

Item	AER Requirements	Responsible
6. DEMAND MANAGEMENT INCENTIVE ALLOWANCE		
6.1	Identify each demand management project or program for which Powercor seeks approval.	Air Conditioning demand analytics tool
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 Air Conditioning (AC) demand analytics project has created a data analytics tool that is able to detect customers with split system AC's and identify the proportion of their demand associated with the AC by analysing historical smart meter data. The aim is to allow better understanding of where AC truly drives peak demand and to what extent, so that we can launch targeted demand response initiatives.</p> <p>Through our initial investigations we found that there are no accurate data sources available for past and current AC penetrations in our network. This led to us defining an opportunity to leverage our smart meter data and data analytics techniques to create a tool that can define this data set for us on an ongoing basis. The tool is intended to allow us to specifically targeting areas of our network for AC demand response initiatives to defer augmentation in future and also to feed into our future forecasting and network planning processes.</p> <p>The costs for this work are not recoverable from jurisdictional or government schemes and were not included in the 2016-2020 operating expenditure for either CitiPower or Powercor. This analytics tool was created by an external consultant at a total cost of \$51,730 (excl. GST) in 2017. As this tool will be used across both CitiPower or Powercor networks and was built using training data from both networks the costs will be split evenly between DMIA's for both networks</p>
6.3	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.	The Air Conditioning demand analytics tool has allowed us to identify customers with AC's within our network to better forecast demand and target areas for demand response initiatives. In 2018 we will define specific projects to target AC demand to defer augmentation based on the insights

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	<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>generated from this tool.</p> <p>In 2017 Powercor (and CitiPower) launched our Smart Meter Voltage Management (SMVM) system. This system strategically lowers voltages at the zone substation level and uses our smart meter fleet to ensure we maintain our customers supply to within acceptable voltage levels. This voltage reduction reduces demand on the transmission network and is activated when called upon by AEMO at times of Lack of Reserve (LOR) in the wholesale electricity market.</p> <p>We deployed this system across 50 of our zone substations in the Powercor network for the 2017 Summer, undertaking extensive testing prior to operational launch. When an event is called the CitiPower and Powercor networks can contribute up to a total of 110MW of demand reduction. The CitiPower network contributes approximately 42MW to this reduction with the Powercor Network contributing 68MW, although this will vary based on the demand at the time an event is called.</p> <p>The SMVM system was defined, implemented and operated in 2017 as part of the Reliability Emergency Reserve Trader (RERT) market, operated by AEMO. CitiPower and Powercor are now in the process of recovering costs for implementing and operating under our long notice RERT contract from AEMO. No DMIA funds are being sought for this work.</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