Our Ref: CM-11917

23 May 2022

Dr Kris Funston
Executive General Manager, Networks Regulation
Australian Energy Regulator
GPO Box 3131
CANBERRA ACT 2601

Dear Dr Funston

NETWORK INFORMATION REQUIREMENTS REVIEW

Energy Safe Victoria (ESV) is Victoria's independent safety regulator for electricity, gas and pipelines. Our role is to ensure that Victorian gas and electricity industries are safe and meet community expectations. We are also responsible for licensing and registering electricians, and educating the community about energy safety.

ESV welcomes the opportunity to provide this submission to your Network Information Requirements Review in the context of our ongoing cooperation with the Australian Energy Regulator (AER) in validating the fire start reports provided to the AER by Victoria's distribution businesses under the F-factor Incentive Scheme.

Background

In our role, ESV is primarily interested in two types of datasets about the regulated electricity networks, namely standing data (e.g. assets, routine maintenance) and near real-time data (e.g. faults, incidents, defects). There is potential overlap with the AER's data collection in relation to the former. There may be merit in coordinating work between ESV and the AER to standardise the types and definitions of the data collected by both organisations while allowing transparent aggregation, and setting up mechanisms to share this data in a timely manner and that meets each organisation's analytical and reporting requirements.

We provide the following responses to the questions posed in each theme of the discussion paper.

Theme 1: New regulatory information instrument

The use of a standard Regulatory Information Order (RIO) should ensure better consistency in what is reported and how it is reported compared with current processes using Regulatory Information Notices (RIN). Improved consistency will greatly assist other stakeholders seeking to use the data collected by the AER.

When negotiating the terms of the RIO with the regulated electricity networks, the AER could consider whether its default position should be that any data reported to the AER under the RIO should become public domain. There may be classes of data that need to remain commercial in confidence. Where possible, data excluded from the public domain should still be available to other Government agencies providing it supports efficient and effective sharing of information required for regulatory functions.

ESV does not see any reason to exclude any regulated electricity networks from the scope of the proposed RIO.

Theme 2: Data requirements

Currently ESV uses the following categories of data in our regulation of and reporting on the safety performance of Victoria's electricity distribution and transmission businesses:

- *Asset volumes, age and capacity*
  This information is currently included in the Category Analysis RIN 5.2. Asset Age Profile. The AER proposes to shift this under "Network metrics", with the asset age by commissioning date no longer being under *Age* but now being included under *Network Assets – Volume*.
- *Asset replacement expenditure and failures*
  This information is currently included in the Category Analysis RIN 2.2. Repex. ESV has reviewed the consultation workbooks and has not identified where this data will be collected under the revised arrangements. We would request that the AER continues to collect this information and confirm which data category it will fall within.

ESV welcomes the proposal to commence collection of data on distributed energy projects and would welcome further conversation about what data the AER proposes to collect.

Theme 3: Other information requirements

ESV has reviewed the list of non-data information types in the discussion paper and would suggest that the AER continues the following:

- *Basis of preparation*
  The shift to using an RIO may remove much of the need for the basis of preparation; however, it would still be worthwhile for the regulated electricity networks to identify where the required data is held in their internal information systems and how it is brought together for the RIO reporting. Such a document would aid the auditors undertaking quality assurance on the submission and would aid data validation. That said, the basis of preparation may only need to be submitted with the initial submission and after any subsequent update of the information systems.
- *Quality assurance requirement*
  ESV agrees with the AER's position that it maintain the quality assurance requirements associated with submissions. The audit report provides comfort that the data has been properly compiled.

Theme 4: Transmission information guideline

ESV does not have a position on the proposed rule change to remove the obligation to publish a Transmission Information Guideline other than to suggest that any guidance contained in the Guidelines (e.g. Part 2: "Guiding Principles") may need to be incorporated into the RIOs to assist with interpretation.

Theme 5: Information assurance

ESV supports the AER's position that the current assurance processes be maintained to ensure the quality of information provided.

The adoption of an RIO as the instrument for requesting data should also assist in ensuring that all regulated electricity networks are reporting their data in the same manner and using common units.

In developing the RIO, ESV sees merit in consistent reporting in each category across regulated electricity networks.

Theme 6: Updating information requirements

The potential for change in the electricity sector over the next 10 years is significantly greater than at any time in its history. Generation is being increasingly decentralised as renewables become embedded within the grid. Currently new technologies (such as batteries, pumped storage, micro-grids etc.) are being deployed across the networks. The discussion paper recognises the potential for large-scale distributed energy resources to impact the electricity networks.

In the near future, there may be greater numbers of stand-alone domestic solar and battery systems that only access the grid when on-site supply fails. These could have an impact on the network's business model. Alternatively, the roll-out of devices to track energy use may make it easier for virtual power plants to aggregate and control significant capacity within the grid. Both options are currently viable in the short-term.

We support the AER's preference to undertake a four-yearly review cycle to keep costs low while allowing requirements to be revised as the energy sector evolves. If change proceeds faster than we are currently experiencing, the AER may wish to consider whether a shorter review cycle may be warranted in time.

Theme 7: Information exchange – Providing information to the AER

The discussion paper indicates that the AER is considering moving away from the use of Excel templates as a mechanism for the regulated electricity networks to make submissions. ESV has previously investigated the development of application programming interfaces (APIs) and other such tools for transferring data from the distribution and transmission networks to ESV. Previous consultation ESV had undertaken with the Victorian electricity networks indicated that there were significant concerns with such an approach, including:

- Design of a generic interface that could be used by all networks without re-tooling their systems to accommodate the solution.
- Design and cost of individual interfaces for each network.
- Implications of submitting legal documents via such protocols and the opportunity to inadvertently transfer unapproved data.

The solution that we settled on was to still require the networks to compile and submit their data in Excel spreadsheets, but to develop a portal where these spreadsheets are validated before being accepted and the data is then automatically uploaded into a SQL database. This approach avoided the problems of interfacing systems and ensured that only an authorised person could submit data. It also allowed ESV to implement quality assurance macros within the spreadsheets so that the networks could validate the spreadsheets prior to submission, thereby avoiding an iterative process.

That said, APIs have become an industry standard for data exchange and it is worth re-exploring these concerns. While ESV has generated temporary solutions suitable at the time, we would welcome the move towards greater use of APIs.

Theme 7: Information exchange – Getting information from the AER

Several different groups may need to access data held by the AER, including government and other regulators, the regulated electricity networks, consultants and the general public. This may entail different approaches for different groups.

The AER could consider the use of open data platforms for the sharing of unrestricted data with the public and other agencies. The data made available through such a platform should be the post-processed data (quality assured and standardised) rather than the raw data provided by the networks.

For the sharing of restricted data with other agencies (including regulators), secure FTP sites or APIs can be used once data sharing agreements have been established.

Thank you again for the opportunity for ESV to provide you a submission to the Review. Please do not hesitate to contact me if there are any aspects of the submission that you would like to discuss further, or if there are other areas where ESV can assist the AER with the Review or the implementation of its findings.

Yours sincerely

Leanne Hughson
CHIEF EXECUTIVE OFFICER