connection to the network.

Our December 2020 draft performance indicator template set out the specific indicators we proposed distributors must report on relating to new or altered embedded generation connection applications for basic and standard connections:

- the financial year and quarter in which the connection application was completed
- the generation and storage type (e.g. solar PV, battery, wind, other)
- the distributor's own application number for the connection (optional) or the relevant National Metering Identifier
- the date the application was received, and (if relevant) the date the application received pre-approval
- whether technical or further assessment was required, and if so, the date the application for technical or further assessment was received and the date the outcome of the assessment was communicated to the customer or their representative
- the completed connection paperwork received date and validation date
- the meter reconfiguration request date and completion date (if relevant)
- the meter replacement request date and completion date (if relevant)
- the solar-related tariff change request date and completion date (if relevant)
- the postcode of the site location of the connection.

We proposed distributors would be required to provide this data on a quarterly basis, following the end of a quarter in a financial year commencing 1 July 2021, for completed applications only (whether approved or not).

Stakeholder feedback

Distributors sought clarifications on certain indicators. AusNet Services sought clarification on the definition of 'completed applications', and also questioned whether it could use the invoice payment date as a proxy for the application date of a technical or further assessment.

CitiPower, Powercor and United Energy sought clarification on the definition of 'the date a meter reconfiguration request was received' (draft indicator EGCT14). They noted that if the meter

Embedded generation connection timeframes

reconfiguration request was made by a customer or their representative, the date would be the same as the date all completed connection paperwork was received (draft indicator EGCT12). If the meter reconfiguration request was made by a retailer, the date would be the same as the solar-related tariff change request date (draft indicator EGCT18) as these requests would form a single service order.

Distributors also made suggestions for amendments to the reporting template. CitiPower, Powercor and United Energy suggested that indicators relating to the application and outcome date of technical or further assessments should be optional fields, given that a technical or further assessment may not be required. They also suggested we should amend 'the date all correctly completed connection paperwork was received' (draft indicator ECGT12) to remove the reference to paperwork being 'correctly' completed, as this is assessed when the paperwork is validated (captured by draft indicator ECGT13).

AusNet Services requested that the application number be an optional field or removed as an indicator, as the application date and relevant National Metering Identifier indicators are already included and are more useful for measuring performance.

Our final decision

An application should be considered 'completed' for reporting purposes when the meter has been reconfigured, the solar tariff has been applied, or the application has otherwise been closed in a distributor's systems. We have clarified this in the guideline and template, including by amending final indicator EGCT20. In the final reporting template this is a mandatory field, and captures:

- either the date the solar-related network tariff re-assignment was submitted to update the network tariff recorded in the Market Settlement and Transfer Solution (MSATS), or
- if no solar tariff change is needed, the date that the embedded generator application is validated or completed in the distributor's systems.

We discussed the process of applying for a technical or further assessment with AusNet Services, and understand that there could be a difference between when a technical assessment application is made, when the invoice for the assessment is issued and when the invoice is paid. As we want to be able to measure all time periods in the connection process (even where a customer is needing to action something, e.g. pay the invoice), we have added two additional optional indicators to capture when the invoice was sent and when it was paid.

We have included a range of metrics to accommodate the different systems and processes distributors have regarding solar and battery applications and connections. During consultation, we heard that draft indicators EGCT12, EGCT14 and EGCT18 may not be three distinct dates for all distributors. Accordingly, distributors should report against each indicator in the most appropriate

Embedded generation connection timeframes

way depending on how their systems and processes are set up. If two indicators are the same date in practice, distributors should report the same date against both indicators.

We agree with both amendments suggested by CitiPower, Powercor and United Energy and have made these changes to the reporting template. We also agree that the National Metering Identifier is a more meaningful unique identifier for connection applications, and so have removed the application number indicator from the reporting template. We understand this should not cause issues for any other distributors' performance reporting.

3. Guaranteed service level data

Our proposed indicators

In our November 2020 final decision, we updated the guaranteed service level scheme to better focus payments to customers who receive the poorest service from their distributor. To monitor performance against this updated scheme, we decided electricity distributors would be required to provide the guaranteed service level data they provide to the Australian Energy Regulator as part of their annual regulatory information notice reporting.

Our December 2020 draft performance indicator template set out these specific indicators:

- the financial year of the reporting period
- for each guaranteed service level measure (as specified in pre-defined fields):
 - the total number of guaranteed service level payments made in the financial year
 - the total dollar amount of guaranteed service level payments made in the financial year.

We proposed distributors would be required to provide this data on an annual basis, following completion of a financial year by 30 September of that year, starting at the end of the 2021-22 financial year.

Stakeholder feedback

Distributors made two comments on our guaranteed service level data proposals. AusNet Services suggested we change the reporting date from 30 September to 31 October, to align with annual reporting to the Australian Energy Regulator.

CitiPower, Powercor and United Energy suggested it would be more efficient for distributors to provide the commission with the data in the same workbook format as they provide to the Australian Energy Regulator, to reduce the risk of errors when transferring the data to a different template.

Our final decision

We intended to align our reporting requirements for guaranteed service level data with the Australian Energy Regulator's as far as practicable. Our final decision is for the reporting date of guaranteed service level data to be provided on 31 October 2022 and annually thereafter, in alignment with when distributors report data to the Australian Energy Regulator.

To more effectively process reporting submissions, we require the data to be reported to us in a format specified in our reporting template.

Guaranteed service level data

4. Unplanned interruption data

Our proposed indicators

In our November 2020 final decision, we updated the guaranteed service level scheme using more detailed smart meter data relating to Victorian customers experience unplanned outages. To better monitor performance against the updated scheme, we decided to require electricity distributors to provide all unplanned interruption data, including all National Metering Identifiers even if the supply address did not experience an unplanned interruption. This data will also provide us with a more complete picture of Victorian customers' experience with respect to unplanned outages.

Our December 2020 draft performance indicator template set out the specific indicators we proposed:

- the relevant financial year and quarter of the reporting period
- the National Metering Identifier
- the feeder ID and feeder classification (either CBD, urban, short rural or long rural feeder)
- the count of sustained interruptions
- cumulative hours of interruptions
- the count of momentary interruptions
- each major event day date
- cumulative hours of interruptions on major event days.

We proposed distributors would be required to provide this data on a quarterly basis, following the completion of each quarter in a financial year, commencing 1 July 2021.

Stakeholder feedback

Jemena and CitiPower, Powercor and United Energy sought minor amendments to certain definitions to align with the Australian Energy Regulator's Distribution Reliability Measures Guideline.³ They suggested that:

- 'momentary interruption' (included in the Electricity Distribution Code) and 'count of momentary interruptions' (included in the guideline) should be amended to include interruptions of exactly three minutes, which are currently neither counted as a momentary nor a sustained interruption

³ Australian Energy Regulator, [Distribution Reliability Measures Guideline](#), November 2018.

- ‘cumulative hours of interruptions on major event days’ should be amended to exclude interruptions equal to three minutes
- alignment with the Australian Energy Regulator’s feeder classification definitions to ensure consistency.

Jemena and CitiPower, Powercor and United Energy also sought clarification that unplanned interruption data only covers active National Metering Identifiers and excludes unmetered connection points.

AusNet Services suggested the reporting date for unplanned interruption data should be amended to align with obligations around timeframes for making guaranteed service level payments. This would mean distributors provide unplanned interruption data 60 business days after the end of each reporting quarter, rather than one month after the end of the quarter. AusNet Services said this would ensure unplanned interruption data – which is used to calculate guaranteed service level payments – matches data provided to the commission on guaranteed service level payments.

AusNet Services also noted that unplanned outages could extend beyond the end of a reporting quarter, and therefore unplanned interruption data could change throughout the year. It said it would like to provide a finalised and audited version of cumulative unplanned outage data at the end of the financial year, aligned with annual reporting to the Australian Energy Regulator.

Our final decision

We note that the probability of an interruption occurring that is exactly three minutes is relatively low, but we do agree with the intent that interruptions of this nature should be reported as a momentary interruption, in alignment with reporting to the Australian Energy Regulator. While it is out of scope of this consultation process to make changes to the Electricity Distribution Code, we have clarified these definitions in the guideline and reporting template.

We agree that unplanned interruption data should exclude unmetered connection points and should only reflect active National Metering Identifiers. We have clarified both these points in the guideline and template.

We have not adopted the definitions in the Australian Energy Regulator’s framework because:

- feeders are already defined in our Electricity Distribution Code and we have adopted these definitions in the reporting guideline
- amending the definitions in the Electricity Distribution Code is out of scope of this consultation
- a key driver for collecting this performance data is to provide the commission with better insights into electricity distribution which may inform future reforms.

Accordingly, we need to collect data within the current parameters of the existing definitions in our Electricity Distribution Code.

Unplanned interruption data

We agree with the suggestion to align reporting timelines with guaranteed service level payment timelines. We have amended references to reporting in the guideline and template to require distributors to submit data within 60 business days of the end of the reporting quarter.

Unplanned outages that span more than one reporting quarter should be recorded in the reporting period that the outage ended (i.e. the quarter where supply is restored). We have clarified this in the guideline and template. However, we will also require distributors to provide annual reconciliation data, in addition to quarterly reports, to ensure we have a complete data set.

Unplanned interruption data

5. Next steps

Alongside this final decision we have published an updated reporting guideline (version 6) which contains the new performance indicators.⁴ This guideline will take effect on 1 July 2021. Version 5 of the guideline continues to be in force until 30 June 2021.

We have also published three final performance reporting templates.⁵ These templates should be used for reporting new performance indicators from 1 July 2021 onwards. The table below summarises timing requirements for the new performance indicators.

Reporting obligation	Frequency	Timing
Embedded generator connection timeframe indicators	Quarterly	<ul style="list-style-type: none"> For the period 1 July to 30 September – on or before 31 October. This applies from the September 2021 quarter submission that is due by 31 October 2021. For the period 1 October to 31 December – on or before 31 January. For the period 1 January to 31 March – on or before 30 April. For the period 1 April to 30 June – on or before 31 July.
Unplanned interruption data	Quarterly	<ul style="list-style-type: none"> For the period 1 July to 30 September – no more than 60 business days after 30 September. This applies from the September 2021 quarter submission that is due no more than 60 business days after 30 September 2021. For the period 1 October to 31 December – no more than 60 business days after 31 December. For the period 1 January to 31 March – no more than 60 business days after 31 March. For the period 1 April to 30 June – no more than 60 business days after 30 June.
	Annual reconciliation	<ul style="list-style-type: none"> For financial years from 1 July 2021 onwards – on or before 31 October following the end of that financial year.
Guaranteed service level data	Annual	<ul style="list-style-type: none"> For financial years from 1 July 2021 onwards – on or before 31 October following the end of that financial year. This applies from the 2021-22 submission that is due by 31 October 2022.

⁴ Essential Services Commission, [Compliance and Performance Reporting Guideline \(version 6\)](#), April 2021.

⁵ Links to the templates can be found on our [website](#).

Next steps