

AusNet

AusNet Greenfields Negotiated Electricity Connections

Customer Service Standard

October 2022

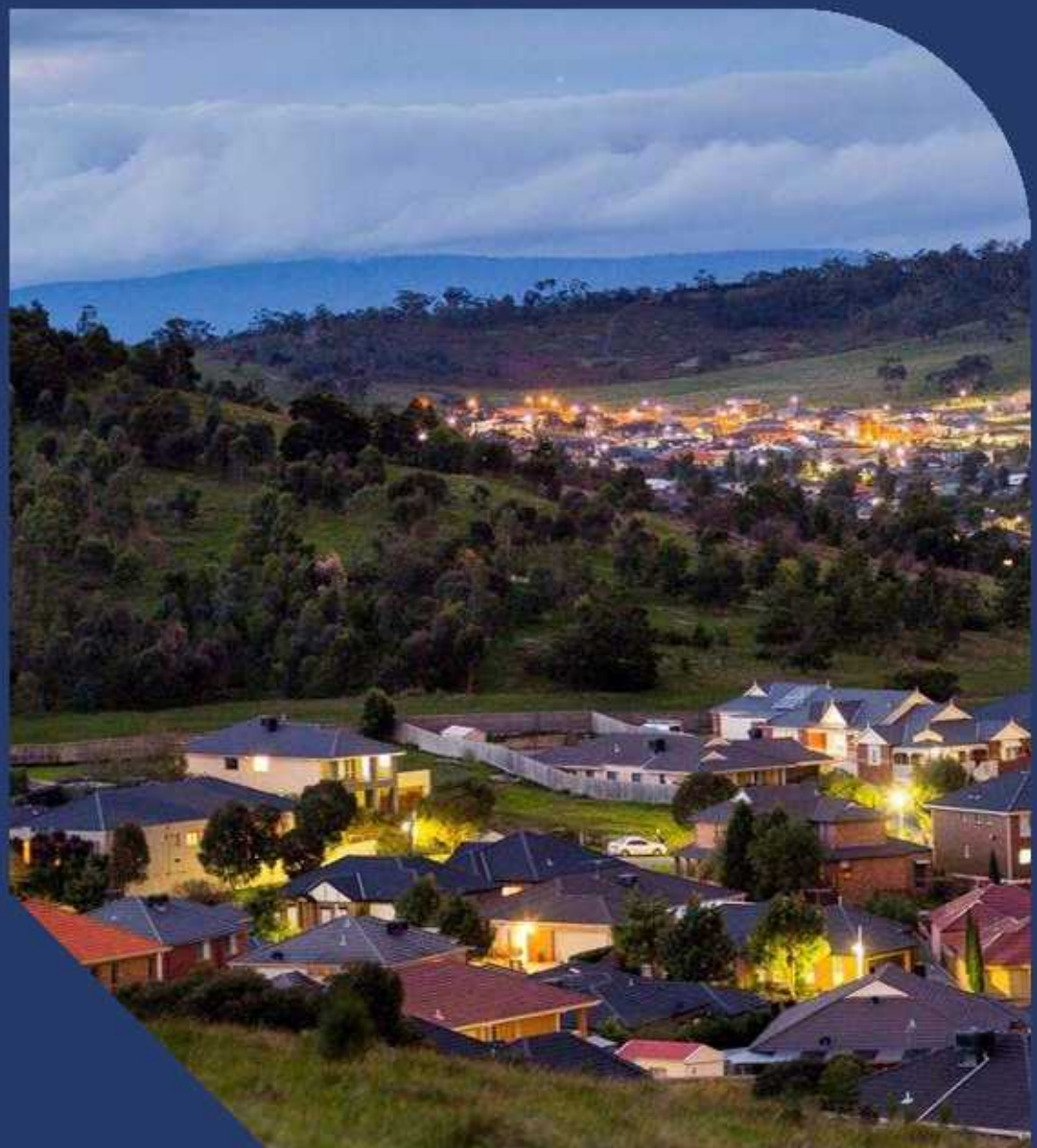


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Introduction and purpose

In late 2020, the Essential Services Commission of Victoria (ESC) undertook a review into improving the timeliness of electricity connections. All electricity distribution network service providers (DNSPs) were subsequently required to engage with property developers to create a Customer Service Standard (the Standard) for Greenfields Negotiated Electricity Connections. The initial Standard is due to expire in March 2023. The ESC has subsequently requested that distribution businesses provide, by 31 October 2022, recommendations for customer service standards that will apply from March 2023.

This document responds to this request and outlines a revised customer service standard for AusNet's greenfield connections process. The document first details research and engagement and improvements that have occurred since the introduction of the existing Standard (in 2021) with property developers, and their consultants and contractors.

Importantly, 3 in 4 greenfield developers on the AusNet network feel their experience as a developer on AusNet's network has improved in the past 2 years (and the other 1 in 4 reporting that their experience is similar). Developers feel that AusNet's connection process is working well, and appreciate and find value in the additional reporting, education and engagement activities we have been delivering since the introduction of the Standard in early 2021. Developers are not experiencing any persistent pain points with AusNet's connection process, and are supportive of us proposing to continue "more of the same" in our updated Standard for 2023. That is, maintaining our current activities, while continuing to proactively seek and explore opportunities for improving the greenfield connection process for all.

This document builds on the 2021 AusNet Greenfields Negotiated Electricity Connections - Customer Service Standard. In proposing our revised Standard our intent is to continue engagement with property developers in a way that is consistent with the ESC's objectives of:

- Continuous improvement and building effective business relationships between distribution businesses and developers to resolve issues.
- Accountability and transparency about the time it takes distribution businesses to complete certain steps of the connections process.

AusNet's commitment to enhancing developers' experience

AusNet owns and operates one of 5 electricity distribution networks in Victoria. We serve Melbourne's north and eastern fringe (which has some fast-growing suburbs), regional communities throughout eastern Victorian and remote customers in the alpine areas of Victoria. Our electricity distribution network covers 80,000 square kilometres and consists of around 46,000 kilometres of power lines and 400,000 power poles. These assets deliver energy safely and reliably to around 802,000 customers across Victoria.

Most of AusNet's greenfield connection process is contestable. This means that many steps – including the more time-consuming construction steps – are the responsibility of developers. The end-to-end process typically takes 8-10 months, though this varies significantly between projects. Achieving timely connections requires parties – including AusNet, developers and their contractors – to work effectively together.

Appendix A outlines the AusNet connection process in more detail. All construction components of our process are 100% contestable, right through to energisation to property boundaries. In lieu of constructing ourselves, developers choose their preferred constructor and project manager from a selection of Accredited Service Providers (ASP's) approved to construct on AusNet's network. A staged audit process is used to ensure the constructed assets meet the appropriate technical and safety standards required when connecting to our network.

Within this context, AusNet Services remains committed to improving how customers experience our services and residential greenfield developers remain a key customer group for us. To help ensure faster and more transparent connections at new housing developments, AusNet has made several improvements to the residential developer connections journey.

We have:

- established a customer service standard, as required by the ESC, that set out what we expected to deliver over the two-year period (from March 2021) in relation to negotiated connections
- established a Developer Consultative Committee (DCC) with relevant stakeholders that meets quarterly to resolve issues with delays, though the focus has since been broadened
- published more information about the connection process and common blockers on our website
- reported publicly every 6 months against a performance reporting framework.

Our Industry Engagement

AusNet continues to base our customer service standard on understanding what is important to property developers, and their consultants and contractors, in the greenfields negotiated electricity connections process.

To build this understanding we have considerably improved our engagement with developers since commencement of customer service standard. Our program of research and engagement with developers, and their consultants and contractors, has included regular DCC meetings, Industry Briefings, and inviting feedback and consultation from four key industry groups, and a DCC member survey.

More information about our research and engagement with developers is available via [Community Hub](#), our online engagement portal.

DCC meetings

Six DCC meetings have been held since the original Customer Service Standard for Greenfields Negotiated Electricity Connections was developed. These quarterly meetings consistently attract around 15 members, comprising a mix of developers and consultants. New membership requests have also been received and new members welcomed.

Agendas are broad, and cover a range of topics related to policy, changes to standards and general information-sharing. In addition to tabled agenda items - drawn from members suggestions and noted areas of interest - all meetings include time for 'open floor' or informal discussion. DCC meeting minutes are available via [Community Hub](#).

Industry briefings

Industry briefings are designed to update developers with the latest information and any changes relevant to the sector. Industry briefings are open to all developers and representatives. During 2022 two briefings were held on the topics of Rapid Earth Fault Current Limiters (REFCL) and the Future of Gas.

In each session we have invited developers to join the DCC and to raise any persisting pain points in the connection process with us. Information shared via Industry Briefings is also available via [Community Hub](#).

Developer survey

In September 2022 AusNet's Research and Engagement Team developed and distributed a survey to members of our DCC. The survey asked member's views on a range of topics, including:

- the value of topics discussed at DCC meetings
- meeting frequency
- suggested improvements to the format and content of meetings
- persisting 'pain points' developers experience through the connections process
- members thoughts on establishing a joint, Victoria-wide developer forum.

Results from this survey are discussed in the next section and supplement member feedback received during DCC meetings and industry briefings, and anecdotally via other channels.

Industry association engagement

We also sought feedback from 4 key industry associations on what they are hearing from their members about AusNet's performance in the greenfield connection space, any persisting pain points in our greenfield connection process, or anything they would like to see us include in our updated customer service standard. The 4 associations were: The Association of Land Development Engineers (ALDE), Urban Development Institute of Australia (UDIA), Association of Consulting Surveyors Victoria (CSV), and the Housing Industry Association (HIA).

Industry Feedback on our Connections Process and Engagement

Feedback received during the DCC meetings, at Industry Forums and via the recent DCC member survey is overwhelmingly positive. Members value current engagement efforts as a means to share and discuss issues common to developers and AusNet; suggestions for further improvement reinforce these current arrangements. That issues are raised and addressed in real time, out-of-session or at the next DCC meeting, is a timely approach and one that is much appreciated by developers.

Members have also indicated they like the breadth of topics covered. They have multiple reasons to engage with us (not just for connections) and feel it makes sense to engage efficiently, thus not limiting the DCC and industry briefings to *only* the connection process.

Survey feedback also suggests positive attitudes and overall satisfaction with the current developer engagement. Briefly, this feedback can be summarised into 2 related themes:

- "keep doing what you're doing"
- "there are currently no major issues, but there might be some in the future, so it's good to keep this engagement going".

The DCC member survey indicated that 75% of respondents think their experience as a greenfield developer on the AusNet network has improved in the past 2 years. No respondents felt their experience had declined in this time. Aspects of the DCC respondents felt are going particularly well include:

- content, communication and the committee's ability to bring stakeholders together
- building understanding of the volume of designs and connections across the AusNet network, as well as challenges AusNet may be facing
- identifying areas for further improvement, as well as members being able to directly nominate topics for future discussion
- updates on standards and expectations.

Suggestions for further improving the connections experience and/or our engagement activities included:

- **Continuing to identify areas of concern and address them appropriately – be that via process improvements, education or one-on-one conversations with developers as-needed.**

Recent examples of these types of suggestions – some of which were raised as part of the consultation process for this updated Customer Service Standard – are provided below:

- Clarifying the process from commissioning to connection of individual homes (*suggested by a developer via the survey, addressing at upcoming DCC*)
- Looking for opportunities as an industry to continue improving the experience for all in the civil drawings components of the process (*suggested by a developer via the survey, addressing at upcoming DCC*)
- Clarifying the process for "pioneer scheme" arrangements, and who bears the costs for network augmentation (*suggested via submission to this process, engaging directly to help them understand current process*)
- Looking for opportunities as an industry to continue improving the experience for all in the audit components of the process (*suggested by AusNet as a potential future DCC item*)

- **Sending out agendas for DCC meetings in advance** so that developers can choose to attend the parts that interest them (and sit out on any more technical conversations, if they are beyond their field of expertise or interest). AusNet has committed to doing this.

All industry associations contacted responded informally – with comments aligned to those that our DCC members provided. Only one provided a formal response, in the form of the question on pioneer scheme arrangements mentioned above (i.e. how costs are shared when a developer is first to trigger augmentation in a newly-developed area of the network). AusNet is engaging with the individual on this matter, noting that it is a connection policy matter and not directly related to connection service standards, so will not be included in this Customer Service Standard update.

Importantly, developers have indicated they see no value in adding additional performance metrics, given a lack of issues with current performance and the significant cost and/or time required to track additional aspects of the process. Similarly, developers have not requested that the scope of compliance reporting be increased. Increasing the scope of compliance reporting would also require that AusNet resources be redirected from current priorities, such as processing connections. AusNet is on-track to record the highest volume of new greenfield connections in a single year; we estimate an additional 15,783 new lots in 2022. While connections volumes are expected to drop off in the next 18 months (due to economic factors), skills shortages are a live issue and are being experienced across many sectors including in the construction and engineering sectors (National Skills Commission, 2022). Reducing the scope of developer engagement or DCC meetings to compliance reporting is also not consistent with feedback from developers, their consultants and contractors. Instead, feedback indicates developers value discussions on a range of topics unrelated to compliance reporting, which underpins our interest in continuing these. Recent feedback also supports the continuation of an AusNet-only DCC, rather than joint meetings with other DNSPs.

This summary of developer sentiment was tested and validated at the October 2022 DCC meeting.

Customer Service Standard

The research and engagement activities undertaken with developers and feedback heard underpins our updated customer service standard, including the outcomes we are seeking to achieve, the principles we commit to follow when engaging with developers and the continuation of the DCC.

As was the case in 2021, the updated customer service standard and associated metrics have been based on developers' needs of the process, ensuring that we continue to focus our efforts and resources on the aspects that matter to developers.

Customer Outcomes Statement

Our updated customer outcomes statement is comprised of 2 parts, as required by the ESC:

- the outcomes each distribution businesses will achieve over the next 2 years in relation to negotiated connections
- the principles or considerations each distribution business will commit to use when interacting with developers and their contractors.

AusNet and developers agreed on the following **outcomes** to be achieved over the next 2 years:

- **Maintain current high standards for connections timeframes**
Maintain current high standards for connections timeframes for those parts of the connections process that are within AusNet's responsibility and can reasonably be assessed, as determined using the current set of metrics and targets.
- **Maintain publicly reporting on our performance**
Continue reporting our performance against existing metrics and targets, and audit trends, publicly on our website, via the DCC and every 6 months to the ESC.
- **Maintain channels for proactively identifying and resolving issues with, and sharing information on, the greenfield connection process**

Maintaining the current program of engagement activities, including:

- quarterly DCC meetings
- twice-yearly (or more often if/as needed) industry briefings
- consulting and involving developers (primarily via the DCC) on changes or updates to the connections process, and identifying and resolving issues with the process in a timely manner
- education and information-sharing on the connection process, including common trip-ups (e.g., audit failure trends), to help developers progress smoothly through the connection process stages under their direct control.

Customer Engagement Principles

AusNet, in consultation with developers, have agreed to the following principles when engaging with developers and the greenfields connection process. These principles serve as a guiding framework, shaping how we interact with developers who are seeking to connect their residential developments in greenfield sites on our network. They are also key input to our achieving the outcomes stated above and the performance metrics included in this document.

AusNet customer engagement principles, which we will follow in all interactions with developers, are:

- We will never compromise safety when it comes to the connection of greenfield residential developments to our network.

- We will continue to work collaboratively and proactively with the industry, to reduce the overall time to connect to our network and to ensure our metrics and targets remain fit for purpose.
- We will maintain transparency when it comes to published timeframes for the end-to-end connection process.
- We will maintain open conversations and engagement with the DCC and broader industry, including seeking feedback on major AusNet technical standard changes before implementation. In addition, we will host industry briefings to proactively discuss industry-relevant issues and communicate changes.
- We will continue to communicate minor technical standard updates and changes via the AusNet website.
- We will continue to provide developers with a point-of-contact for each project, whose responsibility it is to respond to any developer queries in a helpful and timely manner.
- We will maintain our proactive work with the industry to provide guidance around audits, audit fail rates (and reasons) as well as additional information on audits that can be performed by certified third parties as we understand that this is what the industry would like from us.

Developer Consultative Committee

In 2021 AusNet established the DCC as part of its customer service standard for greenfields electricity connections. The DCC is a forum for property developers, their consultants, contractors and industry group members to raise and discuss matters relating to AusNet that ultimately helps to improve their experience with negotiated electricity connections. AusNet also uses the DCC to consult developers on any changes that AusNet proposes making to the greenfields connection process that may impact developers.

Based on feedback received we propose that the DCC will continue to meet on a quarterly basis and DCC membership is to be reviewed annually. The DCC will continue to be comprised of developers, other industry stakeholders and key AusNet stakeholders to the greenfields connection process, allowing direct and frequent engagement between these critical stakeholder groups. Terms of reference for the DCC remain unchanged from 2021.

The DCC will retain a channel of escalation via AusNet Services' Customer Consultative Committee (CCC). It is proposed that the DCC will provide the CCC with:

- a summary of repeat or fundamental issues identified on a quarterly basis, including any developer-requested changes to the customer service standard that have been repeatedly deferred
- a summary report of outcomes and achievements to the CCC on an annual basis.

The DCC also provides a mechanism by which AusNet's customer service standard can be reviewed and updated. We propose that changes to the customer service standard continue as an agenda item discussed at each quarterly meeting of the DCC, and any changes to the customer service standard will be negotiated between the DCC and AusNet. Continuing current arrangements, AusNet will, via the DCC, propose changes to the customers service standard if we identify opportunities for improvement, and will encourage DCC members to do likewise.

Performance Framework

Where Metrics Have Been Proposed

Through our targeted research and engagement activities with developers, we have re-validated support for existing performance metrics for those stages of the connection process deemed to be important to property developers and within AusNet's direct control.

As noted earlier, the process for connecting to AusNet's network is different to other networks, with more steps in the control of developers. Appendix A shows the end-to-end process in a greenfields negotiated electricity connection and highlights the areas that AusNet is responsible for versus areas where property developers take responsibility. It also outlines AusNet's performance metrics associated with the connections process.

Where Metrics Have Not Been Proposed

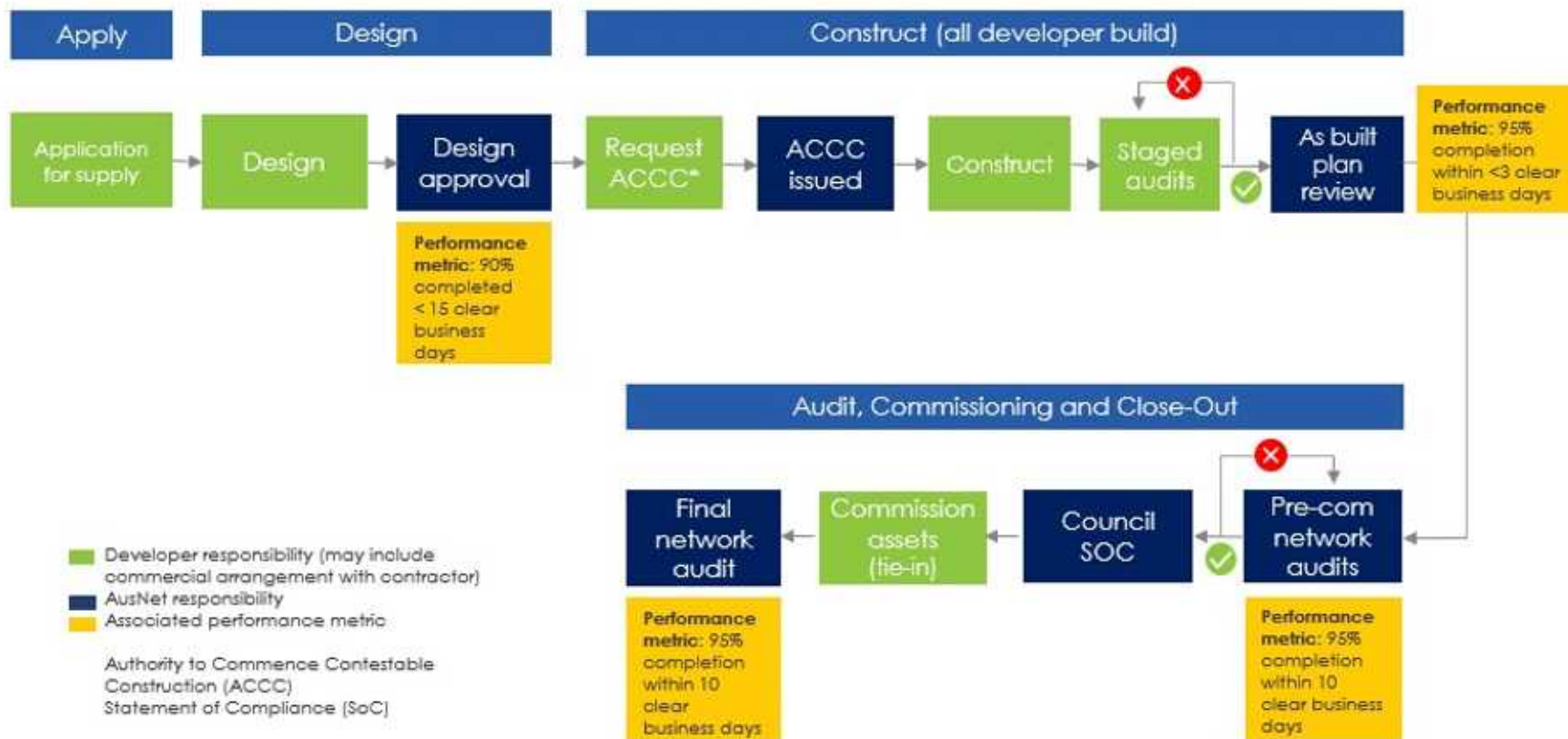
Consistent with the approach taken in 2021, when considering metrics and changes to this customer service standard, we have only proposed metrics that are supported by feedback, are meaningful and would improve outcomes for developers.

AusNet has identified the following circumstances where we do not think it is practical to introduce metrics:

- Practices that are not currently measured, and where costly upgrades to AusNet systems are required and would deliver minimal additional value for developers (such as cases where AusNet is consistently meeting and/or exceeding developers' expectations regarding timeliness).
- That could feasibly be measured but are not meaningful to developers, and if measured may direct AusNet's efforts to activities that are not providing value, mislead developers and/or be prioritised at the expense of non-measured activities that do provide value.
- That are not in AusNet's control and are the responsibility of developers.

Omission of a proposed metric should not be interpreted as a lack of commitment from AusNet to meeting developers' expectations in that stage of the process. We will continue to seek developers' feedback on AusNet's performance – including in those stages of the process that are not measured – to ensure any issues with our performance are identified early.

Appendix A – New estate electricity connection process and associated performance metrics



Appendix B – Unabridged Survey Feedback – DCC members (October 2022)

Which aspects of the DCC forum do you think are working well?

The content and communication is really good. It certainly aligns all stakeholders and has brought everyone together to help build a reliable network in a good timeframe. It's also great to understand Ausnet's work load (EG: volume of new designs etc.)

Performance reviews, helps identify areas for further investigation / areas for improvement

The updates on standards and expectations. The feedback on processing timeframes and challenges that Ausnet is experiencing. Always good to understand what is happening on the other side.

Topics being identified for future sessions. Then presentations on those key topics. Key Ausnet personnel being available on the call so that issues can be addressed "in session".

Is there anything we could do to improve the DCC forum and make it more useful?

Not at this stage

Important to continue to identify issues of concern and discuss ways of improving for a mutually beneficial outcome

At times for me as a developer it does become very technical. I appreciate there is a very wide interest group, but it might be a good idea to split the meeting into sections where the updates and Ausnet feedback on process and approvals is dealt with. Developers could then choose to leave and leave the technical discussions to the consultants and delivery teams. Depending on the nature of the technical discussion, some developers may wish to stay on line.

I think it is running well.

Are there any remaining AusNet-specific challenges or pain points facing greenfield developers during the connection process that you would like addressed? If so, please tell us what they are.

It's quite difficult to navigate from commissioning of the infrastructure to new connections. Particularly when the commissioning and connection to the customer needs to be done close together. It would be great to review or even present the correct process for this.

No - given the industry challenges at the moment, I think all parties are doing a good job.

Audits continue to be a challenge. However clear standards and accompanying drawings are helping. Some improvements still required to the drawings, particularly the civil drawings.

In the past 2 years, do you think your experience as a greenfield developer on the AusNet network has:

Improved significantly	0%
Improved a little	75%
Stayed about the same	25%
Declined a little	0%
Declined a lot	0%

If you would like to explain your answer, please add comments here:

We currently do not have a lot of development in Ausnet's region. Ausnet has generally been pretty good, without causing us too many issues - a steady ship, one might say

There seems to be greater transparency on what is expected and needed by the various players. Timeframes are more certain and there are very few blow outs!

Using external designers has sped up the design phase considerably. The responsiveness to the issue of SOC after and audit pass is fantastic.

AusNet Services

Level 31
2 Southbank Boulevard
Southbank VIC 3006
T +613 9695 6000
F +613 9695 6666
Locked Bag 14051 Melbourne City Mail Centre Melbourne VIC 8001
www.AusNetservices.com.au

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