

Item	AER Requirements	Response
4.2	For each Item identified in the response to paragraph 4.1(a): (a) state the amount of the Item that has been directly attributable to a service segment.	Please refer to "Attachment 3 - 4.1 Income Statement Allocations Powercor 2018"
4.3	For each Item identified in the response to paragraph 4.1(b): (a) state the amount of the Item that has been allocated; (b) explain the method of allocation and reasons for choosing that method; and (c) state the numeric amount of the allocator(s) used.	Please refer to "Attachment 3 - 4.1 Income Statement Allocations Powercor 2018"
4.4	For each Item identified in the response to paragraph 4.1(c): (a) state the amount of the Item and whether it was material; (b) explain the method of allocation and reasons for choosing that method; and (c) explain the reason(s) why it cannot be allocated on a causation basis	Please refer to "Attachment 3 - 4.1 Income Statement Allocations Powercor 2018"
5. CAPITALISATION POLICY		
5.1	Identify all material changes between the Capitalisation Policy for the Relevant Regulatory Year and the previous regulatory year.	There are no changes to the Capitalisation Policy
5.2	For each change identified in the response to paragraph 5.1: (a) state, if any, the financial impact of the change; (b) state the reasons for the change; (c) explain the effect of the change, if any, on the actual operating expenditure and actual capital expenditure incurred, in comparison to the forecast operating expenditure and forecast capital expenditure determined in the 2016-20 Distribution Determination for the Relevant Regulatory Year; and (d) explain the effect of the change, if any, on the actual operating and actual capital expenditure incurred, in comparison to the previous Relevant Regulatory Year.	There are no changes to the Capitalisation Policy
6. DEMAND MANAGEMENT INCENTIVE ALLOWANCE		
6.1	Identify each demand management project or program for which Powercor	Energy Partner

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	seeks approval.	
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>Following on from last year’s Air Conditioning (AC) demand analytics project we were able to leverage these learnings and create targeted AC demand response (DR) initiatives to support the network or possibly defer future augmentation, known as the Energy Partner program.</p> <p>The Energy Partner program is designed to incentivise customers for DR by directly controlling customer AC’s 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 more than 900 AC’s in the Bellarine Peninsula.</p> <p>The purpose of the 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>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>This program has so far signed up almost 1,500 customers with more than 1,000 devices installed to date. It is pleasing to note that for the four DR events called over the 2018/19 Summer we achieved participation rates of >90%.</p> <p>Analysis of the results indicates that we were able to temporarily decrease customer demand by ~30% over the three hour event period.</p> <p>This program cost \$623,768 and will be attributed to the Powercor allowance.</p>

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		The cost of this program is not recoverable by jurisdictional or government schemes and was not included in the 2016-2020 price determination.
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. The involved not only understanding the characteristics of AC load, but also identifying locations and densities of ACs.</p> <p>This project then allowed us to carry out targeted marketing for the Energy Partner program (described above) in the Bellarine Peninsula to reduce highly variable load at risk.</p>
7. TAX STANDARD ASSET LIVES		
7.1 (new)	Identify all tax standard asset lives applied to asset classes that differ from those contained in the AER approved PTRM for Powercor’s current regulatory control period.	There are no tax standard asset lives applied to asset classes that differ from those contained in the AER approved PTRM
7.2 (new)	Explain the reasons for each difference identified in paragraph 7.1 including reasons for any departure from the ATO’s most recent determination of effective life.	There are no tax standard asset lives applied to asset classes that differ from those contained in the AER approved PTRM
8. CHARTS		
8.1	<p>Provide charts that set out:</p> <p>(a) the group corporate structure of which Powercor is a part; and</p> <p>(b) the organisational structure of Powercor.</p>	<p>(a) Please refer to “Attachment 4 – 8.1(a) PAL Group Corporate Structure Inc Spark 2018”</p> <p>(b) Please refer to “Attachment 5 – 8.1(b) PAL Executive Management Team Dec 2018”</p>
9. AUDIT AND REVIEW REPORTS		
9.1	<p>Provide Audit Report and Review Report(s) in the form of:</p> <p>(a) An Audit Report (for Financial Information) in accordance with the requirements set out at Appendix D; and</p>	(a) Please refer to “Attachment 6 - 9.1(a) Powercor Annual RIN 2018 Deloitte Audit Report (Financial)”.