



Ref: 20230209AY:NL

9 February 2023

Dr Kris Funston
Australian Energy Regulator
GPO Box 520
Melbourne Vic 3131

Submitted via email

Dear Dr Funston

Incentivising and measuring export service performance draft report

Essential Energy welcomes the opportunity to respond to the Australian Energy Regulator (AER) on its Incentivising and measuring export service performance draft report. In doing so, we also support the Energy Networks Australia (ENA) submission which expresses views on the implementation of bespoke small scale incentive schemes, extending Demand Management Incentive Scheme and the Demand Management Innovation Allowance which we support. We also support the recommended review of benchmarking, to account for an increasingly two-way grid.

We also understand and support the AER's need to collect data for the inaugural report. Further, we appreciate the flexibility the AER has demonstrated in adapting to the capacity for distributors to provide the requested information and data for this purpose, which we will provide on a best endeavours basis. We have provided some specific comments in relation to the 'strawman data request' at Attachment A.

However, Essential Energy has concerns around export performance data proposed to be requested as part of the annual Regulatory Information Order (RIO) framework. The RIO framework, the first reporting period for which commences 1 July 2023, has a range of assurance measures including auditing requirements. These requirements do not exhibit the flexibility to adapt to the capacity of distributors to provide the required information in a manner that is comparable and consistent across distributors and through time. In our submission to the consultation paper, we outlined some of the limitations around the collection of this information and suggested that the AER allow for a progressive approach for distributors to develop more sophisticated data capture and analysis workflows over time. The inclusion of the information requirements in the RIO does not allow for this to occur and is likely to result in data capture that may yield inconsistent results.

For example, customer complaints relating to export services requires manual examination of call centre database with a high level of interpretation and judgment required to assess the category of the complaint, from the verbatim customer contact response details. In most cases, customers do not speak in consistent technical terms to allow the call centre operator to fully understand the nature of the problem. If the operator considers it a power quality issue, typical of export-related complaints, then the job is referred to the power quality specialist team who will attend the site to make an assessment. The work report generated by that team is entered into a different system, which is not linked to the original call centre complaint. This process from end-to-end can take weeks, sometimes longer, to fully assess and address.

In addition, the data generated is subject to the date and time of extraction. The same data request, taken at a different time, or by a different analyst, is likely to yield different results. This is due to the level of judgement required to interpret the customer complaints data. Inconsistent interpretation and

judgement of this type of information is likely to generate data that is of little value, and unlikely to pass assurance measures.

This demonstrates the need for distributors to develop the capacity in system automation to eliminate the need for interpretation and judgement. To build this capacity will take some time, and significant investment, as well as consultation across the industry to ensure a standard approach for consistency and comparability of data across distributors and through time. For this reason, Essential Energy recommends that the AER engage with distributors to develop a comparable and consistent data set that meets the AER's objectives, along with a development path, budget and timeline to delivery. This could be achieved through a workshop with distributors to establish a joint understanding of the issues involved, including the AER's objectives for the data, and the current limitations for data delivery.

The value of consultation in the co-design of required data sets cannot be overstated. It will help to ensure that the provision of data is practical and achieves its intended outcomes. It also provides distributors with the opportunity to provide input on the potential impact of the requirements and to suggest alternative solutions that may better achieve the regulatory objectives.

Clarity regarding the AER's objectives, purpose and use of RIO data will allow distributors to assist the AER by designing data sets and systems that are fit for purpose, and less labour intensive than the current practice. Co-designing data requirements with the AER will also provide the AER with insight into the data capabilities of distributors to ensure that investments in data capacity meet the cost/benefit test.

Distributors can also assist, during the co-design process, by providing the AER with information regarding the data provided to state regulators. Where the provision of data is aligned with jurisdictional regulators, both in terms of timing and the data requested, results in the reduction of regulatory burden and duplication of data collection. The data sets once designed, should serve both the AER's purposes and be a valued source for distributors in business decision-making.

If you have any queries regarding this submission, please contact our Regulatory Strategy Manager, Adam Young on [REDACTED] or via [REDACTED]

Yours sincerely

[REDACTED]
Natalie Lindsay
Head of Regulatory Affairs

Attachment A – Response to strawman data request

Table number / issue	Essential Energy Response
11.8.5 “Non-DER customers”	Not defined – unsure how to assess.
11.8.6 ‘kVA’ (applies to all kVA requests)	Essential Energy measures this by Kw
Definition of Urban, Short rural, Long rural	Customers allocated to these classifications change every year, according to changes in population density. Accordingly, a customer may be short rural in one period then urban in the next period without having moved premises.
11.9.3 – 4	Some concerns around the availability and accessibility of this data. Connection request and connections data are not held in the same system and may not correspond. Further it is not disaggregated by feeder category until connected. i.e. we can see what is in the system once connected, but don’t have the same visibility of connection requests or capacity to capture that data.
11.0.2 – 3 Duration of export access	This information will require voltage monitoring at each customer premise to determine whether any restrictions were caused by voltages within bounds but enacting AS477.2. Substantial cost is associated with receiving this information from MSP's.
11.0.4 Total utilised consumer energy resources generated	As an estimation is acceptable, Essential Energy will be able to provide an answer, however due to the high variability in customer use, solar installation angles, availability of sunlight, shade, weather, season etc. the information should not be used in benchmarking or performance reporting.
11.0.5 – 7 Complaints data	<p>Essential Energy’s complaints handling system does not have the capacity to collect this information without significant human interpretation and applied judgement. As a result, it is likely to be highly variable, and not comparable between DNSPs or across periods. This requires significant investment in processes and data gathering capability. The data gathered would be performed on a best endeavours basis and unlikely to pass an audit or assurance process.</p> <p>We strongly urge the AER to engage with DNSPs to co-design export data that is subject to the RIO process in order to allow DNSPs to assist the AER in achieving its data objectives. For further detail, please see letter above.</p>