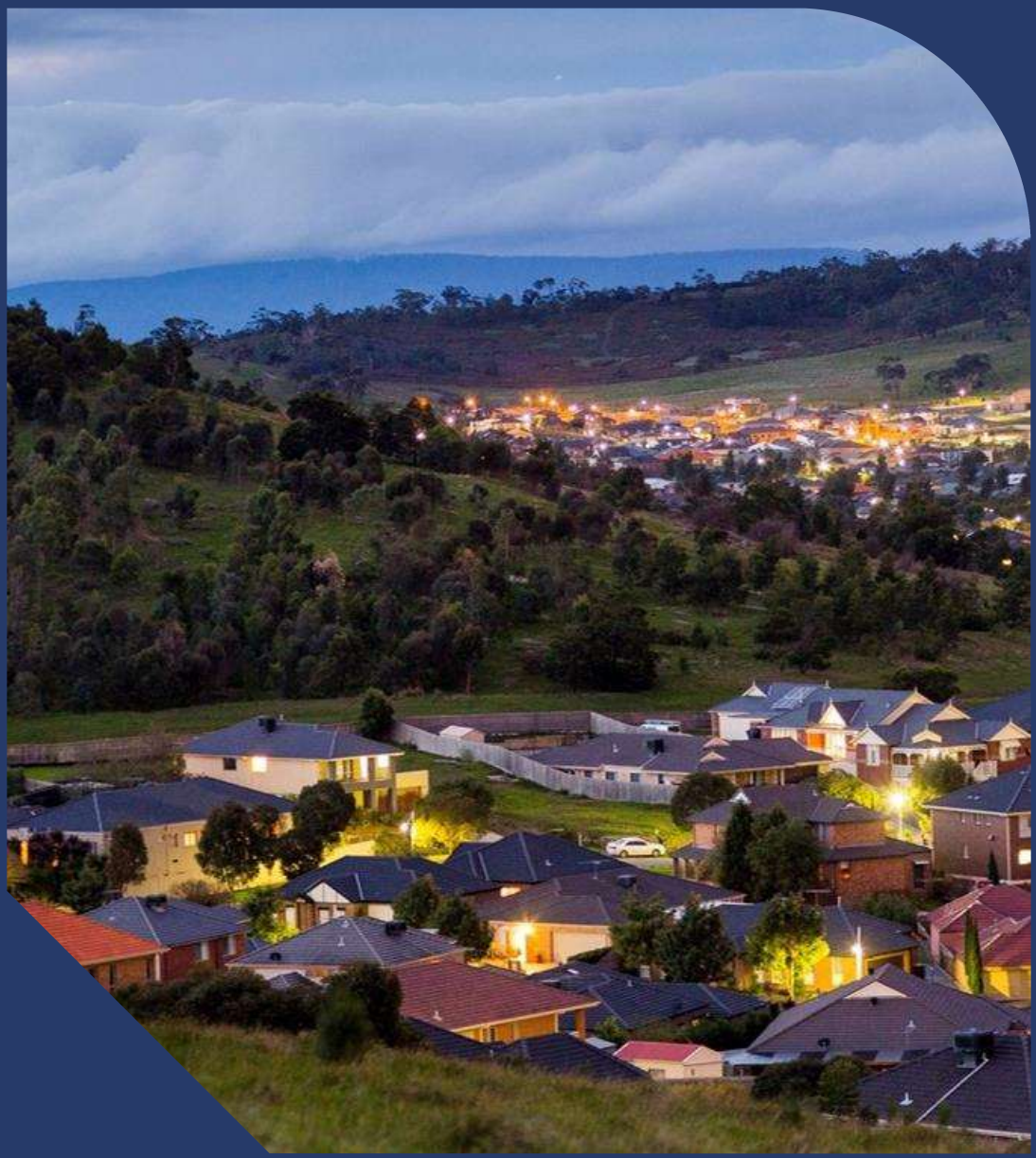
AusNet

Electricity Distribution Price Review (EDPR 2026-31)

Business case: Emergency Response Vehicles

Date: 31 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.

This document details the proposed acquisition of four additional Emergency Response Vehicles (**ERV**) to support the existing trial fleet in response to escalating extreme weather incidents leading to outages across our network. The acquisition will require an investment of $1m across the 5-year regulatory period and aims to enhance AusNet's network resilience by swiftly responding to outages through the rapid deployment of multifunctional vehicles.

The acquisition of four additional ERVs enhances support to mitigate the impact of extreme weather-related outages to customers. These specialised vehicles are equipped to swiftly respond to emergencies, offering multifunctional capabilities tailored to various outage scenarios.

The acquisition of additional ERVs to the AusNet fleet is to enable the provision of additional community benefits during extreme events. These include:

- **Cellular reception:** Equipped with communication equipment to boost cellular reception in areas affected by outages. Ensures reliable connectivity for emergency calls, information, and coordination of restoration efforts.
- **Drinkable water supply:** onboard water storage to provide clean, potable water to affected communities. Addresses basic needs during outage events, ensuring access to safe drinking water for residents.
- **Mobile power generation:** onboard power generators capable of producing and storing electricity to charge cell phones and power community infrastructure during extended outages.
- **Outage restoration updates:** outage updates on restoration efforts to affected residents and authorities.
- **First aid:** Equipped with basic medical supplies and first aid kits to provide immediate assistance to individuals requiring medical attention during emergencies.
- **Public point of contact and community engagement:** Designated as a central point of contact for the community during outage events, offering information, support, and assistance.
- **Environmental considerations:** Utilises eco-friendly technologies and materials where possible to minimise environmental impact. Aligns with sustainability principles in design and operation, promoting long-term resilience and resource efficiency.

We currently have four ERVs; an expansion of our ERV fleet to eight vehicles will boost network resilience against disruptions caused by extreme weather events. The ability to rapidly deploy ERVs enables a more diverse suite of restoration services. While an upfront investment and ongoing operational costs are required for the acquisition, running and maintenance of the ERVs, the long-term benefits outweigh the costs. The acquisition of four ERVs is expected to generate community benefits quantified at $1.5 million over the life of the program (relative to business-as-usual). The project is projected to deliver a Net Present Value (**NPV**) (PV benefits minus PV costs) of $258k for the four additional vehicles (compare to business-as-usual).

We have also considered the positive feedback that we recently received from our customers. Specifically, we engaged with eight of our most impacted Local Government Areas following the September 2024 storms, and customers have expressed the following:

- ERVs is a great addition to AusNet's response approach during emergencies and it's a really good resource to support the community.
- Need earlier information on ERVs (e.g., where they will be located) and staying longer at each location during emergencies.
- ERVs could be used outside of emergency response to help build community resilience awareness and understanding.

Table 1: Economic Outcomes ($thousands, 2023-24 dollars)

	FY27 to FY31 (undiscounted)			Full assessment period (discounted)			Comments
	Capex	Opex	Total cost	Total cost	Total benefits	NPV	
Business-as-usual	$-	$150.0	$150.0	$-	$-	$-	Maintain and operate the existing ERV Fleet
Option 1 – Acquisition of four ERVs	$1,000	$255.0	$1,255.0	$1,196.9	$1,454.6	$257.7	Acquire four additional vehicles

Source: AusNet analysis, relative to business-as-usual

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

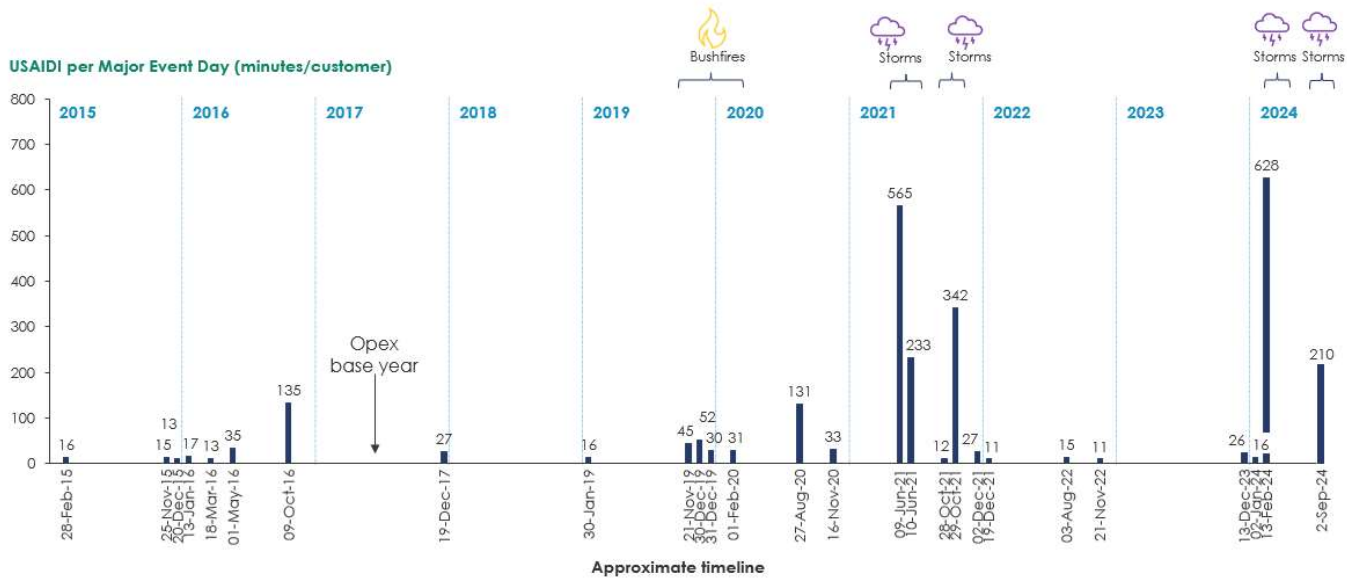
February 2024 storm impacted both transmission and distribution network infrastructure assets across the state. Much as the previous storm events, this resulted in powerline failures either through vegetation faulting or direct line failures. This storm impacted approximately 297,000[1] customers across 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

[1] Other sources reference 255k customers which is the coincident peak customers off supply.

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.

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.

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 Emergency Response Vehicles in resilience

A key consideration of building resilience is developing proactive and reactive solutions to prepare and respond to major event days (**MEDs**), which include severe storms or extreme weather events which can cause prolonged outages lasting several days. These extended disruptions pose significant challenges to affected communities with severely affected customers experiencing long restoration of essential support services, loss of power, telecommunications, and first aid provisions.

The expansion of the AusNet ERV fleet represents a pivotal step for AusNet in strengthening its capacity to react effectively to extreme weather events and provide essential support services to our communities during outages. By investing in ERVs, AusNet can enhance its ability to rapidly respond to outages which aligns with broader initiatives aimed at improving resilience and the recommendations set forth by the Victorian Government. This investment forms part of a comprehensive approach to building resilience within our network, ensuring a more complete and strategic response to mitigate the impact of disruptions on communities, particularly in rural and remote areas.

The AusNet network is heavily comprised of remote and rural geography, characterised by challenging terrain with limited accessibility. In these areas, the deployment of ERVs serves as a valuable tool to address the heightened risk of prolonged outages and delayed restoration efforts. By providing mobile support and critical services to communities in remote locations, ERVs play a crucial role in providing outage updates and basic essential services.

Dispatching ERVs to communities during extended outages can address the immediate needs of impacted customers while also aligning with AusNet's resilience strategy to enhance communications with customers and communities during disasters. ERVs can provide critical support services, including mobile power generation for charging cell phones and powering essential infrastructure, ensuring that residents have access to communications, restoration updates and basic amenities in the absence of grid power. By deploying ERVs, outage response efforts can become more agile and targeted, enabling improved restoration of services, and minimising the economic and social impact of prolonged outages.

ERV trials

In the current regulatory period, AusNet has invested in four trial vehicles to assess their effectiveness and gauge customer and community response to receiving this additional support during outages. These trial vehicles represent an initial step in evaluating the feasibility and impact of expanding AusNet's fleet to provide a broader range of support services during disasters. As of the time of writing, only one vehicle has been fully deployed and used during an extreme event to assist with emergency support.

By deploying vehicles equipped with a diverse range of capabilities, AusNet aims to address the unique needs of communities located across different regions, including rural and remote areas with limited accessibility. The initial customer response to the vehicles has been positive, with many expressing their appreciation for the enhanced support during critical events and access to information. However, there is a clear desire for more support across the network during future events. This feedback encourages AusNet to further improve its response capabilities and optimise its response efforts, providing faster support and a longer support presence throughout multiple remote areas simultaneously.

Figure 2: Emergency Response Vehicles

The trial fleet of emergency response vehicles have proven to be a valuable resource in supporting communities, with a single ERV contributing a total of 132 hours of service during the September 2024 storms. The single vehicle visited 18 towns across the East and Central regions, including key locations like Emerald, Cockatoo, and Gembrook. Customers were highly appreciative of the critical restoration updates and assistance provided by the ERV team, particularly in helping them stay informed during power outages. However, the limited availability of only one vehicle per location created some challenges, with many customers requesting a more consistent and long-term presence.

Customer feedback highlighted the need for better pre-arrival coordination, clearer outage signage, and more capable vehicles to ensure future deployments can better meet customer needs. It also emphasised the importance of spending more time in communities and improving response times during outages, as the available fleet was stretched thin during the last major outage. A consistent, long-term presence in local areas would significantly boost customer confidence and provide critical information as they wait for power restoration. Increasing the number of available vehicles would improve response times and support in areas most affected by widespread outages and damage. Customers have strongly expressed a desire for ERV vehicles to be available immediately after a storm and throughout the recovery period. A key risk is the lack of enough vehicles to make this possible.

As trial vehicles, there are several functional limitations that need improvement. These include issues with the solar arrays and battery storage equipment, non-functional public charging capabilities, and general performance and reliability shortcomings which were present in the trial equipment. This proposal aims to address these limitations by acquiring specialised vehicles that will enhance performance of the ERV fleet. Given AusNet's expansive network, which encompasses norther, central and eastern regions, more capable vehicles would improve our ability to respond to emergencies, particularly during major events that impact multiple communities across our network.

3. Identified need

The identified need for ERVs stems from a recognised responsibility to enhance AusNet's outage response capabilities through a purpose-built fleet, capable of providing critical support services to communities. AusNet's commitment to improving its outage response aligns with recommendations from the Victorian Government, highlighting the strategic element of this initiative with AusNet's broader resilience-building efforts. By expanding its fleet of ERVs, AusNet aims to greatly improve its ability to respond to outage situations quickly and effectively. Streamlining response efforts and providing comprehensive support services ensure a more coordinated, efficient, and customer focused response to outages, ultimately contributing to enhanced community resilience efforts and reinforcing AusNet's commitment to customer and public safety.

The flexibility of a multi vehicles fleet allows for simultaneous deployment across multiple locations, ensuring comprehensive coverage and deployment of emergency support resources in times of crisis.

4. Methodology

We have evaluated two options: the Business as Usual (**BAU**) scenario, of no upfront investment and utilising the four existing fleet vehicles, and Option 1, acquiring four new dedicated ERVs to further support the fleet. The aim is to assess economic viability, operational savings, and resilience benefits from expected deployments per year, with benefits quantified using the willingness-to-accept (**WTA**) rate, which varies by network type (rural long, rural short, urban) and the number of customers supported through each expected deployment.

Acquiring four vehicles will enable AusNet to better respond to outages, with more dedicated response across its extensive service area, and address the frequent outage events in its northern, central and eastern regions. This will provide sufficient support to affected communities, ensuring that each vehicle can devote more time to assist individual towns.

Step 1: Deployment Requirement

Recent storms and outages have highlighted the need for more Emergency Response Vehicles (ERVs). Positive feedback from customers on trial vehicles shows the value of dedicated support, with requests for greater, longer-term deployment. Expanding the ERVs fleet would allow for better coverage and a more focused response during emergencies.

Step 2: Willingness-to-Accept (WTA) and Dollar Value Calculation

ERVs provide an intangible benefit that is difficult to quantify. As such, we have compared the costs of the ERVs against forecast benefits, where the benefits quantification is based on the expected number of deployments per year, the number of customers it is expected to serve per deployment and the WTA value for community hubs produced by our resilience research. We have assessed the ERVs as being economic if the forecast benefit is higher than the cost of purchasing and running the ERVs. We have used the WTA for community hubs as a proxy for the value of an ERV because ERVs also provide emergency support services similar to a community hub.

The WTA rate varies based on network type:

- rural long
- rural short, and
- urban.

Step 3: Operational Cost Analysis

Operational costs for maintaining the ERV fleet, including annual fuel, service, and repairs, are estimated based on typical servicing schedules. This step provides long-term projections of maintenance costs, ensuring a clear understanding of the financial commitments for each option.

Step 4: Benefit and Cost Projection

Benefits and costs are projected over a 15-year period, including capital and operational expenses, along with the estimated benefits from providing customer support to communities during extreme outages. The Net Present Value (**NPV**) is calculated to determine the long-term viability of acquiring the vehicles.

Step 5: Selection of Optimal alternative

The preferred option is selected based on the highest NPV delivered, ensuring the outcome provides the greatest long-term benefit to customers.

4.1. Assessment approach

Our assessment approach for quantifying the benefits of ERVs involves a multi-step process aimed at determining the economic value delivered by them.

- Firstly, the average expected number of customers served during each vehicle dispatch is assumed, encompassing both rural short and rural long customers.
- This figure is then multiplied by the WTA per month rate for customers, representing the monetary value residents place on having access to the ERVs services.
- This value is multiplied by the expected number of deployments for each vehicle per year.
- The WTA rate is applied only during the summer and winter months, as these are the periods when severe weather events are most likely to occur. This approach ensures that the annual resilience benefit accurately reflects the expected use of the ERVs throughout the year.

The resulting product yields the annual benefit for each vehicle per year. To assess the long-term viability of the project, this annual benefit is evaluated over the useful life of the ERVs, which is set at 15 years for each unit. By applying this methodology, the analysis aims to provide a comprehensive understanding of the social benefits associated with the provision of ERVs.

The formula for quantifying their value of is as follows:

Annual Benefit = Expected number of Customers × WTA per Month Rate x Months of service x Annual dispatches

Table 2: Key assumptions

	Value	Comments
Discount rate	5.56%	The average of 4.11% and AEMO's central discount rate (7.0%) in its latest 2023 Inputs Assumptions Scenario Report
Evaluation period	15 years	Most of the onboard generation equipment has an expected useful life of 15 years. However other equipment can be used for longer. 15 Years was selected to be conservative and capture core equipment longevity.
ERV Estimate	$250,000	Cost estimates for Emergency Response Vehicle.
WTA	$4.44	$/customer/month – as an average split between Rural Short ($2.86) and Rural Long ($6.02) rates. Sourced from WTA value for community hubs produced by our resilience research.
Customers served per dispatch	500	Average locality customer size for MED impacted communities is around 750 over a 4-year period (FY21-24). Assuming 500 customers is somewhat conservative in terms of customers supported.
ERV expected annual months of benefit	6	Summer and winter months. This is reflective of the key months where MEDs are expected. However, the vehicles are expected to be used all year round as required.
Expected annual dispatches per vehicle	3	Average annual MEDs range from 0-2.28 by locality. The chosen assumption is because vehicles may be able to be reprioritised to support multiple communities during large outage events.
Opex, Maintenance and Servicing	$5,000	Annual servicing costs.
Annual Fuel Expense	$2,500	Annual operating costs.

Source: AusNet analysis

5. Options assessed

Business as usual: Do Nothing Approach. The do-nothing approach is a no investment option as it avoids further upfront capital investment associated with ERV procurement; however, it presents some notable limitations. Reliance on the existing number of vehicles can limit our customers' access to essential supplies, resources, and communication during large-scale outage events.

Option 1: Acquiring Four ERVs. Acquisition of four additional purpose-built ERVs will enhance response capabilities, enabling fast and effective deployment of support during outage events. These additional mobile units will greatly improve flexibility in reaching affected areas promptly, delivering essential support services such as power generation, communications, and first aid.

5.1. Business-As-Usual (BAU)

The "business-as-usual" approach assumes utilising the current four ERV fleet vehicles. This option does not deliver optimal outcome, making it a less favourable alternative compared to option 1.

5.1.1. Summary

The BAU option generates a positive NPV and requires no upfront capital investment. The benefits include the provision of resilience support benefits for communities. The NPV of this option has been estimated at $1.369 million (discounted).

Table 3: Economic Outcomes of BAU ($k, discounted, 2023-24 dollars)

	FY27	FY28	FY29	FY30	FY31	Total FY27-31	Full assessment period
Cost	$30.0	$28.4	$26.9	$25.5	$24.2	$135.0	$316.6
Benefits	$159.7	$151.3	$143.4	$135.8	$128.7	$718.9	$1,685.9
NPV	$1,369.3						

Source: AusNet analysis

5.1.2. Cost

5.1.2.1. Capex

The BAU option does not require any capital investments.

5.1.2.2. Opex

Under the BAU option, operating expenses cover maintenance and running costs for the four existing ERVs. Since no fleet expansion is planned in this scenario, operational costs remain constant.

Table 4: Opex of BAU ($k, discounted, 2023-24 dollars)

	FY27	FY28	FY29	FY30	FY31	Total FY27-31	Full assessment period
Opex	$30.0	$28.4	$26.9	$25.5	$24.2	$135.0	$316.6

Source: AusNet analysis

5.1.3. Benefits

Under the BAU scenario, deploying the existing ERVs provides valuable community benefits which are quantified through the WTA rate for community hubs (as explained earlier). The benefits of the four current ERVs outweigh the associated costs, demonstrating their significant value in supporting communities. However, expanding the fleet further would lead to increased benefits and allow AusNet to more effectively serve customers across the network during extensive outages.

Table 5: Benefits Summary of BAU ($k, discounted, 2023-24 dollars)

	Total FY27-31 ($thousands)	Total over full assessment period ($thousands)
Total benefits	718.9	1,685.9

Source: AusNet analysis

5.2. Option 1

Option 1 involves acquiring four additional ERVs and is the preferred option to the BAU approach, offering increased benefits compared to the BAU option. By investing in four additional ERVs, AusNet enhances its response capabilities, ensuring fast and effective support during outage events. Despite the initial upfront capital investment and increased ongoing running costs, Option 1 delivers a greater, positive NPV, compared to the BAU option, from the community benefits it generates over the life of the project, highlighting its long-term viability.

5.2.1. Summary

Option 1 generates a positive NPV as the initial capital expenditure associated with acquiring four ERVs are outweighed by the community-driven benefits during outage deployments. The NPV of this option has been estimated at $1.6 million (discounted) in gross terms.

Table 6: Economic Outcomes of Option 1 ($k, discounted, 2023-24 dollars)

	FY27	FY28	FY29	FY30	FY31	Total FY27-31	Full assessment period
Cost	$287.5	$279.5	$271.5	$263.6	$48.3	$1,150.3	$1,513.5
Benefits	$199.7	$227.0	$250.9	$271.6	$257.3	$1,206.5	$3,140.5
NPV	$1,627.0						
NPV relative to base case	$257.7						

Source: AusNet analysis

5.2.2. Cost

5.2.2.1. Capex

The capital expenditure for Option 1 amounts to $1m (undiscounted) over the 5-year regulatory period from 20267-31, with one vehicle acquired per year for the first four years of the regulatory period 2026-31. This phased approach ensures a gradual integration of ERVs into AusNet's fleet, optimising resource allocation and distributing investment across the period. This also benefits future deployments through evaluating absent features from AusNet's response capabilities which can be added into future constructions.

Table 7: Capex of Option 1 ($k, discounted, 2023-24 dollars)

	FY27	FY28	FY29	FY30	FY31	Total FY27-31	Full assessment period
Capex	$250.0	$236.8	$224.4	$212.5	$-	$923.7	$923.7

Source: AusNet analysis

5.2.2.2. Opex

The operational expenditure for the project increases progressively over the first four years, correlating with the acquisition of each new vehicle. However, once all four ERVs are purchased, the opex remains uniform, steadying at a consistent level for the remainder of the investment period. There is an existing component attributed to the current four ERVs.

Table 8: Opex of Option 1 ($k, discounted, 2023-24 dollars)

	FY27	FY28	FY29	FY30	FY31	Total FY27-31	Full assessment period
Opex	$37.5	$42.6	$47.1	$51.0	$48.3	$226.6	$589.8

Source: AusNet analysis

5.2.3. Benefits

Option 1, which involves acquiring four additional ERVs, delivers improved benefits compared to the BAU scenario. The expanded fleet will enable AusNet to provide more widespread and timely support during outage events, ensuring that the provision of critical resources and communications are available even in remote or heavily impacted areas. With the additional ERVs, response times being faster, with more communities receiving on-site assistance, including power generation and public safety support. This would not only improve the speed and efficiency of restoration efforts but also increase customer satisfaction across the network by providing a more consistent and reliable presence during and after severe weather events. The increased coverage and capability of a larger fleet would enhance the overall resilience of AusNet's network, leading to better service continuity and reduced downtime for customers.

Table 9: Benefits Summary of Option 1 ($k, discounted, 2023-24 dollars)

	Total FY27-31 ($thousands)	Total over full assessment period ($thousands)
Total benefits – Value of EUE Reduction Compared to BAU	$1,206.5	$3,140.5

Source: AusNet analysis, gross terms

6. Preferred option and sensitivity testing

6.1.1. Sensitivity Analysis

Option 1 (acquiring four additional ERVs) remains the preferred approach under all sensitivity scenarios, as it produced the highest NPV of the options assessed.

Table 10: Net Present Value ($k, discounted, 2023-24 dollars)

	Central Assumptions	Higher Discount Rate	Lower Discount Rate	Higher Costs	Lower Costs	Average	Comments
Business-as-Usual	$1,369.3	$1,060.1	$1,595.4	$1,321.8	$1,416.8	$1,352.7	Maintain and operate the existing ERV Fleet
Option 1: Acquire four ERVs	$1,627.0	$1,071.3	$2,042.8	$1,400.0	$1,854.0	$1,599.0	Acquire four additional vehicles

Source: AusNet analysis

6.1.2. Recommendations

Considering the economic and sensitivity testing results, option 1 was determined as the preferred option for investment.

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