

6. DEMAND MANAGEMENT INCENTIVE ALLOWANCE

| 6.1 | Identify each demand management project or program for which Powercor seeks approval. | Energy Partner Program |
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| Item | AER Requirements | Response |
| 6.2 | <p>For each demand management project or program identified in the response to paragraph 6.1:</p> <p>(a) explain:</p> <ul style="list-style-type: none"> (i) how it complies with the Demand Management Innovation Allowance criteria detailed at section 3.1.3 of the demand management incentive scheme; (ii) its nature and scope; (iii) its aims and expected outcomes; (iv) the process by which it was selected, including its business case and consideration of any alternatives; (v) how it was/is to be implemented; (vi) its implementation costs; and (vii) any identifiable benefits that have arisen from it, including any off peak or peak demand reductions; <p>(b) confirm that its associated costs are not:</p> <ul style="list-style-type: none"> (i) recoverable under any other jurisdictional incentive scheme; (ii) recoverable under any other Commonwealth or State Government scheme; and (iii) included in the forecast capital or operating expenditure approved in the 2016-20 Distribution Determination or recoverable under any other incentive scheme in that determination; and: <p>(c) state the total amount of the Demand Management Innovation Allowance spent in the Relevant Regulatory Year and how this amount has been calculated.</p> | <p>The Energy Partner program is designed to incentivise customers to participate in demand response by directly controlling their air conditioners for a short period of time (~3hrs) through a product known as Sensibo Sky. This device allowed us to coordinate the temperature set points of air conditioners across the Powercor network.</p> <p>We ran two programs – one over the 2018/2019 summer and the 2019/2020 summer.</p> <p>The purpose of the 2018/2019 summer project was to alleviate very peaky load on the Bellarine Peninsula to reduce load at risk on the high voltage feeder network and two zone substations.</p> <p>The purpose of the 2019/2020 summer project was to reduce load at risk on distribution substations across the Powercor network.</p> <p>We assessed multiple options to undertake this demand response project including various air conditioning demand response technologies (AC DRED, Zigbi and IR) and marketing approaches (council partnerships, community incentives etc).</p> <p>The 2018/2019 program installed more than 1,000 devices across the Bellarine Peninsula.</p> <p>The 2019/2020 program installed 36 devices across 12 distribution substations in the Powercor network.</p> <p>It is pleasing to note that for the six demand response events called over the 2018/2019 and 2019/2020 summer, we achieved participation rates of >90%.</p> <p>Analysis of the results indicates that we were able to temporarily decrease customer demand by greater than 30% over the three hour</p> |

| Item | AER Requirements | Response |
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| | | <p>event period.</p> <p>The total 2019 program cost is \$323,049 and will be attributed to the Powercor allowance.</p> <p>The cost of this program is not recoverable by jurisdictional or government schemes and was not included in the 2016-2020 final decision.</p> |
| 6.3 | <p>Provide an overview of developments in relation to projects or programs completed in previous years of the regulatory control period, and of any results to date.</p> <p>Note: Information provided in response to paragraph 6 of Schedule 1 to this Notice will constitute the provision of an annual report for the purposes of paragraph 3.1.4.1 of the Demand Management Incentive Scheme applying to Powercor (as set out in the 2016-20 Distribution Determination)</p> | <p>In 2017 we undertook a project aimed at creating a program to identify customers with air conditioning units. This involved not only understanding the characteristics of air conditioning load, but also identifying locations and densities of air conditioners.</p> <p>This project then allowed us to carry out targeted marketing of the Energy Partner program across the Bellarine Peninsula to reduce load at risk.</p> |