

Demand Management Innovation Allowance (DMIA) Annual Report 2013-14

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Introduction

The DMIS as published by the AER in November 2008 aims to 'provide incentives for Distribution Network Service Providers to conduct research and investigation into innovative techniques for managing demand so that in the future, demand management projects may be increasingly identified as viable alternatives to network augmentation'.

ActewAGL Distribution elected to investigate the impact of power factor correction at low voltage customer premises on distribution network demand under the above scheme. ActewAGL's proposal was reviewed by the AER and adopted in its 2009 distribution determination which approved an annual DMIA allowance of \$100,000 for the control period. Additionally, as part of an agreement between ActewAGL Distribution and TransGrid, ActewAGL was entitled to recover \$100,000 annually over the same period for DMIS related project costs.

Project Completion

This project has been completed at the end of 2013-14 financial year.

There was a significant increase in customer interest (driven mostly by direct contact campaigns) with 48 sites installing equipment. Table 1 below shows the power factor installation sites including customers, power factor correction capacities and associated demand reductions and incentive payments etc.

| Count | Customer | NMI | Site | Sub | kVA _r | ~kVA reduction | ActewAGL Fund \$ | Confirmed |
|-------|---------------------------|------------|---|--------------|------------------|----------------|------------------|-----------|
| 1 | ANU - PFC 17 | | CHIFLEY LIBRARY | SUB 776 TX2 | 150 | 50 | 10850 | Y |
| 2 | ANU - PFC 34 | NGGG000297 | SCHOOL OF MUSIC LLWELLYN HALL | SUB 1848 TX2 | 250 | 120 | 13500 | Y |
| 3 | ANU - PFC-2 | | RSPE JOHN CARVER | SUB 5151 TX1 | 200 | 65 | 12200 | Y |
| 4 | ANU - PFC 35 | | LEONARD HUXLEY CENTRAL PLANT | 3401 | 125 | 40 | 10200 | Y |
| 5 | ANU - PFC 35A | | LEONARD HUXLEY CENTRAL PLANT | 3401 | 100 | 40 | 9500 | Y |
| 6 | ANU - PFC-37 | | RS INFORMATION SCIENCES AND ENGINEERING | 6809 | 100 | 40 | 9500 | Y |
| 7 | ANU - PFC-38 | | GO32 Engineering | S739 | 75 | 40 | 8800 | Y |
| 8 | ANU - PFC-39 | | H026A Manning Clarke | 1853 | 150 | 50 | 10850 | Y |
| 9 | ANU - PFC-41 | | F116 Gould | 9746 | 125 | 40 | 10200 | Y |
| 10 | ANU - PFC-42 | | COMPUTER SCIENCE AND INFORMATION TECH | 5842 | 125 | 40 | 10200 | Y |
| 11 | ANU - PFC-47 | | 46 RSBS Mechanical Supply 1 | 1744 | 100 | 40 | 9500 | Y |
| 12 | ANU - PFC-48 | | 46 RSBS Mechanical Supply 2 | 1744 | 150 | 40 | 10850 | Y |
| 13 | ANU - PFC-49 | | 46 RSBS Supply 1 (A) | 1744 | 150 | 40 | 10850 | Y |
| 14 | ANU - PFC-50 | | 46 RSBS Supply 2 (B) | 1744 | 175 | 60 | 11500 | Y |
| 15 | ANU - PFC-51 | | 46 RSBS Plant Culture MSB1 | 1744 | 225 | 80 | 12800 | Y |
| 17 | ANU - PFC-53 | | Menzies Library | | 75 | 40 | 9863 | Y |
| 20 | ACT Gov. | NGGG000989 | Acton Tunnel | | 200 | 90 | 12200 | Y |
| 26 | Gungahlin Markets | 7001164513 | Gungahlin Markets | | 150 | 150 | 10850 | Y |
| 27 | Gungahlin Village | 7001162446 | Gungahlin Village | | 150 | 50 | 13500 | Y |
| 28 | National Conv Centre | NGGG000521 | National Conv Centre | S4454 | 200 | 100 | 12200 | Y |
| 29 | | | | | 150 | 50 | 10850 | Y |
| 31 | U Hooker | NGGG000938 | Derwent House | | 125 | 42 | 10200 | Y |
| 36 | DFO | 7001172598 | | | 200 | 90 | 13500 | Y |
| 37 | | | | | 250 | 130 | 12200 | Y |
| 38 | DFO | 7001173044 | | | 200 | 90 | 12200 | Y |
| 39 | | | | | 200 | 90 | 12200 | Y |
| 40 | DFO | 7001172951 | | | 200 | 90 | 12200 | Y |
| 41 | | | | | 200 | 90 | 12200 | Y |
| 42 | CLIFTON ON NORTHBOURNE | 7001164742 | 100 Northbourne Avenue, Dickson | | 75 | 40 | 8800 | Y |
| 43 | PAVILION ON NORTHBOURNE | NGGG000860 | 242 Northbourne Avenue, Dickson | | 125 | 40 | 10200 | Y |
| 44 | CHUNG YI PTY LTD, Dickson | NGGG000636 | 470 Northbourne Avenue, Dickson | | 200 | 90 | 12200 | Y |
| 45 | Casino Canberra | NGGG000924 | 21 Binara St, City | | 100 | 40 | 9500 | Y |
| 46 | US Embassy | 7001016660 | 21 Arkana St, Yarralumla | | 100 | 40 | 9500 | Y |
| 47 | Tuggeranong Pool | NGGG000764 | Anketell St, Greenway | | 100 | 40 | 9500 | Y |
| 48 | Hotel Realm | 7001169900 | 18 National Circuit, Barton | | 200 | 90 | 13500 | Y |

Table 1: Power Factor Installation Site
 Note: kVA reduction is an indicative value

Project Costs

The project scope and delivery was based upon the fixed cost allocation of \$200,000/annum or \$1,000,000 total till June 2014. This includes the DMIA contributions from both ActewAGL Distribution and TransGrid.

Table 2 below summarises the project costs at the completion of the project. The total amount spent on the Power factor correction project during 2013-14 was \$559,436.

The total project cost to ActewAGL was \$702,738 at the end of 2013-14 and this includes the payments to be made to the customers at the commissioning of the installations which were under construction in June 2014.

ActewAGL Distribution intended to claim half of the total cost of \$ 702,738 from DMIA funds and the other half from TransGrid. At the completion of the project TransGrid only paid in total \$ 119,163.

Table 2: Project Costs

| Year | Total Project Costs | Costs Claimed from TransGrid | Costs Funded under DMIA Allowance | Out of Pocket Costs |
|--------------|---------------------|------------------------------|-----------------------------------|---------------------|
| 2009-10 | \$28,640 | \$14,320 | \$14,320 | \$0 |
| 2010-11 | \$16,723 | \$9,843 | \$6,880 | \$0 |
| 2011-12 | \$30,066 | \$0 | \$30,066 | \$0 |
| 2012-13 | \$67,224 | \$0 | \$67,224 | \$0 |
| 2013-14 | \$559,436 | \$95,000 | \$381,510 | \$82,926 |
| Total | \$702,089 | \$119,163 | \$500,000 | \$82,926 |

Costs incurred during project are from following:

1. Project development and management cost including direct labour with overhead costs associated primarily with two engineers on part time basis, advertising, and the cost of engagement of external professional service providers, and
2. Incentive payments to the customers who completed installations.