

Value of Customer Reliability

AER Forum
December

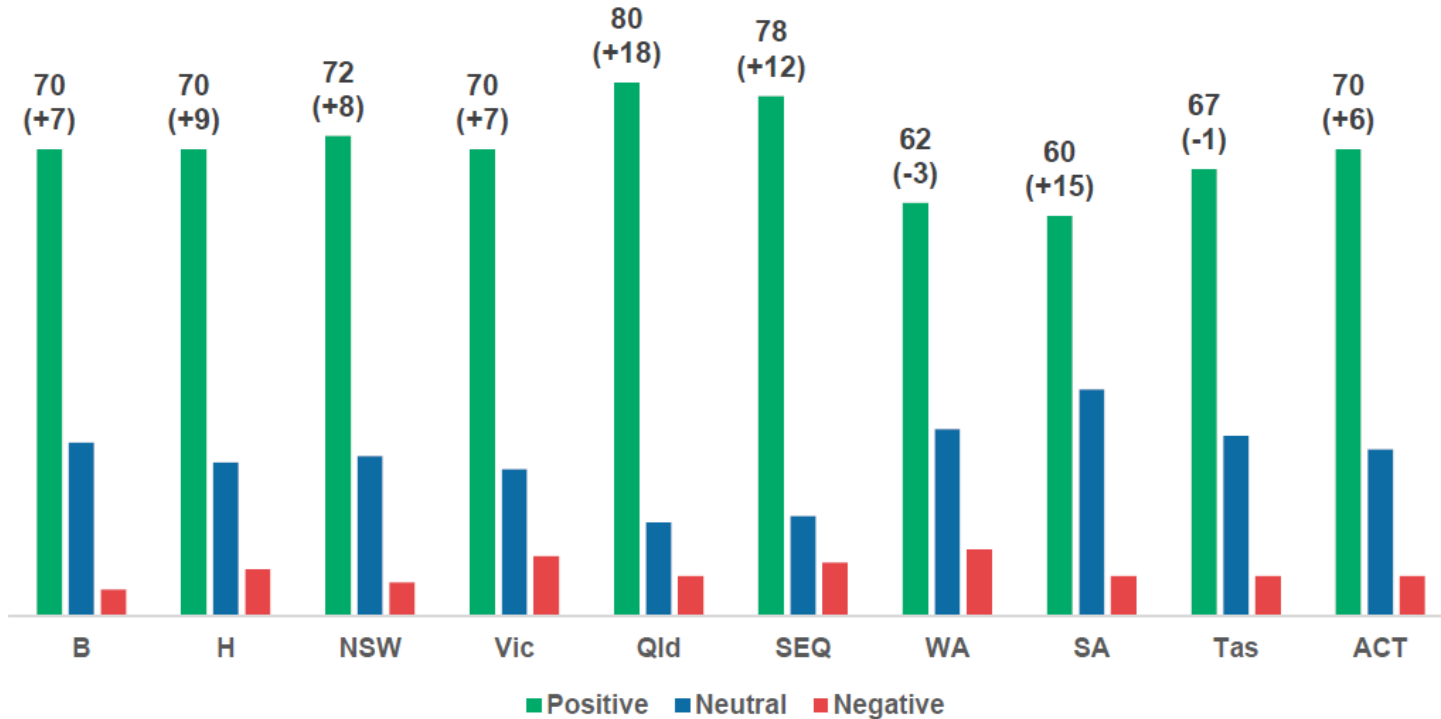
Lynne Gallagher
Director, Research



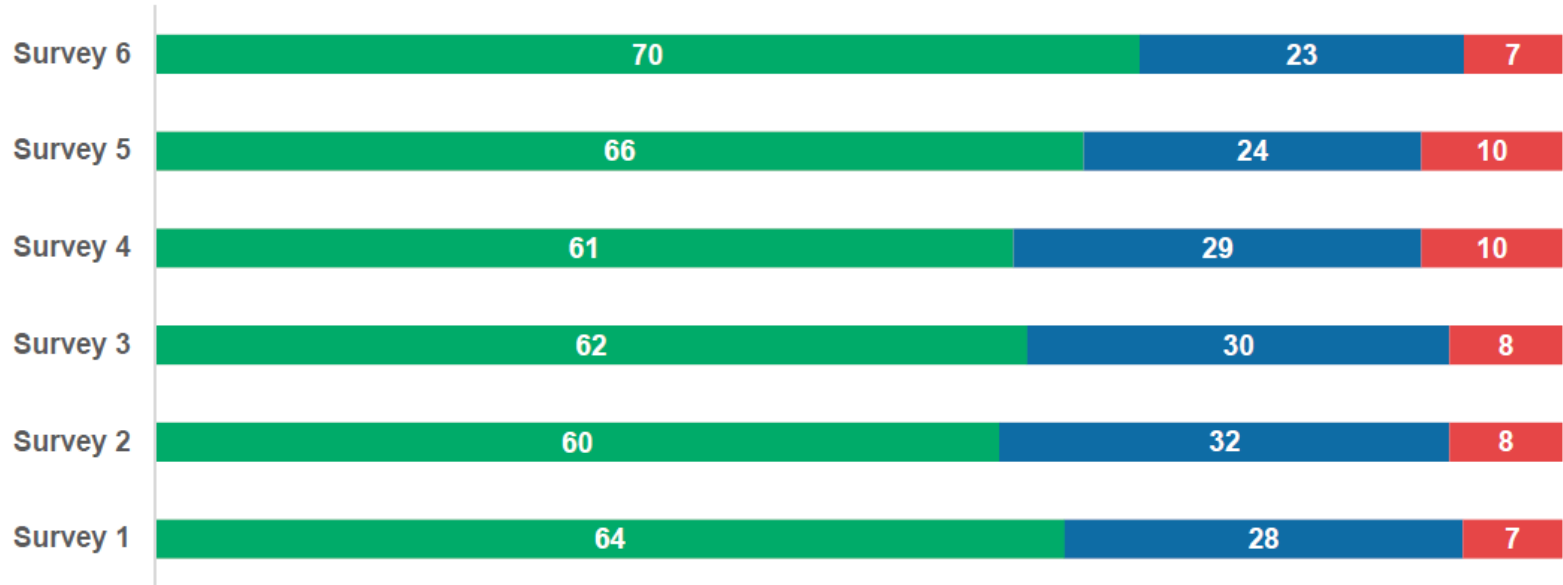
Overview

1. What consumers say about reliability
2. History of VCR estimation in Australia
3. Differences in VCRs
4. Thinking about a methodology that is fit for purpose

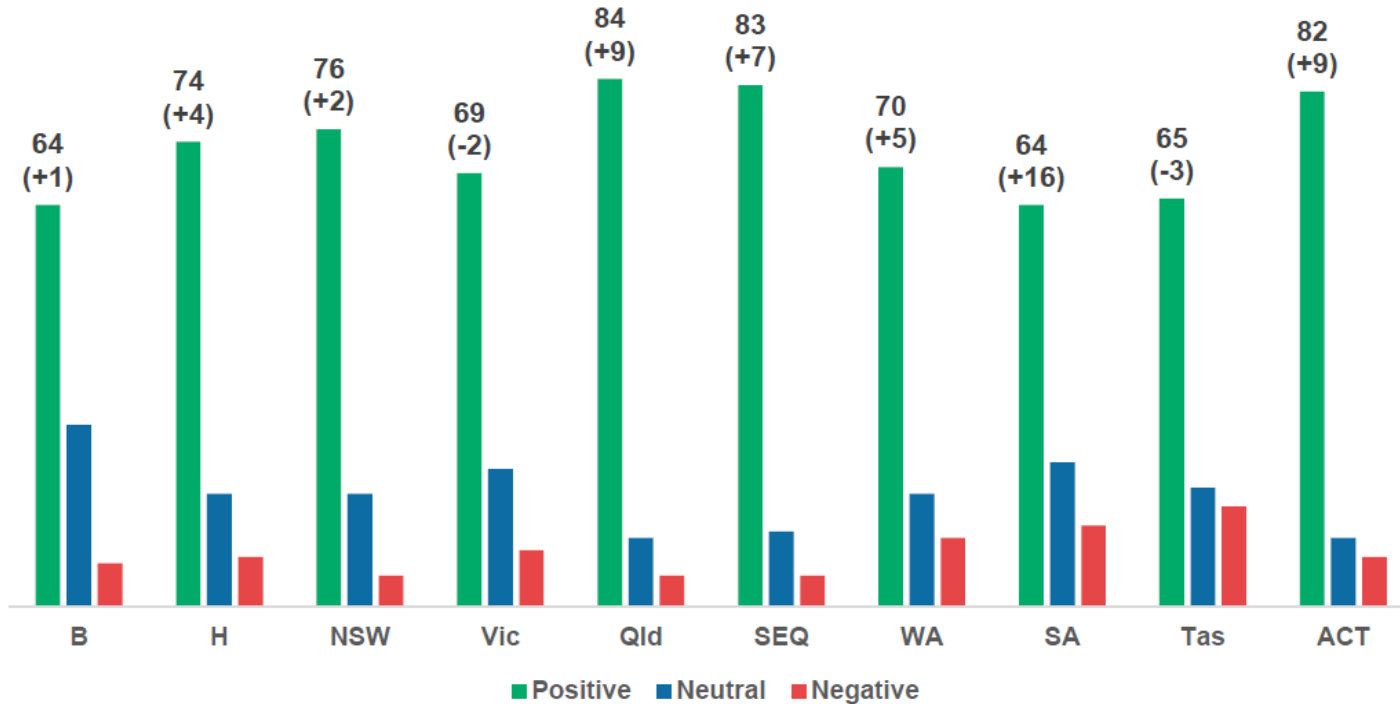
Satisfaction with duration of outages (December 2018)



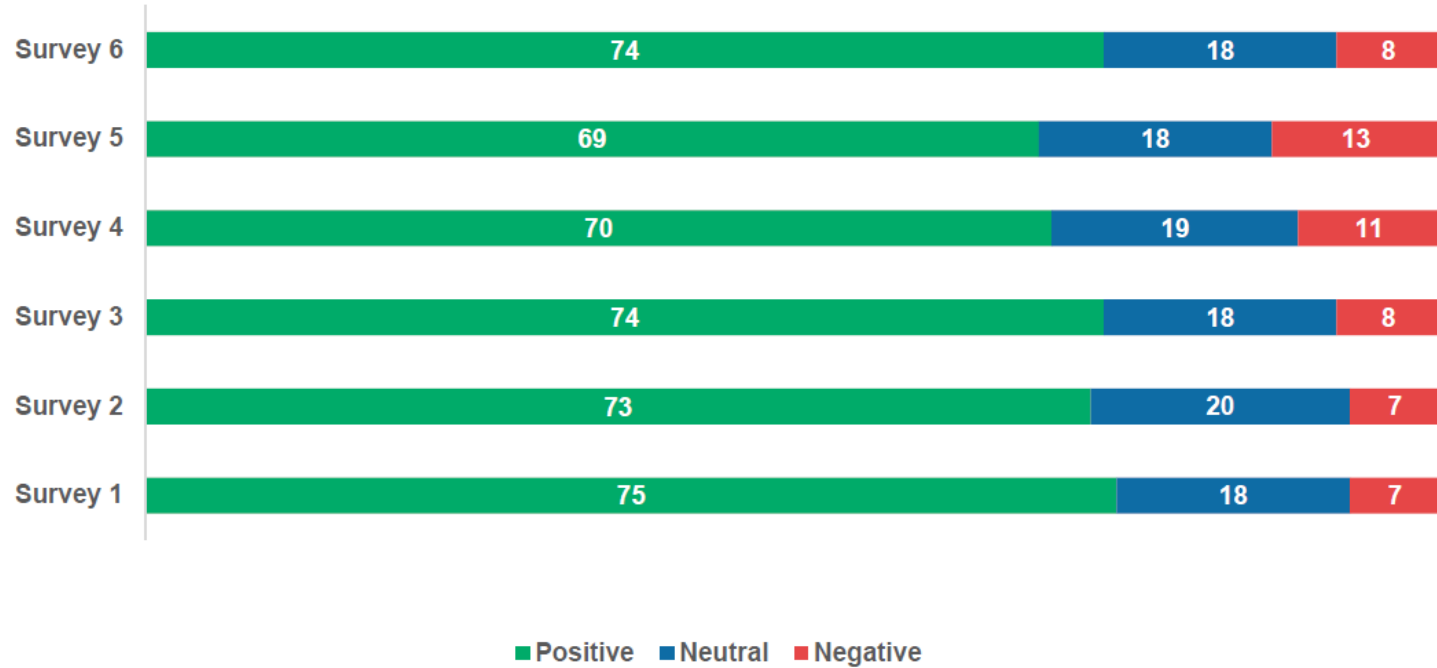
Satisfaction with duration of outages - trend



Satisfaction with number of outages (December 2018)

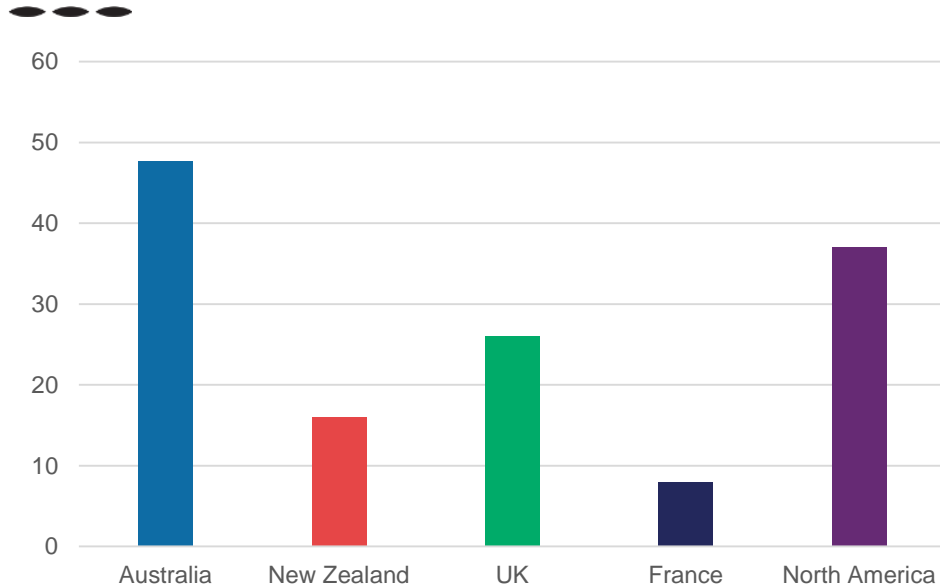


Satisfaction with number of outages - trend

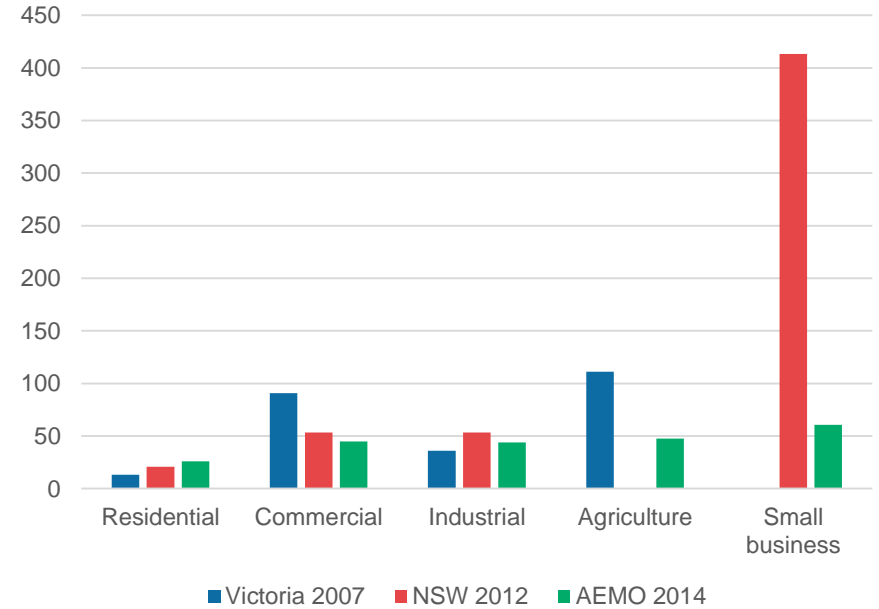
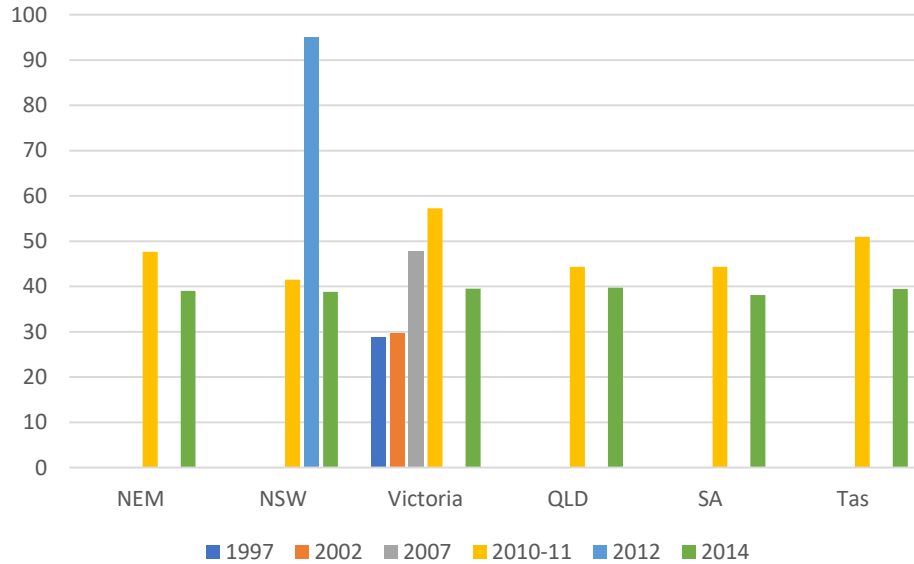


2009 VCR values

Estimates higher in Australia than they need to be?



VCR history roadshow



System reliability—unplanned SAIDI **Reliability performance**

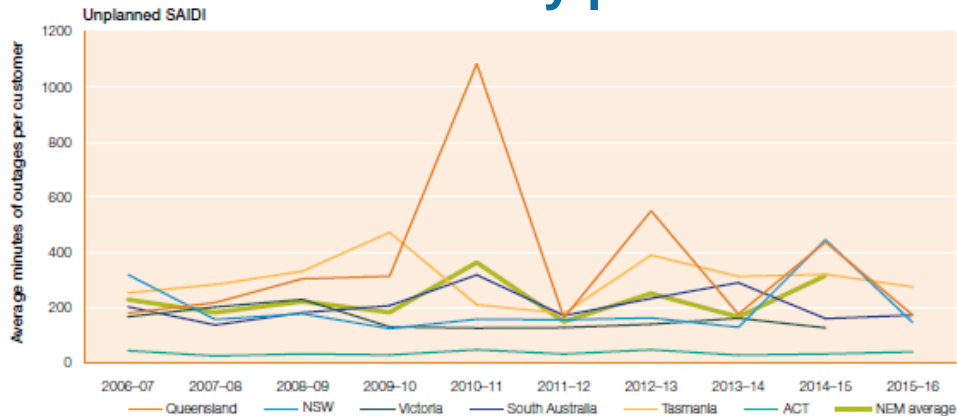
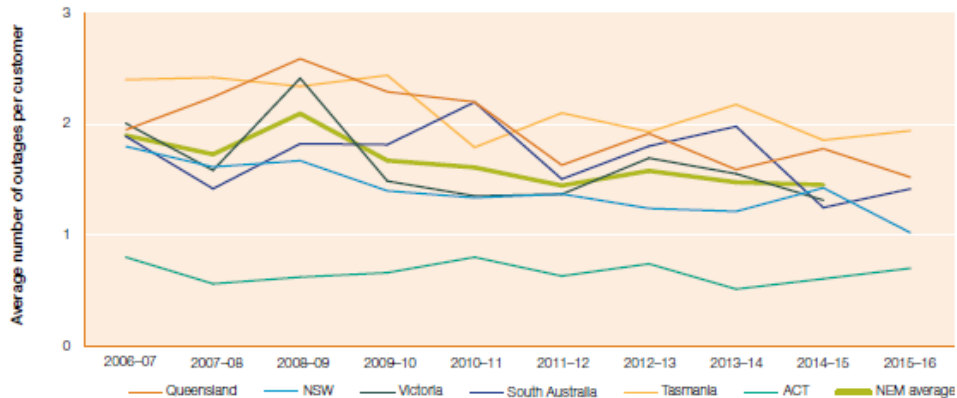


Figure 3.16

System reliability—unplanned SAIFI

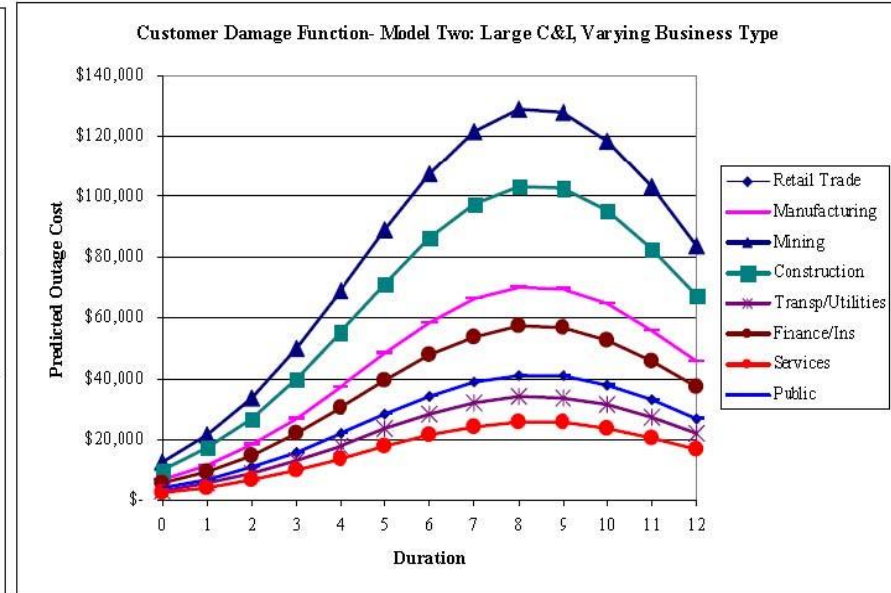
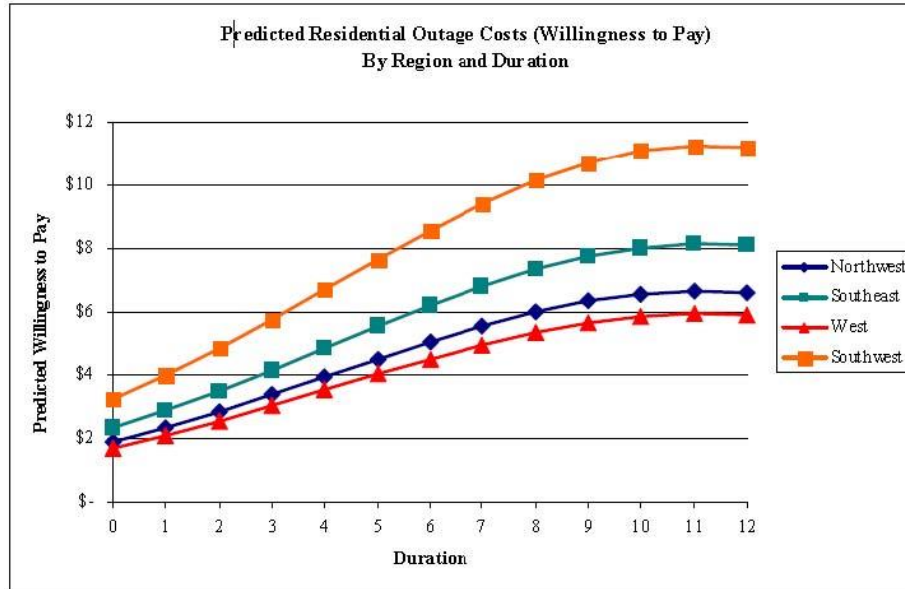
525,600 minutes in one year



Reliability performance and consumer expectations varies by:

- Climate
- Location:
 - CBD
 - Urban
 - Regional
 - Remote
- Customer
 - Residential
 - Small business
 - Large business
- When and how long
 - Season
 - Peak times/Business hours

A methodology that is fit-for-purpose, now and into the future



A methodology that is fit for purpose, now and into the future

That *engages* with consumers

- surveys alone likely to poorly estimate VCRs
- use forums and other deliberative processes
- apply behavioural insights – uncertainty bias, framing etc

That is credible under a range of future scenarios, and considers:

- declining grid consumption, and more localised peak demand
 - consumers willingness to change energy use behaviour to manage their “planned” demand and mitigating costs of unplanned outages;
 - electrification, which will change patterns of household and business use
-
- That is collaborative, open-source methodology for estimation, rather than focusing too much on the task of generating the estimates themselves

A Suite 2, Level 14, 1 Castlereagh Street, Sydney NSW 2000

T 02 9220 5500

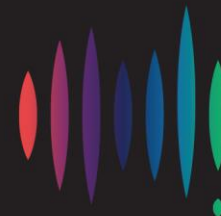
W energyconsumersaustralia.com.au

🐦 [@energyvoiceau](https://twitter.com/energyvoiceau)

in [/energyconsumersaustralia](https://www.linkedin.com/company/energyconsumersaustralia)

f [/energyconsumersaustralia](https://www.facebook.com/energyconsumersaustralia)

ABN 96 603 931 326



**ENERGY
CONSUMERS
AUSTRALIA**