

Performance and Plans for the Energex network

A summary of our Distribution Annual
Planning Report 2023-24 to 2027-28
for our customers, communities and
other stakeholders



Purpose

[Energex's Distribution Annual Planning Report \(DAPR\)](#) explains how we are continuing to safely and efficiently manage the electricity distribution network in South-East Queensland.

This summary outlines the content in our planning report with links to specific chapters you can refer to for more information.

The full report details the network's performance in 2022-23 and our plans for 2023-24 to 2027-28.

It provides insights into the key challenges we face and our responses to them, highlighting the areas where we are seeking to work closely with our customers, the community, and different industry partners. It provides information to assist interested parties to:

- Understand how the electricity network works
- Provide input to the future development of the network

- Identify locations that would benefit from significant electricity supply capability or demand side management and non-network initiatives
- Identify locations where major industrial loads would be best located.

This information is also supported by [our online interactive map](#) of the electricity network, and our [Demand Management Plan](#).

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Message from our Executive

I am pleased to share this summary of Energex's Distribution Annual Planning Report (DAPR) for 2023-24 to 2027-28.

Each year we publish our annual plans that outline strategic direction of the network over the next five years, amid a rapidly evolving technological landscape, changing customer needs and behaviours, and ongoing high levels of renewable energy integration. They also support our commitment to open and transparent customer, community, and shareholder engagement. Our DAPR covers the key factors shaping our investment plans, the current and forecasted electricity demand, forecast use of embedded generating units, the state of our networks, asset replacement and refurbishment needs, dynamic customer connections and service performance trends. Our regulatory proposals to the Australian Energy Regulator (AER) for 2025-30 control period are aligned with these plans.

Management of current and future assets is our core business. Underpinning our approach to asset management are a number of key principles, including making the network safe for employees and the community, delivering on customer promises, ensuring network performance meets required standards and maintaining a competitive cost structure.

As cost of-living pressures increase, many of our customers continue to tell us their primary concern is affordability and that we shouldn't spend any more than is necessary on maintaining, operating, and upgrading our network. Engagement is important to us and this has brought 'energy inclusion and vulnerability' as well as 'economic

development and jobs' to the foreground. This year's engagements have been mainly centred around our regulatory proposals for 2025-30 and the conversations we are having with our customers and stakeholders to obtain their insights to help shape our investment plans.

Enabling greater choice and control

Across the 1,500,000 homes and businesses connected to the Energex network, many are taking greater control over their energy needs and electricity solutions by investing in solar and other emerging technologies such as batteries for energy storage. Our challenge in managing the network is to leverage this growing level of customer-led investment and transformation to improve and complement our own efficient investment. More than ever, our response must consider the increasing customer dependency on electricity as technology, appliances, and transport (electric vehicles) become more sophisticated and economic activities become more reliant on e-commerce.

In response to this, we have developed Future Grid plans anticipating an energy environment characterized by rapid technological changes, as well as ongoing high penetrations of renewable energy resources of various sizes and at different network levels and not to mention the uptake of electric vehicles.

These factors are shaping our plans as we work to ensure the prudent and efficient investment in, and operational use of, the South-East electricity networks for the long-term 'dynamic' need and interests of our customers and the broader community.

Thanks.

You're part of a bright future

As we lead the energy transition with the fusion of smart, safe, and secure energy system, future expenditures on the facilitation of Consumer Energy Resources (CER) will be a key part of our upcoming investments. This will primarily support the Queensland Energy and Jobs Plan (QEJP). I would like to thank all the customers and other stakeholders who have engaged with us on our plans over the past year, and participated in our programs, especially the industry partners who are central to our demand management program and enabling network connections.

I look forward to continuing to work together as we evolve our investment and operational programs to best deliver a bright future for Queensland.

Peter Price
Chief Engineer
Energy Queensland Limited

Our network



246
zone
substations

52,554

distribution
transformers



708,557

power poles



35,101km

Overhead powerlines



21,225km

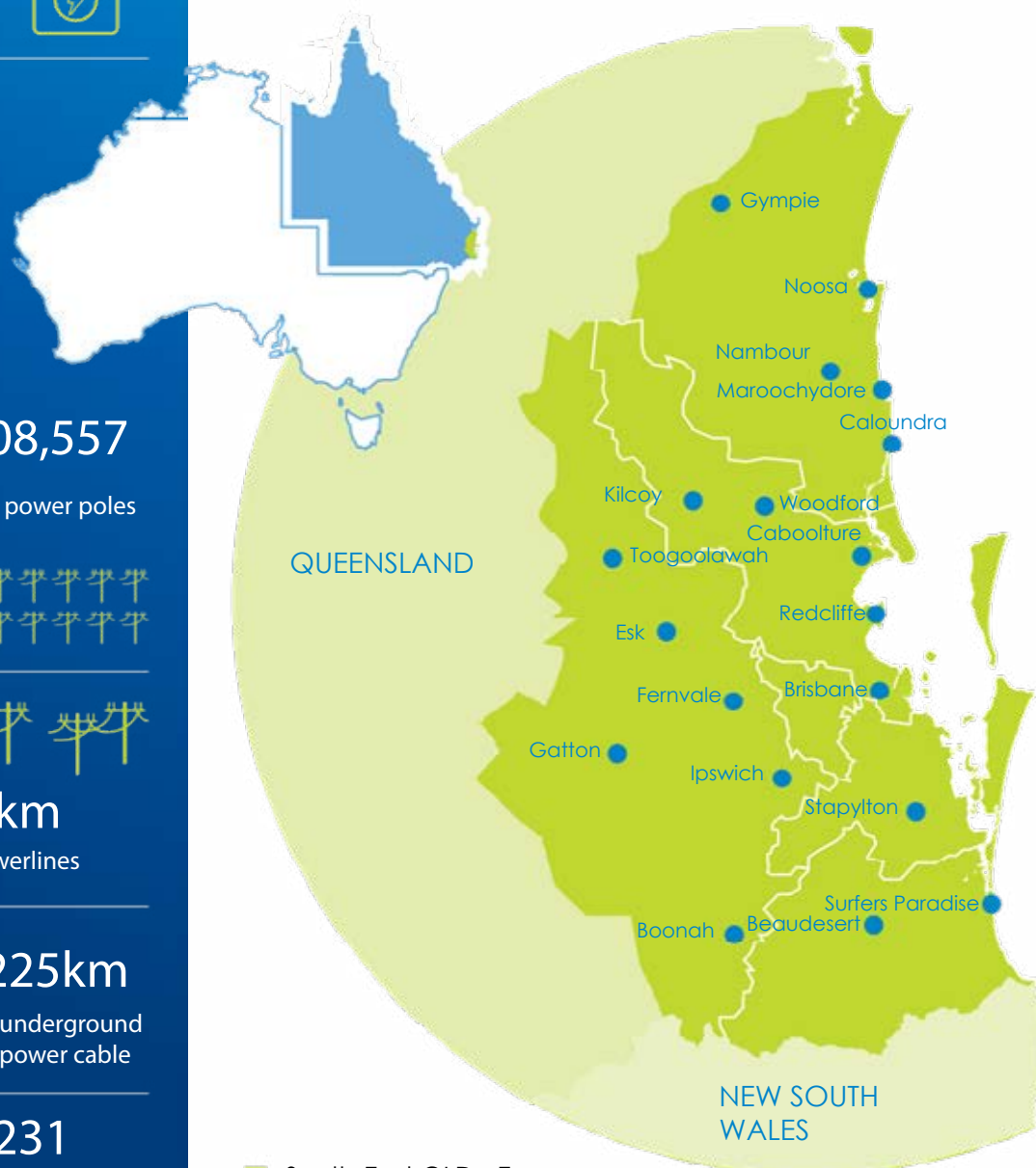
underground
power cable

1,632,231

connected customers



Our Service Area



■ South-East QLD - Energex
Network

What is shaping our plans?

To ensure we're meeting the needs of our customers, communities, and stakeholders, we invest in listening to their expectations, concerns and ideas.

We continue to hear that safety should never be compromised and that electricity affordability remains the core overriding concern for many. At the same time, in addition to keeping the lights on, it is clear our customers want greater choice and control around their energy solutions, with a strong interest in renewable energy, battery storage, electric vehicles, and other energy-related technologies.

These insights are shaping our plans.

Our engagement program

To ensure we're meeting the unique and diverse needs of our communities and customers, in a period where our industry is undergoing rapid transformation, a coordinated, performance measured, multi-channel community and customer engagement program is required.

We continue to connect with our customers and communities to remain up to date in understanding their needs and prioritising our work based on the economic, social, environmental and governance topics that matter most to our different stakeholders – building on our extensive engagement undertaken in previous years around the network businesses' investment plans and our [Regulatory Determination for 2020-25](#), and informing our Regulatory submission for 2025-30.

As part of our planning process for our Regulatory Determination, we responded to our community and customer insights with a set of commitments for 2024 and beyond.

Our Customer Commitments:

- Affordability – we continue to seek ways to make electricity more affordable
- Security of supply – we're here to keep the lights on -providing the peace of mind of a safe, reliable electricity supply
- Sustainability – we support you in the selection of your energy solutions
- Prioritisation – we continue to prioritise our investment plans, including the strategies and specific investments reflected in this report.

For more on our engagement program go to: [Chapter 3 Community and Customer Engagement](#)



Safety first - a no compromise approach

Safety is considered to be of the utmost importance by Energex and the community. As our networks age and the risk of equipment failure towards end-of-life increases, our focus on maintaining safety outcomes for our staff, customers, and communities is paramount. Community education on electrical safety awareness is highly important to us, especially during natural disasters.

We are taking a no compromise approach to community and staff safety, leveraging innovative solutions that enable continuous improvement. We're continuing to focus on improving safety in our maintenance and replacement practices across all asset categories. We also continue to invest in new technology trials that have the potential to deliver improved, safer or more efficient outcomes for our customers.



**Safety is
DEFENCE**

Making electricity accessible, safe, secure and reliable

Our customers have told us that affordability is their primary concern – for both cost of living pressures and business competitiveness. Affordability is more than part of our purpose statement. It is a fundamental consideration in how we manage our network.

Each year our electricity prices are regulated and set by the Queensland Competition Authority (QCA). Despite a number of years of tariff relief, this year has seen an increase in prices handed down by the QCA.

Our forward investment program, in the current regulatory period,

remains focused on minimising costs to customers, while still ensuring that we meet the outcomes that our customers expect.

Our asset management strategies aim to balance our customers' need for a safe, secure and reliable electricity supply, as well as their desire for this service to be provided at a minimal cost.

A key part of this process is to optimise the economic benefits of network improvement, while always considering the potential for non-network solutions, such as demand management.



The growth in solar energy

Energex has one of the highest levels of residential rooftop solar energy systems per household of any electricity network in the world. 45% of detached homes in South-East Queensland have chosen to have a solar energy system installed. The average inverter capacity is 5.1kVA. This desire for greater efficiency in energy usage through the connection of solar energy is ongoing. During 2022-23, the solar Photovoltaic (PV) technology was being connected to our South-East's network at a rate of similar to that of 2021-22.

At the end of June 2023, there were over 565,127 systems connected to the distribution network, with a total generation capacity of 3,273MVA. We have also supported the connection of large-scale renewable energy projects to the network.

For further information please refer to:

- [Chapter 4 Network Forecasting](#)
- [Chapter 10 Power Quality or](#)
- [Chapter 11 Network Challenges and Opportunities](#)



3,100

new solar energy connections per month



565,127

small-scale solar energy systems connected to the network



3,273 MVA

solar generation capacity on the network



45%

of all South-East residential detached houses have a solar PV system connected



The changing use of the network

The increase in the Distributed Energy Resources (e.g., solar PV) is changing the way the network is used, with two-way energy flows and new daily load profiles emerging across the network.

In some areas, this has been quite significant with the 'hollowing out' of demand at the substation level during daylight hours and a reduction in traditional afternoon electricity peak demands, as represented in the demand profile graph below.

While this occurs, significant two-way flows of electricity along local 'poles and wires' are experienced in residential areas as homes and businesses share their

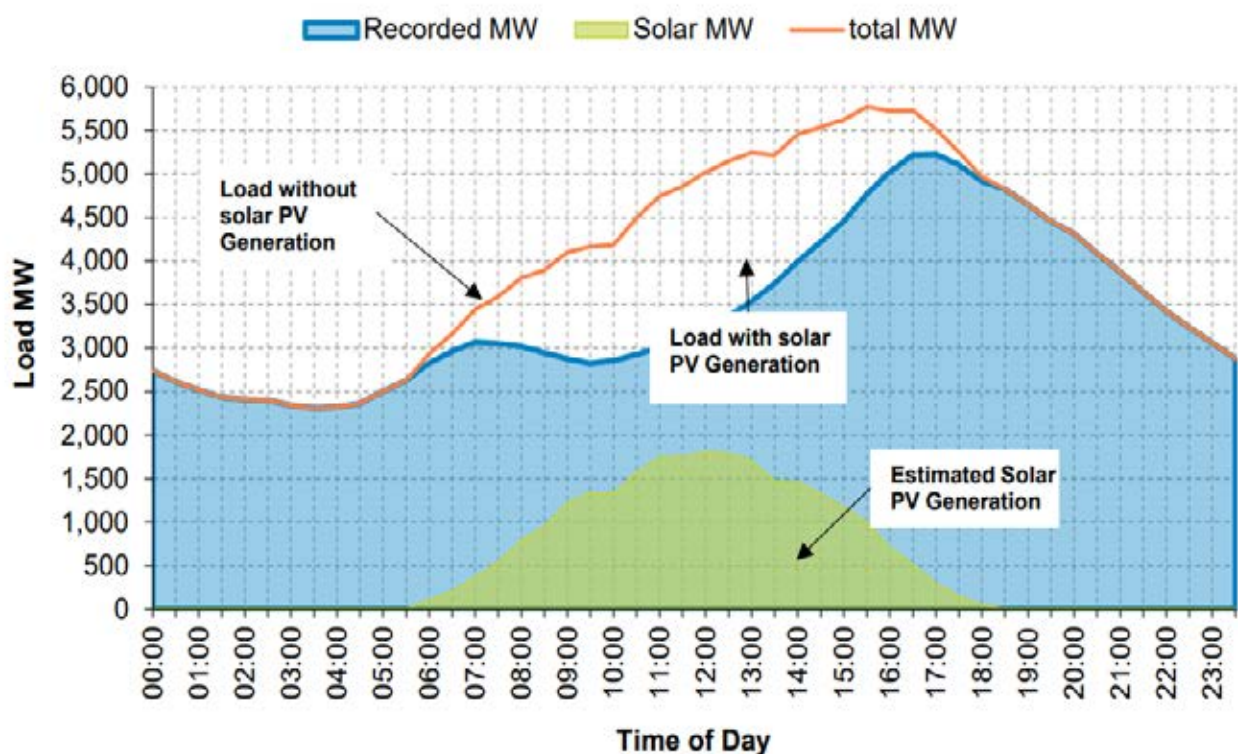
energy output to meet the community's energy needs, which continues to peak in the evening as Queenslanders return home.

Also shown in the demand profile graph below, is how generated solar PV energy helps address the network peak in early afternoons. As the sun and solar generation fades later in the day, however, a 'de facto' peak presents itself (albeit lower than what it would have been earlier without the benefit of solar).

It is important to understand that this effect can be very different on a day-to-day basis with demand on the network returning, often dramatically, when cloud cover reduces the local solar energy output. Where there are high levels of solar, quality of supply or voltage issues also need to be addressed. These challenges are also shaping our network plans.

For further information please refer to:

- [Chapter 4 Network Forecasting](#)
- [Chapter 10 Power Quality or](#)
- [Chapter 11 Network Challenges and Opportunities](#)





Looking at trends in electricity use

We expect the growth in electricity supply that is delivered throughout the South-East's electricity network will remain relatively stable over the coming years, with a growth rate of 0.6% per annum due to increases in customer numbers.

This expectation is based on the economic outlook, scenario modelling that anticipates ongoing growth in the take up of solar energy systems and an ongoing shift to more energy efficient appliances.

In the medium-to-long-term however, the trend in energy usage from the network will depend on the uptake of other emerging technologies – like battery storage, electric vehicle and the next generation of home and commercial energy management systems.

Electric Vehicles

The growth of Electric Vehicles (EVs) in Queensland as a new class of electrical load presents both challenges and opportunities. Our aim is to ensure we're enabling the charging of Plug-in Hybrid Electric Vehicles (PHEVs) and Battery Electric Vehicles (BEVs) or EVs by our customers, while leveraging them to enhance network utilisation (avoiding peaks in demand by charging at times when there is extra capacity available on the network) and place downward pressure on electricity prices.

Currently, EV uptake in Australia is among the lowest among developed countries. On 30 June 2023, EVs accounted for only 0.8% of all registered cars in Queensland, and 8.4% of cars sales over the previous 12 months. The uptake rate of EVs has recently risen dramatically and is expected to rise further in 2024 due to a number of new models being released, the increased availability of public EV fast and ultra-fast charging stations and growing consumer appetite.

The rapid development, and resulting lower costs, of lithium-ion and other battery technologies will also make EVs increasingly attractive to more customers. Accordingly, Energex is collaborating with relevant stakeholders to create access to optimal private and public charging solutions based on the affordability and convenience priorities of EV owners.

EVs are at the heart of our ['Electric Life'](#) strategy and Energex aims to play its part in enabling EV ownership. We are implementing EV specific activities around buyer education and research, engaging with the EV industry, connecting EV charging stations and monitoring the impacts of this new technology on the network.

All of these efforts encourage a safer, more efficient and environmentally cleaner transport option for Queensland.

For more on the emerging challenges go to: [Chapter 11 Network Challenges and Opportunities](#)

How is the network performing? Where are we focusing?

We're always at the ready for whatever Queensland's challenging summer season delivers. We're continually maintaining and if needed, renewing our network to ensure the safety, security and reliability of supply.

And we're focusing on using technology to do things smarter, more safely and efficiently while delivering great customer experiences.

Last summer the network supplied record electricity demand

South-East Queensland experienced hot weather conditions throughout the 2022- 23 summer months, highlighting the complex impact of solar PV integration into the network.

Energex network recorded a maximum system-wide peak for electricity in demand of 5,221MW on Friday 17 March 2023 at 5pm. This was only 1.3% lower than the previous record in demand peak. The peak was created by the hot weather driving up the air conditioning load, and widespread afternoon cloud cover reduced the available solar energy generated and increased the load on grid-supplied electricity. It is estimated that solar photovoltaic reduced the peak by around 292MW at this time

The network's maximum demand has been 5,048MW on average over the last five summers with an average growth of 1.52% per annum. While growth in peak demand is relatively flat from a whole-of-network perspective, there remain pockets across the network that are seeing new

developments come online or experiencing other increases in demand.

The high number of residential rooftop solar on the network has shifted the daily minimum demand on the network from a night time minimum to a daytime minimum. Historically, Energex's minimum demand occurred in the late evening/ early morning with the lowest overnight minimum demand recorded in 2002 with a low of 1,147MW. This record has now been surpassed with a daytime minimum which occurred on Sunday, 1 October 2023 with a minimum of 240MW.

For more on our network forecast go to: [Chapter 4 Network Forecasting](#)



Did you know



We supply power to over 70 hospitals and 600 schools



In March 2023 the system peak demand was 5,221MW rooftop solar reduced the peak by 292MW



In October 2023, Energex recorded the most recent minimum demand of 240MW



Every week we connect around 320 new residential customers to our network



Our network, stretched out, would exceed the perimeter of the Earth

Energex network reliability

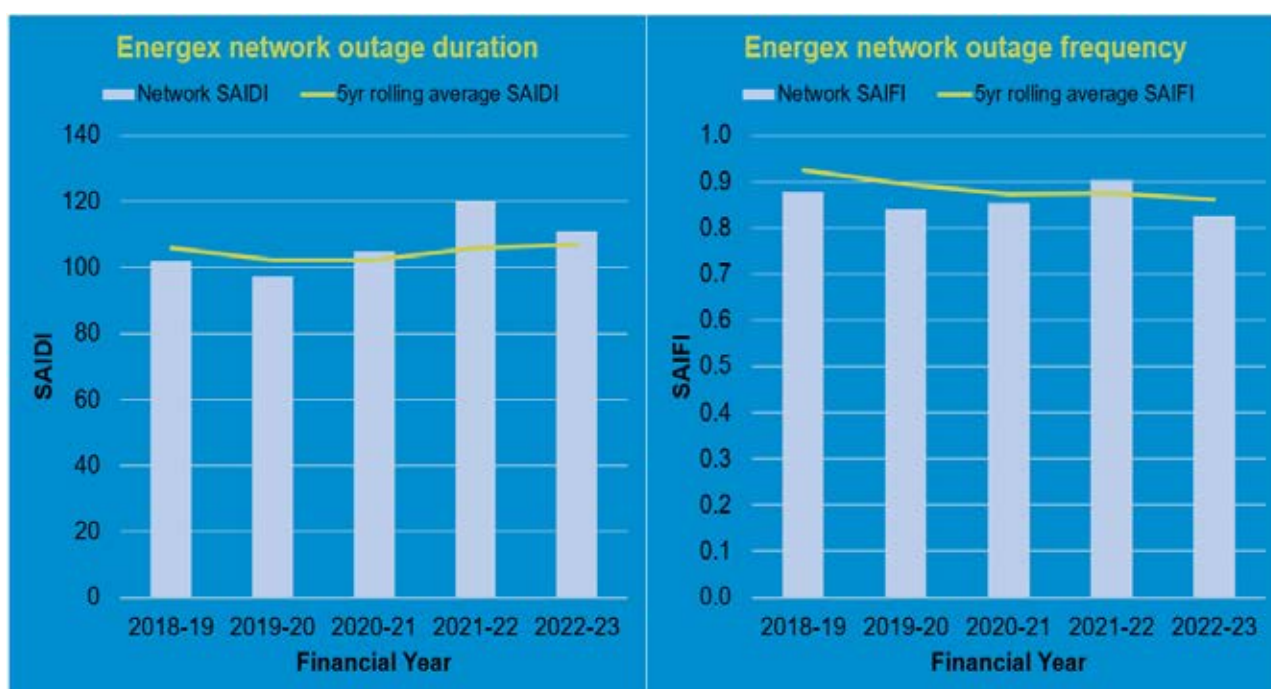
The network's performance for 2022-23 compared favourably to the six Minimum Service Standards (MSS) targets related to duration (System Average Interruption Duration Index, SAIDI) and frequency (System Average Interruption Frequency Index, SAIFI) of power outages. These standards are set as part of Energex's Distribution Authority.

Our response capability is constantly tested by major weather events with each incident unique in terms of scale and impact. Last year, the network

was exposed to three severe storms affecting 82,087 customers. Comprehensive post event reviews are conducted to identify further opportunities to enhance our plans, processes, technology, resourcing and overall response capability. These assessments are critical to reducing the negative impact of large-scale disasters in Queensland and ultimately meet our communities' expectations. Our commitment is to maintain the improvements in reliability achieved over recent years and to continue to improve the customer experience for

those being impacted by outages. Our investment and planning criteria look at the reliability benefits for the customer and our need to meet the MSS as well as Safety Net requirements. The graphs below show the five-year trend in outage duration and frequency.

For more on our network's performance go to: [Chapter 9 Network Reliability](#)



Managing an ageing network

To maintain the safety and reliability of the network we need to continually refurbish and replace ageing assets. This investment is targeted to deliver sustainable value for our customers.

The age profile of some parts of the electricity network across South-East Queensland is a significant issue requiring regular inspections and condition monitoring to ensure the safety, security and reliability of supply.

Energex employs condition and risk-based asset inspection, maintenance, refurbishment and replacement activities in line with its asset management policies and strategies. End-of-economic-life replacement and life-extension refurbishment decisions are informed by risk assessments considering safety, history, performance, cost and other business delivery factors.

Our assets are inspected at scheduled intervals to detect physical indications of degradation that lead to impending failures. Typical examples of inspection and condition monitoring activities include:

- Analysis of power transformer oil to monitor for issues
- Inspection of customer service lines for safety concerns
- Assessing power poles and cross-arms for signs of decay
- Electrical testing of circuit breakers for performance.

As part of the program of preventative works, we also invest in major vegetation management projects (to keep trees away from powerlines) and address other network issues.



Over the coming years the most significant investment in the renewal of Energex's infrastructure is planned for our overhead distribution network. Here the network's exposure to storms has significant community safety implications. In addition, we are also addressing newly identified powerline clearance issues, as well as a range of other issues.

For more on our maintenance approach go to: [Chapter 8 Asset Life-Cycle Management](#)





Using technology to deliver smarter solutions

Energex is building its capability with an ongoing investment into technologies that deliver smarter solutions, improved risk outcomes and efficiency.

These efforts include utilising LiDAR (Light Detection and Ranging) data from the aerial asset and vegetation monitoring management technology. This aircraft-based laser and imaging capture system provides spatial mapping of the entire overhead line network. The data captured is processed to enable

identification and measurement of the network and surrounding objects, such as buildings, terrain and vegetation.

This system creates a virtual version of the real world to allow the fast and accurate inspection and assessment of the physical network and the surrounding environment, particularly vegetation (see above).

The integration of this information into our decision framework and works planning processes

is increasingly delivering productivity and efficiency improvements for vegetation management and other network analytics such as clearance to ground, clearance to structure, pole movement and leaning poles analysis. Other innovative identification systems are also being developed.

For more on our maintenance approach go to: [Chapter 8 Asset Life-Cycle Management](#)



Major projects 2022-23

During the year, we commissioned the following major projects:

Surfers Paradise substation

Reliability requirements for Surfers Paradise



Kilcoy substation

Reliability requirements for Kilcoy



Black Mountain substation

Reliability requirements for Black Mountain



Major projects 2022-23

2022-23 was another year of collaboration on energy-related community resilience across the communities we serve.

To further assist bushfire prone areas, we installed 750 fire-resistant wraps to timber power poles, and commenced upgrades of line reclosers in fire prone areas.

In addition to our annual network resilience investment, Energex has scoped an \$78 million Flood Resilience Program for South-East Queensland, to be funded by the National Emergency Management Agency's Disaster Ready Fund.





Finding the best solutions together

To move to a more sustainable energy system we know our network needs to enable customer choice in electricity supply. This requires an intelligent grid and a focus on making it easier to connect to the network.

Sustainability – the future is in an intelligent grid

We continue to transform our networks into an intelligent grid so that our customers can leverage the many benefits of digital transformation, distributed energy resources such as including solar, and other emerging technologies, like battery storage, electric vehicle and the next generation of home and commercial energy management systems. We see this as fundamental to our role in the future. This has been supported by recent customer engagements and the strong opinions across the community for renewable energy.

More importantly, we see ourselves collaborating increasingly with our customers and market proponents to help leverage the benefits of this new technology across our network and to help deliver overall improved outcomes for customers.

For more information go to: [Chapter 11 Network Challenges and Opportunities](#)

Improving our connection process

During 2022-23, we continued to align the connection process more generally for Energex and Ergon Energy to deliver consistent customer experiences and increased efficiencies.

This has included a major system investment and administration reviews focused upon improvements to the customer experience which will enable customer and industry partners access to information and improve the network connections process.

We are also working with stakeholders to evolve regulations around connection requirements to enable innovation for new electricity supply solutions that deliver balanced outcomes.

For more information go to: [Chapter 11 Network Challenges and Opportunities](#)

Customer-led technologies



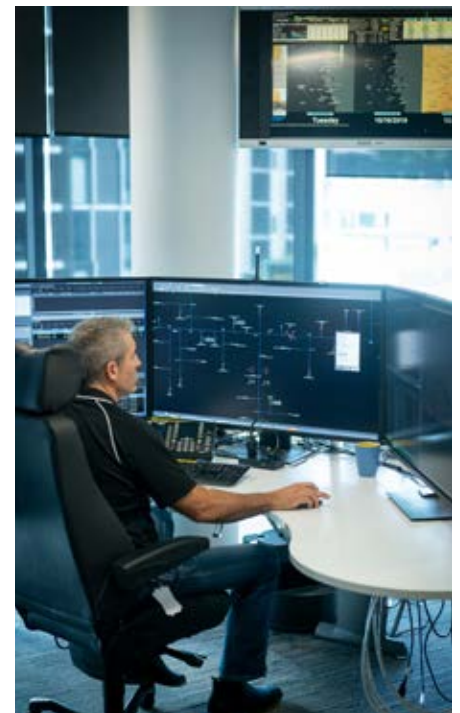
Demand management and other non-network solutions

Our Demand Management program forms part of an integrated approach that also includes our forecasting, planning, intelligent grid and tariff strategies to help lower electricity charges for our customers. When it is efficient to do so, the implementation of non-network solutions will replace or complement the need for network investment.

This involves working with end use customers and our industry partners to reduce demand to maintain

system reliability in the short term and over the longer term, improve and complement efficient investment in the network. The implementation of a non-network alternative is commonly referred to as demand management. Through our Demand Management Plan customers are incentivised to reduce demand.

For more on Demand Management go to: [Chapter 7 Demand Management Activities](#)



We are open to exploring the alternatives



Before investing in significant network projects, we explore if non-network options could provide an efficient alternative solution by engaging the market through a Regulatory Investment Test for Distribution (RIT-D) process.

The following projects are being taken through this process:

- Caloundra (Network Limitations)
- Tarampa (Reliability Requirements)

The Final Project Assessment Reports for these projects are on the Energex website under [Current Consultations](#).

Energex's longer-term program of work includes other major projects (costing more than \$6 million) that have been scoped to address network limitations. We will be presenting these to the market through the RIT-D process to test if there are more efficient solutions.

For more on our recommended solutions go to: [Chapter 6 Overview of Network Limitations and Recommended Solutions](#)

Our online interactive network map

Energex's Network Limitations Map shows the distribution network and the areas forecast to have emerging network limitations.

This tool enables interested parties to understand how the electricity supply system supports customer and participant needs as well as provide input into future development plans. It also shows stakeholders where significant electricity supply capability or demand side and non-network initiatives could assist, or where major industrial loads would be best located. Energex's DAPR and Interactive Network Limitations Map

are prepared and made available solely for information purposes, to support effective engagement around our network planning processes. Importantly, they do not show how the network is operated electrically.

All information should be independently investigated, reviewed, analysed and verified, and must not be relied upon in connection with any investment proposal or decision.



Visit the interactive map [here](#)



Our belief

We believe our customers are part of the solution to the challenges we face together. The DAPR provides our stakeholders with the opportunity to review our plans and engage with us on our path forward. It is only through collaboration that we will be able to properly target our future investments and be able to work together to deliver the best outcome for South-East Queensland.



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