

Our Ref: DOC/21/7896

29 July 2021

Hon Lily D'Ambrosio MP
Minister for Energy, Environment and Climate Change
Minister for Solar Homes
8 Nicholson Street
EAST MELBOURNE VIC 3002

Dear Minister,

STATEMENT OF EXPECTATIONS FOR ENERGY SAFE VICTORIA 2021-23

Thank you for your letter dated 1 July 2021 providing Energy Safe Victoria (ESV) with your Statement of Expectations (Statement) for the period until 30 June 2023, or until otherwise amended. This Statement, together with my response, will be published on ESV's website consistent with the guidelines developed by the Department of Treasury and Finance.

Renewable energy transition

ESV is committed to supporting the Victorian Government in progressing an orderly transition to renewable energy, ensuring a safe and sustainable energy future via the renewable energy programs. ESV will identify emerging safety trends and risks, will establish clear expectations about regulatory compliance and take proportionate regulatory action to protect community safety.

Independent Review of Victoria's Electricity and Gas Network Safety Framework

There were 23 recommendations applicable to ESV from the Independent Review of Victoria's Electricity and Gas Network Safety Framework (the Review). ESV has implemented 17 of the recommendations and is focussed on implementing the remaining six recommendations (recommendations: 5, 15, 19, 22, 32 and 33) this year. ESV has also commenced work on developing an adaptive strategic roadmap.

ESV monitors implementation quarterly, and approaches the recommendations with a continuous improvement mindset, particularly with the commencement of a Commission.

Risk-based regulation

As noted in the Statement a strong and effective regulator needs to continually adapt to its changing regulatory landscape and focus activities to address the greatest risks. ESV will pay particular regard to risk mitigation of bushfire risks, and risks associated with gas appliances and domestic solar, while maintaining active monitoring and core service delivery to ensure ESV responds to emerging issues or risks.

Compliance-related assistance and advice

ESV's functions include providing advisory and consultative services about energy safety to regulated industry participants and community recognising the different audience requirements.

Details about the specific deliverables identified as priorities in the Statement are included in **Table 1** under this expectation.

Timeliness

ESV recognises the importance of timely decision-making as a key element of providing customer centred service delivery, which is one of the six ESV priorities identified in the Corporate Plan 2021-2024.

As such, ESV is working closely with industry to reduce the time taken between when a domestic solar installation occurs and the certification by the Licensed Electrical Inspector (LEI).

Corporate Plan 2021-24

ESV's Corporate Plan (plan) identifies six priorities:

- preventing harm
- strengthening ESV's role
- ESV as a strategic leader
- customer centred service delivery
- Community and stakeholder engagement
- ESV as an employer of choice.

Our plan describes key initiatives, business plan activities including performance measures that ESV will undertake to deliver these priorities, across bushfire prevention and mitigation, electricity, gas and pipeline infrastructure safety, electrical and complex gas installation safety, and electrical and gas equipment and appliance safety.

Reporting


ESV has included **Table 1** that describes the specific activities and performance targets for each expectation, including the timeframes within which these will be delivered. Where appropriate, baseline levels for performance targets have also been included.

ESV will regularly monitor delivery of the activities included in the Corporate Plan and the SOE, and report on these in its Annual Report.

The SOE and ESV's response will be published on our website no later than 31 August 2021.

Under the leadership of the Commission this SOE and the Corporate Plan include the actions ESV will take to demonstrate that ESV is committed to being a safety first, data driven and customer centric regulator.

Yours sincerely



Marnie Williams
Commissioner and Chairperson
Energy Safe Victoria

TABLE 1: Specific activities and performance targets for each expectation

Expectation	Specific activities	Performance Targets/ baselines	Timeframes
Renewable Energy Transition	Ensuring industry participants deliver the safety of renewable energy programs through:		
	❖ Formalise process for identifying emerging trends and risks		March 2022
	❖ Develop an adaptive strategic roadmap		March 2022
	❖ Set clear expectations about regulatory compliance and take proportionate regulatory action to protect community safety	Publish Compliance and Enforcement Priorities	August 2021
		Develop regulatory policy & procedures	December 2023
		Regulatory practice quality assurance framework	December 2023
The Review of Victoria's Electricity and Gas Network Safety Framework	Work with Department of Environment, Land, Water and Planning to establish:		
	❖ Technical Advisory Committee		Quarter 4 2021
	❖ Future Trends Advisory Committee		Quarter 4 2021
Risk-based regulation:	❖ Active scanning of emerging regulatory and safety risks	Annual	February 2022
	❖ Publish high-level regulatory risk bow ties		June 2022
	❖ Improve our data collection and analytics capabilities, to support our decision making	Develop conceptual model and data quality framework	September 2021
❖ Gas appliances	❖ ESV will provide technical and operational support for regulatory and policy reform		2021 - 2023
	❖ Raise public awareness through campaigns, such as 'Be Sure'		Annual May-August
❖ Domestic solar installations	❖ Collaborate with Solar Victoria on solar installations to ensure they comply with applicable standards and are safe. Collect non-compliance data to inform our regulatory actions and educate the industry	650 inspections annually	June 2022
❖ Bushfire risk mitigation	❖ Investigate pole management practices of the two remaining electricity distribution businesses (United Energy and Jemena) where pole management practice has not yet been reviewed by ESV, publish findings and monitor implementation of key findings to ensure compliance. Enforce compliance where required.	2 reports published	June 2022

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	<ul style="list-style-type: none"> ❖ Ensure all Rapid Earth Fault Current Limiters (REFCLs) are installed and operating by 1 May 2023. Observe testing and confirm each REFCL's compliance before every annual fire season <p>Work with industry to implement each of the eight recommendations of the REFCL functional performance review. Two recommendations have been fully implemented to date.</p>	<p>REFCLs are installed and operating</p>	<p>1 May 2023</p> <p>June 2022</p>
<p>Compliance-related assistance and advice</p>	<ul style="list-style-type: none"> ❖ Conduct inspections of vegetation around electrical lines, review and approve electric line clearance management plans and audit management systems to ensure compliance and mitigate bushfire risk. Issuing notices under section 86(1) of the Act where required. ❖ Partner with industry representatives to design and enable delivery of a continuing professional development (CPD) scheme for electrical workers ❖ Publish updated Compliance and Enforcement Policy for industry participants. Commence developing guidance material throughout the FY 21/22. ❖ Upgrade ESV's website to ensure regulatory information is easily accessible to regulated parties ❖ Develop and publish a community and stakeholder engagement framework ❖ Publish the results from the stakeholder insights 2021 survey and commence implementing action plan. <p>Baseline satisfaction (5 stakeholder cohorts) 2021 ESV's overall effectiveness 71.6% and customer experience 73.2%</p>	<p>Inspection of 16,000 spans per annum 10% reduction in non-compliant vegetation (20% reduction over 3 years)</p> <p>For electrical worker license renewals</p> <p>Updated policy</p> <p>Increase stakeholder satisfaction</p>	<p>June 2022</p> <p>from Jan 2023</p> <p>August 2021</p> <p>June 2022</p> <p>December 2021</p> <p>August 2021</p>
<p>Timeliness</p>	<p>Identify solutions to reduce the time taken between when a domestic solar installation occurs and certification by a Licensed Electrical Inspector (LEI).</p>	<p>Industry engagement and education LEI Roof Access Pilot</p>	<p>June 2022</p> <p>December 2021</p>