

Value of Network Resilience 2024 submission. John Mumford

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I would like to make the following comments on the Value of Network Resilience 2024 Draft decision.

I do not have the expertise or resources to make a full submission.

I am pleased the AER is looking at Resilience but I am concerned that the AER has not considered all issues.

I am concerned that the AER has not captured rural concerns in the Value of Network Resilience 2024 consultation.

I am also concerned that if these issues are not managed correctly, customers will continue to receive poor service and increased charges.

I would like to make the following points.

I believe that the AER needs to improve its consultation process so that it is more accessible to customers.

The AER consultation paper is not accessible to many customers.

I accept that this is a complex issue but this should not mean consumers cannot participate.

The AER needs to provide a summary in the consultation paper that explains the issues in plain language. This must include an explanation of the potential impacts for customers.

What is being proposed?

Why is this necessary?

How will this impact my service and my bill?

There is clearly a lack of consumer representation when only one consumer organisation has had the resources to make a submission.

The AER needs to fund consumer organisations to participate in AER consultations.

I am not sure the AER understands the serious impacts of long outages.

Pages 2 (& 18) of the paper states:

- **prolonged outages over 72 hours are rare.** During the last three large-scale electricity outage events in Victoria, around 90% of customers were reconnected within 72 hours, with most of the remaining 10% of customers reconnected within seven days.

What the AER is failing to acknowledge is that in February 2024 the remaining 10% of customers totalled around 30,000 Victorian households and businesses. It is concerning that the AER appears to think 30,000 Victorian households and businesses are insignificant.

I am concerned that the AER has not captured rural concerns in the Value of Network Resilience 2024 consultation. The Draft decision does not adequately recognise the impacts long unplanned outages have on rural customers.

On issues like Resilience, there is a difference between city based poorly served customers and rural poorly served customers. Sometimes this difference is significant.

The Draft decision including the Consumer Engagement Report from The Insight Centre has failed to consult customers outside the city. None of the 62 consumers who were consulted lived outside Melbourne. Yes, there were high impact customers but none were from rural areas. So rural consumers have been ignored. The AER needs to regulate for all customers.

The Draft Decision focuses on long outages from severe weather events.

The AER also needs to focus on the impact of inadequate Network maintenance and resourcing. Inadequate Network maintenance and resourcing often leads to customers experiencing longer outages (than they should) following severe weather events.

The AER also needs to consider how many long outages that occur during normal weather are due to inadequate Network maintenance and resourcing.

If Network maintenance and resourcing is improved, the cost to improve resilience could be far lower than what is currently being considered. If Networks were held to account on their current funding to provide better maintenance and resourcing, there would be No cost to customers.

If Networks were given a small amount to better maintain and resource the network, this could result in a reduced cost to improve resilience compared to expensive and often ineffective network hardening

When it comes to Major Event Days (MED), Networks have no incentive to improve resilience. (no skin in the game)

There is no incentive for Networks to improve as Networks claim the cost of repairs (and GSL payments in Victoria) back from all customers. In addition, on Major Event Days the incentive schemes are suspended so again there is no penalty for Networks.

It is also possible that Networks use Major Weather Events to double dip on costs as outages that occur on Major Event Days that are not actually caused by the weather event could be claimed back from customers when they are already funded by the normal funding process.

The MED may actually be lengthening restoration times and driving up prices for customers. Customers often need to wait longer for power to be restored during MED events.

MED events can lead to Networks proposing higher resilience spending as a result of their poor performance during MED events. And then with no incentive to improve during the next MED event, the process can repeat resulting in more price increases for customers.

The AER needs to ensure that this consultation does not lead to higher prices for customers.

The AER current processes can mean Networks see Major Events as “Fundraising” opportunities by acting to allow Networks to increase spending which increases prices for customers. Customers must not be financially punished for Network failings. Networks need to self-fund some of the costs of storm event so that they have some incentive to improve.

In relation to Inadequate Network maintenance and resourcing, I believe this is the main cause of the long outages many customers experience. The following are my experience of three long outages where the outage was longer than it needed to be.

February 2024

We had no power for 3+ days (78 hours) but there was no damage to our 22kVA line. AusNet simply chose to not assess and restore power for more than 3 days. We had to endure a long outage simply because of the inadequacies of AusNet.

I am attaching the two public submissions I made to the Victorian Network Outage Review that are relevant to this consultation. They can be found at:

<https://engage.vic.gov.au/project/network-outage-review/page/published-submissions>

April 2023 case study summary.

In April 2023 we experience a 16.5 hour unplanned outage on our 22kVA line. To set the scene at the time of the unplanned outage. The weather was calm and dry. There were no obvious external issues that caused the outage. The area is rural but not remote. The area has little vegetation. The area where the fault occurred is next to a main road. AusNet had relatively few outages at the time with this outage being the only major outage. Resourcing should not have been an issue for AusNet in relation to restoring the power or keeping impacted customers informed.

The outage was caused by the failure of a high voltage conductor. This resulted in our 22kVA power line hanging low over a major road some 15 kilometres from the Zone Sub-station. It took Ausnet 6 hours to find the outage (when it should have been found in about 1 hour) And then the maintenance team went home because it was the end of their shift. Ausnet did not return until the next morning but not first thing. They did not start work until mid-morning.

I am providing a confidential case study of this outage which demonstrates the Networks failings.

June 2021

We had a 4.5 Day outage during the storm event on our 22kVA line. The outage was caused by a roadside tree falling on the line. The roads were cleared in about 12 hours but it took AusNet nearly 4 days to assess our line and make it safe.

During the first 4 days, more than 100 vehicles drove over the fallen power line.
The line may not have been damaged if adequate vegetation management had occurred.
It should not have taken AusNet 4 days to do an assessment and make the line safe when they had full access to the site.

It appears AusNet learnt little from their failings in June 2021 as they were all repeated in February 2024

I can provide a full case study of this outage if the AER is interested.

Please contact me with any questions.

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