

Technology Document ICT Program Brief Information Management

2023-27 Transmission Revenue Reset

PUBLIC

Submitted: 29 October 2020

Program Brief

Table of Contents

1	Document Background	3
1.1	Purpose of this document	3
1.2	References	3
1.3	Document History.....	3
1.4	Approvals	3
2	Executive summary	4
2.1	Program summary.....	4
3	Context.....	7
3.1	Background	7
3.2	Current limitations.....	10
3.3	Objective(s).....	11
3.4	Customer outcomes.....	14
3.5	Business drivers	15
4	Options	16
4.1	Overview.....	16
4.2	Option #1 Maintain current practices	17
4.3	Option #2 Leverage, extend and build upon existing data store	21
4.4	Option #3 Extend strategic information management platform (RECOMMENDED)	25
5	Assessment and recommended option	32
5.1	Assessment of the options.....	32
5.2	Recommended option.....	34
6	Attachment 1 – Risk level matrix.....	35

Program Brief

1 Document Background

1.1 Purpose of this document

The purpose of this document is to outline a business case for a proposed program of work that will form part of AusNet Services' Technology Transmission Revenue Review (TRR) submission.

1.2 References

Document	Version	Author
Digital Utility Strategy	V1.3	Samantha Scanlon
FY21 Electricity Transmission Business Plan	V0.3	Adrian Hill
TRR Technology Strategy	V0.18	Samantha Scanlon

1.3 Document History

Date	Version	Comment	Person
21/10/2020	V1	Document published	S Scanlon

1.4 Approvals

Position	Date
Technology Leadership Team	

Program Brief

2 Executive summary

2.1 Program summary

The table below provides a summary of the program discussed in this brief. Additional information is provided following the table and throughout the brief.

Table 2-1 Summary table

Key objective(s) of the program	The IM program will extend the information management (IM) platform, which will enable rapid access to timely, accurate data across all critical systems, assets, processes, and support more advanced analytics and reporting.						
Key benefits for customers <i>(not exhaustive)</i>	<p>Applying analytics to the vast amounts of useful data that AusNet Services collects, offers an opportunity to:</p> <ul style="list-style-type: none"> • Ensure the continuing safe, reliable, efficient and secure operations of the Transmission Network • Monitor and maintain the network more effectively and prudently in an increasingly complex environment • Proactively use information to aid proactive and reactive decision making with single sources of truth • Enhance the use of asset information to enable network planning, operations, maintenance and field operations • Increase the ability of teams to further understand assets, work or activities using contextual information that will enable decision support • Maintain compliance with regulatory obligations, which contributes to the meeting of the National Electricity Objectives • Establish Data Governance and ongoing Data Quality metrics to ensure that data driven decisions are based on sound underlying data. 						
Cost allocation	Electricity Distribution	49%	Electricity Transmission		30%		
	Gas Distribution	21%					
Program type	Recurrent					<input type="checkbox"/>	
	Non-Recurrent					<input checked="" type="checkbox"/>	
	Client Devices					<input type="checkbox"/>	
Program timings	Program duration:	5 years					
Expenditure forecast	(\$m)	FY23	FY24	FY25	FY26	FY27	Total
	CAPEX	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$6.79
	OPEX (incl step change)	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$3.00
	Electricity Transmission Cost	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$9.79
	Total program cost	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$30.73

Program Brief

Estimated life of system	This program will cover the entire TRR period from FY23-FY27
Customer Engagement	<p>This program has been proposed as part of AusNet Services Electricity Distribution Price Reset (EDPR) submission and this brief pertains to the TRR allocation of these costs.</p> <p>As part of the EDPR process, we have held deep dive workshops with stakeholders including the Customer Panel, on ICT. In that engagement we described the importance and need for ICT expenditure to meet our customers' evolving needs and to support compliance with regulatory and legal obligations. Material associated with all our deep dives is available on AusNet Services' website.</p> <p>A key theme of our engagement with the Customer Forum was the need for us to provide clarity on what we were proposing and what the expected customer benefits were. This information has been also presented to the Customer Advisory Panel (CAP)</p> <p>We acknowledge the feedback received from both sessions and have taken it into consideration when proposing the most appropriate option for this business case.</p>

AusNet Services is continuing to work to improve outcomes for customers by using data to improve decision making. This work is carried out in a context where there is pressure to bring enhancements to achieve two opposing goals, making upgrades to the network, whilst controlling expenditure and customer rates. There is also pressure to bring enhancements to improve grid availability, security, renewable energy, distributed generation, and other advanced technologies online. Many advanced sensors and smart meters deployed across the network create valuable sources of data, which can be leveraged by the business to achieve these goals. This data is analysed and mined for insights which allow AusNet Services to better monitor, manage and control the network as well as optimise its operations.

A number of opportunities have been identified to improve the insights to the depth and with the speed, accuracy and responsiveness required to meet the evolving business and customer requirements for analytics:

- Processes for sourcing and analysing data are not consistent
- Data is sourced from multiple systems, spreadsheets and documents with no standard patterns or methodologies and significant duplication
- Data governance, quality and critical reporting requires a high level of manual intervention to validate data before any analysis can commence
- Data acquisition and analysis depends on experience and domain knowledge
- There is no common, integrated representation of the network or equipment information leading to reduced efficiencies

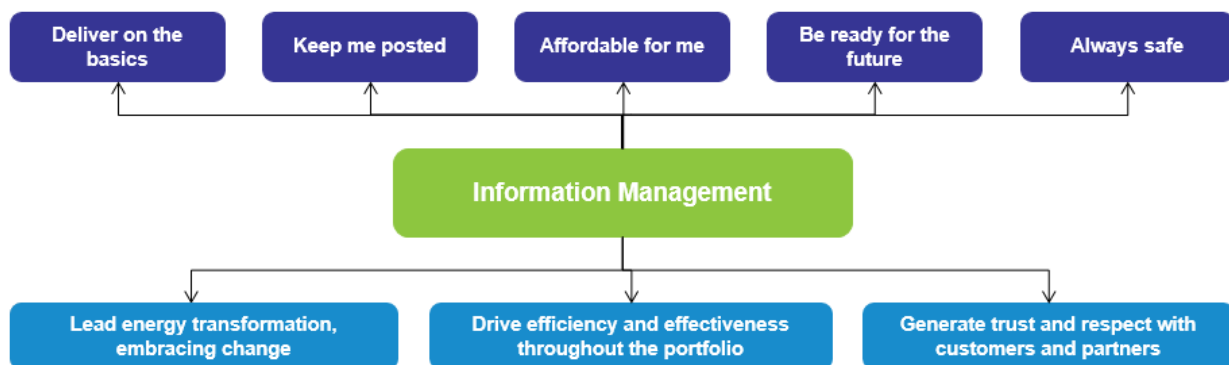
This program of work will extend the Information Management (IM) platform that was commissioned in 2019, to address these limitations, now and in the future through a cloud based solution. There are already a number of critical programs of work underway that will organically retire or replace existing data warehouse solutions, tools and databases to address the limitations outlined. Current programs of work as well as this continuation in the forecast regulatory period will produce the following key benefits (including but not limited to):

Program Brief

- Integrated reporting, analytics & self-service capabilities that drives efficiency and fact based decision making, allowing the business to augment and manage the network more effectively, limiting planned and unplanned outages for customers
- Reduce operations cost with improved planning, monitoring & control and increased availability of information, resulting in more efficient management of the network and ultimately reducing network charges for customers
- Single source of truth, to provide an enterprise view of consistent trusted information across systems, allowing the business to rapidly respond to network impacts, improving the overall safety and reliability of the AusNet Services Transmission network for customers
- Improved overall efficiency for information management by rationalising tools and technology, allowing the business to be more responsive to changes in customers' demand and usage requirements

This will begin to alleviate and remedy many of the current limitations on information management and analytics at AusNet Services. The process of developing and executing the new IM platform will take many years and continue well into the forecast regulatory period FY2023-27. The associated costs and specific initiatives within this program account for this and have been defined accordingly.

Figure 2-1 Summary of customer and business drivers of this program



Alignment with AER ICT expenditure assessment framework

In accordance with the framework outlined in the AER's Consultation paper – ICT Expenditure Assessment of May 2019, there is a small component of this program (37%) that is recurrent expenditure, on the basis that it relates to ongoing refresh of AusNet Services' core business systems, a cost that must be incurred periodically.

We have identified the remainder of the program or 63% of activities as non-recurrent, on the basis that these activities will result in new and improved capabilities. Because of the non-recurrent component of the program, we have also undertaken NPV analysis in support of the project, as well as developed a detailed business case in support of the recommended option.

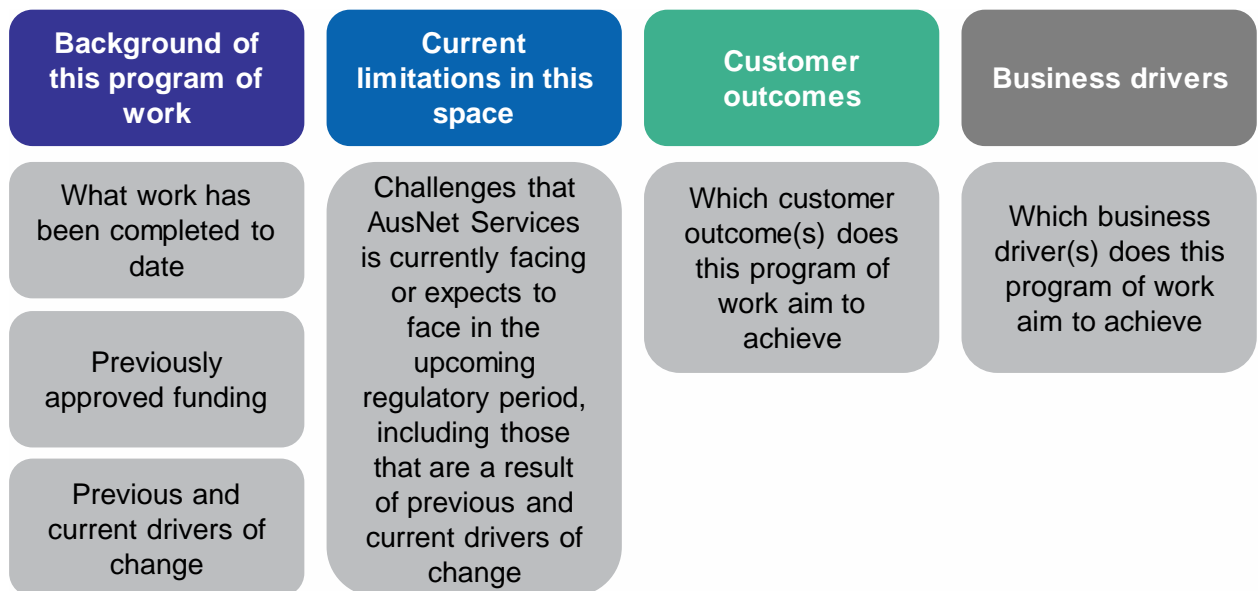
Program Brief

3 Context

The utilities sector is going through a major period of change, driven by new energy generators connecting to the network, increasing weather volatility, the emergence of community grids, cost of living pressure, new regulatory requirements, and a strengthened commitment to boost the resilience of the network following recent highly publicised outages in the NEM. AusNet Services continues to find new ways to deploy rapidly advancing technologies to address these challenges and harness new opportunities to reduce its costs and ensure the reliability and continuity of supply.

This program of work will bring together many disparate sources of data to a unified platform and perform advanced analytics in order to generate insights which can be used to run the network more effectively. This more advanced IM platform will underpin a more proficient, resilient and reliable supply for customers and more effective use of capital to maintain and manage the network.

Figure 3-1 Key areas of the context to be discussed



3.1 Background

AusNet Services faces increasing challenges as the amount of data flowing through the organisation exponentially increases each year. Smart meters and smart devices, switches and other modern network assets deployed across the transmission network are creating larger, richer, more frequent and more valuable data sources, which the business can leverage to improve operations in a number of critical ways, which are detailed within the proceeding table. If this data is not consistently stored and readily accessible, the insights will not be available to the business and limit their ability to better monitor and manage the network to ensure the reliability and consistency of supply for customers. This is known as 'information management (IM)' and is essentially the collection, management, storage and analysis of information from one or many disparate sources and the distribution of that information to one or more audiences, in a simplified often standardised format.

Program Brief

Information Management at AusNet Services typically supports the business in meeting its network obligations and customer expectations by providing the underlying information and associated analytics required to perform the following critical activities and to optimise them to operate at their peak efficiency:

Focus area	Impact of IM
Asset & maintenance management	<p>The costs of remote-monitoring sensors and associated analytical systems continues to drop and there are opportunities for the business to use the data they provide to manage assets in increasingly productive ways. Advanced analytics, using real-time performance data and predictive models, helps AusNet Services:</p> <ul style="list-style-type: none"> • Prevent asset failures • Concentrate management efforts on critical assets • Avoid excess maintenance and premature asset replacements • Embed the valuable knowledge of specialists within the business <p>Analytics and associated reports allow the business to gain greater visibility and control over operational risks and asset-management practices and to use these insights to improve network performance and reduce costs.</p> <p>On the whole, analytics, improvements to data and information management will allow AusNet Services to increase capital productivity and optimise operations and maintenance expenditures.</p>
Regulatory compliance for managing data and reporting on supply, cost, safety, etc.	<p>The size, complexity and rate of change of the network continues to grow in scope and complexity. This has meant AusNet Services operations, performance and the associated data underpinning regulatory compliance analytics and reporting is becoming more and more complex. In turn, regulatory reporting becomes an increasingly labour intensive process, with limited margin for error.</p> <p>There is a vast array of different classifications of data, such as asset data, usage data, outage data, security information, financial data and metrics, etc. Each are managed by different teams and systems and vary widely in terms of size, shape, and frequency of change. With every new compliance requirement, the business needs to perform new analytics and reporting on specific subsets of data.</p> <p>The more effectively data is rationalised, to a standardised and readily accessible form, with tools and analytics in place to proactively meet key regulatory compliance and reporting needs, the more accurately the business will be able to meet its reporting requirements.</p> <p>Information Management and the associated analytics, improve both the accuracy of these reports and the effort with which they can be produced.</p>
Predictive analysis and reporting solutions for all relevant business units i.e. field workers, finance, network planning, outage planning, operation teams, scheduling for internal and field crews	<p>AusNet Services is gathering more data from across the business and must continue improving its ability to analyse this data, many examples of this are outlined above and in the proceeding dot points. This analysis in turn drives a deeper understanding of the business. As outlined above these analytics drive improved accuracy in predicting equipment failures and outage durations, producing results that can reduce costs and increase customer satisfaction (this is explained in more detail in section 3.4). But these same predictive tools can be applied more widely across the business:</p>

Program Brief

Focus area	Impact of IM
	<ul style="list-style-type: none"> • Field workers will use the analytics to better schedule work routes, rosters and optimise the works being done in line with routes and maintenance requirements • Network augmentation is supported by analytics to help improve understanding of where and when the network has insufficient capacity • Network life can be extended while preventing outages through more accurate predictions about when to replace failing equipment • Outage plans improve the business' outage response through situational awareness, for example, automated dispatch through real-time identification of an issue and better management of associated performance of assets • Data which is used to support operations is often unstructured and in varying formats. IM systems and analytics can compile and compare this information more easily, using predictive analytics to optimise business operations and performance across the company • Resources scheduling and executing workloads (both back office, field staff and contractors) can be supported by analytics to ensure that service-level agreements (SLAs) and business deadlines are met. Scheduling analytic tools combine historical and predictive analysis by using historical workflow performance, resource availability and capacity, and upcoming workload schedules, to make predictions about possible future workflow execution times and duration • Financial information is critical to shaping the direction of the business moving forward and ensuring prudent and efficient operations. Financial data consists of pieces or sets of information related to the financial health of a business, such as costs, expenses, profitability, etc. Financial analytics combine internal financial information and operational data with external information to address critical business questions with ease, speed and accuracy <p>Each critical area above is not only supported by information management and the associated analytics, but also has a suite of reporting which the business depends upon to interpret the outputs of these analytics, to monitor and manage the respective areas of the business.</p>
Customer analytics and billing	Data analytics allows AusNet Services to understand customers and their energy use better, that allows demand-side management programs that reduce electricity use at peak times. This data and associated analytics also allow AusNet Services to provide more accurate information to customers where required.

To meet the complex information demands of the modern grid with ever evolving customer demands and new sources of energy generation, new thinking and approaches to IM are required.

Program Brief

3.2 Current limitations

AusNet Services' Information Management (IM) strategy outlines key components for a successful information management implementation, including adopting an incremental, value-based approach to delivering an analytics platform. IM was identified as one of the key platforms to enable AusNet Services digital utility goal, through underpinning the shift to an insights driven organisation.

The current information management landscape at AusNet Services is a developing core function, which provides analytics and reporting to support and underpin primary business functions. There are a number of critical limitations on current information management practices, due to the immature state of the current IM platform, which is not allowing the business to maximise its operating effectiveness.

Furthermore, the increasing complexity of the network grid and growing volume of near real time data on the network, will need to be underpinned by a robust information management solution, which current practices are not suitable to deliver. Therefore, further investment in the platform is required.

The key limitations of the current IM landscape include:

Focus area	Limitation
IM Capability	[C-I-C]
Data Acquisition	[C-I-C]
Data Storage	[C-I-C]
Data Processing	[C-I-C]
Data Consumption	[C-I-C]
Data Quality	[C-I-C]

As outlined, there are a number of programs of work which are currently underway, which will commence retiring and replacing the existing IM systems, tools and data stores. This will be an ongoing process and will continue into the forecast regulatory period. Many of these limitations will still apply to varying degrees and will be closed out as a part of this program of work. There are some existing IM solutions, which do have real time information and a number of unique reports and dashboard. However, these practices and tools do not cover all relevant and necessary systems, data sets and network assets, and in several cases the limitations above hold true and require remediation.

Program Brief

3.3 Objective(s)

As outlined in Section 3.1, applying analytics to the vast amounts of data AusNet Services collects offers the business an opportunity to drive the following key benefits:

Opportunity	Customer and business outcomes
Better forecast demand	Develop a better understanding of network performance and use these inputs to enable key decision making process such as load shedding, load balancing etc.
Monitor and maintain the network more effectively	Using advanced analytics, artificial intelligence and machine learning, where relevant to control expenditure and maintain prudent asset maintenance through network monitoring by concentrating management efforts on critical assets and avoiding excess maintenance
Improve compliance with regulatory requests	By simplifying, rationalising and standardising both the underlying data and how it is consumed, the new IM platform will have tools, analytics and in turn responsiveness to simplify the business' ability to meet key regulatory compliance and reporting needs
Enable distributed energy management	By predicting the growth of DER per region and the impact variability in generation/load from DER will have on the network, the business can maintain continuity of supply for customers whilst ensuring the network obligation are being met.
Manage energy constraints more effectively	Reduce customer down time by optimising both planned outages and the response to unplanned outages through advanced near real time analytics
Manage effort effectively	Skilled staff are more motivated and engaged, focusing on driving insight and value added activities, rather than menial data processing operations

The IM platform will enable rapid access to timely, accurate data across all critical systems, assets, processes, and support more advanced and standardised analytics and reporting. As outlined earlier, whilst there are some areas of the existing IM solution which do integrate real time monitoring, control and analytics, these are not all encompassing and are isolated cases, with limited ability to scale. This is a primary driver for the new revised IM platform detailed in option 3.

In addition, the business has developed a roadmap for the IM platform. The roadmap below details several critical use cases for the IM platform, which the business will implement as appropriate and the platform can support.

Program Brief

[C-I-C]

Figure 3-2 Information Management roadmap

Note: this is a planned IM roadmap which will be delivered based on business needs

As outlined throughout this program brief, the business has begun retiring existing data stores and rolling out the new IM platform. This program will continue this work and extend the IM platform as detailed within this document.

Based on the current IM roadmap and inflight projects, the business plans to have made the following progress by the beginning of the forecast regulatory period:

Focus area	[C-I-C]
[C-I-C]	[C-I-C]
[C-I-C]	[C-I-C]

Program Brief

Focus area	[C-I-C]
[C-I-C]	[C-I-C]
[C-I-C]	[C-I-C]

In the previous TRR (FY18-FY22) submission, we had envisaged further progression on the Information Management road map before the commencement of the FY23-27 period, however this has been curtailed by higher prioritisation programs. Prioritisation of technology expenditure is agreed driven by regulatory obligations, risk management and business need.

FY19 established the IM platform, developing asset risk modelling analytics and foundational AusNet Services capabilities required to manage the new services. When this work was implemented in late FY19 the platform was given time to be embedded, monitored and to ensure our new capability was working effectively.

During this time we also leveraged the data acquired and modelled, as part of the initial implementation, to delivery additional value such as ad-hoc information regarding supporting pricing reviews, regulatory submissions and again during the bushfires in January 2020 when the platform was used to deliver spatial analytics capabilities that was used to restore power to affected communities.

Further development of the IM platform was placed on hold to ensure readiness for 5-minute settlement and global settlement (5MSGs). This program of work consumed, albeit on our distribution business, the entire capability of our AusNet Services team which we augmented with a tier 1 system implementor to delivery on our evolving IM platform.

During FY20, when work was progressing on 5MSGs, AusNet Services prioritised the next information management initiatives to pursue which included repetitive faults, planned outages, and scheduling of new load connections.

In alignment with our Digital Utility strategy and a refreshed executive focus on key value add activities, clear strategic direction and focus is now on the prioritisation of 'Data as an Asset'. This now places our IM journey "Front and Centre" as we move into the next period.

As such we are seeking the funding, previously requested to ensure that we can be ready for our digital future. The revised plan for information management therefore is to defer approximately \$2.8m from this period and continue the planned activities as described on the Information management program into the new period.

Program Brief

3.4 Customer outcomes

Through customer research carried out by AusNet Services, a succinct list of key customer values and priorities were identified. These customer outcomes are:

- delivering basic services – “deliver on the basics”
- keeping customers informed – “keep me posted”
- affordable services – “affordable for me”
- adaptability – “be ready for the future”
- safety – “always safe”.

Additional information on each of these customer outcomes is provided in the overarching Technology TRR submission FY2023-27.

All expenditure programs identified and proposed by AusNet Services will have regard to the customer outcomes and can be directly linked to at least one of these five outcomes.

This program of work is most relevant to “**be ready for the future**”, as with more advanced analytics capabilities, such as machine learning and cognitive approaches, AusNet Services will derive deep insights on business-critical data. This in turn will underscore improvements in operating efficiency by better enabling the business to understand and reconfigure the network, faster and with improved accuracy ensuring efficient and effective networks for customers.

This program will also “**deliver on the basics**”, as analytics will help AusNet Services better understand customer demand, allowing the business to better manage, configure and optimise the network to ensure customers always have certainty of supply in line with their demand. It also aligns with “**keep me posted**” as analytics capabilities underpinned by the information management platform and associated tools, systems and data sets will enable AusNet Services to more readily understand which customers are impacted by outages. This in turn will allow the business to improve its ability to notify customers effected by outages, keeping customers informed of the impact of changes to the network.

Furthermore, this program is “**affordable for me**” because the optimised information management platform will underpin insights and analytics used to operate and manage the network more effectively, as well as optimise maintenance and asset replacement. This will ultimately drive efficiencies, reducing network charges for customers.

Lastly, this program is “**always safe**” as the standardisation of storage of data on network assets ensures that relevant information will be more freely available to network controllers, allowing them to more readily and rapidly respond to disruptions in the network, improving the overall safety of the AusNet Services network for customers.

Program Brief

3.5 Business drivers

In the face of significant industry disruption resulting in a period of substantial uncertainty and increasing complexity across the industry, AusNet Services has selected four key business drivers which set the direction for the business.

These business drivers are:

- Maintaining current service performance in a disrupted environment where risks are changing due to the increasingly complex nature of the grid;
- Updating and implementing new technologies to enable AusNet Services to respond to changes within the growing renewable generation market;
- Complying with new obligations; and
- Delivering improvements requested by our customers regarding sustainability and cost.

We consider that this program of work will be most relevant to **“updating and implementing new technologies to enable AusNet Services to respond to changes within the growing renewable generation market”**, as it includes initiatives that bring disaggregated sources of data into an enterprise-wide integrated system. This allows AusNet Services to more efficiently use information and data from across the network, business and external sources to drive effectiveness from its operations.

Program Brief

4 Options

4.1 Overview

This section provides an overview of a select number of options which may feasibly alleviate the current limitations set out in section 3.2. Each option represents a combination of initiatives within the overall program of work.

Table 4-1 Brief overview of the options

Brief overview of each of the options	
Option 1	Maintain current information management practices and data stores: <ul style="list-style-type: none"> • Complex technology landscape, siloed data and information resulting in inefficiencies and a higher running costs to operate the business • Inability to obtain business efficiency and transformation benefits from latest technology innovation
Option 2	Leverage, extend and build upon existing data stores: (develop existing capabilities and tools, as opposed to a new defined and consistent IM platform): <ul style="list-style-type: none"> • Extend the useful life of existing information management technology • Continue the usage of legacy databases designed with specific, siloed business unit specific information management (no consistency across business) • Missing or no standards restrict scalability and require complete redesign. Making it costly option with no future readiness • Legacy technology does not support the anticipated data growth and data processing required to meet the needs of the business into the future
Option 3 (Recommended)	Extend strategic IM platform: <ul style="list-style-type: none"> • Simplify existing IM technology and tools landscape • Extend the IM platform and its capabilities to incrementally and simultaneously deliver business benefits listed in this project brief • Phase out legacy data stores and technology

Program Brief

4.2 Option #1 Maintain current practices

This option involves continuing AusNet Services' current information management practices. This will mean investing in AusNet Services' current systems used for IM, and only upgrading specific functions where necessary to meet regulatory requirements and to limit failures. This will continue the existing limitations detailed in section 3.2, namely:

- Lack of data management, impacting business responsiveness, where data is sourced from systems, spreadsheets and documents with no standard patterns or methodologies and is duplicated with no single source of truth
- Effort to deliver insights and analysis is inefficient, costly and time consuming, as data is not integrated across systems and processes, limiting the ability to unlock value, with no clear view of where information is stored, managed and accessed leading to loss of employee productivity and poor employee experience. This will lead to the business managing multiple tools and technologies resulting in increased complexity and cost
- There are fragmented skills, capabilities and knowledge within the IM domain, which will continue to result in suboptimal reuse of information, driving inconsistency in modelling

As the industry continues to evolve, more and more data will be produced from across the network. The existing information management practices, limitations and shortcomings outlined above, will only grow and place increasing pressure on scarce resources. The business has an immediate need for improvements to IM to support the DER project and increased uptake, as well as outage management amongst many others. If the IM platform is not developed and current practices are maintained, the business will struggle to meet the objectives of these critical programs and the needs of its customers to effectively and prudently manage the network and ensure the continuity and reliability of supply.

This option does not involve significant improvements to AusNet Services' IM, data management and associated systems and analytics capabilities and as such is not a viable option given the rate of change across the industry and network.

Alignment to objectives

We do not consider that this option achieves any of the intended objectives of this program of work, as shown in **Table 4-2** below.

Table 4-2 Objectives analysis of option 1

Objective		Comments
Data Acquisition	✘	Data will continue to be stored across many disparate and unlinked systems, with increasing dependence on manual intervention. In order prepare critical analysis, the business will require extensive manual effort, validating and preparing data, so that it is in a usable state.
Data Storage	✘	The business will not have a centralised and standardised place to store and manage data, leading to loss of employee productivity and poor employee experience to perform critical data analysis.
Data Processing	✘	Limited standardised tools for sourcing and cleansing data, which will limit the ability of the business to unlock value from the data. This will also make complex analysis of multiple data sources challenging and time consuming.
Data Consumption	✘	Ongoing discrete analysis, with limited advanced tools, typically focused in excel and word presentation. No consistent approach to sourcing and analysing data, creating quality issues and limited ability to leverage past work.

Program Brief

Objective		Comments
		Limited ability for existing practices, tools and technology to scale for future industry demand and disruptions.
Data Quality	✘	Many different versions of the same information create no single source of truth, this then requires significant manual effort to prepare and validate data. Limited accountability and data ownership, making decision making more complex and time consuming.
Platform Services	✘	Critical network and business operations data is stored across multiple systems, creating a complex process to source relevant information for analysis.

Costs

This option requires significantly less expenditure than options 2 and 3, as it will only maintain current systems and practices, with no growth in capacity or capability. Given the current limitations outlined above and throughout this document, despite resulting in a cost reduction, the disruption to business and inability to fully leverage the benefits of inflight projects, mean that the cost saving will result in a drop in productivity and inability to meet customer expectations, which is not palatable.

Table 4-3 Costs of option 1

(\$m)	FY23	FY24	FY25	FY26	FY27	Total
Capex	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$1.79
Opex	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$1.65
Electricity Transmission cost	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$3.44
Total program cost	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$11.47

Program Brief

Benefits

The table below summarises the benefits associated with this option and quantifies them where appropriate data is available or reasonable assumptions can be applied.

Table 4-4 Benefits of option 1

Benefit
Reduce business ongoing expenses associated with IM, by controlling and limiting expenditure on IM, through limited extensions or upgrades of existing practices. Although this option would result in a lower cost of maintenance and ongoing management, the significant risks and limitations it places on the business and its ability to operate efficiently as outlined in section 3.2, outweigh any cost saving benefits.

Risks

There are a number of risks associated with the implementation of this particular option, as highlighted in the table below. Based on the consequence and likelihood of each risk, we have rated each of the individual risks blue, green, yellow, orange or red (order of severity). See Attachment 1 – Risk level matrix for additional information on this rating system.

Table 4-5 Risks of option 1

	Risks	Consequence	Likelihood	Risk rating
R1.1	Poor business and asset information and data quality / data integrity	Level 4. Limited ability to utilise existing data to inform decision making	Likely	B
R1.2	Inadequate capacity to cater for growth of volume of data and user data volume	Level 3. Increased operating cost due to time spent on mapping and consolidating data manually	Almost Certain	B
R1.3	Lack of real-time spatial and connectivity information	Level 3. Limited visibility of field crew's location and estimated completion	Possible	C
R1.4	Unable to meet higher complexity regulatory requirements, due to difficulty and complex process to acquire relevant information	Level 3. This risk is likely to add additional time to develop regulatory reporting, but existing practices and experience will inhibit complete failure to meet any obligation	Likely	B

As we have identified many high-risk options, we consider that overall, this option is rated high risk.

Program Brief

Alignment to customer related drivers of expenditure

As discussed, five key customer outcomes have been identified through discussions with customers. The table below highlights how this option will achieve these outcomes. Where we consider that a customer outcome is not directly achievable by the option or irrelevant, 'N/A' is applied.

Table 4-6 Customer related drivers of option 1

Customer outcome	How this program achieves this
Deliver on the basics	N/A - Although this will maintain current practices which do deliver some IM capability to the business, by maintaining current practices as data volumes increase, this will ultimately lead to IM at AusNet Services being insufficiently responsive to business needs
Keep me posted	N/A - As the volume of data coming from the network grows, the business will struggle to keep up and ultimately struggle to plan and manage outages leading to an increase in unplanned and un-notified customer outages
Affordable for me	N/A - Maintaining current practices will be more affordable than developing the IM platform, but its shortcomings will create increased dependence on manual process and internal resources. So, in the long run it does not result in a more affordable IM solution. It also limits the business' ability to unlock value from its data and maximize the utility and maintenance of assets.
Be ready for the future	N/A – Doesn't achieve desired outcomes.
Always safe	N/A

Alignment to business related drivers of expenditure

As discussed in Section 3.5, there are four Transmission business drivers that AusNet Services has identified and is focussing on over the next regulatory period. The table below highlights how this option will input into the initiatives where relevant. Where we consider that a business driver is not directly relevant to the option, 'N/A' is applied.

Table 4-7 Business related drivers of option 1

Business drivers	How this program achieves this
Maintaining current service performance in a disrupted environment where risks are changing due to the increasingly complex nature of the grid;	Business as usual (no new applications or systems, only refreshing current applications)
Updating and implementing new technologies to enable AusNet Services to respond to changes within the growing renewable generation market;	N/A - No uplift from existing capabilities
Complying with new obligations	N/A - No uplift from existing capabilities
Delivering improvements requested by our customers regarding sustainability and cost.	N/A - No uplift from existing capabilities

Program Brief

4.3 Option #2 Leverage, extend and build upon existing data store

This option proposes to maintain current IM practices but ensure they have sufficient capacity to run and manage the growth in volume and complexity of data expected over the upcoming regulatory period. Despite being able to cope with the volume and nature of data, the IM systems will still suffer the limitation and inefficiencies discussed in the limitations section (3.2).

Operational and IM systems that continue to acquire data but not archive it appropriately, will respond increasingly slowly over time as the system will have to read more and more data in order to satisfy a request. These solutions will also increase their data storage costs and increase the resources and time it takes to back up the data. This leads to an increase in staff as the systems become less stable and an increase in technology costs in order to maintain a reasonable level of performance. As more data sources from both internal and 3rd party sources are needed by the business this problem and its implications will only become worse with time.

Overall this option is not viable for the following key reasons:

- Limited consistency across the business
- Limited standard, repeatable and scalable standards and practices
- Legacy technology does not support the anticipated data growth and data processing required to meet the needs of the business into the future

Alignment to objectives

We do not consider that this option achieves any of the intended objectives of this program of work, as shown in **Table 4-2** below.

Table 4-8 Objectives analysis of option 2

Objective		Comments
Data Acquisition	✘	<ul style="list-style-type: none"> • Data will continue to be stored across many disparate and unlinked systems • There will be expanded capacity to store this information, but limited enhancements to manage it, maintaining current dependence on manual and ineffective methods
Data Storage	✘	<ul style="list-style-type: none"> • The business will not have a centralised and standardised place to store and manage data, leading to loss of employee productivity and poor employee experience to perform critical data analysis
Data Processing	✘	<ul style="list-style-type: none"> • Although this initiative will scale the ability to process data it will not alleviate the inefficiencies and poor existing practices detailed in this brief, namely: <ul style="list-style-type: none"> ○ Limited standardised tools for sourcing and cleansing data, which will, limit the ability of the business to unlock value from the data ○ This will also make complex analysis of multiple data sources challenging and time consuming
Data Consumption	✘	<ul style="list-style-type: none"> • As outlined above, data consumption issues detailed in the brief will remain, but the business will expand its ability to consume larger quantities of information, the ongoing issues include: <ul style="list-style-type: none"> ○ Ongoing discrete analysis, with limited advanced tools, typically focused in excel and word presentation ○ No consistent approach, creating quality issues and limited ability to leverage past work <p>Limited ability for existing practices, tools and technology to scale for future industry demand and disruptions</p>

Program Brief

Objective		Comments
Data Quality	✘	<ul style="list-style-type: none"> Many different versions of the same information, create no single source of truth Requires significant manual effort to prepare and validate data Limited accountability and data ownership, making decision making more complex and time consuming
Platform Services	✘	<ul style="list-style-type: none"> Critical network and business operations data is stored across multiple systems Complex process to source relevant information for analysis

Notwithstanding that Option 2 is a very expensive option, the fact that the data is decentralised, makes this option almost intrinsically unsuited to cost effectively achieve future requirements.

This reflects the dramatic increase in data services which we know the business will require in this forecast period.

Costs

In order to maintain current IM practices, tools and data sets in line with the expected growth and increasing complexity of data from across the business, AusNet Services will require increased expenditure. There are multiple disparate sources of information, as these sources expand the cost of maintaining them will also continue to grow. Maintaining many unique data stores, systems and analytics tools with increasing volume of usage and data will be increasingly expensive.

Table 4-9 Costs of option 2

(\$m)	FY23	FY24	FY25	FY26	FY27	Total
Capex	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$14.30
Opex	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$13.24
Electricity Transmission cost	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$27.54
Total program cost	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$91.80

Benefits

The benefits associated with this option are summarised below and quantified where appropriate data is available or reasonable assumptions can be applied.

By being able to handle new data sets as well as growing volumes of data, AusNet Services will be able to predict growth of renewables and the impact variability in load from DER will have on the network. This will allow better operational management of the transmission network.

By ensuring the IM systems and tools have sufficient capacity to handle growing volumes of data the business will be able to integrate all relevant source data required for operations. This applies to both internal and external data sources. The limitation set out in section 3.2, will still prevail and as more data is added they will only be exacerbated, limiting the business responsiveness to change.

Program Brief

Risks

There are a number of risks associated with the implementation of this particular option, as highlighted in the table below. Based on the consequence and likelihood of each risk, we have rated each of the individual risks blue, green, yellow, orange or red (order of severity). See Attachment 1 – Risk level matrix for additional information on this rating system.

Table 4-10 Risks of option 2

	Risks	Consequence	Likelihood	Risk rating
R2.1	Poor business and asset information and data quality / data integrity	Level 4. Limited ability to utilise existing data to inform decision making, this risk remains. Despite increased ability to capture growing volumes of data, this option does not solve the underlying quality issues outlined throughout the document	Possible	B
R2.2	Inadequate capacity to cater for growth of volume of data and user data volume	Level 3. Increased operating cost due to growing existing storage and processing capacity in line with data growth	Unlikely	D
R2.3	Lack of real-time spatial and connectivity information	Level 3. Limited visibility of field crew's location and estimated completion, as existing practices are ongoing, and the current limitations remain	Possible	C
R2.4	Unable to meet higher complexity regulatory requirements, due to difficulty and complex process to acquire relevant information	Level 3. This risk is likely to add additional time to develop regulatory reporting, but existing practices and experience will inhibit complete failure to meet any obligation	Possible	C

We consider that overall, this option is rated medium risk. Despite doing very little to solve the complex IM landscape and quality issues, by catering for the growth in volume of data this initiative is able to manage risks associated with IM at AusNet Services.

Program Brief

Alignment to customer related drivers of expenditure

As previously discussed, five key customer outcomes have been identified through discussions with customers. The table below highlights the how this option will achieve these outcomes. Where we consider that a customer outcome is not directly achievable by the option or irrelevant, 'N/A' is applied.

Table 4-11 Customer related drivers of option 2

Customer outcome	How this program achieves this
Deliver on the basics	Although this option will ensure the business can manage and process the volume of data, it will become increasing cost prohibitive plus the frequency and latency of data required into the future will make it difficult to sustain, it still maintains the decentralised approach to data capture and storage and only improves some of the underlying management of information.
Keep me posted	By ensuring the business can handle the growing volume of data that will be coming from network assets, it will be able to continue to understand those effected by outages and their relevant impact. This in turn allows AusNet Services to notify relevant customers
Affordable for me	Maintaining current IM practices at a larger scale will not control costs, and will see growing overall spend in IM, as inefficient practices are amplified and consume more scarce and expensive resources. This option does not meet customer's needs to maintain an efficient and affordable network.
Be ready for the future	Although this option ensures data growth into the future can be managed and maintained, it does not do so in the most efficient way. So, despite being ready for the anticipated data growth into the future, this option is not an ideal way to do so.
Always safe	N/A

Alignment to business related drivers of expenditure

As discussed in Section 3.5, there are four Transmission business drivers that AusNet Services has identified and is focussing on over the next regulatory period. The table below highlights how this option will input into the initiatives where relevant. Where we consider that a business driver is not directly relevant to the option, 'N/A' is applied.

Program Brief

Table 4-12 Business related drivers of option 2

Business drivers	How this program achieves this
Maintaining current service performance in a disrupted environment where risks are changing due to the increasingly complex nature of the grid;	Refreshing current applications and upgrading where prudent.
Updating and implementing new technologies to enable AusNet Services to respond to changes within the growing renewable generation market;	Cost reduction can be driven by proactively monitoring and operating assets, ensuring upgrades are on a needs basis to increase capital productivity, saving on maintenance expenses. These advanced analytics tools will also support new opportunities to add automation to existing work practices increasing the efficiency of the workforce.
Complying with new obligations	N/A
Delivering improvements requested by our customers regarding sustainability and cost.	Advanced analytics will increase reliability by preventing outages through more accurate estimates of when to replace failing equipment

4.4 Option #3 Extend strategic information management platform (RECOMMENDED)

This option involves extending the Information Management platform, which integrates data from across the business, both internal and external sources. This central repository of information will underpin critical decision making across the business. This will provide users with more than just data, which is standardised, and quality verified, but give the data context, identifying its source, lineage, purpose and how it is currently used and by whom. It will be self-serve providing data relevant to each user's role and function. This will give users the ability to generate standard reports from the data and create unique customised reports. The platform will provide the capability for all AusNet Services users to use common analytic tools and the data platform to enable data driven decision making. The IM platform is explained in detail in section 3.3, and will allow the business to better forecast demand, monitor and maintain the network with increased efficiency and prudence, meet regulatory compliance and regulator requests with increased ease and accuracy, and associated network configuration required to manage the distributed generation market.

As this option enables AusNet Services' realisation of customer benefits and needs, it is more flexible and will yield a far greater impact on the business than maintaining current practices. Furthermore, this option is also scalable, and its capacity can be easily expanded where required by AusNet Services. This ensures that AusNet Services is able to respond to data access requirements from upcoming regulatory changes, the growing volume of data available from the network and can scale up its systems where necessary.

Program Brief

Alignment to objectives

This option meets all critical objectives set out for this program of work as shown in **Table 4-13** below.

Table 4-13 Objectives analysis of option 3

Objective		Comments
Data Acquisition	✓	<p>The IM platform will be established with integration to all relevant source data producers. This will enable acquisition of data at speed from any source system. This applies to both internal and external data sources, ranging from network performance, asset monitoring and control data, through to weather models, government data, solar models, etc.</p> <p>By standardising and modernising data capture, and automating data integration, there will be a reduction in manual intervention required, creating operating efficiency improvements and limiting dependence on manual intervention.</p>
Data Storage	✓	<p>The program will enable storage of any volume of data and have it in a format that is standardised and readily accessible. The IM platform is comprised of a data lake and purpose built integrated data warehouse. This capability will provide users with more than just data, which is standardised and cleansed, but give the data context, identifying its source, lineage, purpose and how it is currently used and by whom.</p> <p>The IM platform will support structured and unstructured data from any source with elastic capacity to meet AusNet Services future storage demands.</p>
Data Processing	✓	<p>Acquired source data will be centrally stored, standardised and integrated with other relevant data sets. Data Processing transforms and aggregates the data, giving it meaningful business context. This will enable the ability to search for relevant information from one place.</p> <p>Where previously users would need to bring in data from multiple sources such as geospatial systems, network monitoring data, asset historic data, etc. This information will be accessible from any location, in a singular platform, moving away from disparate sources and formats. Where appropriate data processing will be an automated process, limiting current dependence on manual intervention and applying business logic and rules to make the data relevant to the business and freely accessible.</p>
Data Consumption	✓	<p>The end user, seeking insights from business data will be able to self-serve and access to data relevant to their role. The IM platform will allow users to:</p> <ul style="list-style-type: none"> • Generate standard reports from this data, create customised unique reports and share • Use analytic tools on the data to understand what is currently occurring, what has historically happened and advanced predictive techniques to model and expose future trends using data • Users will also have the ability to use real-time data to support business, network and customer operations.
Data Quality	✓	<p>The IM platform will make a number of improvements by implementing data governance, giving users the ability to identify the source of data, its definition, what is in the data set (content), as well as identifying the ownership of this data set:</p> <ul style="list-style-type: none"> • Create accountability and consistency across all data sets • Improving data quality over time • Driving a single source of truth and ownership of each data set

Program Brief

Objective		Comments
		<ul style="list-style-type: none"> Limit the need for timely data validation Improve overall business decision making and accuracy <p>Overall, these improvements to data quality will allow for continuous improvement of the underlying data. Owners and data stewards will maintain and ensure the ongoing accuracy of the data</p>
Platform Services	✓	<p>The new IM platform will be a dynamic and cloud based solution with:</p> <ul style="list-style-type: none"> Centralised data stores, platform, software, infrastructure as a service, which can be freely accessed, with elastic platform provisioning, which can freely scale in line with data growth requirements (as is prudent and efficient) Simplifying platform management such as back-up, storage capacity, processing, security, configuration, user access, availability Rapidly implement new dashboard, reports and work areas, with the ability to set up analytics on a particular part of the network, use case or asset <p>The efficiency and simplification on the new IM platform will free up more time for key resources to focus on the analysis and generating insights versus the current heavy reliance on acquiring data for reporting and generating insights.</p>

Costs

As a part of the current IM works and the development of the Asset Risk Modelling program, a detailed IM platform roadmap was established and sets out costings for the upcoming 5 years. This business case breaks down planned spend in information management by infrastructure, design components, data analysis, data design, data presentation, integration, analytics and design layers and implementation costs. This spending profile and analysis was carried forward to deliver the IM platform described in option 3.

Table 4-14 Costs of option 3

(\$m)	FY23	FY24	FY25	FY26	FY27	Total
CAPEX	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$6.79
OPEX (incl step change)	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$3.00
Electricity Transmission Cost	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$9.79
Total program cost	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	[C-I-C]	\$30.73

In addition, the IM platform involves a cloud based solution and we would expect this to result in an increase in opex of approximately \$165,000 per annum.

Program Brief

Benefits**Table 4-15 Benefits of option 3**

Benefit
<p>Asset Management</p> <p>The combination of advanced analytics, real-time performance data, predictive & preventative maintenance will help to prevent asset failures, re-focus management effort on the most critical network components and assist with:</p> <ul style="list-style-type: none"> • Planning for asset replacements • Avoidance of unnecessary maintenance costs • Embedding the valuable knowledge of specialists within the business • Allowing the business to better manage, configure and optimise the network to ensure customers always have certainty of supply, in line with their demands
<p>Regulatory Compliance</p> <p>As the size, complexity and rate of network change continues to grow so too the complexity of regulatory compliance analysis and reporting. This process is becoming increasingly labour intensive and prone to error. The more effectively data can be rationalised, standardised and accessed with an appropriate reporting toolset the more likely the business can satisfy its compliance reporting requirements.</p>
<p>Data, Predictive Analysis & Reporting</p> <p>By being able to handle new data sets as well as growing volumes of data, AusNet Services will be able to predict growth of DER per region and other demands on the network. AusNet Services will be able to assess the impact variability in load, from these demands, will have on the network. This will allow the business to maintain continuity of supply at reasonable prices for customers whilst ensuring the network growth potential and obligations are being met.</p> <p>By standardising and modernising data capture, and automating data integration, there will be a reduction in manual intervention required, creating operating efficiency improvements and limiting dependence on manual intervention. This will result in more efficient outcomes for customers.</p> <p>To meet AusNet Services future storage demands, the IM platform will have elastic (cloud based) capacity, supporting structured and unstructured data from any source.</p> <p>Data processing will largely be automated which will limit dependence on manual processes. In addition to automation business logic will be applied to make the relevant data freely accessible.</p> <p>The end user will be able to self-serve and access data relevant to their role, to rapidly generate standardised reports and customise them as required to gather insights.</p> <p>Continuous improvement will of data will be much simpler, as data owners and data stewards will maintain and ensure the ongoing accuracy of the data</p> <p>The efficiency and simplification on the new IM platform will free up more time for key resources generate insights and develop analysis as opposed to their current reliance on manual process to gather, standardise, validate and prepare any data set prior to commencing analysis</p>

Program Brief

Benefit

This capability will help to predict equipment failures and outage durations with greater accuracy. This will ultimately deliver cost reductions and increased customer satisfaction. These same predictive tools can also be applied more widely across the business:

- Field workers can use the analytics to better schedule work routes and rosters
- Network augmentation can be undertaken to address possible network capacity constraints
- This in turn will enable the business to understand and manage the network, faster and with improved accuracy ensuring efficient and effective networks for customers

The impact of network outages can be lessened based upon more accurate predictions about when to replace failing equipment and through the automated dispatching of maintenance work in line with the occurrences of real-time incidents

Customer Analytics & Billing

The development of a better understanding of customers' energy use will enable AusNet Services to use this information to tailor specific services such as demand-side management programs that reduce electricity usage at peak times. Customers can also receive more accurate information about power outages, grid updates and repair work by field crews. This type of analytics also allows the business to accurately bill and monitor for theft.

Because Option 3 centralises data, once this has been fully commissioned, we expect to be able to retire duplicate data warehousing systems that contain copies of the same source data. Once the infrastructure to support these systems is retired the need for lifecycle refreshes is diminished.

Risks

There are risks associated with the implementation of this particular option, as highlighted in the table below. Based on the consequence and likelihood of each risk, we have rated each of the individual risks blue, green, yellow, orange or red (order of severity). See Attachment 1 – Risk level matrix for additional information on this rating system.

Table 4-16 Risks of option 3

	Risks	Consequence	Likelihood	Risk rating
R3.1	Poor business and asset information and data quality / data integrity	Level 4. Limited ability to utilise existing data to inform decision making	Unlikely	C
R3.2	Inadequate capacity to cater for growth of volume of data and user data volume	Level 3. Increased operating cost due to time spent on mapping and consolidating data manually	Unlikely	D
R3.3	Unable to meet higher complexity regulatory requirements, due to difficulty and complex process to acquire relevant information	Level 3. This risk is likely to add additional time to develop regulatory reporting, but existing practices and experience will inhibit complete failure to meet any obligation	Unlikely	D

We consider that overall this option is rated medium risk.

Program Brief

Alignment to customer related drivers of expenditure

As discussed in Section 3.4, five key customer outcomes have been identified through discussions with customers. The table below highlights the how this option will achieve these outcomes. Where we consider that a customer outcome is not directly achievable by the option or irrelevant, 'N/A' is applied.

Table 4-17 Customer related drivers of option 3

Customer outcome	How this program achieves this
Deliver on the basics	This option will ensure that AusNet Services can manage and process the volume of data required into the future efficiently and continue to provide crucial and more accurate data to improve customer service delivery.
Keep me posted	By ensuring that AusNet Services can handle the growing volume of data that will be coming from network assets, we will be able to better understand outages and their impact on customers. This in turn allows AusNet Services to notify affected customers sooner as well as provide more detailed information through predictive analysis.
Affordable for me	By architecting a centralised enterprise information management services, will enable efficiencies through quantitatively highlighting low value driving processes or services. Furthermore, reduction of duplicated data storage and more efficient data flow will reduce costs of information management & analytics. This we help keep costs prudent, with increasing demand of data.
Be ready for the future	This option ensures data growth into the future can be managed and maintained and does so in the most efficient way, enabling scalability, flexibility and reliability in delivering services to customers.
Always safe	This solution will enable better decision making through better quality data and analytics to enable new proactive safety management practices and ensure safe service delivery for customers.

Program Brief

Alignment to business related drivers of expenditure

As discussed in Section 3.5, there are four Transmission business drivers that AusNet Services has identified and is focussing on over the next regulatory period. The table below highlights how this option will input into the initiatives where relevant. Where we consider that a business driver is not directly relevant to the option, 'N/A' is applied.

Table 4-18 Business related drivers of option 3

Business drivers	How this program achieves this
Maintaining current service performance in a disrupted environment where risks are changing due to the increasingly complex nature of the grid;	Refreshing or consolidating current applications and upgrading where prudent. Using advanced analytics and artificial intelligence to control expenditure and maintain prudent asset maintenance through network monitoring by concentrating management efforts on critical assets and avoiding excess maintenance
Updating and implementing new technologies to enable AusNet Services to respond to changes within the growing renewable generation market;	Cost reduction can be driven by proactively monitoring and operating assets, ensuring upgrades are on a needs basis to increase capital productivity, saving on maintenance expenses. Data driven decision making enables business transformation and is a core competency of the Digital Utility.
Complying with new obligations	N/A
Delivering improvements requested by our customers regarding sustainability and cost.	Advanced analytics will increase reliability by preventing outages through more accurate estimates of when to replace failing equipment

Program Brief

5 Assessment and recommended option

5.1 Assessment of the options

To identify a recommended option for this program of work, we have selected a number of criteria to assess each of the options. We consider that these criteria represent a comprehensive view of each option, in achieving AusNet Services' business and customer objectives as well as requirements of the AER in ensuring that any expenditure is both prudent and efficient.

The table below summarises our assessment of each of the options against the criteria.

Table 5-1 Summary table of the assessment of the options

	Option 1	Option 2	Option 3
Alignment to objectives	Does not achieve objectives	Does not achieve objectives	Aligned with program objectives
Costs (\$M)	\$3.44	\$27.54	\$9.79
Benefits	Does not support business requirements	Supports business requirements but at a high cost	The solution is architecturally designed to enable business benefits
Overall risk rating	High	Medium	Medium
Alignment to customer related drivers of expenditure	No alignment (0/5)	High alignment (4/5)	High alignment (5/5)
Alignment to business related drivers of expenditure	Low alignment (1/4)	Medium alignment (3/4)	Medium alignment (3/4)

Based on this assessment, Option 3 is the recommended option. This is because:

- Option 1 creates a serious risk to business operations, as it will struggle to maintain the required levels of service and responsiveness with the expected growth in data volumes
- Option 2 requires significant investment (almost 300% the cost of option 3) that AusNet Services considers does not represent prudent investment to achieve the outcomes sought. In addition to this it will also not remedy the current limitations for IM within the business set out in section 3.2
- Option 3 delivers the business' requirement for more advanced analytics and information management now and into the future, enabling the business to be responsive to change and optimise the network and operations in line with customer expectations, as set out in section 3.3 – 3.5

Furthermore, option 3 has a medium risk and aligns to all five of the customer drivers and three out of four of the business drivers.

Program Brief

NPV analysis

AusNet Services has undertaken NPV analysis for each program option to examine the cost effectiveness and value of each option for its non-recurrent programs of work.

As this program includes 63% non-recurrent expenditure, **Table 5-2**, below shows the NPV analysis for this program, further demonstrating the cost effectiveness of Option 3, the recommended option.

Table 5-2 NPV analysis

	Costs (NPV)	Benefit (NPV)	Net benefit (NPV)
Option 1	\$3.00	\$0	-\$3.00
Option 2	\$13.28	\$9.37	-\$3.91
Option 3	\$3.61	\$9.81	\$6.20

We have captured four primary benefits for this program:

- Improved staff productivity in responding to outages in an increasing complex environment
- Improved staff productivity in reducing time spent on customer interactions in a more complex world
- Improved employee productivity by improving data and information management to maintain services in the more disruptive network
- Decreasing the market impact of major outages

As Option 1 involves maintaining current information management practices and data stores, we do not consider that there will be any benefits captured with this option above the current baseline. As a result, we have not identified or quantified any benefits for Option 1 for this NPV analysis.

We consider that both Options 2 and 3 will decrease the number of outages incurred by AusNet Services' network and customers. We have conservatively estimated that AusNet Services will reduce its outages by 9.6% cumulatively across the 2022-27 period for Option 2. These benefits will result from leveraging and extending the existing data stores to better plan and manage outages and represent a \$1.73 million improvement. The reductions for Option 3 are increased to be 11.4% due to the enhanced information platform that will drive more proactive outage planning and management. The resultant cost savings to customers will be \$2.06m.

We have also measured the costs incurred through market impact during major outages and quantified the reduction based on the implementation of the options. Again, as Option 1 involves business as usual, we do not expect there to be any additional benefits associated with reduced outages, however, we have estimated both Option 2 and Option 3 will result in a "Market Impact" avoidance of \$4.43M per annum.

Also captured in our NPV analysis is the value of productivity savings gained through improved information management technology to enable data driven decision making across the business. We assume that Options 2 and 3 will both result in a cumulative reduction across the 2023-27 period resulting in a cost saving of \$0.30m. This cost saving would be offset against the requirement to hire additional staff to manage the increasingly complex network.

Based on our NPV analysis, Option 3 has the only positive NPV and therefore is our recommended option.

Program Brief

5.2 Recommended option

Option 3, extend the strategic IM platform, is the recommended option for AusNet Services for the customer information management program of work. The table below confirms what is in scope and out of scope for this program of work, as well as the other programs of work on which the successful delivery of this program is dependent on.

Table 5-3 Confirmation of scope of recommended option

In scope	Out of scope	Dependencies
Extend the IM platform and associated data.		The cybersecurity capability developed as a part of the Security Program will underpin the ongoing safety and protection of the platform once it is in place, but additional security required for the new platform will be covered as a part of this brief
		The Corporate Communications program will cover the communication capacity requirement to transmit data to and from the IM platform
		The TAM Infrastructure Program, will provide support for any on premises storage and capacity required (non-cloud components of the IM platform)

Below in **Error! Reference source not found.**, we have identified techniques or actions to mitigate the risks identified for this option.

Table 5-4 Option 3 risks and mitigation actions

	Risk	Rating	Mitigation
R3.1	Poor business and asset information and data quality / data integrity	C	The implementation of the data governance framework to manage the new data platform will identify where data quality issues exist providing insights so that data quality remediation can occur.
R3.2	Inadequate capacity to cater for growth of volume of data and user data volume	D	The new IM platform will be cloud based to ensure its ability to rapidly scale and change in line with demand and data volumes.
R3.3	Unable to meet higher complexity regulatory requirements, due to difficulty and complex process to acquire relevant information	D	This solution specifically manages increasingly complex regulatory requirements. AusNet Services will also engage with and stay in close communication with the Regulator to understand, at an early stage, what rule changes may be implemented and what may be required of AusNet Services to meet these requirements.

Program Brief

6 Attachment 1 – Risk level matrix

The figure below shows the risk level matrix to which we have assessed each of risks within the options. Risks of highest concern are rated red, whereas those of lowest concern are rated blue.

Figure 6-1

		Consequence				
		1	2	3	4	5
Likelihood	Almost Certain	C	C	B	A	A
	Likely	D	C	B	B	A
	Possible	E	D	C	B	A
	Unlikely	E	D	D	C	B
	Rare	E	E	D	C	C

Consequence Rating	
5	Catastrophic
4	Major
3	Moderate
2	Minor
1	Insignificant

Overall Risk Rating	
A	Extreme
B	High
C	Medium
D	Low
E	Very Low