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MEDIA RELEASE

Lower costs, continued reliability, solar exports and batteries a focus of CitiPower's five-year plan

Households in Melbourne's CBD and inner suburbs will benefit from a \$46 reduction in network charges on their electricity bills and a \$1.1 billion investment in critical power infrastructure and services over the next five-years under a plan to be rolled out by electricity distributor CitiPower.

The Australian Energy Regulator (AER) today announced its final determination on CitiPower's proposed plan for the 2021-2026 period commencing 1 July.

The approved plan will allow CitiPower to sustain reliable, safe and affordable electricity supplies while also building the capability necessary to offer quality services in the rapidly developing energy market featuring greater customer deployment of rooftop solar, batteries and into the future, electric vehicles.

CitiPower Chief Executive Officer, Tim Rourke, said while the AER did not approve all the initiatives proposed, the determination provides the necessary funding for the network to invest in the programs which were of greatest importance to customers.

"This is a good outcome for our customers who will receive continued reliability and additional services at a lower cost," Mr Rourke said.

"The critical programs will enable greater solar exports, facilitate asset replacements that will modernise the network, and realise the introduction of new technologies so as to offer secure data services for customers."

Mr Rourke said lower network charges contribute to an 8% reduction in revenue which has been capped by the AER at \$1.4 billion over five years. This has been made possible by improved efficiencies in the business with AER benchmarking ranking CitiPower as the most productive urban distributor in the National Electricity Market based on operating expenditure.

"We will continue to deliver business efficiencies so as to ensure our customers' expectations are met," he said.

The highlights of the AER determination are:

- Increased affordability for customers with average residential network charges reducing by \$46 in the first year and then increasing by \$1 a year.
- Savings on network charges for small business customers with costs reducing by \$151 in the 2022 financial year.
- Approval of funding required to upgrade the network so as to ensure 85% of solar customers will be able to export 5kW 85% of the time and build the digital capability for greater flexibility as distributed energy resources evolve.
- Upgrading zone substations in and around the city as the next step of the Melbourne CBD Security of Supply project.

For media inquiries, please contact CitiPower's media line on 03 9683 4342.



Mr Rourke said with the AER final determination now received, CitiPower can finalise a set of commitments to customers to deliver on the outcomes identified through consultation as priorities for the next five years.

“We want our customers to be confident that we are delivering on our promises,” Mr Rourke said.

“Formalising the commitments, as well as tracking and transparently reporting on the results, is important to demonstrating our customers are at the centre of our business.”

Another outcome of the consultation program conducted for the regulatory reset will be the launch in July of a new Customer Service Incentive Scheme. This provides broad and transparent performance measures designed to drive further improvements for customers. It will measure the timeliness of SMS notifications (regarding unplanned outages) as well as the length of time it takes to answer our customer calls.

As regulated business, CitiPower’s proposed investments, pricing plans and rate of return are approved by the AER every five years and this determines the revenue able to be recovered from customers.

The AER’s final determination is available at <https://www.aer.gov.au/news-release/revenue-for-electricity-businesses-supports-customers-and-networks>

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About CitiPower

CitiPower moves electricity to and from more than 332,000 homes and businesses across Melbourne’s Central Business District and inner suburbs and has the highest customer density in the NEM with 107 customers per kilometre square. Residential households account for 83 per cent of CitiPower’s customer connections.

Our network of almost 7600 kilometres of wires and more than 57,000 poles and associated infrastructure supports a diversity of commercial and industrial customers, ranging from cafes and small businesses to restaurants and major office buildings as well as world-class sporting precincts, public health, education, government and cultural facilities.

CitiPower is playing a critical role in supporting Victoria’s clean energy transition. Around 5% of our residential customers have connected rooftop solar to the CitiPower network with an installed capacity of 67MW. We are at the forefront of finding innovative ways to support Victoria’s energy transition through projects and trials investigating community batteries, smart charging for electric vehicles and other community energy projects.

Our work is performed by a team of highly-skilled tradespeople and professionals, committed to providing quality services. These services are delivered from a depot in Richmond as well as from a purpose-built customer contact centre in Bendigo and corporate office in Melbourne.

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