

# ENFORCEABLE UNDERTAKING

## Undertaking to the Essential Services Commission under section 54ZD of the *Essential Services Commission Act 2001* (Vic)

by

**AusNet Electricity Services Pty Ltd (ABN 91 064 651 118)**

### 1. Person giving this Undertaking

- 1.1 This Undertaking is given by AusNet Electricity Services Pty Ltd (ABN 91 064 651 118) (**AusNet**) to the Essential Services Commission (**Commission**), for the purposes of section 54ZD of the *Essential Services Commission Act 2001* (Vic) (**ESC Act**).

### 2. Background

- 2.1 AusNet owns and operates an electricity distribution network in Victoria.
- 2.2 AusNet holds an Electricity Distribution Licence issued by the Commission.
- 2.3 AusNet is one of five electricity distributors in Victoria, servicing eastern and north-eastern Victoria, and Melbourne's north and east. AusNet supplies electricity to over 800,000 customers in these regions.

### 3. The Commission's concerns

- 3.1 Under clause 11.3.1 of the Electricity Distribution Code of Practice, AusNet must, in the case of an unplanned interruption, as soon as practicable, make available frequently updated entries on a prominent part of its website with information on:
  - a. the nature of the interruption; and
  - b. an estimate of the time when supply will be restored or, if reliable information is not available to inform that estimate, an estimate of when reliable information on restoration of supply will be available.
- 3.2 On 13 February 2024, AusNet's web-based Outage Tracker became unavailable because high traffic volumes on the Outage Tracker website caused loading issues.
- 3.3 As a result, up to 255,000 AusNet customers were not provided with the required information on 13 February and the Outage Tracker was not fully restored until 21 February 2024.

### 4. Admissions

- 4.1 AusNet acknowledges that its Outage Tracker issues on 13 February 2024 impacted customer communications regarding unplanned outages, in contravention of clause 11.3.1 of the Electricity Distribution Code of Practice.
- 4.2 Further, the Outage Tracker issues adversely impacted other customer

communications channels, for example:

- a. call centre wait times were high, as customers were unable to access relevant information online; and
- b. SMSs designed to direct customers to the Outage Tracker were not informative.

## 5. Undertaking

- 5.1 AusNet undertakes to the Commission that it will comply with the Compliance Improvement Action Plan (**Action Plan**) contained in Annexure A.
- 5.2 AusNet has undertaken the following actions:
  - a. created a temporary Outage Tracker (interim tracker) in the form of a data table that was launched on AusNet's website at 11:30pm on 13 February 2024;
  - b. conducted internal investigations to identify the root cause of the issues with the Outage Tracker and identified that:
    - i. the Outage Tracker was designed and verified to handle 129 outages impacting 240K NMI with a peak per hour request load of 42K – this was based on the 2021 storm event;
    - ii. the Outage Tracker and its underlying database became inefficient due to the extreme volume of data requests (~3.5 million in 24 hours) and data changes (for example, due to changes inputted by crews attending and updating times for restoration) experienced on 13 February 2024;
    - iii. unprecedented load from customers at the front-end and the number of incidents logged in the back end meant the database (Redis) cache was unable to keep up with the volume of requests; and
    - iv. the storm event on 13 February 2024 generated ~350 outages impacting ~250K NMI at the peak of the event, with a peak per hour request load of 746K;
  - c. updated the Outage Tracker to be able to withstand higher volumes of traffic and deployed the changes on 21 February 2024, replacing the interim tracker; and
  - d. conducted front and back-end testing on the updated Outage Tracker, achieving a breaking point maximum load of 894 outages impacting 561K NMI and a peak per hour request load of 1.5M.
- 5.3 AusNet has announced a \$10 million Energy Resilience Community Fund (funded by AusNet and not customers) to recognise the impact of AusNet's customer communications during the storm event, as well as the impact on customers of the outages associated with the storm (which was outside of AusNet's control). There are three components of the fund:
  - a. Immediate Relief, which includes:
    - i. a hardship grant scheme, opened on 13 March 2024 for applications up to 30 April 2024 (which will be extended to 30 June

2024), which will make payments to eligible low-income households (\$300) and uninsured small businesses (up to \$5,000) who were without power as a result of the storm events on 13 and 22 February 2024;

- ii. donations of \$220,000 provided to the Gippsland Emergency Relief Fund, Dandenong Ranges Emergency Relief Services and Sale Food Support; and
- iii. donation of \$300,000 provided to Foodbank Victoria to provide emergency food relief and build community infrastructure and resilience at Foodbank's Ballarat and Morwell Community Food Centres;

b. Community infrastructure resilience:

- i. AusNet will work with regional councils to award grants to provide communities with access to powered facilities to charge devices, shower, make phone calls and access support in future outage events.

c. Small business energy resilience:

- i. AusNet will work with the Department of Energy, Environment and Climate Action (**DEECA**), local councils and community groups to identify locations where we can install local generation solutions to keep multiple small businesses on a main street operating during outages.

5.4 AusNet will update the Commission on how the Energy Resilience Community Fund is being spent every three months, alongside the formal reporting against this Undertaking.

## 6. Commencement and Term of Undertaking

6.1 This Undertaking comes into effect on the Commencement Date, being the date when:

- a. the Undertaking is executed by AusNet;
- b. the Undertaking is executed by the Commission, and
- c. AusNet is given notice of the Commission's acceptance of the Undertaking.

6.2 The Undertaking remains in effect for 2 years from the Commencement Date, or sooner if all actions contained in the Action Plan are confirmed completed by agreement in writing between AusNet and the Commission (**End Date**).

## 7. Compliance with Undertaking

7.1 In the event that AusNet has reason to believe that it has not complied with a requirement of this Undertaking, it will report that possible non-compliance to the Commission in writing and within five business days of identification.

7.2 AusNet will provide further information or particulars to the Commission concerning any possible non-compliance reported to the Commission

within a reasonable time of a request by the Commission.

## **8. Maintaining Records and Monitoring of Undertaking**

- 8.1 AusNet commits to maintaining records confirming any actions, steps, or measures it takes pursuant to meeting the terms of this Undertaking and retaining those records for a period of at least seven years following the End Date.
- 8.2 With the exception of any records that are subject to legal professional privilege, AusNet will produce any records in relation to any actions, steps, or measures it is required to take under this Undertaking to the Commission if requested during the term of the undertaking or within seven years following the End Date.

## **9. Acknowledgements and Publication of Undertaking**

- 9.1 AusNet acknowledges that:
  - a. the Commission will make this Undertaking publicly available by publishing it on its website and in its online Register of Enforcement Action;
  - b. the Commission may from time to time, make public reference to this Undertaking including in news media statements and in Commission publications;
  - c. this Undertaking in no way limits or affects any rights or remedies available to any other person arising from the conduct; and
  - d. The Commission may publish a summary of AusNet's implementation of the Action Plan on its website and in its online Register of Enforcement Action.
- 9.2 AusNet commits to publishing a copy of the Undertaking on a website maintained by AusNet for the period of the Undertaking.
- 9.3 AusNet commits to publishing a notice summarising the purpose and key terms of the Undertaking, to be approved by the Commission, prominently on a website maintained by AusNet for the term of the Undertaking or a period agreed by the Commission.
- 9.4 AusNet acknowledges it must pay all its own costs in relation to this Undertaking including costs associated with remediation or compensation associated with the Undertaking, and costs related to implementation of the Action Plan.

**Executed as an Undertaking**

Executed for and on behalf of AusNet Electricity Services Pty Ltd (ABN 91 064 651 118) in accordance with section 127 of the Corporations Act 2001 (Cth):

David C Smales

Signature of director

[Signature]

Signature of ~~director~~/company secretary  
(delete as appropriate, or entire column if sole director company)

DAVID C. SMALES

Name of director

EVAN HOLLAND

Name of ~~director~~/company secretary

23 APRIL 2024

Date

23 APRIL 2024

Date

Accepted by the Essential Services Commission pursuant to section 54ZD of the Essential Services Commission Act 2001 and signed on behalf of the Commission:

[Signature]

Kate Symons, Chairperson

29 April 2024

Date

# ANNEXURE A

AusNet undertakes to implement the Compliance Improvement Action Plan (**Action Plan**), and at its own expense, by undertaking the actions set out in this Annexure.

## **Additional community funding**

1. Issue an additional \$2 million (over the announced \$10 million) to the Energy Resilience Community Fund to further support customers experiencing vulnerability through donating, in equal proportion, to the Brotherhood of St Laurence, St Vincent de Paul and Financial Counsellors Australia by 31 October 2024.
2. Prior to the publication of this Undertaking, AusNet will advise the Commission of any relationships it holds with these charities and outline its approach for communicating the reason for the donation for approval. AusNet will implement the communications approach as approved by the Commission.
3. Extend the closing date for residential and business customers to apply for hardship grants from 30 April 2024 to 30 June 2024.
4. Disburse \$10 million from the Energy Resilience Community Fund, encompassing the components set out in section 5.3, within the following timeframes:
  - 4.1 Immediate relief by 31 December 2024;
  - 4.2 Community infrastructure by 31 December 2026; and
  - 4.3 Small business energy resilience by 31 December 2026.
5. By 31 October 2026 report to the Commission how the \$10 million Energy Resilience Community Fund outlined in clause 4 has been spent and, if relevant, nominate charities to be paid the residual balance.
6. Donate any remaining funds to the charities approved by the Commission within 30 days of 31 December 2026.

## **Formal and public apology**

1. AusNet, having contravened clause 11.3.1 of the Electricity Distribution Code of Practice (**EDCoP**), which is associated with a civil penalty requirement under the *Essential Services Commission Act 2001* (Vic), at its own expense undertakes to take all reasonable steps to cause a notice to be published in an edition of each of *The Age* and *Herald Sun* newspapers, in the manner, form and content of **Exhibit A to this Annexure A** (the **Public Notice**).

2. The Public Notice will be issued at the following times:
  - 2.1 the first notice on any day between 1 May 2024 and 3 May 2024; and
  - 2.2 the second notice:
    - a. on a different day of the week or weekend than the first notice;
    - b. at least four (4) weeks after the first notice; and
    - c. before the end of June 2024.
  - 2.3 The Public Notice will be issued in the following locations:
    - a. within the first twenty (20) pages of The Herald Sun newspaper in Victoria; and
    - b. within the first fifteen (15) pages of The Age newspaper in Victoria;
3. The Public Notice will comply with the following specifications:
  - 3.1 H1 font of san serif 22 bold, wide kerning, red;
  - 3.2 H2 font of san serif 16 bold, regular kerning, royal blue;
  - 3.3 H3 font of san serif 14 bold, regular kerning, royal blue;
  - 3.4 Body font of san serif 10, regular, black;
  - 3.5 be surrounded by a border of no less than 3 pt;
  - 3.6 have a callout box for "find out more" with a red border of no less than 3pt;
  - 3.7 include a QR code linking to:  
<https://www.ausnetservices.com.au/about/community/energy-resilience-community-fund>; and
  - 3.8 include a QR code linking to: <https://www.ewov.com.au/>.
4. The Public Notice in The Age will:
  - 4.1 occupy a "full page", with dimensions of 374 mm x 260 mm (portrait orientation); and
  - 4.2 comply with Nine's The Age print specifications.
5. The Public Notice in The Herald Sun will:
  - 5.1 occupy a "M12X6 (Full Page)" with dimensions of 380 mm x 262 mm; and
  - 5.2 comply with Newscorp's tabloid print specifications.

### **Independently authored reviews**

Commission two independent reviews, as set out below.

1. A technical digital post implementation review of the Outage Tracker issue root cause and remediation plan (**Outage Tracker PIR**). The Outage Tracker PIR will include:
  - 1.1 an investigation of the root cause of the issue;
  - 1.2 an assessment of the suitability of AusNet's remediation plan, including specific timelines and responsible persons, and identification of potential gaps;
  - 1.3 a review of the remediation actions for robustness and completion; and
  - 1.4 a recommended testing regime.
    - a. AusNet will provide the Commission with details of the recommended

- testing regime, including the purpose and interval of testing and explanations for each, for approval.
  - b. AusNet will implement the testing schedule as approved by the Commission.
  - c. AusNet will report testing failures to the Commission, including the cause of failure and actions it plans to take to address these. This reporting obligation will continue until the End Date.
2. A broad post incident review of AusNet's response to the 13 February storm event (**operational response PIR**). This will be a public report and identify what went well and recommendations for improvement. It will cover:
    - 2.1 the customer experience, including:
      - a. consideration of the customer voice; and
      - b. the impacts of the Outage Tracker failure on SMS and telephone communications.
    - 2.2 AusNet's preparedness;
    - 2.3 AusNet's response;
    - 2.4 recovery; and
    - 2.5 prevention.
  3. The independent reviewer(s) of both PIRs must have expertise in the energy industry, and their appointment must be approved by the Commission.
  4. AusNet will provide regular updates to the Commission on the development of the reviews.
  5. The independent reviewers will consult with AusNet and the Commission on deadlines for implementation of recommendations related to Outage Tracker and customer communications and take these into account to set recommended deadlines.
  6. AusNet will provide the Commission with both PIRs and our Board's responses to the findings and recommendations related to our Outage Tracker and customer communications channels. The anticipated deadline for providing both PIRs to the Commission is 24 June 2024.
  7. AusNet will publish the operational response PIR, including recommendations and our Board's responses to the findings and recommendations related to our Outage Tracker and customer communications channels.
  8. AusNet will regularly monitor compliance with the undertaking and report on compliance to the Board and Executive Leadership Team every three months.
  9. AusNet will update the Commission on the progress against the

recommendations related to our Outage Tracker and customer communications channels at three-month intervals in line with reporting to our Board and senior leadership.

10. If AusNet reasonably believes that a deadline will not be met despite best efforts to comply with that deadline, AusNet will inform the Commission as soon as possible and provide updated information as to anticipated compliance.
11. Within one month of the End Date, AusNet will provide a final report to the Commission on its implementation of the terms of the undertaking.
12. In addition to (9) and (11) above, an independent auditor will review AusNet's compliance with the Action Plan and provide the Commission with a compliance report before the End Date.
13. AusNet or, to the extent necessary, an independent auditor will provide a detailed breakdown of the disbursement of the Energy Resilience Community Fund, including but not necessarily limited to:
  - 13.1 how the funds have been expended;
  - 13.2 the types of initiatives and assistance to customers;
  - 13.3 any remaining amounts;
  - 13.4 the charities to whom remaining amounts (if any) were ultimately donated.
  - 13.5 any remaining amounts;

AusNet will comply with its statutory and regulatory obligations and work with other regulators as required. This Enforceable Undertaking does not preclude other regulators from taking compliance and enforcement action.

# EXHIBIT A TO ANNEXURE A

## ! IMPORTANT PUBLIC NOTICE

AusNet

### Offers of remediation and public apology to AusNet customers affected by the February 2024 power outage

Approximately 255,000 AusNet\* customers in Victoria were impacted by the Victorian storms on 13 February 2024.

At 4.18 pm on 13 February 2024, the AusNet Outage Tracker crashed. It remained unavailable until 9am on 21 February 2024.

We understand the frustration and inconvenience this caused our customers, who were not only left without power, but also without information.

We know we let you down and we are improving our systems, so this won't happen again.

This public notice and apology is offered by AusNet to its customers in accordance with the court enforceable undertaking accepted by the Essential Services Commission. Visit [www.esc.vic.gov.au/AusNetEU](http://www.esc.vic.gov.au/AusNetEU) to read the full court enforceable undertaking.

#### Contravention of the Electricity Distribution Code of Practice

As an electricity distributor operating in Victoria, AusNet is subject to the Electricity Distribution Code of Practice.

The Electricity Distribution Code of Practice requires electricity distributors to, as soon as practicable during an unplanned interruption or emergency, provide updates by a 24-hour phone service and on a prominent place on their website. The updates need to be about the nature of the interruption and either:

- an estimate of when supply will be restored
- an estimate of when reliable information on restoration of supply will be available, if reliable information is not available to inform an estimate of when supply will be restored.

We acknowledge the failure to provide these updates to customers was a contravention of the Electricity Distribution Code of Practice and we offer our sincere apologies to all affected customers.

#### Our ongoing commitment to supporting communities

In February 2024 we announced a \$10 million Energy Resilience Community Fund, which will be fully funded by AusNet and not customers. The fund recognises the impact of AusNet's customer communications during the storm event, as well as the impact on customers of the outages associated with the storm.

There are three components of the fund:

##### 1. Immediate Relief, including:

- a hardship grant scheme, opened on 13 March 2024 for applications (extended deadline until 30 June 2024), which will make payments to eligible low-income households (\$300) and uninsured small businesses (up to \$5,000) who were without power as a result of severe weather events on 13 and 22 February 2024.
- donations of \$220,000 provided to Gippsland Emergency Relief Fund (GERF), Dandenong Ranges Emergency Relief Services (DRERS) and Sale Food Support in the Dandenong Ranges and Gippsland regions.
- agreement to donate \$300,000 to Foodbank Victoria to provide emergency food relief and build community infrastructure and resilience at Foodbank's Morwell Community Food Centre.

##### 2. Community infrastructure resilience:

- We will work with regional councils and community groups to award grants to provide communities with access to powered facilities to charge devices, shower, make phone calls and access support in future outage events.

##### 3. Small business energy resilience:

- We will work with the Department of Energy, Environment and Climate Action, regional councils and community groups to identify locations where we can install local generation solutions to keep multiple small businesses on a main street operating during outages.

#### Court enforceable undertaking accepted by the Essential Services Commission

In acknowledgment of our contravention of the Electricity Distribution Code of Practice, the Essential Services Commission has accepted a court enforceable undertaking.

In accordance with the terms of the court enforceable undertaking we have, among other requirements, agreed to:

- Issue an additional \$2 million to the Energy Resilience Community Fund (bringing the total to \$12 million) to further support customers experiencing vulnerability through donating, in equal proportion, to the Brotherhood of St Lawrence, St Vincent de Paul and Financial Counsellors Australia, by 31 October 2024.
- Clarify the terms of the Energy Resilience Community Fund to:
  - set out the timeframes for the disbursement of funds for immediate relief (by 31 December 2024) and community infrastructure and small business energy resilience (by 31 December 2026).
  - extend the timeframe for the hardship grant scheme to 30 June 2024 so more people can access support.
  - provide assurance that the full fund will be disbursed by 31 December 2026, with any remaining funds donated to charities approved by the Commission within 30 days of Fund expiry.

\*AusNet Electricity Services Pty Ltd

#### Find out more

##### Apply for the Energy Resilience Community Fund

Applications for the Energy Resilience Community Fund are open.

If you were an AusNet customer affected by the February 2024 storm event, you can find out more from AusNet.

[www.ausnet.com.au](http://www.ausnet.com.au) 1300 133 300



##### Dispute resolution assistance

If you are unable to resolve an issue directly with AusNet you can contact the Energy and Water Ombudsman of Victoria.

[www.ewov.com.au](http://www.ewov.com.au)

1800 500 509

