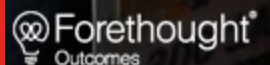




Rural and Regional Summit Report

Produced for: Powercor in partnership with
Farmers for Climate Action

October 2024



Contents

Contents	Page #
1. Background and Introduction	3
Foreword by Natalie Collard, CEO of Farmers for Climate Action	5
Involvement of Forethought	7
2. Program Overview	8
Objectives	9
Approach	10
Panel discussion and Q&A	11
3. Executive Summary	18
4. Detailed Findings	
4.1 Rural and regional supply	22
4.2 Power quality	27
4.3 Resilience	31
4.4 Additional ideas and considerations	36
5. Appendix	41



1. Background and Introduction

Introduction

Regulatory reset proposal program

To support the development of the regulatory reset proposal, a foundational program of community engagement was conducted in 2022 and the early part of 2023. This broad and wide engagement program identified the key needs and preferences of customers and identified three themes:

1. Affordability and equity
2. Reliability, resilience, and safety
3. Energy transition

The network is now at the 'Test and Validate' stage, which seeks to re-engage with special interest groups to hear their feedback related to the draft regulatory reset proposal, bill impact, as well as prioritised initiatives.

The draft regulatory reset proposal has been developed by Powercor and built from earlier engagements (since 2022) solving for the needs and preferences of the community.

This report details the findings from the Regional and Rural Summit conducted on 10th October at Bendigo. There were 26 attendees at the Summit. Following a detailed examination of the community feedback from this and several other engagements in recent months, the insights will feed into the final 2026-2031 regulatory reset proposal. The draft proposal is accessible at: [2026-2031 regulatory reset proposal document.](#)



Image above: Participants and facilitators from the Rural and Regional Summit

A foreword by Natalie Collard, Chief Executive Officer at FCA

Farmers for Climate Action was thrilled to host the Regional and Rural Energy Summit in October. The Summit provided a valuable opportunity to hear directly from regional energy users about the challenges and opportunities for the future of the energy grid in their towns and regions, while enabling Powercor to engage in deep consultation on their 2026–2031 regulatory reset proposal.

Participants included Powercor customers such as farmers, local council representatives, community groups, business owners, and residents of rural and regional Victoria. They identified both diverse and common priorities for energy security, power grid investment, and energy equity for regional customers. Collectively, their feedback painted a broader, positive vision of regional and rural futures. We thank the four panelists for their informative and inspiring presentations, which set the tone for a productive, open-minded day of discussions.

Upgrading Single Wire Earth Return (SWER) lines emerged as a clear priority, with many advocating for greater investment than the \$45 million currently allocated to improve service for over 3,000 customers. Feedback reflected the key values that underpinned all discussions, namely that all energy customers deserve reliable access, infrastructure should support clean energy like EVs and solar panels, and the energy shift should not leave host communities in energy poverty or under-invested. Participants also emphasised the need for better EV infrastructure, including chargers and greater charging capacity.

We heard stories of farmers paying out of pocket to upgrade powerlines to better serve their farms. As climate impacts grow, the associated environmental, social, and economic responsibilities are becoming essential for doing business, placing additional pressure on rural networks to support clean energy and innovative, cost-efficient technology.

Farmers for Climate Action was honoured to hear attendees' stories, experiences, and insights. This report would not be possible without their passion, engagement, and shared desire for a secure and resilient energy network for all customers. The overwhelming takeaway was that farmers, community members, businesses, and local representatives all seek an uplift in regional energy infrastructure and technology over the next five years.

Farmers for Climate Action is committed to continue advocating for improved energy outcomes for rural and regional users.



Natalie Collard



“Together, we can ensure a brighter, more sustainable future for our rural and regional communities.”

Natalie Collard, FCA CEO

Involvement of Forethought®

Forethought is an independent Marketing, Analytics and Strategy organisation, with teams that specialise in research and engagement within multiple industries, including energy.

Forethought has significant experience in the energy industry, including conducting customer and stakeholder research and engagement with organisations across the full value chain, including electricity generation, distribution, transmission and retail services. It partners with clients to provide an independent customer voice, ensuring that the customer is always at the forefront of organisational decision-making.

Forethought was selected for this program based on their expertise across utilities, as well as research and engagement capability to independently design and facilitate engagement forums and objectively report back on the needs and preferences of customers across the network.



Image above: Samuel Powell – Consultant from Forethought.



2 Program Overview

Overall Objectives and Approach

Program Overview Objectives

Organisational Objective

Develop a Regulatory Reset proposal that aligns with the needs and preferences of a diverse range of customers.

Program Overview

One part of this stage is testing the networks' draft proposal with Powercor customers and stakeholders to understand the level of support for the proposal.

The engagement sought to understand support for key prioritised initiatives included in Powercor's proposal, as well as any broader issues or areas customers felt weren't being addressed through the draft proposal.

These initiatives have been developed by Powercor and have been informed by earlier engagements relating to the needs and preferences of the community.

Engagement Objectives

- Seek feedback on the proposal package and associated network bill impacts for the 2026-2031 regulatory reset proposal.
- Identify initiative refinements to be considered in the final proposal submission.

IAP2 Spectrum of Public Participation

Customer participation was intentional, falling under 'Involve' in the IAP2 Spectrum to understand participant initiative improvement level preferences and explore reasonings behind decisions. This included understanding current and future concerns and aspirations that were considered in responses.

	Inform	Consult	Involve	Collaborate	Empower
Public Participation Goal	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.

Approach Summary

The session was designed to encourage broad and open participation, there were 26 customers who attended the summit.

Methodology:

Qualitative, deliberative

Engagement Length:

7 hours

Location:

Face-to-face summit, 10th October, 2024 in Bendigo, VIC

Powercor representatives also attended these engagements to listen and help answer questions from the participants without biasing or leading the conversation. The following staff attended the Summit:

- Renate Vogt, General Manager, Regulation
- Brent Cleeve, Head of Regulatory Policy and Compliance
- Jeff Anderson, Head of Regulatory Strategy
- Adam Nason, Head Of Customer Experience
- Genevieve Hart, Regulatory Engagement Manager
- Kaitlin Pisani, Project Coordinator

Additionally, the roundtables were attended by members of Powercor's Customer Advisory Panel (CAP), and the Australian Energy Regulator's Customer Challenge Panel (CCP) who were invited to attend in a viewing-only capacity.

Recruitment

There were three methods used to recruit participants for this program through both FCA and Powercor networks/channels.

- 1. Existing relationships:** Participants were recruited through existing contacts that have been established and built off the back of previous engagements, supplied by FCA and Powercor.
- 2. Referrals:** Snowballing is an approach where we ask existing contacts if they know of any other stakeholders who would be interested and available in attending the roundtable session. Snowball stakeholders noted throughout the recruitment phases were contacted, and asked this same question to broaden the engagement reach of special interest group stakeholders.
- 3. Social Media:** Expression of interest to attend the summit was extended via social media channels to increase participation.

Panel and Discussion

A panel and Q&A discussion took place prior to formalised engagement with Powercor customers. The purpose of the panel was to discuss building resilience and regional energy opportunities.

The panel discussion was facilitated by FCA CEO Natalie Collard, and the conversation addressed challenges and solutions needed to empower rural communities in the renewable energy transition.

The panel included:

- Tony Goodfellow, RE-Alliance, who shared insights from his research on grid investments.
- David Matthews, founder of Farm Trade Australia, who discussed his commitment to strengthening rural communities and the agricultural sector.
- Brett Hosking, FCA Board Director and fifth-generation farmer, who highlighted the importance of supporting Australian regional industries and driving for greater equity for regional areas.
- Sarah Mathee, FCA Board Director and Climate Solutions Lead at the Foundation for Rural and Regional Renewal, who emphasised creating impactful solutions for rural and regional Australia.

The following key questions were asked of panelists, followed by discussion across participants:

How do we capture regional economic benefits from the energy shift?

Speakers emphasised the importance of creating lasting economic structures and resilience in regional communities. The need to include local leadership and skilled labour to manage the transition was highlighted.

What are the concerns regarding the impact of transmission lines on farms?

Farmers shared their experiences with new transmission lines, pointing out disruptions to farm operations and lack of clear information from authorities. Speakers expressed frustration over insufficient compensation, ongoing maintenance concerns, and ineffective communication with project stakeholders.

What should community-based solar projects look like for grid resilience?

The idea of setting up local solar farms and backup electrical supplies was proposed to enhance grid resilience, especially during emergencies like bushfires. Speakers mentioned exploring government grants and community-led initiatives for creating localised energy solutions.

Panel and Discussion (cont.)

How do we manage competing interests of renewable energy projects and local community needs?

While supporting renewable energy is essential, the consultation process needs significant improvement to ensure local stakeholders feel valued and included. They stressed the need for co-design and early engagement to avoid turning rural landscapes into industrial zones.

Can we explore alternative solutions besides large-scale wind farms?

The panel discussed decentralised renewable options such as community-owned solar installations, leveraging agricultural infrastructure, and capturing waste energy on farms. They stressed the importance of finding tailored solutions for each region instead of a one-size-fits-all approach.

Throughout the Q&A discussion customers noted a **frustration over lack of benefits**. There was considerable frustration among participants about the perceived inequities in the distribution of benefits. While regional areas are often hosts of renewable energy projects, participants felt that the benefits were not adequately shared. This frustration was exacerbated by an independent, self-sufficient mindset prevalent in these communities. They expressed dissatisfaction with the lack of cross-subsidisation across networks (in particular metro and regional areas) and the absence of recognition for their contributions to the broader energy transition.

Overall, the panel discussion underscored the critical role of local voices in shaping Victoria's energy transition. The consensus was that local ownership, transparent communication, and tailored solutions were critical in efforts to ensure renewable energy projects are balanced against the well-being of regional communities. This was a concern raised consistently by participants throughout the initial discussion and more broadly throughout the day. The speakers appreciated efforts to capture these insights in future policy reports and community planning. Some of the key themes that emerged consistently through presentations and the subsequent Q&A included:

- **Transmission lines:** Farmers were concerned about the potential impact on their operations and future technology usage. There was a need for meaningful consultation to address compensation, maintenance, and transparency issues.

Panel and Discussion (cont.)

- **Community involvement:** Speakers emphasised that regional communities must be part of decision-making processes from the outset. The engagement process needs to be adapted to reflect the unique values and priorities of these communities.
- **Renewable energy projects:** While there is support from most customers for renewable projects, stakeholders want to avoid over-industrialisation and ensure local social and economic benefits. They emphasised the need for well-planned projects that integrate with community interests and landscapes.



Image above: Participant from the Rural and Regional Summit.

Overview of Draft Proposal and Initiatives Tested

Initiative	Description
Regional and Rural Supply	Support the delivery of service level outcomes including a dependable and reliable energy supply that supports work, health safety and comfort. This includes both demand-driven augmentation initiatives and non-demand augmentation.
Power Quality	Power quality refers to the reliability, stability, and consistency of the electricity supply in rural and regional areas. It encompasses issues such as voltage sags, harmonics, and surges, which can disrupt business operations, particularly in critical industries like agriculture and irrigation. Participants were asked to share their experiences with power quality, provide feedback on proposed investments, and discuss the role of new technologies and initiatives, such as Stand-Alone Power Systems (SAPS) in addressing these challenges.
Resilience	Resilience refers to the capacity of the energy network and local communities to withstand and recover from adverse events, such as natural disasters or major outages. Discussions revolved around strategies to enhance resilience through initiatives like Community Support Officers (CSOs) and establishing minimum service levels. Customers were asked to provide feedback on the effectiveness of these measures, the adequacy of proposed investments, and the importance of empowering local communities in resilience planning and execution.

Qualitative pre-reading

Prior to attending the summit, all participants were provided with an online pre-reading. This allowed participants to have an informed conversation, undertake any additional desired preparation and engage in detailed discussions at their allocated engagement. See Appendix for full pre-reading.

Regional & Rural Summit

Thank you for making the time to attend the Regional and Rural Summit. We look forward to hearing your valuable views and feedback to inform our final regulatory proposal.

The intent of this document is to provide you with key information to help you prepare and participate in the Summit discussion at the forum relating to Powercor.

What are regulatory rese

Every 5 years, the Australian Energy plans and expenditure for approval. revenue we can recover from our cu

The 2026-31 regulatory period is on energy transition and new governme new challenges and expectations.

How we manage these changes sho stakeholders on their priorities and p affordability. That's why we've been since 2022.

Our draft proposal reflects the feeds program so far. We are publishing os delivers on customers and stakehold regulatory proposal due to the AER |

This is not your only opportunity to e draft proposal on our website <https://> directly via email to community@powercor.com.au

If you would like to review the full dra <https://engage.powercor.com.au/tsu>

A note for the session: We ask the engagement to help foster a psychol acknowledging that individuals often create an environment where every

- The next slides outline context acc
- Powercor's role in the energy s
- The operating environment: No
- The draft proposal overview
- Highlight of specific initiatives

Powercor is an energy distributor

There are 5 steps in the supply chain to delivering electricity in Victoria

→ Physical flow of electricity
→ Financial flow of electricity

Powercor's role in the supply

Our network supports over 930,000 Households represent approximate 112,000 business, and commercial

The services we provide are vast at planning, constructing and maintain

Today's operating environment...

We operate the **most utilised network in Australia**

20,000km of overhead conductor approaching **end-of-service life**

Increasing government and community expectations to **meet net zero**

890,000 customers impacted by extreme weather events in the current period

Significant **cost increases** across the supply chain and **rising energy induced vulnerability**

By 2031 in Victoria...

Additional **900,000 people**

Victorian **renewable generation to double**

22% of cars on the road will be EVs

Multiple system security **emergency events**

No new residential gas connections

Customer behavioural trends are **increasing dependence on a reliable supply at home**

Methodology Overview

The session opened with a scene-setting, during which the representatives provided participants with an overview of the context, objectives, and structure of the regulatory reset.

Following the introduction, the initiatives were presented, with each initiative explained in terms of its development rationale, improvement options, and associated costs. This ensured that participants had a thorough understanding of the initiatives before providing their feedback.

During the discussion sessions, participants were invited to provide feedback on several initiatives and included the following activities:

- Feedback was documented through a post-it note exercise, or the Forethought team capturing the feedback and sentiment. This was conducted across each element of the proposal they supported or opposed, as well as their rationale.
- Additionally, participants were asked to identify success criteria i.e. how would this impact the community, organisations or stakeholders in which they represent, and discuss potential challenges or external factors that could influence the implementation of the initiative.
- Key conflicting viewpoints were raised and addressed, allowing for a comprehensive understanding of stakeholder perspectives.

This feedback was discussed in detail, with facilitators ensuring that all participants had an opportunity to share their perspectives.

Specific initiatives for participant feedback included:

- Regional and Rural Supply
- Power Quality
- Resilience
- Participants were also invited to suggest any additional topics, ideas or considerations that was not put forward by Powercor.

At the end of each topic discussion, participants were asked to summarise the key points they wanted to ensure were included in the final regulatory reset proposal. This included areas such as emphasising the most critical feedback and areas for improvement. Participants were also invited to fill out a feedback survey to further enhance the engagement process (the results of this survey are available in the Appendix of this document).

Additional note

Customers had difficulty understanding that the total bill impact of all initiatives would cost an individual residential customer only an additional \$2 per year. It was noted that the technical complexity of the content discussed and time constraints may have contributed to this confusion.



Image above: Jeff Anderson, Head of Regulatory Strategy at Powercor



Image above: Participant from the Rural and Regional Summit



3. Executive Summary

Key Findings

Rural and Regional Supply

Participants **broadly agreed on the critical need for investment**, and supported the proposed investment, with most suggesting more was needed. The discussion revealed a **mixed level of support** for the proposed initiatives, with many seeking reassurance that all better alternatives to those proposed has been exhausted. Key points included:

- **Urgency and equity:** Many supported increased investment due to urgency and existing inequities, calling for accelerated timelines for implementation to prevent communities from falling further behind. They also sought reassurance that all other options had been investigated and those proposed were the most efficient and would deliver the best value for the investment made.
- **Investment adequacy:** Participants questioned whether the \$45 million SWER line upgrade proposal was sufficient, with calls for additional investment.
- **Improve reliability:** Participants requested the consideration of Stand-Alone Power Systems (SAPS) to improve reliability.
- **Economic and social considerations:** There was an emphasis on aligning investments with regional productivity and contributions to the energy transition.
- **Distrust and scepticism:** Concerns were raised about cost blowouts and Powercor's ability to deliver promised outcomes, highlighting the need for transparent execution.
- **Regional and Rural Roadmap:** Powercor's Regional and Rural Roadmap was perceived by participants as lacking inclusivity and alignment with community needs due to limited stakeholder engagement, inadequate communication of its purpose, and a disconnect in distributing the benefits of renewable energy developments.

Overall, participants expressed a desire for a more inclusive, ambitious, and forward-focused approach that better aligns with community and economic needs.

Power Quality

Discussions on power quality underscored its critical importance for rural and regional communities. Participants broadly supported high investment but called for clearer accountability and proactive measures from Powercor. Key points included:

- **Greater collaboration with local communities:** More local input in investment decisions to address specific needs and calls for the network to keep up with industry advancements.
- **Vegetation management:** Overall customers supported vegetation management initiatives, while some raised concerns about balancing reliability with ecological and cultural considerations, suggesting innovative risk-reduction strategies.
- **Investment and innovation:** Mixed views emerged on the proposed initiatives, with some participants raising ideas about integrating more innovative solutions like SAPS and microgrids to improve network security *alongside* broader network improvements.
- **Leadership and responsibility:** Participants urged Powercor to proactively educate customers on managing power quality issues and recommended solutions. Customers generally agreed there needed to be mutual responsibility between both customers and Powercor to mitigate power quality issues. While customers were willing to make investments to support their own operations, they believed these measures must not replace investment/initiatives undertaken by the network.
- **Technology audits:** Regular audits and tighter regulatory standards were recommended to address surge-related problems and evolving energy demands.
- **Operational impact:** Industries like dairy and irrigation reported disruptions due to voltage sags and harmonics, affecting equipment and animal welfare, leading some to rely on backup generators.

Overall, participants stressed the need for clear communication, increased investment, and a collaborative approach to effectively improve power quality.

Key Findings

Resilience

The proposed resilience initiatives received broad support, focusing on community resilience through Community Support Officers (CSOs) and minimum service levels. Participants appreciated the emphasis on local preparedness but highlighted concerns about funding allocation, clear standards, and sustainability. Key points included:

- **CSO support:** Endorsement for CSOs to bridge communication gaps during emergencies, however concerns were raised related to training, resources, and clear role distinctions from other emergency services.
- **Minimum service levels:** There were mixed reactions to the introduction of minimum service levels, with calls for equitable and transparent implementation of standards.
- **Investment priorities:** \$61 million investment prompted calls for balancing community support with infrastructure improvements and a focus on sustainability.
- **Future-proofing:** Emphasis on adaptive strategies to tackle long-term challenges with continuous community engagement.

Participants supported resilience measures but stressed the need for clear definitions, balanced investments, and a proactive approach to future challenges. Community empowerment and ongoing engagement were seen as crucial for success.

Additional ideas and considerations

The additional ideas and consideration discussions highlighted participants' interest in innovative, forward-looking solutions for rural energy challenges. **Customers generally agreed that increased investment is necessary to enhance service levels in rural and regional communities, helping to address the equity gap between these areas and metropolitan regions.** Key points included:

- **Sustainability and electrification:** Participants stressed the importance of investments that support electrification, grid improvements, and EV charging infrastructure.
- **Farmer sustainability efforts:** A recurring theme was the misperception of farmers as environmentally negligent. Participants underscored their commitment to sustainable practices, driven partly by international market expectations.
- **Collaborative approach:** Emphasised the need for partnerships with retailers for EV charging and leveraging external expertise to overcome regulatory barriers.
- **Misinformation concerns:** Participants called for transparent communication on the grid's capacity to support electrification and highlighted a local council's apprehensions about network readiness.
- **Innovative solutions and ownership models:** Participants were interested in infrastructure innovations like graphite wiring and community-based projects. They also supported two-way energy systems to enhance energy self-sufficiency.
- **Community support and connection:** Emphasis was placed on the role of social bonds during crises, highlighting the importance of community resilience.
- **Summit representation:** There was a suggestion for broader customer representation at future discussions.

Overall, participants showed support for measures that align with resilience, sustainability, and community empowerment while urging a more collaborative and informed approach to energy management.



Image above: Keicha Day, member of Powercor's Customer Advisory Panel.



Image above: Adam Nason, Head Of Customer Experience at Powercor

4.1 Initiative Deep Dive

Rural and Regional Supply

Rural and Regional Supply

Generally, there was high support for investment

Introduction

There was broad acknowledgment of the critical need for investment in these regions, with most customers reflecting that additional investment beyond what was proposed was needed.

The level of investment and the focus of the initiatives sparked debate. Most participants expressed strong support for increasing investments, driven by a sense of urgency and a recognition of existing inequities in service and economic opportunities. Many participants called for the timeline to be accelerated, as delays would only exacerbate existing issues and inequalities that included, leaving communities further behind. Participants urged that critical improvements should be implemented without delay.

Customers expressed mixed support regarding the proposed initiatives, seeking greater level of innovation and reassurance from Powercor that all other viable options had been explored. Many participants raised concerns about the risk of cost blowouts, long timelines, and whether the investment would produce meaningful improvements.

The overarching sentiment reflected a need for a more ambitious and future-focused approach to better align with community and economic needs.

The discussion revealed several key themes and differing viewpoints:

Ambition and adequacy of investment: Most participants questioned the sufficiency of the proposed \$45 million investment and advocated for a more ambitious commitment. They felt that the current proposal would take an excessively long time to replace Single Wire Earth Return (SWER) lines and may not address the immediate needs of the region. This concern was compounded by a perceived lack of exploration into alternatives, with many participants questioning whether upgrading SWER lines was the best use of investment. One participant calculated that at the proposed pace, it would take 200 years to replace all SWER lines, calling for a broader vision and a more accelerated plan.

Conversely, a group of participants showed conditional support for the \$45 million as a starting point. They viewed it as a necessary "test case," emphasizing the importance of evaluating outcomes before committing further investments.

The \$45 million investment is a drop in the ocean. It's not enough to make a real impact.

- Powercor customer, Rural and Regional Summit

SWER lines and alternative solutions: A significant number of participants sought further context for the proposed investment in SWER lines, which they described as "old technology." Participants repeatedly voiced that at the current pace, upgrading SWER lines would take between 150 to 200 years, a timeline deemed unacceptable by most given the poor energy service levels in these communities. Some discussed Stand-Alone Power Systems (SAPS) as a potential "win-win" solution.

Rural and Regional Supply Calls for alternative approaches, economic equity, and trust in investments to address long-term regional and rural energy needs

There was a consensus that SAPS could offer reliability, reduce fire risks, and improve energy independence. Many customers also emphasised the need to decommission unused powerlines as a priority, arguing that unnecessary infrastructure added to maintenance costs and posed risks without delivering value. They proposed that removing customers from the network where more efficient, stable and secure supply solutions were viable and should be seriously considered. Networks were expected to support the planning and implementation of such measures.

A small number of customers believed that the whole 'system' needed to consider alternative approaches, expressing frustration with the current regulatory environment and restrictions on exploring different energy sources.

Economic and social considerations: There was widespread discussion around the economic framework guiding the investment. Participants voiced concerns that the current approach does not consider regional productivity and broader economic impacts. One participant mentioned that "investing in regional areas means keeping the money within the community," highlighting the potential multiplier effect of local investments. Participants urged a more holistic assessment that considered not just the number of households served but also the economic contributions of businesses in these regions.

Equity and fairness concerns: Equity emerged as a central theme, with participants expressing a strong sense of disparity between urban and regional and rural areas regarding power quality and reliability. They emphasised the need for a more equitable approach to investments, pointing out that despite regional and rural areas hosting significant renewable energy generation, they were not seeing corresponding benefits. There was clear frustration about the perceived imbalance, with regional and rural communities bearing the burdens of energy production while urban centres enjoyed the advantages without adequate compensation. Moreover, participants expressed concerns over the absence of a clear and cohesive strategy to help regional and rural regions achieve net-zero emissions, indicating that the current plans did not sufficiently consider their unique challenges and contributions to the energy transition.

Distrust and scepticism: Participants expressed a degree of mistrust towards the execution of the plan, stemming from concerns about cost overruns and the ability of Powercor to deliver on its promises. Some participants voiced their scepticism with statements like, "Suspicious of cost blowouts."

It's not fair that we're hosting all this renewable generation and sending energy straight to Sydney while rural Victoria gets left behind.

- Powercor customer, Rural and Regional Summit

The current structure means that communities in regional areas are losing out economically and in terms of energy reliability.

- Powercor customer, Rural and Regional Summit

Regional and Rural Roadmap

The roadmap had low awareness and understanding from customers

Introduction

Powercor have developed a Regional and Rural Roadmap, aimed at addressing key issues for Victoria's regional and rural areas. The discussions around the roadmap revealed several key areas of concern among participants, with a common theme being a perceived disconnect between the roadmap's development and the needs of the rural and regional communities. There was widespread acknowledgment of the need for a more inclusive and comprehensive approach that effectively integrated stakeholder feedback and considers broader systemic challenges.

Detailed Discussion

Low awareness and understanding: Many participants expressed low awareness of the roadmap and its purpose. This lack of clarity resulted in limited engagement, with some indicating that they did not feel adequately connected to the roadmap or its objectives. Customers believed there could have been more communication of how the roadmap connects with and addresses their previous feedback to Powercor.

Need for a holistic approach: The need for greater collaboration between Powercor, AusNet, and other stakeholders across the energy supply chain was a recurring theme. Participants stressed that a truly effective roadmap would involve all key entities, including those responsible for large-scale renewable developments, such as Australian Energy Market Operator (AEMO). As one participant observed, "Powercor and AusNet – need to engage with everyone and it needs to be holistic across the energy supply chain."

Disconnect from stakeholder feedback: Participants believed that the roadmap was developed without direct and meaningful input from key stakeholders, which left them feeling excluded from the process. This perception of being "at arm's length" from the roadmap's development led to a lack of confidence in its content and its alignment with community expectations.

Recommendations for future focus: Looking ahead, participants recommended that the roadmap's focus be reoriented towards being more inclusive and reflective of their inputs. Suggestions included integrating feedback more effectively and coordinating with AusNet to develop joint strategies that address the dual challenges of regulatory resets and energy transition. A participant remarked, "Would be great if that was joint with AusNet, that would help us manage the challenge between reset requirements and the transition."

At the moment, there is no vision for rural Victoria to get to net zero.

- Powercor customer, Rural and Regional Summit

The roadmap doesn't connect to the feedback we've given – it's like it's been done at arm's length.

- Powercor customer, Rural and Regional Summit



Image above: Hilary Newstead, Deputy Chair of Powercor's Customer Advisory Panel.



Image above: Participant from the Rural and Regional Summit.



4.2 Initiative Deep Dive

Power Quality

Mixed support for power quality initiatives amid calls for proactive leadership and localised investment

Introduction

The discussions around power quality revealed that it remains a critical issue for participants, particularly in rural and regional communities where reliability and consistency of power supply were key concerns. **Overall, there was support for the initiatives aimed at improving power quality, though participants indicated a desire for clearer accountability and a proactive approach in addressing these challenges.**

Detailed discussion

Impact of poor power quality: Participants conveyed challenges in understanding the full scope of benefits and implications of power quality initiatives. There was a general expectation for shared responsibility between Powercor and customers, with an emphasis on Powercor taking a leading role in driving improvements.

Industries such as dairy and irrigation stressed the serious impacts of poor power quality on their operations. Disruptions caused by issues like harmonics and voltage sags were cited as not only affecting equipment and productivity but also impacting animal welfare. For these industries, disruptions presented significant economic and operational challenges. There was a strong desire for more immediate and reliable solutions. Some businesses had resorted to purchasing their own backup generators due to prolonged delays in resolving these issues.

Need for greater collaboration with local communities: There was a strong sentiment that local communities should have a greater say in where and how investments are made to address power quality. Many participants felt they were best placed to understand their region's specific needs and could provide valuable input in guiding resource allocation. Additionally, it was emphasised that the energy network must keep pace with advancements in industries and their increasing need for stable and reliable power.

A desire for proactive leadership from Powercor: Participants generally appreciated Powercor's responsiveness in dealing with issues, but many felt that a more proactive stance could be beneficial. There were calls for Powercor to take the lead in educating customers and offering guidance on how to mitigate power quality challenges. This included providing more detailed recommendations on solutions such as backup systems or harmonic filters to better prepare customers. Customers generally agreed there needed to be mutual responsibility between both customers and Powercor to mitigate power quality issues. While customers were willing to make investments to support their own operations, they believed these measures must not replace investment/initiatives undertaken by the network.

We need more community control, because we know what our communities need.

- Powercor customer, Rural and Regional Summit

You can't blame customers for taking matters into their own hands and purchasing new technology. But just because we're doing that, doesn't mean we don't still need support.

- Powercor customer, Rural and Regional Summit

Participants sought strategic investments, proactive leadership, and clearer accountability to address power quality concerns

Support for vegetation management: There was general acknowledgment of the need for vegetation management to maintain network reliability and mitigate risks of extreme weather events.

Some participants voiced concerns over the execution, particularly regarding ecological and cultural considerations. There was a call for innovative approaches to mitigate vegetation-related risks without causing unnecessary damage to the local environment and cultural heritage sites.

Perceptions of proposed investment: Feedback on the proposed \$7 million investment in power quality was mixed. Although there was conceptual support for addressing power quality, many participants expressed doubts about whether the proposed amount would be sufficient to achieve meaningful improvements. Participants emphasised that solutions like Stand-Alone Power Systems (SAPS) and microgrids should be integrated into the broader strategy to improve power quality and grid resilience.

Need for technology audit: Participants highlighted the importance of conducting regular audits to identify surge-related issues within the network and prioritise investments that would improve stability. There was also a push for tighter compliance standards from regulatory bodies like the AER to ensure that networks remain aligned with evolving energy needs.

Overall, customers highlighted the need for clearer communication, greater investment, and a balanced approach to shared responsibilities in improving power quality across rural and regional areas. Participants expressed a desire for greater transparency, local autonomy, and proactive engagement to effectively address these ongoing challenges.

If investment is made, then rural and regional communities could thrive.

- Powercor customer, Rural and Regional Summit

Prevention is better than cure. Powercor are great if something goes wrong, but they could play a more proactive role.

- Powercor customer, Rural and Regional Summit



Image above: Participant from the Rural and Regional Summit.



Image above: Participant from the Rural and Regional Summit.



4.3 Initiative Deep Dive

Resilience

Broad support for resilience initiatives amid concerns over implementation and clear communication of roles

Introduction

The overall sentiment towards the proposed resilience initiatives indicated majority support among participants. The focus on building community resilience, particularly through the introduction of Community Support Officers (CSOs) and defining minimum service levels, was viewed positively. Participants appreciated efforts to enhance local preparedness and response capabilities. However, there were concerns regarding investment allocation, clear communication of standards, and ensuring strategies were sustainable and adaptive to future needs.

Detailed Discussion

Support for Community Support Officers (CSOs)

There was strong consensus among participants on the importance of CSOs. Participants perceived CSOs as important in bridging the gap between the network providers and local communities, especially during critical incidents or emergencies. Customers reflected that CSOs were expected to possess a deep understanding of the community, technical knowledge about the network, and the ability to effectively communicate during crises. While most participants expressed support for the introduction of CSOs, there were questions regarding the training and resourcing of these officers. Some participants worried that without proper investment in training and clear role definitions, CSOs might not achieve their intended impact. In particular customers noted Powercor needed to ensure the CSOs had a clear and distinct role from other emergency service providers in an emergency event, such as SES. Some participants questioned if the role of CSOs was better suited to government led emergency service providers.

Participants highlighted the role of CSOs in:

- **Direct communication:** Providing accurate and timely information, countering the confusion and misinformation that often arises during emergencies.
- **Local knowledge:** Ensuring CSOs have a solid grasp of the community's needs, infrastructure, and vulnerabilities, which would enable them to facilitate a faster and more tailored response.
- **Collaboration:** Collaboration with other community groups, and emergency service providers was highlighted as a critical part of the CSO role. Customers believed CSOs needed to play an ongoing and proactive role in local communities, embedding themselves in strategic planning processes and connecting with local government and councils to ensure the needs of each individual community are met.

I think the benefits of having CSOs are evident—they provide a single point of contact that deeply understands the community.

- Powercor customer, Rural and Regional Summit

A call for proactive and adaptive resilience planning to address future challenges and empower communities

Participants emphasised:

- **Balancing community support and infrastructure hardening:** While community support initiatives were crucial, participants felt that resilience planning should also focus on hardening the network infrastructure and ensuring alternate energy supplies. They stressed the risks associated with their situation, being limited to relying solely on a single supply chain during disruptions.
- **Focus on longer-term strategic investment:** Participants urged a forward-looking approach to ensure that investments were future-proofed and aligned with evolving community needs and technological advancements beyond just the next five years.

The \$61 million investment [for extreme weather events] should meet community resilience needs, but more focus should be put on alternate supply versus just community support.

- Powercor customer, Rural and Regional Summit

[On backup supply] We need to have multiple options available and less reliance on a single source.

- Powercor customer, Rural and Regional Summit

Future-proofing and strategic vision

A common thread in the discussion was the need for a resilient strategy that contemplated future challenges, such as climate change and increasing demand for energy in regional and rural areas. Participants expressed concern that a reactive approach to resilience planning might not suffice in addressing long-term threats and shifts in the regional and rural energy landscape. While most participants supported the notion of strategic planning, there were differing opinions on the scope of this planning. Some participants believed that the focus should be on immediate, actionable improvements, while others advocated for a broader, more integrated resilience strategy.

Participants emphasised the importance of investments being adaptive and fit for purpose in the face of emerging challenges. They called for continuous engagement with communities to reassess and recalibrate strategies as required.

Conclusion

While the proposed resilience measures were generally supported, participants emphasised the need for clear definitions, balanced investments, and a strategic approach that takes future developments into account. The importance of empowering communities through direct communication and local autonomy was highlighted as critical to achieving meaningful resilience outcomes. Generally, customers called for a careful balance between physical infrastructure improvements and community-based initiatives, underpinned by ongoing engagement and transparent planning.

...But we also need to think about the long-term future and ensure that these investments are fit for purpose in the long run too...

- Powercor customer, Rural and Regional Summit

There was a strong desire for addressing diverse needs of and strategic allocation of investments to enhance long-term resilience

Defining minimum service levels

The concept of minimum service levels received mixed reactions, with many customers participating in a philosophical discussion on the equity of minimum service levels, without any firm consensus being reached. While many supported the idea as a necessary benchmark for ensuring consistent and fair access to energy services, there were concerns about the practicality of how these levels would be defined and applied across different communities. Some participants questioned the feasibility of setting a uniformed standard, given the diverse needs and geographical challenges across rural and regional communities. They advocated for more flexible, community-specific standards rather than a one-size-fits-all approach.

Some customers believed minimum service levels should be based on moving “worst-served customers” closer to the network’s median standard of supply. Others felt it should be contextualised to individual circumstances. For example, if a customer chooses to live at the end of a single, long SWER line, aware of the poorer supply, participants believed it was unfair to expect others to subsidise this informed decision. They suggested it was the responsibility of local government to inform community members about the quality and reliability of supply in relevant locations. However, if customers experience poorer quality without being aware, they believed it was fair for the network to improve their standard of supply. Other participants expressed concerns that insufficient investment in this initiative could result in inadequate support for those on SWER lines, ultimately hindering efforts to enhance grid resilience and security for all customers.

Key concerns included:

- **Equity in application:** Participants emphasised that minimum service levels should be clearly defined and equitably implemented. The ambiguity around what constituted a "minimum level" sparked debates about whether this would lead to disparities in service quality.
- **Willingness to pay:** Participants expressed a willingness to bear additional costs if minimum service levels led to tangible improvements in reliability and resilience. However, they also demanded transparency in how these standards would be achieved and maintained.

Minimum service levels should be for everyone, and people are willing to pay for them, but there needs to be a clear definition of what they are and how they help.

- Powercor customer, Rural and Regional Summit

The needs of each community can be so diverse, we need to be taking that into account.

- Powercor customer, Rural and Regional Summit

Investment allocation and focus

The initiatives proposed to enhance resilience garnered mixed reactions. Participants **agreed that a significant investment was critical** but raised questions regarding how and where these funds should be allocated. There was a clear call for transparency and strategic planning in the disbursement of these funds to ensure long-term impact. Some participants advocated for prioritising alternate energy supplies over community initiatives, arguing that physical infrastructure improvements would provide greater long-term resilience. Others believed that building local capacity and having trusted contacts like CSOs were equally critical for managing localised incidents.



Image above: Participant from the Rural and Regional Summit.



Image above: Mark Henley, member of AER's Consumer Challenge Panel



4.4 Initiative Deep Dive

Additional ideas, concerns and considerations

Additional ideas, concerns and considerations Supporting electrification and collaborative efforts amid concerns over infrastructure, safety, and market pressures

Introduction

At the conclusion of discussion regarding specific initiatives proposed in Powercor's draft regulatory reset proposal, customers were provided the opportunity to provide general ideas, considerations, and concerns on any topics that have not already been covered during the earlier discussions. As a starting point for discussion, Powercor shared key findings on feedback heard to date throughout their engagement process.

Additional ideas and considerations brought forward indicated that there was a broad interest in innovative and forward-looking solutions to regional and rural energy challenges. Participants expressed strong support for measures that would encourage electrification, sustainable practices, and infrastructure investments. There was a common desire for increased collaboration, clearer communication, and community-based initiatives to foster greater resilience and sustainability.

Detailed discussion

1. Perceptions and misconceptions about farmers' sustainability efforts

The following discussion was not explicitly raised by Powercor when introducing this section. A significant point of discussion was the perception of farmers as "environmental bandits." Most participants strongly rejected this stereotype, emphasizing that many farmers were actively interested in electrifying their farms and adopting greener practices. However, a lack of adequate network infrastructure was highlighted as a key barrier preventing these aspirations from becoming a reality.

- **Export market pressure:** Participants pointed out that international export markets, especially in Europe, are increasingly expecting green certifications and sustainability credentials. This creates a strong incentive for farmers to reduce their carbon footprints and adopt renewable energy solutions to remain competitive. However, these efforts are stymied by infrastructure barriers, which need urgent attention to unlock this untapped potential.

There is a hidden market of farmers who are very keen to electrify their farms; however, because there is not the network infrastructure in place, it's not even something they can start to consider and plan for.

- Powercor customer, Rural and Regional Summit

EV charging in regional areas

Projections for EV uptake and data around other Powercor customers' attitudes towards EVs were shared prior to customers raising this discussion. Some participants expressed that waiting for demand to develop before investing in EV charging infrastructure would be a mistake. There was consensus that the demand for EV chargers was coming, and regional locations should prepare proactively to support and attract tourism. The idea was that by having EV charging infrastructure in place, regions could influence travel patterns and encourage more visitors. However, not all participants were supportive of EVs for their own personal or farming use. Several raised concerns over the feasibility of EVs on farms. Factors such as the current high upfront costs of vehicles and charging infrastructure, limited battery capacity for heavy machinery, and the perceived unreliability of EVs in remote areas (due to range anxiety, access to reliable supply for charging and perceived lack of charging infrastructure) contributed to their reluctance. A few participants shared different views where safety concerns were questioned relating to EV technology and batteries. On farms it was essential for EV technology and batteries to be robust enough to handle the challenging and sometimes hazardous conditions to withstand extreme heat, rough terrain or unpredictable weather.

Additional ideas, concerns and considerations

Addressing misinformation, encouraging local innovation, and shifting towards community-based energy ownership

Collaboration with retailers: Given the regulatory limitations preventing distributors from owning EV chargers, participants suggested collaborating with retailers or other partners to fill this gap and ensure infrastructure readiness. They highlighted that working with external partners could enhance flexibility in providing charging solutions tailored to different regional needs.

3. Misinformation and the need for quality information

Participants highlighted the prevalence of misinformation regarding the network's capacity to support residential electrification. This lack of clear information fostered fear and hesitancy, even among local councils who were trying to encourage people to adopt sustainable practices. Participants felt that grid augmentation efforts need to be transparently communicated to local communities to build trust and confidence. Some local councils requested greater transparency and information from Powercor to confidently encourage their communities to participate in energy transition initiatives. One representative described their council's efforts to promote electrification and uptake of local renewable generation (e.g., solar) but admitted that misinformation led to growing concern regarding the network's capacity to handle increased load resulting from electrification. They believed a greater level of direct communication and information from distributors about network readiness would mitigate concerns and manage the spread of misinformation.

[On the desire for greater communications from networks] We are trying to encourage people to electrify and provide them with the financial resources to do so; however, even we are fearful if the grid can handle it.

- Powercor customer (council member), Rural and Regional Summit

4. Innovative infrastructure solutions

Several innovative ideas were proposed to enhance regional resilience and sustainability:

- **Copper replacement with graphite:** Participants expressed interest in replacing traditional copper wiring with graphite due to the finite availability and higher cost of copper. Although graphite is less flexible than copper, participants believed its potential benefits outweighed this limitation.
- **Additional battery initiatives:** Participants provided examples of additional battery initiatives to support energy storage and stability in regional and rural areas.
- **Community-based energy trials:** There was enthusiasm for localised initiatives, such as setting up small-scale renewable energy projects like a single windmill to support a few neighbouring households. This idea reflected a desire for community-driven solutions that allow experimentation and self-sufficiency.

5. Two-way energy systems and ownership

There was a growing sentiment among participants regarding the concept of power ownership and a shift in expectations about who controls energy supply. Participants discussed the potential benefits of creating more two-way energy systems that would enable customers to feed excess power back into the grid and positively impact their carbon footprint.

Can there be more of a two-way system to put power back onto the grid and positively impact the commercial side of people who do so?

- Powercor customer, Rural and Regional Summit

Additional ideas, concerns and considerations

Emphasising community connection, access to information, and inclusive participation for sustainable regional energy solutions

6. Access to information and grants

Participants noted the need for more accessible information on available grants and the ability to leverage lessons from other countries. This reflected an interest in creating a well-informed and connected community that can make the most of new technologies and funding opportunities to support sustainable transitions.

7. Community connection and support

In addition to technical and infrastructure considerations, participants emphasised the importance of community and social connection. They highlighted that during outages or crises, community members often act as a lifeline for vulnerable groups, such as the elderly or disabled. There was a strong desire to preserve and strengthen these social bonds through energy initiatives.

Throughout the summit, from the initial Q&A panel to the final discussions, a recurring theme was the need to better connect transmission efforts to local-level support, focusing on delivering tangible benefits to individuals and communities. Many customers expressed frustration that, while their communities host renewable generation sites and transmission infrastructure, they receive no direct access or benefits from this energy. This perceived disconnect exacerbated feelings of inequity in supply between metropolitan and regional/rural areas.

I feel like parts of what we talked about today didn't capture the importance of community and looking out for each other...that can't be underestimated.

- Powercor customer, Rural and Regional Summit

Conclusion

The discussions around additional ideas and considerations indicated a forward-thinking mindset among participants, with an emphasis on sustainability, resilience, and community empowerment. There was clear support from most customers for proactive investments in electrification and EV infrastructure, increased access to reliable information, and opportunities for community-based innovation.



Image above: Participant from the Rural and Regional Summit.



Image above: Participant holding a content booklet from the Rural and Regional Summit.



5. Appendix

Engagement Context

Engagement Context

Potential influences prior to and within the consultation period were events that took place in both the lives of customers and within the wider electricity sector. We hypothesise these events impacted customers' preferences and perceptions.

Some customers referenced several of these events throughout the discussions at the summit:

2023

- Continued cost of living increases for Victorians announced in July 2023 with over a million households hit with power bill increases of up to \$361 a year.¹
- The State Electricity Commission was reinstated in October 2023 and is set to lead Victoria's renewable energy transition across the next 10 years.²
- 117 councils around Australia declared their regions in states of climate emergency in response to global climate change impacts and commitments to restore a safe climate by transforming the economy to net zero emissions.³
- War in Ukraine with the Russian invasion impacting Australian energy prices.⁴
- Gas prices were expected to increase considerably as the updated Gas Substitution Road Map forecasted decreasing production and pressure to switch to electricity.⁵

2024

- Severe storms across Powercor and United Energy networks on 13th February 2024, and October 2020 that resulted in a significant number of customers off supply.^{6,7}
- The Essential Services Commission decided to reduce the base rate for solar feed-in tariffs by 32%, to 3.3 cents a kilowatt hour.⁸
- Victoria's gas distribution networks could no longer provide rebates or incentives to purchase new gas appliances, following the plan from the Gas Substitution Roadmap Update in December 2023.⁹
- Most Victorians would consider replacing a few gas appliances while just 52% said they would consider disconnecting from gas completely. Meanwhile, almost 90% are using gas appliances and supply gaps continue to increase. Rebates under the Victorian Electric Upgrades program began at the start of 2024 to help houses move away from gas.¹⁰
- Solar farms powering rural Vic - Solar energy is expanding in rural Victoria, with ENGIE's 250MW Goorambat East Solar Farm under construction and expected to power 250,000 homes by 2026, creating 250 jobs and funding a community benefit program. Meanwhile, the 99MW Winton Solar Farm is now operational, generating power for 52,000 homes. Supported by Victoria's Renewable Energy Target (VRET1), these projects contribute to the state's goal of 95% renewable energy by 2035, anticipated to drive job growth and lower electricity costs for residents.¹¹
- Victoria has reestablished its State Electricity Commission (SEC) as a constitutionally protected public entity, ensuring renewable energy remains publicly owned. The SEC's projects aim to lower energy bills, and support Victoria's target of 95% renewable energy by 2035. Additionally, a home electrification digital planner pilot is underway to assist residents with energy-efficient upgrades, starting in Ballarat.¹²

Engagement Context

Potential influences prior to and within the consultation period were events that took place in both the lives of customers and within the wider electricity sector. We hypothesise these events impacted customers' preferences and perceptions.

Some customers referenced several of these events throughout the discussions at the summit:

2024 (continued)

- Victoria's Legislative Council has passed a bill to set ambitious renewable energy targets, aiming for 95% renewable electricity by 2035 and mandating climate considerations in land-use planning. The bill includes storage targets and offshore wind initiatives, with mixed political support. While some MPs emphasise the need for fossil fuels in the energy mix, others advocate for faster decarbonisation.¹³

Engagement Context References

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³ Cedamia, last updated April 14 2023, *CED regions in Australia*, accessed 19 December 2023, www.cedamia.org/ced-regions-in-australia/#:~:text=19%20February%202019%2C%20Maribyrnong%20City,to%20declare%20a%20Climate%20Emergency

⁴ Mercer. D, 26 February 2022, *Russian invasion of Ukraine drives up energy costs and Australians will feel the pain*, ABC News, accessed 19 January 2024, www.abc.net.au/news/2022-02-26/russia-invasion-of-ukraine-to-drive-up-energy-costs-for-all/100861246

⁵ Rooney. K, 14 December 2023, *Bills to soar as Victoria moves away from gas*, *The Age*, accessed 19 January 2024, www.theage.com.au/politics/victoria/bills-to-soar-as-victoria-moves-away-from-gas-20231214-p5erjv.html

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⁷ United Energy, 13 February 2024, *Power outage update – 13 February storms*, accessed 27 March 2024, www.unitedenergy.com.au/media-centre/power-outage-update-13-february-2024/

⁸ Mercer. D, 29 February 2024, *Victoria's rooftop solar feed-in tariffs are falling. Here's why that won't slow the solar juggernaut*, ABC News, accessed 16 May 2024, www.abc.net.au/news/2024-02-29/why-falling-feed-in-tariffs-wont-slow-solar/103528180?utm_campaign=abc_news_web&utm_content=link&utm_medium=content_share&utm_source=abc_news_web%20A0

⁹ Gordon. J, 24 April 2024, *Why Victoria's ban on networks offering gas appliance rebates is a win for energy consumers*, *Institute for Energy Economics and Financial Analysis*, accessed 31 May 2024, <https://ieefa.org/resources/why-victorias-ban-networks-offering-gas-appliance-rebates-win-energy-consumers>

¹⁰ Tippet. H, 12 April 2024, *Victorian households have the highest gas usage in the country — will they turn it around?*, ABC News, accessed 31 May 2024, www.abc.net.au/news/2024-04-12/victoria-gas-household-electricity-swap-power-bills/103695756

¹¹ Energy Magazine, October 2024, *Solar farms powering rural Victoria*, accessed 29 October 2024, www.energymagazine.com.au/solar-farms-powering-rural-vic

¹² PS News, October 2024, *Victoria brings back the SEC*, accessed 29 October 2024, www.psnews.com.au/victoria-brings-back-the-sec/147025

¹³ Hill, J.S., 16 May 2023, *Victoria to legislate ambitious emissions target, lock in 95 pct renewables*, *Renew Economy*, accessed 31 October 2024, <https://reneweconomy.com.au/victoria-locks-in-ambitious-emissions-target-sets-course-for-95-pct-renewables-by-2035/>

Summit engagement feedback

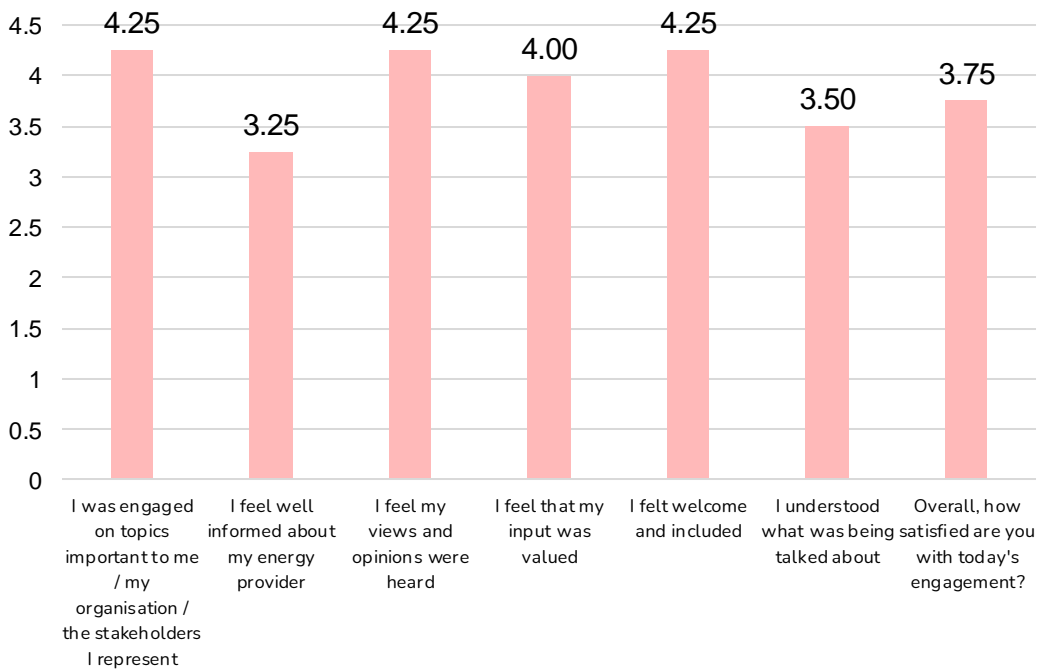
After the qualitative engagements, customers were asked to complete a feedback survey to support the refinement of the engagement process. The results are below.

Overall Satisfaction with engagements

4.25 / 5

Participants rated their engagements on a scale from 1-5, where 1 was completely disagree/satisfied and 5 was completely agree/satisfied.

Participant Results (n = 4)



Participant comments

“Great job facilitating today by the Forethought team. Tricky topic that is complex but handled and explained well. The Powercor team were great, listened to the feedback and took it on.”

“At times it was hard to specify a response because I don't know a huge amount about Powercor and the power delivery system ... the other staff were excellent in assisting the discussion.”

“I hope the feedback is taken on board in relation to ambition on the budget but also generally to improve the relationship with others here. Would be great to see Powercor engage more often, throughout the region and with a variety of stakeholders, not just through market research etc.”

“I feel like there should have been broader participation from council members or stakeholders outside of the farming industry.”

Qualitative pre-reading

Prior to attending the summit, all participants were provided the opportunity to engage in an online pre-reading. This allowed participants to have an informed conversation, do any additional desired preparation and engage in detailed discussions at their allocated engagement. See pages 47-54 for full pre-reading.



Regional & Rural Summit

Thank you for making the time to attend the Regional and Rural Summit. We look forward to hearing your valuable views and feedback to inform our final regulatory proposal.

The intent of this document is to provide you with key information to help you prepare and participate in the Summit discussion at the forum relating to Powercor.

What are regulatory resets about?

Every 5 years, the Australian Energy Regulator (AER) reviews Powercor's forecast plans and expenditure for approval. This determines the services we deliver, and the revenue we can recover from our customers.

The 2026–31 regulatory period is one of critical change. The pace and scale of the energy transition and new government policies to reduce carbon emissions presents new challenges and expectations.

How we manage these changes should reflect the wishes of our customers and stakeholders on their priorities and preferred service level outcomes, including affordability. That's why we've been engaging with our customers and stakeholders since 2022.

Our draft proposal reflects the feedback we have received from our engagement program so far. We are publishing our draft proposal to test and validate if it reasonably delivers on customers and stakeholders' expectations. This will help inform the final regulatory proposal due to the AER in January 2025.

This is not your only opportunity to engage with us. You can submit feedback on our draft proposal on our website <https://engage.powercor.com.au/hub-page/powercor>, or directly via email to community@powercor.com.au.

If you would like to review the full draft proposal, please visit our website at <https://engage.powercor.com.au/hub-page/Powercor>.

A note for the session: We ask that you please be respectful throughout this engagement to help foster a psychologically safe space for all participants; acknowledging that individuals attending have different lived experiences. Our goal is to create an environment where everyone feels comfortable sharing their feedback openly.

The next slides outline context across:

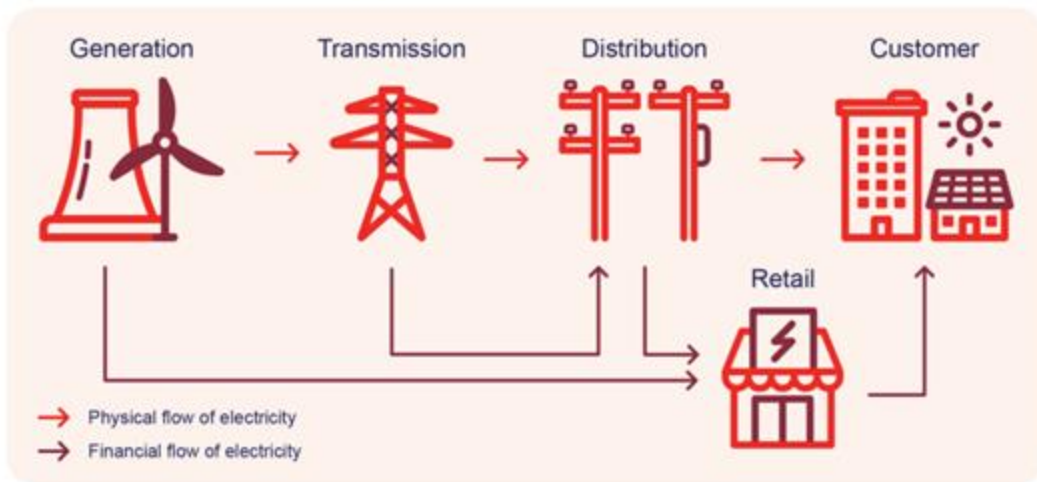
- Powercor's role in the energy supply chain
- The operating environment: Now and into the future
- The draft proposal overview
- Highlight of specific initiatives

Qualitative pre-reading



Powercor is an energy distributor

There are 5 steps in the supply chain to delivering electricity in Victoria



Powercor's role in the supply chain

Our network supports over 930,000 customers, making us the largest distributor in Victoria. Households represent approximately 88 per cent of these customers, and we also service around 112,000 business, and commercial and industrial customers.

The services we provide are vast and varied. These include our traditional activities, such as planning, constructing and maintaining our distribution assets, and emergency response.

Qualitative pre-reading

Today's operating environment...

We operate the **most utilised** network in Australia

20,000km of overhead conductor approaching **end-of-service life**



Increasing government and community **expectations to meet net zero**



Significant **cost increases** across the supply chain and **rising energy induced vulnerability**

890,000

customers impacted by extreme weather events in the current period



By 2031 in Victoria...

Additional **900,000 people**



Victorian **renewable generation to double**



No new residential gas connections



22% of cars on the road will be EVs

Multiple system security **emergency events**



Customer behavioural trends are **increasing dependence on a reliable supply at home**

Qualitative pre-reading

Our draft proposal on a page

The way **our customers use electricity is rapidly changing** as the energy transition accelerates. The decisions we make now must be designed **for their future needs**.

More stakeholders than ever before developed future service level expectations



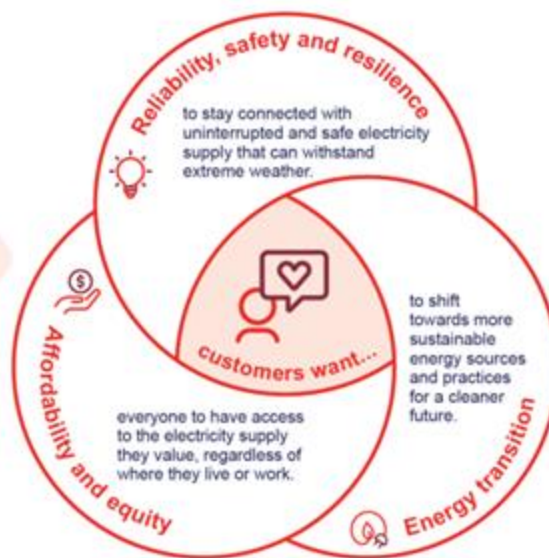
8,784 customers engaged



254 external stakeholders and representatives engaged



70 engagement events to date



We are investing **\$3.3B** on what our customers want between 2026 and 2031, including:

\$1,238M Maintaining our assets to provide a safe and reliable supply of electricity



\$450M Connecting new customers to our network



\$295M Enabling growth, electrification and consumer energy resources



\$233M Using technology to further reduce risks from vegetation clearance



\$61M Strengthening our network and communities against extreme weather



\$45M Increasing capacity to enable regional and rural customers to participate in the energy transition



\$18M Supporting customers with tools to manage their electricity bills, including safeguards for customers experiencing (or at risk of) vulnerable circumstances



Delivering all this and more for just \$2 average yearly increase in residential bills 2026-2031

Qualitative pre-reading



Initiative details: Regional & rural supply

What we heard from our regional and rural customers:

- Concerns that their experience lags that of urban customers. They seek a long-term plan to achieve lasting and sustainable change that closes the performance gap
- Regional and rural customers fear they may be unable to participate in the energy transition due to constraints on their local network
- They believe their communities continually lag in service performance relative to urban customers in terms of reliability, access to capacity and power quality
- There is a near universal recognition amongst customers of the need for network planning over multiple regulatory periods to achieve lasting and sustainable change
- 74% of all customers supported additional expenditure to close the gap in service levels experienced by regional and rural customers

Our proposed response to support supply needs in rural and regional areas:

- We have based our initiatives based on an industry first regional and rural roadmap. The roadmap was prepared jointly with AusNet and an independent engineering advisor. The roadmap identifies a series of long-term strategies and short-term recommendations to bridge the inequity gap in service performance

Long-term solutions recommended include upgrading single wire earth return (SWER) systems to three-phase supply, enhancing renewable technology integration, utilising stand-alone power systems and leveraging large-scale distribution renewable energy zone planning

A link to the regional and rural roadmap can be found [here](#).

- In parallel we are working with the Commonwealth and State Governments and Mott McDonald on further opportunities through the Victorian Network Opportunities study
- The draft proposal includes over \$45 million of investment to existing SWER systems with 3-phase supply, tackle poor reliability, provide additional capacity to electrify and deliver more renewable energy to local networks
- A number of rural and regional zone substations are targeted for upgrades to increase network capacity and power quality. This includes \$40 million in transformer replacements, \$22 million in switchgear replacements and \$49 million protection upgrades and replacement of existing zone substations

Initiative details: Power quality

What is power quality?

Power quality is measured by voltage, frequency, and waveform of the energy transmitted on the network. Good power quality can be defined as a steady supply voltage that stays within the prescribed range, steady frequency and a smooth voltage waveform

Qualitative pre-reading



It is useful to consider power quality as the compatibility between what comes out of an electric outlet and the load that is plugged into it. Without the proper power quality, an electrical device (or load) may malfunction, fail prematurely or not operate at all. There are many ways in which electric power can be of poor quality, and many more causes of such poor-quality power.

What we heard in relation to power quality

- Customers valued reliability, safety and resilience
- Customers sought an uninterrupted and secure power supply that withstood severe weather
- Customers expect network safety to be maintained in accordance with compliance obligations
- Commercial and industrial (C&I) customers consider power quality and network reliability as the most significant factors affecting their business operations

Vegetation management and power quality

Vegetation falling or flying loose in strong winds can damage powerlines, creating outages, disrupting power quality or igniting fires. Powercor has a responsibility to ensure the risk of vegetation coming into contact with powerlines is minimised. Therefore, we regularly inspect and prune vegetation near powerlines.

The increasing prevalence of extreme weather creates greater risk of vegetation coming into contact with powerlines. Therefore, we have included a \$233 million investment in inspection technology to protect rural and regional communities. This includes:

Increasing the volume of vegetation cutting



- Our use of new technologies allow us to better identify offending vegetation meaning we can better target and manage risk
- Better technology, however, has identified offending vegetation we previously had no ability to identify
- Additional expenditure to increase pruning to reduce risks from vegetation clearance

Amendments to regulations



- We are seeking changes to the Electricity Safety (Electric Line Clearance) Regulations to better support the role technology can play in managing vegetation. The Regulations will sunset in mid-2025, allowing for potential amendments to reduce the impact on customer bills

Harmonics and power quality

- Harmonic distortion can create a spectrum of problems including interruptions, poor power factor, voltage sags and surges. These disturbances, even if momentary, can result in substantial disruption to production, loss of inventory, delays with cleaning and sterilising, and revenue loss.
- Our draft proposal includes a program of works that addresses harmonic distortions in the Northern Murray region which has impacted electrical equipment operation, driven by newer pumping technologies used for irrigation
- This program will improve service levels in the area, leading to better equipment function and lifespan and fewer momentary outages for C&I customers.

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Qualitative pre-reading



Initiative details: Resilience

With more frequent, extreme weather events and our communities growing reliance on electricity, we understand you need us to be reliable and – if the power does go out – highly responsive to ensure we get your power back on as soon as possible.

What you told us about resilience

- You value reliability, safety and resilience
- You want an uninterrupted and secure electricity supply that stands strong against severe weather
- You want us to be even more active and present in the community during emergency responses and get the power back on faster
- You want our support to help make your own back up plans

How we are tackling resilience

- We are proposing \$61 million of new initiatives to assist the network and our communities withstand and bounce back after extreme weather events
- This includes network hardening involving taller poles to increase clearance above flood waters, fire resistant wrapping around poles in high bushfire risk areas and the use of enhanced climate modelling to better forecast the consequence and likely casualties of extreme weather
- Additional feeder-ties improving supply for customers in Glenlyon, Peterborough, Dereel and Trentham
- New microgrids in communities most exposed to prolonged outages in Apollo Bay, Ballan, Donald and Lancefield
- Stand-alone power systems for individual customers exposed to prolonged outages
- Additional mobile emergency response vehicles to cater for multiple, concurrent outages
- Community support officers, who know and serve their communities
- Improved prioritisation tool to manage risk and provide more better information during extreme events
- The draft proposal includes \$29 million in new investment in alternative sources of supply for our worst served customers and/or least resilient areas of the network

What this means for you



1. Strengthening and adapting our network to avoid time off supply



2. Reducing the impact of extreme weather events



3. Increasing on-the-ground support with people that know the local community



Image above: Participant from the Rural and Regional Summit.



Image above: Participants, and Powercor staff facilitators from the Rural and Regional Summit.

