



Ausgrid Customer Connections

ASP Information Pack – upcoming changes

4 September 2024

Protected Industrial Action (PIA) Update

Throughout the course of the Enterprise Agreement renewal discussions, Ausgrid have been committed to bargaining in good faith.

At the same time, it has been a priority for us that we listen to our employees, and make sure we are genuinely hearing and acting based on their feedback.

As a company we have given everything we can and have built the best Offer Ausgrid has ever put forward.

Based on feedback from our employees, we are hearing that many of them want to get the Offer finalised; That they like the Offer and they want an opportunity to have their say on it.

As a result, we will be having a Direct Employee Vote which will open on **Wednesday, 4 September and close on Tuesday, 10 September.**

We are acutely aware of the impact this is having on our customers and on our Accredited Service Providers, and we apologise for this. We will continue to update you as the situation progresses.

Who are Customer Connections...

The **Customer Connections** business unit brings together teams involved in the end-to-end connections process - from application through to electrification and warranty.

We manage all connecting customers, which includes managing enquires, designs, connection contracts, energisation, and ensuring compliance with standards and certified designs. This ensures the assets we inherit as an organisation are fit-for-purpose and safe for our people, customers and community.

Establishing the Connections Excellence Program

The Connections Excellence Program was established in December 2023 to enhance the way we do business, shift our culture, and set the bar higher for our customer and employee experience, so that Ausgrid can deliver a faster, easier and better value connections experience.

This program is addressing key customer and employee pain points, making our processes more transparent and efficient, reducing connection timeframes and helping our customers and partners meet their construction milestones.

We will achieve this by adopting three key principles of:



Easier for our people. Better for our customers. Good for our business.



Why are we making these changes...

During market engagements conducted over the last three years, pain points reported by ASP1s have highlighted a range of challenges faced by customers, contractors and ASP1's during the construction phase of a project.

The construction phase involves multiple parallel pathways utilising up to 20 different systems, all working towards achieving energisation of the customer's project. These pathways are fragmented and necessitate continuous communication back and forth between Ausgrid and their contractors.

Appointing an ASP1 post design certification can lead to constructability issues and the need to re-design work, with the need for variations and changes to estimates.

Additionally, it can be challenging securing outage dates for ASP1s as a result from ineffective communication between all parties, often resulting in delayed electrification and potential additional costs to the customer.

Currently, the median energisation time for contestable projects at Ausgrid is well above acceptable levels. Ausgrid cannot achieve reduction in median energisation timeframes without significant reform.



Advancement of pre-construction meeting



To address some of the customer identified pain points captured over the last three years, and to start to work towards a more seamless connections experience, we are making a number of changes aimed at streamlining aspects of our processes. The anticipated go live for these changes is 13 September 2024.



We will be **streamlining our pre-construction business process** and **advancing the pre-construction meetings** into the Design stage of the connections journey, with the aim to expedite project timelines, reduce energisation timeframes, reduce re-design work, improve constructability, and provide greater accuracy in our estimations with less variations.



We are intending to create two new project statuses: **Ready For Tender (RFT)** and **Ready For Construction (RFC** – previously known as Certified) – definitions are in following slides.



We will be **digitising the pre-construction meeting request process**, enabling the ASP1 project managers to request a preconstruction meeting via the Connections Portal



Enabling ASP1s to submit critical dates for review and acceptance via the Portal, **removing the need for the Project Planning Form (PPF)**.

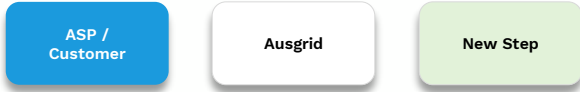


Implementing automated email notifications to the customer and scheduling auto-reminders to provide property related documentation to Ausgrid prior to electrification outages

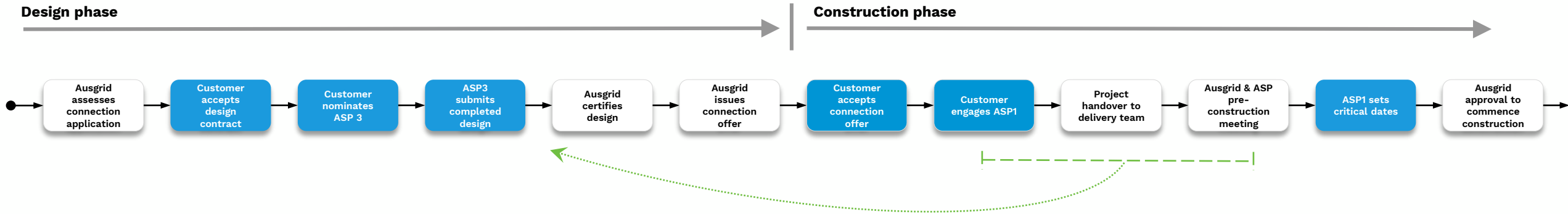


Enhancing the Outage Request process to enable ASP1s to upload their on-the-day outage documentation to the Portal

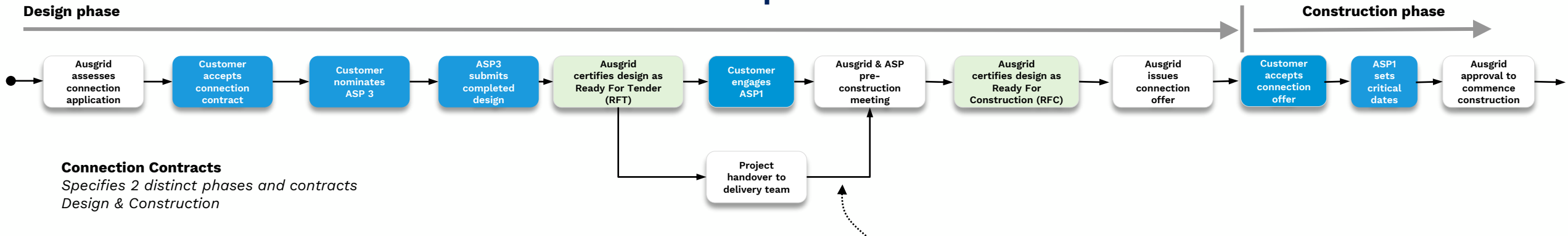
What is changing?



Existing



Proposed



Connection Contracts

Specifies 2 distinct phases and contracts
Design & Construction

'Buildability' review to be done at this stage in the process.

Transition from Design Certification to Ready for Tender (RFT) and Ready for Construction (RFC)



Ausgrid will be replacing the current single Design Certification step with two Design certification statuses: Ready for Tender (RFT) and Ready for Construction (RFC).

Current State

Design Certification

Design Certification is the process by which Ausgrid reviews and approves a design submitted by an ASP/3 (Accredited Service Provider) to ensure that it meets all relevant standards, regulations, and requirements. The certification process involves a desktop audit of the design documents.

When Ausgrid certifies a design, it confirms that the design complies with the Design Information, Ausgrid's Network Standards, and any other applicable requirements.

Certification does not imply that the design has been physically inspected but rather that it meets the necessary criteria for construction. The certified design is then used for the construction of electricity assets that will become part of the Ausgrid network. Certification ensures that the design is buildable, free of defects, and fit for its intended purpose.



Future State

Ready For Tender (RFT)

This certification is achieved when the design, which includes all necessary drawings, specifications, schedules, and other relevant materials, has undergone a desktop audit to the reasonable satisfaction of Ausgrid. However, it has not been physically inspected on-site by all relevant stakeholders, including ASP Level 1 and Ausgrid representatives. This certification indicates that the design documents may be used for the tender process, allowing contractors to prepare and submit their bids, and for the design documents to be used as the basis of the pre-construction meeting.

Ready For Construction (RFC)

This certification is achieved when the design has been validated via an on-site physical inspection by all relevant stakeholders, including the ASP Level 3 design team, ASP Level 1, contractors, and Ausgrid representatives, and all necessary design-related approvals and permits have been obtained. This status indicates Ausgrid consents to the design being used for construction once all pre-requisites required by the Connection Contract have been met.

Advancement of pre-construction meeting: What does this mean for our ASPs?



Earlier ASP1 involvement



- › There will be an earlier tender process for the selection of an ASP1. This will require the engagement of an ASP1 on a design which has been issued with a Ready For Tender status. ASP1s will provide direct input into the design finalisation process, to minimise construction delays and the risk of redesign or variations.



Ausgrid will certify that a Design is Ready For Tender (RFT)



- › Ausgrid will certify that a design is Ready For Tender to the ASP3 for the purpose of ASP1 tendering and nomination.
- › A design that is **Ready For Tender (RFT)** will be assumed to be constructable based on our standard desk-top audit, with the **Ready For Construction (RFC)** certification subject to the pre-construction meeting taking place where appropriate.
- › A design will be certified as Ready for Construction after the pre-construction meeting.
- › The Design Services Contract and Connection Offer will be updated, in alignment with the proposed Dial Mover Initiative.



Digitisation of process



- › ASP1s will be able to request the pre-construction meeting through the customer portal.
- › The submission of critical dates will be done through the customer portal, removing the need for emailed PPF submission.
- › Property rights automated reminders will be issued to the Applicant/Customer who are directly responsible. Outage request lead times still apply.



Design submission outcome



- › For our ASP3 partners, the design submission outcome will be either Ready For Tender (ready for the preconstruction meeting), Ready for Construction (following validation at a preconstruction meeting) or Resubmission is Required.
- › As above, Ready For Construction status will be in most cases subject to the pre-construction meeting. However, not all designs will require Ready For Tender status or a pre-construction meeting.



Coordination



- › ASP1s will continue to coordinate the preconstruction meeting with all relevant parties.
- › As per ES4 Accredited Service Provider Authorisation, ASP3s must attend the pre-construction meeting in person.

Network Connection or relocation process

Stage	Application	Design	Construction	Electrification	Warranty
	Lodging a connection or relocation application, Ausgrid assessment and confirming design requirements.	Preparation of compliant designs, environmental assessments and design certification for lodging with council.	Construction planning, installation of assets per design and completing requirements for outages	Pre-electrification planning, connection of assets to the network and compliance checks.	Project close activities and commencements of the warranty period.
Duration	4-10 weeks	8-15 weeks	2-12 months	6 weeks	3 years

DESIGN

APPLICATION	TECHNICAL ASSESSMENT	ACCEPT DESIGN CONTRACT	DESIGN INFORMATION	ASP3 NOMINATION AND DESIGN SUBMISSION	CERTIFIED READY FOR TENDER	ASP1 ENGAGEMENT AND PRE-CONSTRUCTION MEETING	CERTIFIED READY FOR CONSTRUCTION	CONNECTION OFFER	OFFER ACCEPTANCE
Connection or Relocation Applicant submits complete Application	<ul style="list-style-type: none"> Ausgrid completes initial assessment. Issue assessment advice and Contract for Design Related Services Offer (CDRS) including design related charges 	Customer reviews and accepts CDRS. <ul style="list-style-type: none"> Customer engages an ASP3, Prepares and submits Proposed Design Scope (PDS) if required. Pay Design stage charges. 	If a simple project, Ausgrid does not prepare site specific Design Info. ASP3 uses general Design Information from Ausgrid's website If a project is anything other than a simple project, Ausgrid will assess the PDS (if required) and will issue site specific Design Information Package (DIP)	Applicant nominates ASP3 on the Web Portal. ASP3 prepares and submits complete design package	Ausgrid undertakes a desktop audit of submitted design Ausgrid certifies as Ready For Tender (RFT) Project handover to Ausgrid delivery team	Applicant nominates ASP1 on the Web Portal. ASP1 confirms agreement to undertake Ausgrid funded works (if required). The ASP1 arranges the pre-construction meeting with the ASP3 and Ausgrid. This meeting is optional for customer.	Ausgrid certifies the design as Ready For Construction (RFC) if compliant following the pre-construction meeting. Legislative 21/40 day notice periods must be expired.	Ausgrid issues Connection Offer including construction related charges.	Customer reviews and accepts Offer.
Within 10 days ▲		Within 45 days of Offer ▲	Within 30 days		Within 10 days*	5 days min notice ▲	Within 5 days	Within 10 days	Within 45 days ▲

CONSTRUCTION

PROJECT PLANNING AND CHARGES PAYMENT	COMMENCEMENT APPROVAL	CONSTRUCTION	REQUEST FOR ELECTRIFICATION	PRE-ELECTRIFICATION	ELECTRIFICATION
ASP1 formulates and agrees critical dates with Customer. ASP1 submits dates to Ausgrid for acceptance. Customer pays fees.	Ausgrid assesses critical date submission and ensures all connection charges paid and preconditions met. Ausgrid provides approval for works commencement.	ASP1 undertakes construction. ASP1 submits Council/RMS/other Permits, Traffic Control Plan(s), DBYD Plans Ausgrid carries out milestone inspections and arranges non electrification network access on request Milestone inspections - 4 days min written notice Pe-electrification outage requests - 6 weeks min written notice	ASP1 submits Outage Request via Portal and uploads all required documentation (including SAO for North projects only) ASP1 continues construction. IMPORTANT: Property documents and instruments (including Deeds, Leases and Easements) can take 4 weeks for Ausgrid to review and execute. Customer and ASP1 must allow for this processing in project scheduling.	<ul style="list-style-type: none"> All works to be satisfactorily complete. All remaining Contract requirements to be met. Property tenure requirements complete, red line diagram submitted, Field recordings complete. No further construction (except minor rectification). 	<ul style="list-style-type: none"> In preparation for proposed electrification outage, Ausgrid reserves resources and co-ordinates outage and electrification related ancillary services. Commissioning and electrification of network assets and customer's private installation.
Within 10 days ▲			6 weeks min prior to electrification ▲	6 weeks min additional notice ▲	

PRIVATE INSTALLATION

ENGAGE ELECTRICAL CONTRACTOR (EC) AND ASP2	PRIVATE INSTALLATION AND METERING	PRIVATE INSTALLATION REQUIREMENTS AND DOCUMENTATION REVIEW	PRIVATE INSTALLATION - READY FOR CONNECTION
Applicant nominates EC and ASP2 (if applicable) on Web Portal	Private electrical installation design and construction are not part of the ASP1 connection process. However, electrification of the ASP1 works and connection of the premises requires the Connection Applicant to address all private installation technical and safety requirements	At least 6 weeks prior to proposed electrification date the following private installation items must be submitted to Ausgrid for initial review: <ul style="list-style-type: none"> Main-switchboard (MSB) installed in final location on site Preliminary MSB drawings and site diagram Preliminary Private installation protection grading curves and circuit breaker settings Preliminary ISMP and Operating Protocol (for HV connections)	At least 2 weeks prior to proposed electrification date the following private installation items must be complete and finalised to Ausgrid's satisfaction: <ul style="list-style-type: none"> Final Main-switchboard (MSB) drawings and site diagram Final Private installation protection grading curves and circuit breaker settings MSB and con-mains installation complete and terminated on site, ready for inspection and energisation (Ausgrid substations will not be energised without an MSB connected). Final ISMP and Operating Protocol (for HV connections) Valid CT Metering form(s) Valid CCEW and NOSW forms (as applicable) Retailer in place.
		Submitted min 6 weeks prior to electrification ▲	Finalised min 2 weeks prior to electrification ▲

LEGEND: *Indicates best endeavour timeframes. All days refer to business days, unless noted otherwise. ▲ Customer/ASP action

Connections Contract Initiative

Ausgrid Customer Connections Contracts Initiative



We are untangling the complexity of our connection contracts as part of our commitment to deliver an easier, faster and better value connections experience.

Our Connection Services

Basic connection services*
Used when augmentation to the Ausgrid network is minimal or not required to enable connection

Standard connection services*
Used when the Ausgrid network needs to be augmented by the customer to enable connection of load or non-micro Embedded Generator

Relocation services
Used when a third party seeks the relocation of network assets

Negotiated connection services
Used when there is no MSO available or customer wishes to negotiate connection terms

Our simplified approach

Universal Basic MSO
Consolidated to cover micro-Embedded Generation (EG) and all connections requiring minimal or no augmentation

Design Related Services Contract
Covering all connections, relocations and embedded generation requiring contestable design works

Standard MSO – Construction contract
Consolidated to cover connections requiring augmentation, non-registered-EG and relocations





Template Negotiated Construction contract
A template Negotiated Construction Contract for large connections.



*Contracts documented under a Model Standing Offer (MSO) require AER approval

Connection Contracts Initiative: What does this mean for our customers?

Our customers and applicants will benefit from less complexity, less administration and bureaucracy. Pending AER approval, we expect these changes to occur in FY25

-  **Pre-approved contracts** > All contracts (including Negotiated contracts) will be pre-approved by our legal team, for common industry requirements. Negotiated contracts will no longer need to go through a legal approval process (unless significant amendments or negotiations are required).
-  **Less administration** > This will reduce or eliminate delays and create a more seamless administrative process for our applicants and Customers.
-  **Simpler process for basic & solar connections** > For applications that require solar and basic connections, we will aim to have a single point of contact at Ausgrid, with your connection covered by a single contract.
-  **Greater transparency** > We will also aim to implement clearer project milestones and capacity commitments.

Shared Performance Program for ASPs

Shared Performance Program for ASP1s and ASP3s



Our customers will benefit from faster connections from having the opportunity to engage with high performing ASP1s and ASP3s. Ausgrid's Shared Performance Program will set out to create a pathway to reduce barriers to electrification and make doing business with Ausgrid faster, easier and better value. We will be looking at implementing these changes in late FY25.



Discovery and design process has commenced to investigate a **Shared Performance Program**, that shifts Ausgrid from a purely non-conformance management model, to a model that **incentivises and rewards ASP1s and ASP3s for delivering high quality outputs** and demonstrating good performance.



Will deliver clarity around what good looks like to Ausgrid and our customers.



Levers for high performing ASP1s could include reduced inspections, early Notification of Arrangements (NOA) release, reduced warranty bond, provision of outage dates at pre-construction meeting for high performing ASP1s. Levers for ASP3 are still in development



As part of this discovery process, we are also engaging with other organisations, such as Energex, United Energy and Sydney Water, that have successfully implemented a shared performance initiative, to capture insights into how they have designed and operationalised this.



We do not have a final model, but we are currently engaging with our ASP1 and ASP3 partners through our Working Groups.

Transition plan



To enable the advancement of the pre-construction meeting, the following changes will be introduced in all Design contracts issued after 13 September:

- › Early ASP1 engagement
- › Introduction of Ready For Tender (RFT) and Ready For Construction (RFC) design statuses; and
- › Advancement of the pre-construction meeting.

The updating of Design contracts from 13 September will require all stakeholders to temporarily operate under both the current and new process, depending on when contracts were issued and offers accepted:



Current process - All current contracts issued and offers accepted prior to 13 September 2024 will continue to operate with the current processes.



New process – All contracts issued and offers accepted after 13 September 2024 will include the advancement of the preconstruction meeting changes and new certification statuses.



Offered and not accepted: For Projects with design contract offers issued prior to 13 September 2024, should the offer expire without acceptance, any new Design contract offer issued on that project will include the new process provisions.



Launch

13 September 2024

Advancement of the pre-construction meeting will launch from 13 September 2024

Changes associated with the advancement of the pre-construction meeting will be rolled out to new Design Contracts issued from 13 September 2024.



Support

Support materials have been created to assist you

- › An FAQ document will be made available to answer some frequently asked questions.
- › An information sheet will be provided to ASPs to provide to their customers, to help inform them of upcoming changes.
- › More support material will be provided closer to the launch.



Contact us

How can you reach out to us?

If you have any further questions, you can reach out to us on connex@ausgrid.com.au.

Thank you

