

20 January 2020

Essential Services Commission
Level 37, 2 Lonsdale Street
Melbourne VIC 3000

By email: edc.review@esc.vic.gov.au

Dear Ms Symons,

Re: Electricity Distribution Code Review – Technical Standards – Draft Decision

Thank you for the opportunity to comment on the Essential Services Commission's (ESC) *Electricity Code Review – Technical Standards – Draft Decision (Draft Decision)*.

The Energy and Water Ombudsman (Victoria) (EWOV) is an industry-based external dispute resolution scheme that helps Victorian energy or water customers by receiving, investigating and resolving complaints about their company. Under EWOV's Charter, we resolve complaints on a 'fair and reasonable' basis and aim to reduce the occurrence of complaints¹. We are guided by the principles in the Commonwealth Government's Benchmarks for Industry-based Customer Dispute Resolution². It is in this context that our comments are made.

Our submission in response to this Draft Decision is brief, as much of the technical standards subject matter lies beyond our expertise. Customer service standards are our primary focus in relation to Electricity Distribution Code Review, and we look forward to the ESC's customer service standards draft decision in due course. As outlined in our submission to the Electricity Distribution Code Review Issues Paper³ (**Issues Paper**), we believe there is significant scope to reduce distribution related complaints by improving distributor and business to business processes, and enhancing customer service through greater engagement and higher service standards. The need for an improvement in the service culture of distribution businesses will only increase as energy generation becomes increasingly decentralised, and consumers make the transition into being 'prosumers' – with an ever increasing need to interact directly with their distributor, or indirectly through an aggregator.

¹ See Clause 5.1 of EWOV's Charter: <https://www.ewov.com.au/files/ewov-charter.pdf>

² See EWOV's website: <https://www.ewov.com.au/about/who-we-are/our-principles>

³ Submission available at:
https://www.ewov.com.au/files/ewov_submission_to_esc_issues_paper_electricity_distribution_code_review.pdf

Our further comments are set out below.

Draft Decision 1: New voltage standards for more flexibility to the grid (adopting AS61000.3.100)

In our submission to the Issues Paper we expressed our view that adopting the Australian Standard (AS 61000.3.100), as South Australia and New South Wales have done (with Queensland in the process) would be preferable to taking a ‘best endeavours’ approach because it provides more certainty. A ‘best endeavours’ approach would be likely to cause disputation as ‘best endeavours’ are interpreted differently by various parties, requiring a greater degree of adjudication.

Accordingly, we support the ESC’s decision to adopt AS61000.3.100. We agree that doing so will provide an important (and necessary) degree of flexibility in the distribution system, which will face increasing change in the years ahead as the generation mix shifts towards more renewable, decentralised power sources.

Draft Decision 2: We will maintain customer protections for equipment damage by excessive voltage variation

We are pleased that the ESC has proposed to retain a modified version of the existing voltage limits of the code for the purposes of customer compensation, and wholeheartedly support this decision.

The continued operation of *Electricity Guideline 11 – Voltage variation compensation (Guideline 11)* in the manner proposed by the Draft Decision is important to ensure customers receive adequate compensation for voltage damage. This greatly assists us in our role as an external dispute resolution service, providing clarity and certainty for our staff and customers alike. As the Draft Decision points out, this is not an insignificant consideration – given that we handled 179 cases where Guideline 11 applied during the 2018/19 financial year.

Draft Decision 3: Technical standards updated in line with industry best-practice

Again, we support the ESC’s decision here. That some technical standards have been out-stripped by industry practice simply reflects that the Electricity Distribution Code was due for review, and it would be counter-productive not to update those standards to reflect current practice. This is an important function for the review, particularly as we head into a transitional period of significant and rapid industry change.

Draft Decision 4: Harmonise a range of technical standards with the National Electricity Rules

Given the interconnection of Victoria’s grid with other parts of the NEM, there seems little benefit in maintaining distinct technical standards for Victoria if harmonisation with the National Energy Rules (NER) can be easily achieved at no detriment to distributors or customers. This is particularly so for distributors who have operations in more than one jurisdiction, or at state borders.

While the full technical details are beyond our scope, consultation has suggested that this harmonisation can be achieved without difficulty – so on an in-principle basis, we support the decision.

Draft Decision 5: Introduce new obligations for distribution businesses to report on how they are using smart meter technology

While this is not a priority area for us, we agree on principle that greater use of smart meter data could be made for the purpose of grid management – and this could flow through to improved customer service, and fewer distribution related complaints. On that basis we support this decision.

Draft Decision 6: Other technical standards to remain unchanged

The technical standards discussed here are beyond our technical expertise, but we do note that consultation forums have not revealed any apparent or pressing concerns with this part of the ESC's Draft Decision.

Draft Decision 7: Commencement date of code amendments

Again, we are not aware of any concerns being raised regarding this element of the ESC's Draft Decision. From our point of view, a March 2020 commencement to the proposed Code changes would not present any difficulties – but we are unable to comment beyond our own operations.

We trust these comments are useful. Should you like any further information or have any queries, please contact Zac Gillam, Senior Policy and Stakeholder Engagement Officer, on (03) 8672 4285.

Yours sincerely



Cynthia Gebert
Energy and Water Ombudsman (Victoria)