

Minutes

Electricity Connections – Governance Committee Meeting #3

Time and date: 2.00-3.30 pm, 5 March 2019

Location: Commission Boardroom, level 37, 2 Lonsdale Street, Melbourne 3000

Committee Members Present

Name	Organisation	Name	Organisation
Dean Rochfort	Victorian Planning Authority	Mayur Taylor	Property Council of Australia
Neil O'Connor	Villawood, Urban Development Institute of Australia	Leesa Penaluna	AusNet Services
Adam Gellie	United Energy/Powercor	Andrew Davis	Jemena
James Walker	Powercor	John Hamill (Chair)	Essential Services Commission
Sarah McDowell	Essential Services Commission		

Apologies: Neil O'Connor – Urban Development Institute of Australia

Committee Support

Aaron Yuen – Essential Services Commission

Merryn Wilson – Essential Services Commission

Agenda items

Action items from Governance Committee meeting #2.

The Chair asked Committee members about the status of action items from the last Committee meeting.

Powercor offered to lead the preparation of a position paper to describe the issues and put forward ideas so to turn around connection requests within 10 days. The paper would be presented at the next committee meeting.

Powercor completed this action and presented the paper to the Committee. Powercor explained the e-connect process it had developed for residential connections. A key difference between Powercor / CitiPower's process and the processes of other distribution businesses is applications for new connections are sent in directly by the applicant to Powercor / CitiPower first. Other distribution businesses receive applications from retailers first. The benefit of Powercor/CitiPower's approach is that they can begin to validate the application and plan for the connection – typically within 2 days. Other distribution businesses need to wait for retailers to process the application before receiving and acting on it. Retailers are not subject to a mandated processing timeframe and timeframes vary amongst retailers, particularly when applications contain incorrect or incomplete information. This can lead to confusion, frustrations and delays for customers because they may not know where their application is at and how to progress it.

Powercor explained that the e-connect process had been running for over 2 years and the old manual process has been switched off. Powercor added the initially there were some challenges educating registered electrical contractors about how the system worked. But now following a positive engagement program electricians are far more comfortable with the process and can see the benefits.

AusNet said they supported a similar system to that developed by Powercor. They added that from their perspective the distribution business and the registered electrical contractor working together had the best shot at getting the right information to progress a new connection.

The Committee decided that it would be beneficial to bring one of the retailers in for the next meeting to explain the issues they face in relation to new connections. The commission will arrange this.

The distribution businesses committed to investigating whether their systems would enable them to extract data on the times to make temporary connections. The businesses will present this data at the next Committee meeting.

Powercor reported that the over the past 6 month's builder's temporary supply connections took an average of 7 days. Powercor added that the processes to extract this data were quiet cumbersome, and given the relatively low volume of these types of connections it made sense to only report these numbers on a six monthly basis. AusNet said that their times to connect builder's temporary supplies were around 6 days and agreed that the processes to extract the data were cumbersome.

The Committee will forward contact details of someone who part of a committee to harmonise water industry standards / asset installation practices.

Commission staff forwarded the name of someone with this experience to the distribution businesses.

The Committee decided that the commission would circulate a template that attempted to harmonise the way updates are presented. The template will be circulated by the end of 2018 or early 2019.

This was completed in early January 2019.

The commission will prepare a short update report for circulation.

This was completed in late January 2019.

Distribution business updates against the Service Improvement Commitment

Each distribution business forwarded an updated of their progress against the Service Improvement Commitment. The businesses then presented key updates since the last meeting.

Powercor

Powercor said that it had set –up its contestable works team to work with developers when they elected to undertake connection works themselves (referred to as Option 2). Powercor stated it had begun work on establishing the technical standards committee and was currently defining areas where there are opportunities for improvements. Powercor noted that conversations with someone who had worked on harmonising water industry standards were very insightful. Powercor is now preparing a consultant’s brief to review consistency between each distribution business’s technical standards for underground residential estates. They have also prepared a draft terms of reference for the Committee.

Powercor noted that the volume of Option 2 connections has been lower than expected. But it expected that in April/May there would be a greater demand for audit services as listed companies sought to get lots titled and sold before the end of the financial year. Nevertheless Powercor thought that two auditors on site had led to a decrease in the reauditing rate.

The Property Council said that civil contractors were at capacity and over the next 12-18 months had very full books. The Property Council added while sales had dropped off mainly due to changes in banking rules and affordability, once the market became familiar with the new banking practices volumes would come back up.

Powercor noted that it had given the commission an independent review on what services Powercor/CitiPower should consider to be contestable. **The Commission will provide feedback at the next meeting.**

Jemena

Jemena stated it was currently undergoing a large re-organisation. Nevertheless it was working toward digitising the frontend of the connections process to give developers better access to information concerning their development. Jemena will be able to give more information about how it is progressing against the Service Improvement Commitment once public announcements about the reorganisation are made.

AusNet

AusNet stated that it was creating an AusNet consultative committee that included developers that operate in AusNet's area. AusNet noted that it had received some seed funding to investigate the feasibility of creating a portal to improve connections times. The portal would also service gas and distributed energy resources as well.

Since the last meeting, AusNet has been interrogating audit outcomes and will provide the learnings to the technical Standards committee. AusNet has also gone out to tender to seek another audit service provider. This should help with meeting audit and reaudit timeframes.

AusNet asked the committee what a suitable timeframe for undertaking a reaudit could be. The Chair suggested that timeframe should create incentives for the right behaviour on both sides.

The Victorian Planning Authority asked about the visibility of failed projects. And added that councils were running a pilot study to see whether creating transparency around the number of times a plan failed would improve consultant performance.

Property Council of Australia

The Property Council of Australia reported that it had received the connections update and was working on compiling feedback from members.

Urban Development Institute of Australia

The Urban Development Institute of Australia circulated some preliminary feedback from members on the connections update. The Urban Development Institute of Australia will present its findings at the next meeting.

Essential Services Commission

Commission staff commented that they had met with the Housing Industry Association and one of their members late last year about concerns with the connection costs faced by a brownfields development. Commission staff asked the Committee whether the Committee's scope should be expanded to include brownfields developments. The Committee generally felt each brownfield development has its own unique issues. On this basis the Committee should wait and see whether these issues are more widespread before committing to address them in this forum which was established to deal with greenfield issues. Nevertheless, Powercor/CitiPower agreed that their

contact details could be given to the developer to work through the issues. Commission staff will do this.

Commission staff added that it was very clear that the distribution businesses had done a lot of work to meet the Service Improvement Commitment. However, in some cases it was difficult to see a clear link between what the business had done and the outcome in the Commitment.

Commission staff added that they would arrange to meet with each distribution business to clarify any ambiguities before the next Committee meeting.

Victorian Planning Authority

The Victorian Planning Authority presented a request for quotation that they had prepared to engage a consultant to under a review of public lighting approvals. The Victorian Planning Authority asked the distribution businesses about which consultants they thought might be suitable to undertake this work. The distribution made some suggestions. **The Victorian Planning Authority also asked the distribution businesses to nominate people from within their businesses to participate in the public lighting streamlining process.**

Next meeting

The next meeting is at the commission's offices on 14 May 2019 at 2.00 to 3.30 pm.