

# Addressing CAP feedback

## Impacts of COVID-19

What we heard	Our response
<p>There should be more work with customers and the community through this uncertainty. For example, propose lifting up complementary measures. If there is more change, there are a significant amount of complementary measures you can use to help customers deal with the change</p>	<p>We agree that we have an important role to play in providing guidance to customers through COVID 19.</p> <p>We have established COVID focused web pages and media communications outlining assistance measures available to customers, as well as outlining our response measures to ensure safe and reliable electricity supply continues in COVID circumstances.</p> <p>We will continue to review opportunities for complementary measures when changes arise.</p>
<p>Propose early conversations with electric vehicle (EV) sellers to ensure a line of sight on uptake and build up a relationship at the beginning instead of when the problem arises</p>	<p>As members of the Electric Vehicle Council, we have been engaged in the development of the EV market for over a year. All EV manufacturers are represented on the Council and this provides an excellent opportunity for us to collaborate on market needs. For example, we are active members of working groups established by the Council to investigate tariff design for EV charging and smart inverter standards to support potential vehicle to grid exports. We have also advocated for a separate working group to be established to enable us to work with manufacturers on the customer experience.</p> <p>We have existing relationships with many at the dealership level today, as we have assisted with enabling their charging facilities on site. We feel we can also build upon these for the benefit of customers.</p> <p>As part of our improvements to online communications, we have started promoting information to potential EV buyers to ensure they understand all the implications of an EV purchase (e.g. often require 3 phase power – customers may require an upgrade) and to encourage them to apply via our new eConnect tool to form part of our DER Register.</p>

	<p>United Energy has an advance EV strategy and is currently participating in a number of trials with retailers to examine charging behaviour.</p>
<p>An example was given of St Vincent de Paul's climate action accreditation. As part of getting accreditation there is a product disclosure statement (PDS) on plans to reduce carbon but it is not always shared with distributors. There should be more alignment of plans between different industry and stakeholder groups.</p>	<p>We have developed a position statement on how our networks facilitate community and government objectives for carbon emissions reduction and a clean energy future. This forms the basis of advocacy work related to future network developments (please see statement at bottom of document).</p> <p>We are committed to working closely with communities, government and other stakeholders to drive down carbon emissions and provide a cleaner environment for Victoria.</p> <p>We would value the opportunity to contribute to and be consulted on industry plans that may impact how we optimally manage our network.</p> <p>We are open to suggestions from the CAP on how we can ensure that opportunities are captured.</p>
<p>There are examples of other jurisdictions that have already developed their summer plans. There are learnings in place there, around working with the department on some messaging that can be applied—there should be more targeted communications to people who can do things to help during the summer season to assist the network in dealing with it.</p>	<p>We have a robust and detailed approach to summer preparedness. The plan is considerate of preparations across our entire network from bushfire mitigation, REFCL development, asset maintenance, communications and contact centre readiness, private line management, and includes long term whether outlooks.</p> <p>Complementing our internal preparedness, our summer communications messages to customers include information on being prepared for any outages, management of vegetation near powerlines and managing energy usage. This year, the information is being distributed via print, radio and social media to all customers with specific campaigns also targeting farmers, financially vulnerable customers and small businesses.</p> <p>All operational and communication initiatives have been advised to DELWP and AEMO. We are working collaboratively with the other Victorian DBs, AusNet and Jemena, to coordinate on demand management activities over the summer.</p>

	<p>We will assess any further opportunities to communicate with customers, and will share a summary of our summer preparedness activities with the CAP</p>
<p>There was a question around overall impact of COVID-19 on the cost of our operations, as there are positive and negative impacts at play. Overall, it was concluded there is not a significant visible change in either direction at the moment</p>	<p>The cost impact to our operations due to COVID specific practices has not been material. Whilst we have increased costs due to practices to protect our workers and the public, and to prevent the spread of the virus should we have any confirmed cases, we are also seeing some productivity gains in staggered start times and crew segregation.</p> <p>We have also developed programs to identify and retain measures that have benefited our people and our customers when we return to a COVID normal state</p>
<p>Relief packages could target more particular industries. For example, we should target businesses we know have been impacted harder by COVID-19, e.g hairdressers. This will speak to customers and community more. Limiting these packages to types of business will limit the propping up of “zombie businesses”</p>	<p>We endeavour to provide support via our package to all that require it and meet eligibility criteria.</p> <p>Our package works in tandem with retailers support offerings as well as support packages offered by the state and federal governments.</p>
<p>The uniqueness of each of your networks should be more evident through our response</p>	<p>Agreed. Whilst to date, we have taken a customer specific focus (i.e. relief has been aligned across all Victorian networks and provided to all eligible customers regardless of location) we acknowledge that the community needs in terms of response to COVID will vary by network.</p> <p>As the situation develops, we will continue to look at ways to assist customers experiencing hardship as a result of COVID, working closely with retailers and the ECA to track which customers are in most need of assistance.</p>
<p>It depends on the type of customer for whether relief packages should come through networks or retailers. For example, dairy farmers and other large customers should go direct to the network business</p>	<p>Agreed. Retailers are the primary liaison point for the customer, and relief packages will largely be delivered via the retailer, however, where practical and appropriate, we will engage directly with customers to assist them with their energy needs through COVID.</p>

	<p>This may (and has already) involved assessment of tariff options, review of energy connection (e.g. three phase/ single phase) and tracking of usage (e.g. the first phase of the package included network assessment of small business usage and automatic reduction in costs where customers were eligible).</p>
<p>The network relief package has been a great initiative for Victoria network businesses. The whole issue of role and responsibility for network verses retailers in customer hardships has really come out in the pandemic. It was seen as possible groundwork for more collaborative work between networks and retailers going forward and as a potential for more strategic partnerships</p>	<p>We have a keen focus on retailer relations. We have dedicated roles in the business to ensure the smooth operation between businesses for customer benefit. We have regular operational meetings with all large retailers and an increasing number of small retailers to smooth processes for connections, data, metering, billing and customer information management. These meetings (and relationships) are also used to address specific customer cases requiring attention (which may include hardship).</p> <p>In addition, we are increasing our focus on strategic partnerships with retailers – aiming to improve efficiency for customers and ensure we have the appropriate relationships to respond when major industry impacting events occur – such as the scenario that COVID-19 has presented.</p> <p>In general terms for hardship customers, we see an increasing collaborative role for networks. We can provide data, insight and support where appropriate to our supply customers (via retailers) and also directly support customers experiencing hardship that are engaging with us for services (e.g. connections, augmentation, private lines, customer installation defects etc).</p>
<p>Breaking planned outages into smaller programs (shorter, sharper) to suit customers working from home was seen as a very positive initiative. This approach would be useful especially if combined with stronger communication and collaboration with customers on when the planned outages are most suited.</p>	<p>We acknowledge the increased impact outages are having to customers during COVID-19 and are taking a range of actions to reduce their impact, however, we have also focused our messaging to customers on planned outages being a crucial part of maintaining a safe and reliable network, and something that will need to continue through the pandemic.</p> <p>As part of our proposed Customer Service Incentive Scheme (CSIS) we will improve the planned outage experience (i.e. shorter and fewer outages on average) for our customers on an ongoing basis. We included this measure in the CSIS based on customer feedback that this is the type of service improvements they value.</p>

	<p>We will continue to identify and implement measures that reduce impacts or provide customers with a greater level of information. We will ensure that we keep the CAP informed of actions in this area given the increased impact planned outages are currently having to our customer base.</p>
<p>It was proposed all positive hardship initiatives should be packaged together for a message to the industry and the communities</p>	<p>We may not be best placed to coordinate all relief packages and support options that may be available to customers, but would be more than happy to contribute our program details to any such initiative.</p> <p>Our ability to develop and maintain hardship arrangements and opportunities across 30+ retailers, plus government subsidies, grants and supports etc is limited. If we were to contribute to such a scheme however, it may enable us to better direct customers to additional support measures that they may be eligible for.</p> <p>We are happy to work with the CAP on how this initiative may be progressed.</p>
<p>The ECA shared its own experience with research on assistance for customers facing hardship during COVID-19, including a summary of the type of assistance being offered across different industries</p>	<p>We appreciate the insights from the ECA report. We will consider these insights when regularly reviewing our hardship arrangements and COVID support packages.</p>
<p>There was interest in understanding better what the take up of deferrals was, but also acknowledgment that those numbers do not tell the full story and hardship is likely more widely spread. As such, it was suggested we do a scan of customers who are not getting support and see if there is more we can do for them. This will become even more important as certain industries are unlikely to recover for a long time</p>	<p>We will continue to monitor our support packages, including take up and support offered. As part of this, we will monitor customer types and segments not eligible for support (e.g. larger business customers with maximum demand components in their tariffs) ensuring impacts to these customers are understood and that their needs are considered in any modifications to relief packages in the future.</p>

21 August 2020

## Position statement

# Supporting a cleaner energy future

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CitiPower and Powercor recognise that climate change is affecting our environment and the local communities we operate in. How our society generates and uses electricity directly influences this change. We acknowledge our role in facilitating new energy technology benefitting the environment and the communities we serve.

We are committed to working closely with communities, government and other stakeholders to drive down carbon emissions and provide a cleaner environment for Victoria.

Hotter summers and more erratic weather conditions as well as longer bushfire seasons are influencing how we plan, build and manage our infrastructure so it is more resilient and continues delivering safe and reliable power to our customers.

This includes changes to how we operate our network as the Victorian Government's emission reductions targets to achieve a 2050 objective of net zero emissions drives unprecedented growth in large and small scale renewable generation, storage and the electrification of transport.

The CitiPower and Powercor networks are facilitating new ways of generating, using and transporting electricity to enable homes and businesses to maximise the benefits of low emissions opportunities and technologies.

To support Victoria's transition to a cleaner future, we are:

- 1. Facilitating the uptake of household, commercial and large-scale renewable energy generation to support homes and communities to take control of energy choices.**

Our high voltage networks are connecting to and transporting power from more solar and wind farms than ever before, while our low voltage network is supporting households and businesses to connect solar panels and feed excess clean electricity back into the grid.

We have a dedicated team of engineers to allow us to connect as much generation as possible whilst maintaining safety and greater than 99.9% reliability of electricity supplies.

As well as upgrading network infrastructure to accommodate these changes and prepare for an increase in electric vehicles, we are moving towards a digital network. Victoria's unique smart meter network is providing us the detailed data we need to unlock grid capacity. We are investigating how we can use this data to implement more dynamic and automated ways of operating and allowing us to safely and quickly move energy around our networks to accommodate more distributed energy resources.

As communities adopt energy efficient alternatives such as LED streetlights and collaborate to drive low-emissions technology through shared infrastructure such as microgrids and renewable energy generation, we are assisting with these projects.

We are investigating new ways of using battery technology to reduce peak electricity demand, while our well-established demand management program continues to support customers reduce their electricity use and costs during the summer peak.

## **2. Reducing the environmental impact of our operations through improved network efficiency and environmental protection initiatives.**

We seek to minimise our direct and indirect greenhouse gas emissions, and this data is provided annually to the Clean Energy Regulator under the National Greenhouse and Energy Reporting Scheme. Most of our emissions are indirect and result from what is known as line losses as electricity is distributed throughout our network. As more renewable power comes online our emissions decline.

Steps to reduce our direct emissions include incorporating energy efficiency measures into new facilities and depots, and participating in the Greenfleet program to offset the carbon emissions for our light vehicle fleet. Between 2005 and 2020, we planted 90,000 native trees in communities within the Powercor and CitiPower network regions. Employees participate through volunteer programs supporting tree planting and other environmental activities.

Our wooden power poles are sourced from sustainable and renewable forest supply, and we have a program to recycle them into flooring once they have reached the end of their life.

Our extensive waste and recycling programs include refurbishing old computers and electronic devices for re-sale and donating company clothing for reuse by communities overseas whilst other electronic items are recycled. Our scrap metal is recycled and our offices and depots segregate recyclables from landfill waste where possible. We also recycle our fluorescent tubes, and staff can even bring in compact fluorescent light globes from home for recycling. We have also organised for Green Collect to collect and recycle our staff's mobile phones, DVDs, CDs, corks and batteries.

## **3. Building a resilient network to ensure we can sustain high levels of electricity reliability while environmental conditions become increasingly challenging.**

We are continually evolving our networks by investing in and managing reliability and bushfire safety technology and infrastructure so our networks can withstand changing climate conditions. Our asset management plans provide a long-term approach on how we invest and manage our infrastructure, in light of our external environment and conditions.

Improving resilience encompasses a range of activities including replacing and upgrading assets to ensure the right material and infrastructure is located in the most suitable locations and environment; working with partners and universities to find ways to reduce the risk of asset failure and to make our network more robust.

In areas of hazardous bushfire risk areas, we are undergrounding powerlines and installing high technology covers over powerlines to protect them from climatic conditions. To further reduce fire risk, we use advanced Light Detection and Ranging (LIDAR) technology to continually improve the accuracy of scanning and detection of vegetation growing near powerlines and ensure our overhead conductor clearances remain compliant to Australian Standards throughout their lifetime.

Further risk mitigation activities are being explored, trialled and implemented as part of network innovation strategies as well as technical research and development. These include improved vegetation management activities, the installation of new bushfire safety devices such as Rapid Earth Fault Current Limiters and Early Fault Detection technology, upgrading fuses and other infrastructure.

To continue facilitating the change our communities and sector is experiencing, we are working closely with local and state governments and communities to respond to needs, expectations, and policies. We are also sharing learnings and research with national and international utilities, and partnering with universities, technology companies and other organisations to deliver for customers.