

# AusNet

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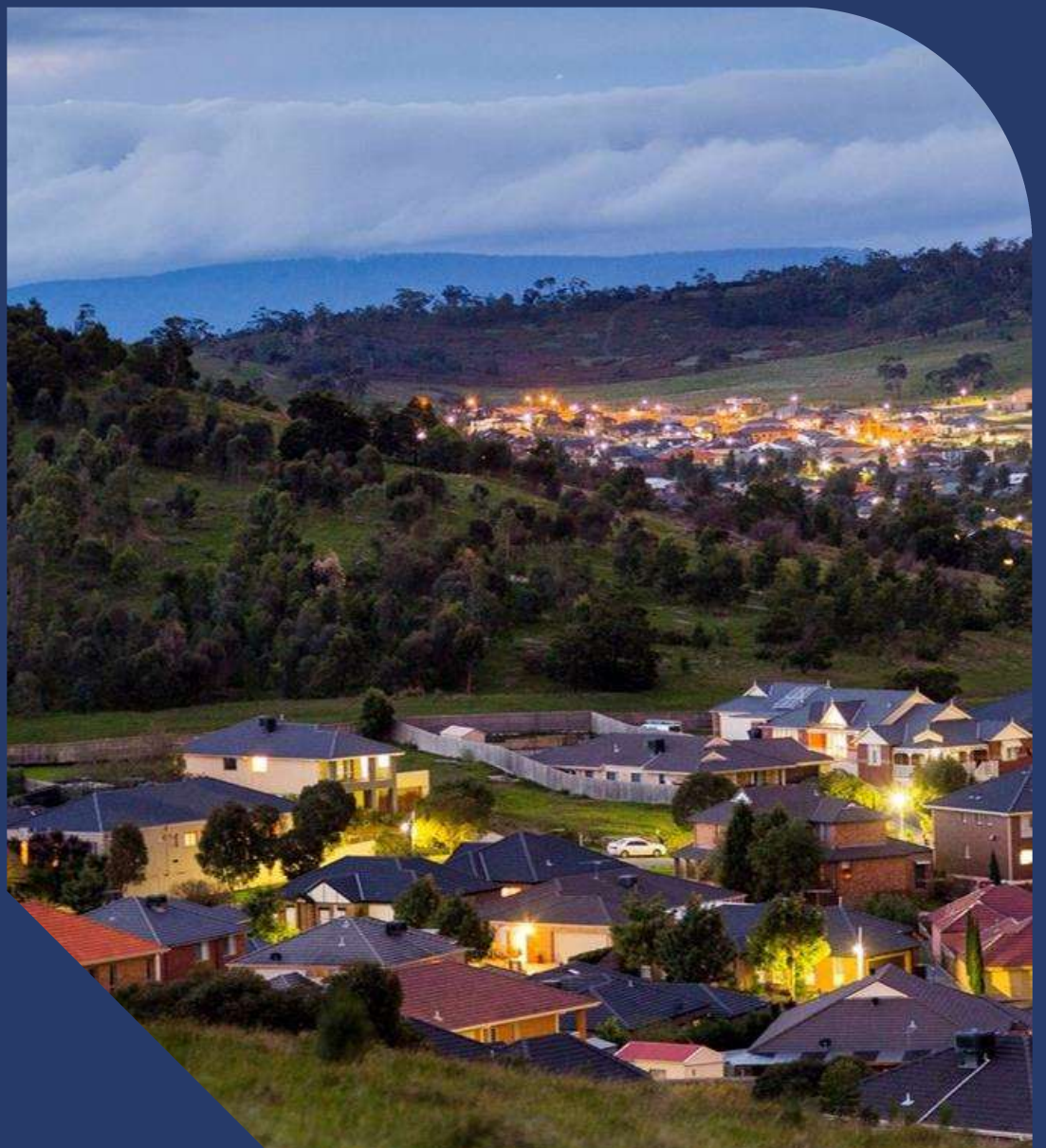
## Electricity Distribution Price Review (EDPR 2026-31)

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Business case: Community Hubs

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Date: January 2025



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# 1. Executive summary

The AusNet distribution network supplies electricity to ~809,000 customers across the east of Victoria. Across our network, extreme weather events and climate change is a significant risk and can impact both reliability and resilience of the distribution network; the most severe of these events causing multiple prolonged outages for our customers. As a part of enhancing the resilience of the distribution network against climate change, an investigation was conducted to assess the costs and benefits of various non-network programs in improving network resilience. This business case outlines our assessment and the preferred investment to proceed with.

AusNet has identified 30 communities that face significant challenges due to their remoteness, geographical challenges, socioeconomic factors, and historical vulnerability to major events. For these towns, we are proposing to provide backup power systems to existing community hubs i.e., to fit-out existing community hubs with solar panels, batteries, generators and telecommunication equipment. By targeting these sites, AusNet aims to address vulnerabilities and build resilience in some of Victoria's most at-risk communities.

The implementation of solar, battery, generator systems, along with telecommunication equipment, at these 30 locations will provide several critical benefits to communities. The backup power systems will ensure that essential services, such as provision of first aid facilities, emergency shelters, and communication networks, remain operational during outage events. The provision of telecommunication equipment will improve communication capabilities, allowing residents to receive updates and emergency alerts, and coordinate response efforts during crises. Community hubs play a crucial role in delivering a wide range of social and economic benefits, fostering greater cohesion and access to essential services for local populations. Further community engagement will be carried out if this proposal is successful to finalise locations and coordinate with local councils.

The capital investment for the program is \$9 million (direct, real 2023-24). The Net Present Value (NPV) relative to BAU is \$10.6 million (discounted). We have quantified the benefits using the willingness-to-accept (WTA) value for community hubs produced by our resilience research.

This business case outlines how we have:

**Analysed risks to communities:** The process of analysing risk comes through investigating the historical outages experienced by customers on the network and identifying heavily impacted locations. The analysis then looks at vulnerability metrics to gauge other risk factors impacting communities. By understanding which network areas are most at risk, a proactive solution can be designed and delivered.

**Assessed various options:** The options analysis compares the costs and benefits of implementing community hubs backup with a "do nothing" approach. We have quantified the benefits delivered to customers through the willingness to accept (WTA) values for community hubs produced by our resilience research.

**Identified the preferred option:** The installation of backup power systems for community hubs is our preferred option as it maximizes the NPV of the options assessed. The selected locations for backup power systems are NPV positive.

**Table 1: Economic Outcomes (Real \$m, 2023-24 dollars)**

	FY27 to FY31 (undiscounted)			Full assessment period (discounted)			Comments
	Capex	Opex	Total cost	Total cost	Total benefits	NPV	
<b>Do nothing</b>	\$-	\$-	\$-	\$-	\$-	\$-	
<b>Option 1 – Community Hubs</b>	\$9.0	\$0.3	\$9.3	\$9.0	\$19.5	\$10.6	Deliver back up power systems to 30 community hubs.

Source: AusNet analysis

# 2. Background

## Extreme weather events on our distribution network

Over the past 5 years, we have experienced 4 major storms and 1 bushfire:

### 2019-2020 – Black summer bushfires

The black summer bushfires across the 2019-2020 summer resulted in widespread damage across the state and destroyed a significant proportion of our distribution network. Across our network, over 300 power poles were destroyed, over 1,000 kilometres of powerlines were affected, and approximately 60,000 customers experienced outages. Significant remediation works were required to restore supply to customers across the state, and temporary supply was required to enable operation of essential services across remote regions where power was not restored for a significant duration of time.

### 2021 – June & October storms

Victoria was impacted by severe storms during June and October of 2021, which again caused significant outages. The significant winds during this period caused trees and powerlines to fail, faulting powerlines and resulting in prolonged outages whilst infrastructure was repaired. These events resulted in outages to approximately 249,000 customers during the June 2021 storms and 217,000 customers during the October 2021 storms; some of which lasted multiple days.

### 2024 – February storm

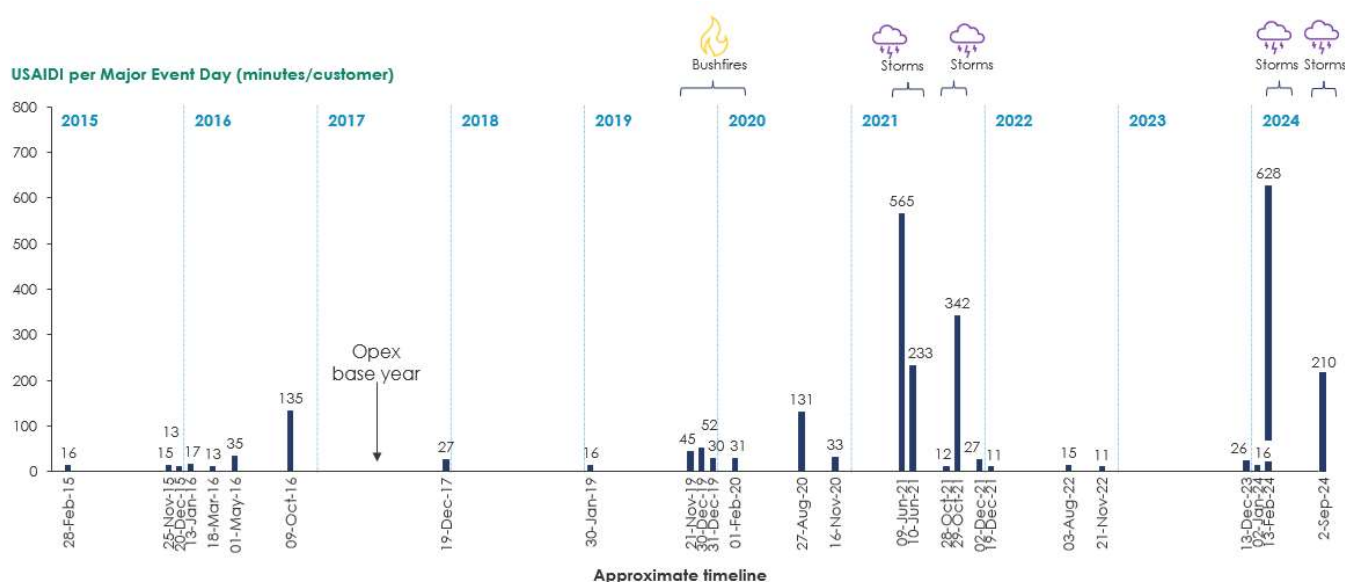
February 2024 storm impacted both transmission and distribution network infrastructure assets across the state. Much as the previous storm events, this resulted in powerline failures either through vegetation faulting or direct line failures. This storm impacted approximately 297,000<sup>1</sup> customers across the AusNet network, and the extent of damage left some customers disconnected for several days.

### 2024 – September storm

September 2024 storm impacted approximately 171,000 customers.

The impact of these events on the distribution network is depicted in the figure below.

Figure 1: USAIDI per Major Event Day from 2015 to 2024 (minutes/customer)



Source: AusNet.

## Weather event and forecasting climate change

The changing climate and its impact on our infrastructure, with flow on effects to our customers, is a key concern underpinning the need to invest in proactive solutions to mitigate the growing risk of weather hazards. To understand the impact of climate change, AusNet procured climate data from an independent and external consultant. We used the climate data to forecast our expected unnerved energy.

<sup>1</sup> Other sources reference 255k customers which is the coincident peak customers off supply.

**Climate data:** Climate data (which was first procured to support our network hardening investment case) explored various scenarios that could affect key network infrastructure, such as power poles, overhead lines, and other distribution assets. The modelling focussed on two critical hazards: bushfire and windstorms. To forecast bushfire risk, the model used a Forest Fire Danger Index (**FFDI**) exceeding 100 as a threshold to quantify annual fire risk days. To forecast windstorms risk, the model assessed days with wind speeds exceeding 11.3 m/s and maximum windspeed. The selection of these high thresholds ensures that AusNet's modelling is conservative in assuming climate change will only be driven by severe conditions and ensures the risk of over investment is reduced. The climate scenarios were based on the Representative Concentration Pathway (**RCP**) 4.5, a projection pathway reflecting moderate greenhouse gas emissions.

**Risk Modelling:** One of the outputs of the risk modelling (which was first developed to support our network hardening investment case) is the compound annual growth rate (**CAGR**) of risk in our network. The risk modelling projected a network wide CAGR of 0.63% (the sum of windstorm and bushfire risk). This network-wide risk rate can be disaggregated at the feeder level which are more granular and location specific.

See the CutlerMerz Climate Resilience Economic Modelling – Model Methodology – September 2024 report.

## Resilience vs Reliability

Resilience and reliability are critical and interrelated concepts but address different aspects of the energy system's performance.

Reliability refers to the consistent and dependable performance of the energy system under normal operating conditions. Reliability emphasises consistent performance and aims to reduce outage time during regular operating conditions, including scheduled maintenance. It is commonly quantified by metrics such as the average number of outages per customer, or the average duration of outages per customer, both normalised to provide a standardised measurement. A reliable energy system delivers power continuously without frequent interruptions. Regulatory standards and performance metrics exist (e.g., **USAIDI** – Unplanned System Average Interruption Duration Index, **USAIFI** – Unplanned System Average Interruption Frequency Index) to quantify network reliability. Regular and preventive maintenance is crucial to maintaining reliability.

Resilience refers to the ability of the energy system to withstand and recover quickly from disruptive events. It pertains to a system's ability to cope with and recover from challenges such as natural disasters and climate change. Ultimately, resilience is the ability of a network to respond rapidly to disruptions and restore normal operation quickly after unfavourable event.

To summate, whilst both reliability and resilience are essential for operations of a distributed energy service provider, reliability ensures the steady and predictable supply of energy under normal conditions, and resilience ensures the system can endure and recover from unexpected disruptions.

## Vulnerability

The vulnerability of our customers can be assessed through various socio-economic and geographic metrics, particularly the remoteness score, Socio-Economic Indexes for Areas (**SEIFA**) and life support score. Understanding these factors is crucial for identifying areas that may be at higher risk due to their geographical and socio-economic conditions.

Remoteness score is a measure developed by the Australian Bureau of Statistics (**ABS**) to evaluate the relative isolation of geographic areas from urban centres. It categorises regions into different remoteness classes, ranging from major cities to very remote areas. Areas with higher remoteness scores typically face challenges such as limited access to essential services, increased response times during outages, and higher operational costs associated with maintaining infrastructure. Consequently, these regions may be more vulnerable to disruptions in service and can suffer greater impacts from outages.

Similarly, the SEIFA score assesses the socio-economic status of different regions based on factors such as income, education, and employment. Lower SEIFA scores indicate areas of greater disadvantage, where residents may have fewer resources to cope with service disruptions. These socio-economic challenges can exacerbate the vulnerabilities of the distribution network, as communities with limited means may struggle more during outages or infrastructure failures.

Additionally, the life support score represents the percentage of the number of life support customers within a community compared to the total community population, providing a measure of the proportion of individuals reliant on life support services.

By analysing SEIFA scores alongside remoteness and life support customer scores, AusNet can identify regions that not only face logistical challenges but also have a population that may be less equipped to handle service interruptions. Utilising both remoteness and SEIFA scores enables AusNet to prioritise investments and interventions in the most at-risk areas of our network.

## The role of non-network solutions in improving resilience

Non-network solutions are a vital tool in enhancing the resilience of the energy grid, particularly for DNSPs. For example, it can involve the use of battery equipment, solar energy, and local generation to replace capital intensive augmentation projects.

### 1. Cost Savings:

Non-network solutions, such as solar power and energy storage systems, can be a more economical alternative to traditional capital-intensive augmentation projects. In regions with low customer densities, the cost of upgrading or replacing existing grid infrastructure can be particularly high. By implementing decentralised energy systems, AusNet can avoid significant capital and operational costs associated with grid maintenance.

### 2. Enhanced Reliability and Resilience:

Non-network solutions can significantly bolster the reliability of power supply, especially in areas prone to extreme weather or other disruptions. Local generation and storage systems can operate independent of the main grid, ensuring that communities have access to power even during outages.

### 3. Improved Power Quality:

Integrating non-network solutions can enhance power quality by mitigating issues such as voltage sags and frequency variations. Local energy sources can provide instantaneous power adjustments, helping to maintain stable voltage levels and reduce harmonics in the electrical supply. This results in fewer disruptions to sensitive equipment and appliances, improving overall satisfaction and productivity for consumers.

### 4. Mobile and Deployable Solutions:

Mobile energy solutions, such as portable generators or battery units, can be quickly deployed in response to outages, providing immediate relief to affected areas. These systems can be transported to where they are needed most, allowing for rapid restoration of power.

## The role of community hubs in resilience

AusNet recognises the importance of community resilience and is proposing to invest in backup power system to community hubs.

Some common functions and uses of community hubs in supporting rural or remote communities include:

- **Emergency Response and Preparedness:** Community hubs often serve as coordination centres during emergencies, providing essential services such as shelter, resource provisions, and medical assistance. They may also offer support for emergency preparedness, including evacuation plans and emergency supplies when required.
- **Information and Communication:** Community hubs act as communication hubs where residents can access information about outage restoration, services, and resources. They may provide internet access, bulletin boards, and noticeboards to provide important information to the community.
- **Social Support and Networking:** Community hubs offer a space for residents to connect with one another, voice concerns to support officials, come together during disaster events, and foster a sense of belonging.

Unlike other non-network solutions, such as stand-alone power systems or mobile generation, community hubs are embedded within the fabric of communities, allowing for focused responses to local needs.

## AusNet Community Resilience Projects

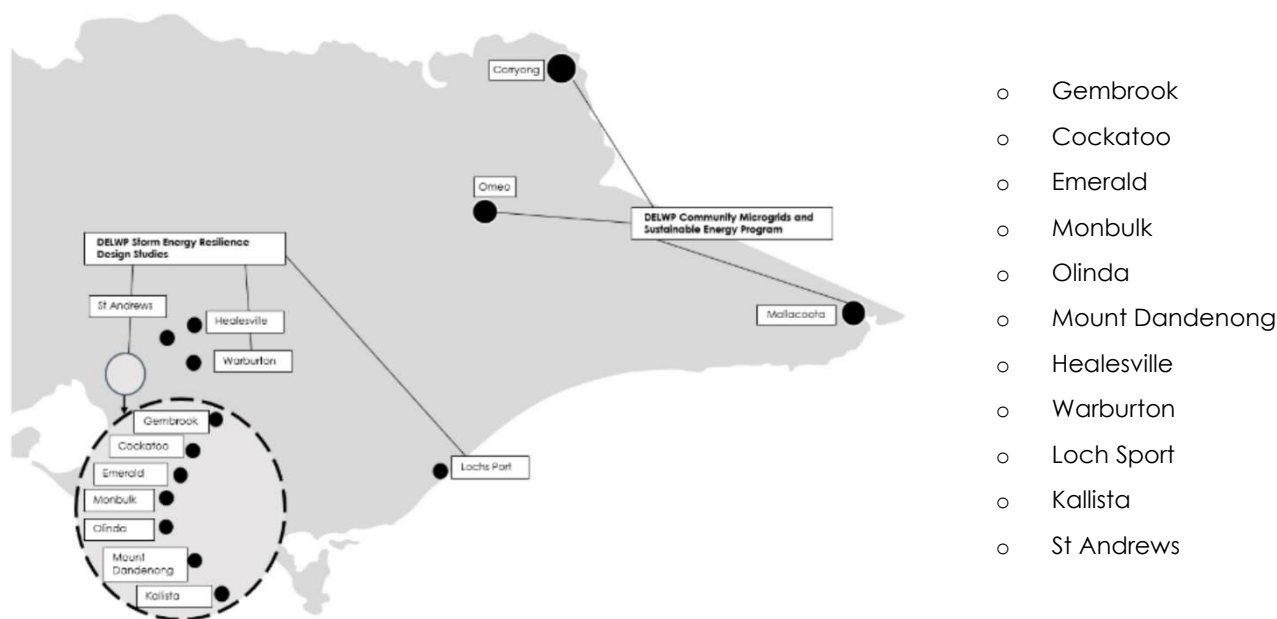
In response to the severe storms that struck Victoria in June and October 2021, which resulted in extensive power outages affecting thousands of residents, the Victorian Government undertook a comprehensive review of the state's electricity system resilience. This included a targeted Energy Resilience Design Study (**ERDS**) led by AusNet, and

funded by the Department of Environment, Land, Water, and Planning (**DELWP**) (now reorganised as DEECA), to evaluate how energy resilience could be enhanced across eleven towns that were significantly impacted by the storms. The intended outcome of the study was to identify and implement approaches to improve the resilience of the power supply, particularly in rural and suburban areas prone to future outages due to severe weather events. The study proposed two key layers of energy redundancy:

- **Tier 1:** focusing on installing renewable energy systems (solar, battery storage, generators) on critical public buildings such as community halls, recreation centres, and local government facilities.
- **Tier 2:** involved the technical analysis of the potential for microgrids to serve key clusters of businesses and residential properties connected to the LV network. These solutions would allow communities to remain operational even when the main electricity grid is compromised.

The energy resilience study examined 11 communities, all of which experienced significant power disruptions during the 2021 storms. These communities were selected based on their vulnerability to future outages, considering factors like wind speed, elevation, vegetation, and population density, which can all contribute to the likelihood and severity of storm-related power disruptions. The following towns were included in the study:

**Figure 2: Communities (towns) considered through the study**



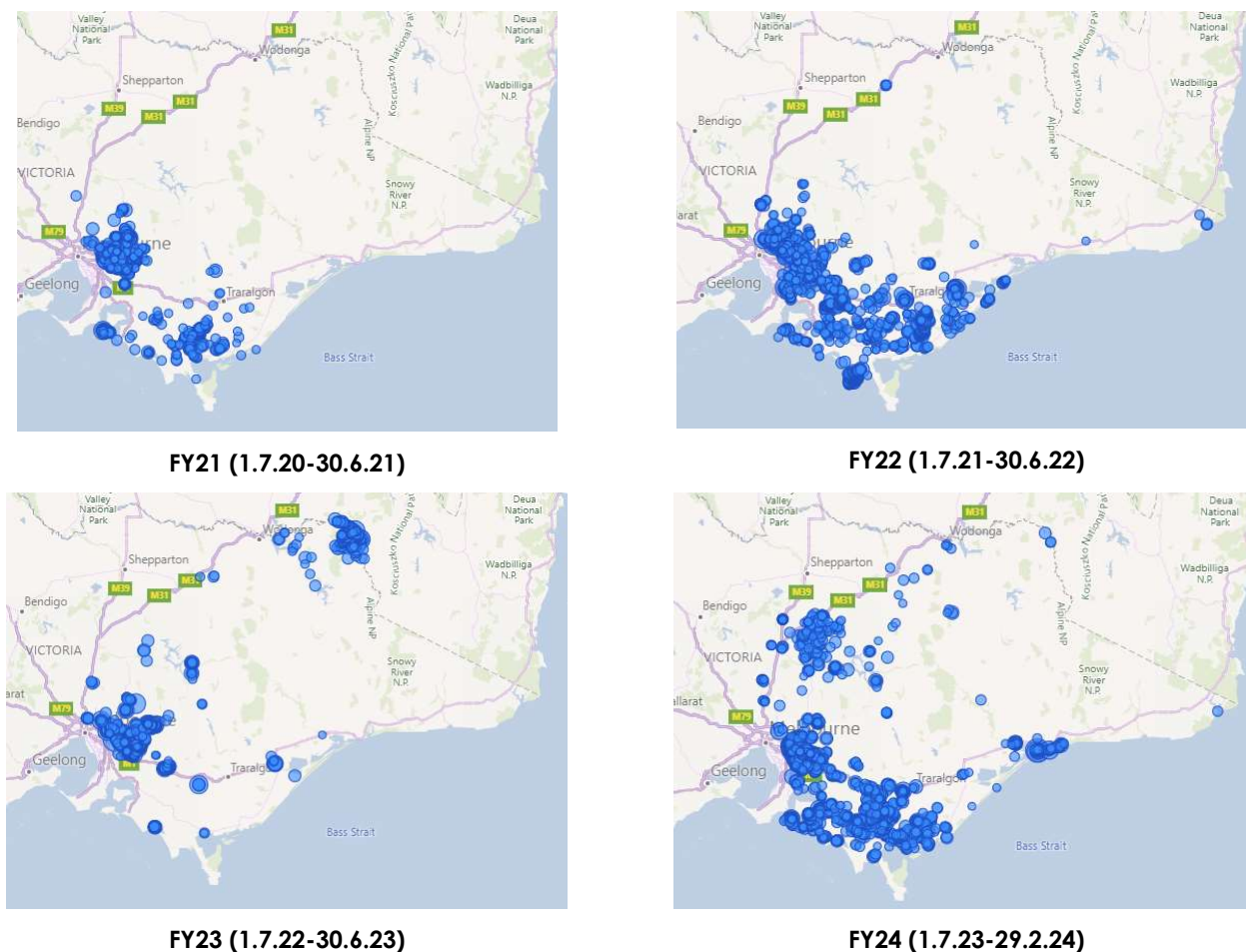
As part of the study, AusNet consulted with local councils, community groups, businesses, and other stakeholders in these towns to ensure the proposed energy solutions met the specific needs of each community. The project incorporated feedback on key infrastructure sites and the most critical areas for energy resilience. The technologies considered, ranging from solar and battery storage to EV chargers and heat pump hot water systems, were designed to provide backup power and allow community centres to operate independently if the central grid is disrupted. This collaborative process emphasised the importance of local engagement in identifying priorities and fostering long-term community involvement. The study also leveraged findings from earlier assessments under the DELWP CMSEP project, which explored behind-the-meter energy solutions. Ultimately, the project aimed to create a robust, sustainable energy network that can support these towns in the face of future storms and extreme weather events, ensuring that essential services can continue uninterrupted and that communities are better prepared for emergency situations. This existing experience demonstrates that AusNet is skilled in analysing and delivering resilience solutions for communities. As such, the insights gained from the Energy Resilience Design Studies will directly inform the deployment of the thirty community hubs proposed in this proposal.

### 3. Identified need

Power supply outages can have severe impacts on individuals and communities. Our research has shown that reducing prolonged power outages was most highly valued by our customers, and it was the value stream that customers were most willing to pay for in our Quantifying Customer Values (QCV) study, which was undertaken prior to the February 2024 storms.

The need for a resilience program is particularly important in areas of heightened risk of experiencing interruptions resulting from extreme weather-related events. The figure below shows the impact of MED related outages and supported the selection of frequently impacted communities.

**Figure 3: Major event day outages (FY21-24) data plotted across Victoria**



At the resilience costed options deep dive workshop with our Availability Panel, we originally proposed providing back up supply at 10 community hubs at a cost of \$3m. However, our Availability Panel supported a plan for 30 community hub locations at a capex of \$9m. As a result, we have reviewed other potential locations for backup power supply for community hubs and increased the number of community hubs in our resilience proposal.



## 4. Methodology

Our methodology evaluates the economic feasibility of providing communities with equipment to support disaster response. This approach leverages key economic principles by prioritising regions with high exposure to outages and targeting vulnerable and remote areas. It involves comparing capital and operational costs, the willingness-to-accept (WTA) values derived from our resilience research, and vulnerability metrics to create a comprehensive cost-benefit analysis.

Selection criteria for community hub locations:

**Rural and Remote Areas:** Locations were selected in rural, remote or geographically challenging regions where the infrastructure is more susceptible to outages. These areas typically have longer recovery times and are less accessible to support services, making them prime candidates for community hubs.

**Historical Susceptibility and Performance:** Communities with a history of frequent power disruptions and poor performance during past weather events were prioritised. Historical data on outages were analysed to identify those locations that have consistently struggled with maintaining power during crises.

**Vulnerability:** The selection process considered communities that are in low socio-economic areas that experience barriers to accessing support services. Low socio-economic customers are more susceptible to outages due to limited financial resources for backup power solutions and a heavier reliance on power for essential services. Additionally, they often face geographic vulnerabilities, poor housing quality, high numbers of customers on life support, and limited access to information, which can exacerbate the impacts of outages.

### Step 1: Outage Data Analysis

Historical outage data (2019–2024) is examined to determine the frequency and duration of power outages across different network segments.

- **Major Event Days (MEDs):** Captures large-scale events like storms.
- **Non-MED Days:** Provided a baseline for typical reliability issues.

### Step 2: Community Customer Numbers

This step involves gathering data on the number of customers affected by outages in each region, with an expanded focus on identifying vulnerable populations with critical community needs.

### Step 3: WTA Value of Community Hub

As a part of our Quantifying Customer Value (QCV) study and resilience research, we surveyed customers, on their willingness to accept value for community hubs i.e., the minimum amount of compensation a customer would accept to lose a community hub service. The WTA value ranged from \$2.85 to \$6.02 per customer per month, depending on the feeder type.

We have used the WTA as a proxy for the value of a community hub because it can be roughly interpreted as the value that customers place on having access to a community hub.

### Step 4: Vulnerability Metric Analysis

The analysis considers vulnerability metrics, such as the Socio-Economic Indexes for Areas (SEIFA), to identify communities with higher socio-economic challenges, alongside remoteness factors to assess accessibility and potential risks in delivering support. These factors help prioritise regions.

### Step 5: Benefit and Cost Projection

- **Annual Benefits:** WTA community benefits from implementing community hubs.
- **15-Year Projection:** We developed our economic assessment over a 15-year evaluation period.

### Step 6: Selection of Viable Communities

Communities most affected by outages were prioritised, with a focus on locations with high customer densities and vulnerability measures. Areas that offered the greatest contribution to resilience were identified for the implementation of community hubs and included as key targets in this proposal.

## 4.1. Assessment approach

The analysis for selecting locations for community hubs involved several key inputs and assumptions to drive community selection:

**Community Historical Outage Data:** This includes statistics from past outages affecting communities, covering the frequency, duration, and causes of these disruptions. This data assisted with the identification of areas with consistent resilience issues, providing a basis for prioritising locations for community hubs.

**Community Vulnerability:** metrics such as the SEIFA score, remoteness, and life support customer scores were used to assess a community's risk during outage events and the need for community hub support during these disasters.

**Community Customer Numbers:** This refers to the number of customers in each community as well as the number of customers in adjacent localities who would benefit from the community hubs. By analysing the customer volumes, we can estimate the scale of impact and ensure that the hubs are placed in locations where they will significantly benefit people effectively.

Discussions with community members and customer forums revealed a clear preference for dedicated community hub facilities, rather than relying on those from neighbouring areas. This need stems partly from concerns about travel difficulties following extreme weather events, which can make roads hazardous or impassable due to collapsed trees or powerlines. Additionally, the resources at these community hubs are typically designed to meet the needs of the local population. This has supported the decision that some locations may be selected to receive a community hub while still being close to other neighbouring communities on the selection list.

A set of willingness to accept (WTA) values were derived from our QCV and resilience research i.e. the minimum amount of compensation a customer would accept to lose a community hub service. The WTA value ranged from \$2.85 to \$6.02 per customer per month, depending on feeder type and customer types. We have adopted the residential values as they will form the primary beneficiary group of those accessing community hubs. See table below.

**Table 2: WTA value findings from QCV study.**

Customer/Feeder Type	Median \$WTA / Per month per customer
Residential Long Rural	\$6.020
Residential Short Rural	\$2.855
Residential Urban	\$3.160

The assessment approach for quantifying the benefits of community hubs involves a multi-step process aimed at determining their economic value to the affected localities. Firstly, the number of customers in each locality is identified. Customer types were characterised as either urban, rural short or rural long dependant on their feeder. The benefits quantification assumes that all customers within the locality benefit from the community hub. The customer numbers were multiplied by the WTA per month rate for customers located in the site locations, representing the monetary value residents place on having access to community hub services. The values were then converted to annual figures to assess the yearly benefits for each site. By applying this methodology, the analysis aimed to provide a comprehensive understanding of the economic benefit for the program.

The formula for quantifying the value of each community hub is as follows:

$$\text{Annual Benefit} = \text{Number of Customers} \times \text{Willingness to Accept (WTA) per Month Rate} \times \text{Months of service}$$

Benefits are then compared with the costs of implementing and maintaining the backup power systems.

**Table 3: Key assumptions**

	Value	Comments
<b>WACC</b>	5.56%	The average of 4.11% and AEMO's central discount rate (7.0%) in its latest 2023 Inputs Assumptions Scenario Report.
<b>Evaluation period</b>	15 years	Typical assessment period.
<b>Community Hub Unit Rate</b>	\$300,000	Estimated costs for community hub equipment.
<b>Annual O&amp;M Costs</b>	\$3,000	Estimated costs associated with maintenance, servicing, refuelling and general operation of equipment.
<b>Community Hub WTA</b>	Rural Long - \$6.020 Rural Short - \$2.855 Urban - \$3.160	\$/customer/month value to quantify the benefit to customers
<b>Locality Customer Numbers</b>	Dependent on community location	The number of customers within a locality's boundary.
<b>Socio-Economic Indexes for Areas (SEIFA)</b>	Location dependent	Assess the relative socio-economic status of different regions.
<b>Remoteness score</b>	Location dependent	Measure used to quantify the relative remoteness of geographic areas.
<b>Life Support score</b>	Location dependent	The percentage measure used to assess the number of life support customers in a community.

Source: AusNet analysis

## 5. Options assessed

**Do Nothing Approach:** Under this option, no investment in backup power

**Option 1 - Providing identified communities with a Community Hub:** This option involves establishing backup power systems for community hubs, aimed at enhancing resilience and supporting communities during outages. Community hubs serve as centralised points for emergency response coordination, offering shelter, medical assistance, communication facilities, and other critical services during disasters. This option delivers a positive NPV compared to do-nothing.

### 5.1. Do nothing

The 'do-nothing' option involves no provision of backup power for community hubs.

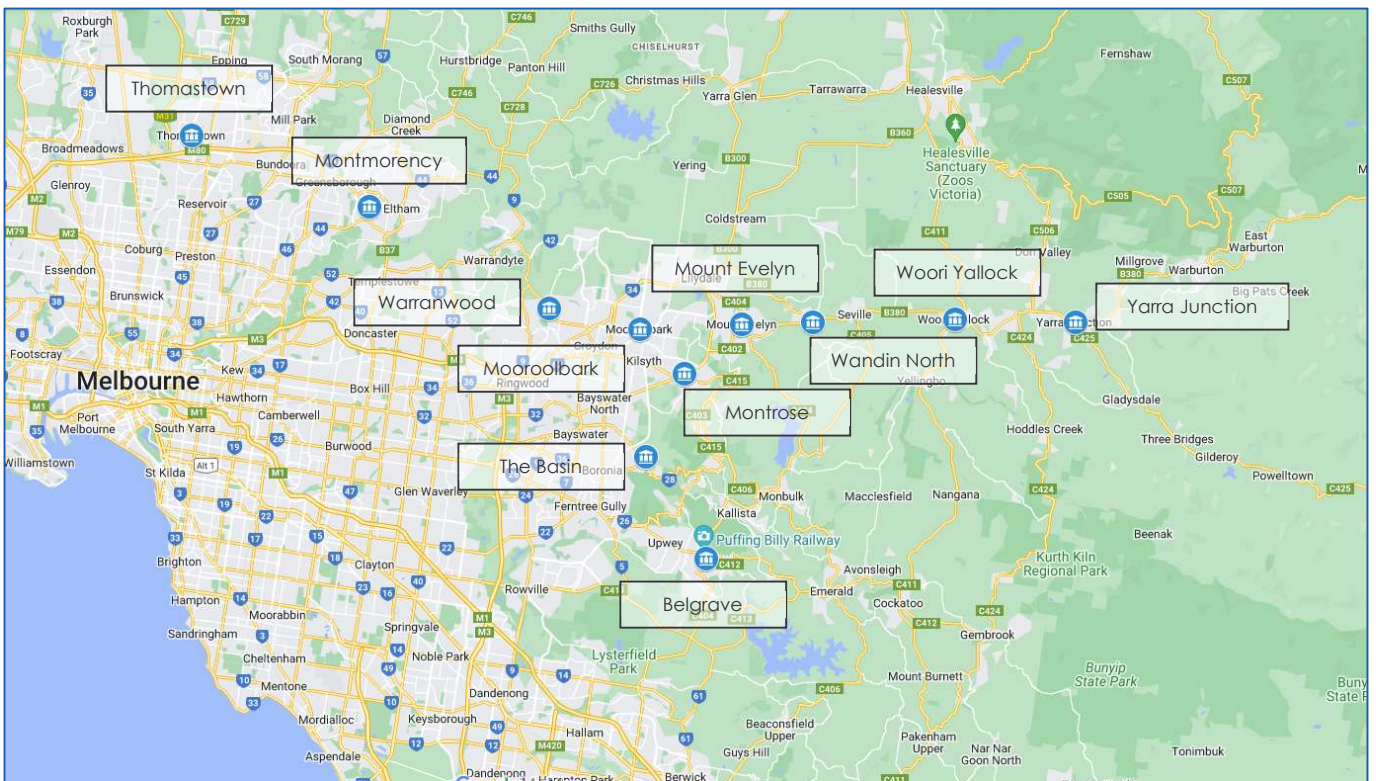
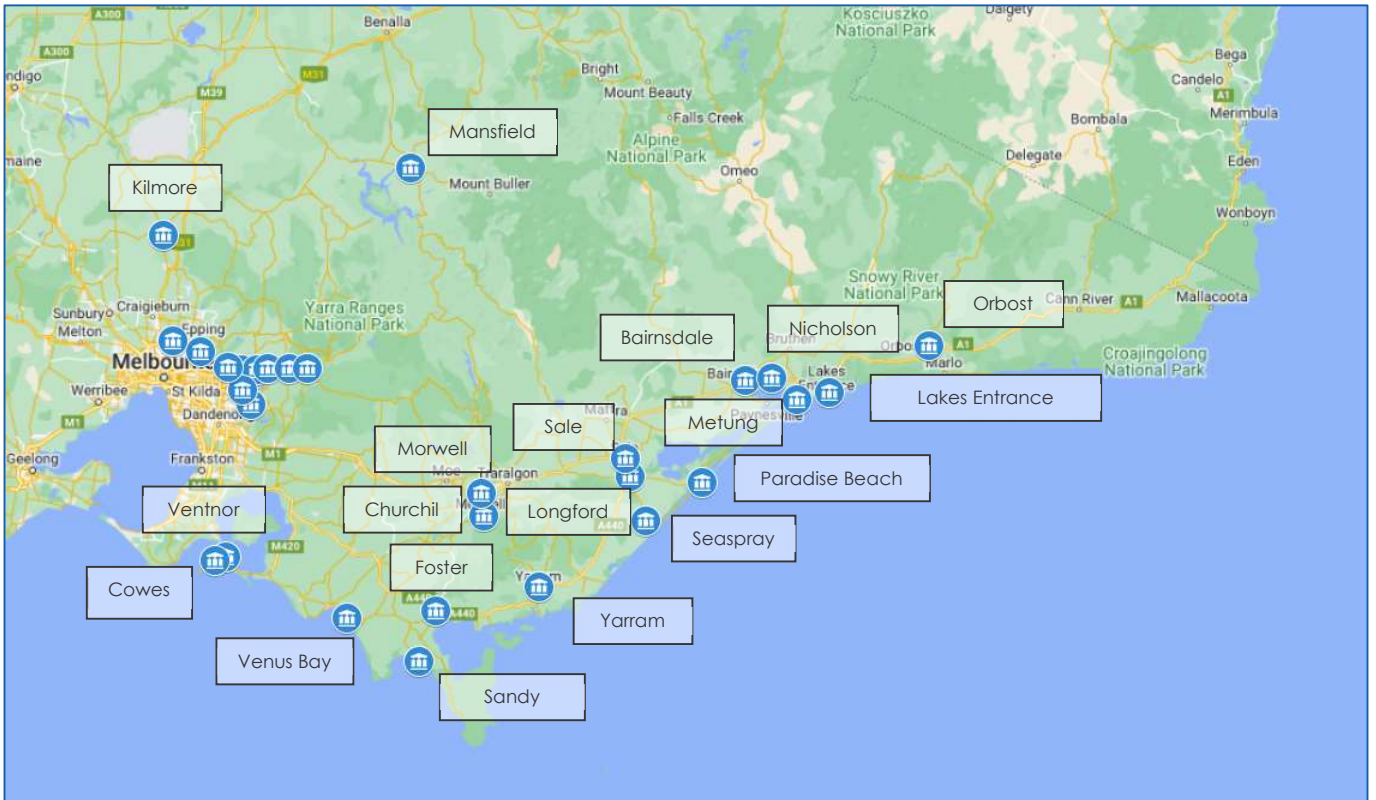
### 5.2. Option 1

Option 1, the preferred option in this proposal, involves implementing backup power systems for 30 community hubs in locations that we have prioritised. These hubs offer a range of benefits, including functioning as a centralised emergency response centre offering shelter, medical assistance, and communication services during disasters. Compared to the do-nothing approach. Moreover, community hubs complement our other resilience initiatives proposed, such as emergency response vehicles and mobile generation, ensuring a comprehensive response to outage vulnerabilities across a variety of diverse scenarios.

These thirty locations will serve as centralised points for emergency response coordination, providing essential services and support during crises, ultimately improving outage response and enhancing community well-being. The cost of equipment and maintenance for the project is outweighed by the community benefits they generate.

All 30 locations that we have prioritised are NPV positive. The figure below shows the target locations for the community hubs.

Figure 4: Selected community hub's locations.



## 5.2.1. Summary

The quantified benefits outweigh the project's costs over its lifespan and all 30 community hub locations are NPV positive.

**Table 4: Economic Outcomes for Option 1 (\$m, discounted, 2023-24 dollars)**

	FY27	FY28	FY29	FY30	FY31	Total FY27-31	Full assessment period
<b>Cost</b>	\$1.8	\$1.7	\$1.7	\$1.6	\$1.5	\$8.3	\$9.0
<b>Benefits</b>	\$0.4	\$0.8	\$1.1	\$1.4	\$1.7	\$5.3	\$19.5
<b>NPV</b>	\$10.6						

Source: AusNet analysis

## 5.2.2. Cost

### 5.2.2.1. Capex

The capex forecast assumes the rollout of 6 backup power systems per year over the regulatory period from 2026-31 – delivering solutions for 30 sites in total. We have estimated the backup power systems for community hub to be around \$300,000 per unit.

**Table 5: Capex for Option 1 (\$m, discounted, 2023-24 dollars)**

	FY27	FY28	FY29	FY30	FY31	Total FY27-31	Full assessment period
<b>Capex</b>	\$1.8	\$1.7	\$1.6	\$1.5	\$1.4	\$8.1	\$8.1

Source: AusNet analysis

### 5.2.2.2. Opex

The expected annual operational expenditure (opex) and maintenance costs for each site are estimated at \$3,000 per unit. This includes expenses related to ongoing maintenance, refuelling generators, cleaning, and other operational necessities to ensure the efficient functioning of the community hubs. These opex costs are budgeted to ensure the sustainability and continued operation of the hubs, providing essential services and support to communities throughout the year.

**Table 6: Opex for Option 1 (\$m, discounted, 2023-24 dollars)**

	FY27	FY28	FY29	FY30	FY31	Total FY27-31	Full assessment period
<b>Opex</b>	\$0.0	\$0.0	\$0.1	\$0.1	\$0.1	\$0.3	\$0.9

Source: AusNet analysis

### 5.2.3. Benefits

Community hubs offer several benefits for enhancing community resilience during prolonged outages. These benefits include centralised emergency response coordination, provision of shelter and medical assistance, and facilitation of communication during disasters, ultimately reducing risks to safety and improving well-being. The benefits assessment estimated the annual benefits over the 15-year evaluation period. Across the thirty sites, the project delivers \$19.5 million in PV benefits.

**Table 7: Benefits Summary for Option 1 (\$m, 2023-24 dollars)**

	Total over FY27-31 period (Discounted)	Total over full assessment period (Discounted)
<b>Total benefits</b>	\$5.3	\$19.5

Source: AusNet analysis

# 6. Preferred option and sensitivity testing

## 6.1.1. Sensitivity Analysis

In sensitivity testing it was found that option 1 yielded a positive NPV for all 30 sites under all sensitivity scenarios.

**Table 8: Net Present Value (\$m, 2023-24 dollars)**

	Central Assumptions	Higher Discount Rate	Lower Discount Rate	Higher Costs	Lower Costs	Average	Comments
Do nothing	\$-	\$-	\$-	\$-	\$-	\$-	
Option 1 – Community Hubs	\$10.6	\$5.8	\$14.3	\$9.2	\$11.9	\$10.4	Deliver backup power systems for 30 community hubs.

Source: AusNet analysis

## 6.1.2. Recommendations




Considering the economic results, option 1, requiring \$9m in capex investment in the next regulatory period, was determined as the preferred option for investment.



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# AusNet

