

Replanning the Victorian Smart Meter Deployment Program to reduce delivery and dependency risk

the challenge

In 2006, the Victorian Government endorsed the deployment of Advanced Metering Infrastructure (AMI)¹ to all Victorian electricity customers consuming less than 160MWh per annum. The AMI Program was established and by mid 2007 had mandated the deployment of AMI to 2.6 million residential and small business customers by the end of 2013.

Governance of the Victorian AMI Program transitioned to an Industry Steering Committee (ISC) in mid 2007 and the focus shifted to the cross-industry activities required to establish the technical, business and regulatory infrastructure to enable the deployment of Smart Meters and the operation of AMI enabled services.

Marchment Hill Consulting was appointed to provide the Program Office in August 2007 and remains in this role today.

Following our appointment, Marchment Hill facilitated a business requirements review of the AMI Program which highlighted that delivery of the AMI Program would be significantly more complex, and the impacts more pervasive, than had been originally envisaged. A replanning process to reduce delivery risk whilst being cognisant of the mandated timeframes and targets was required.

what Marchment Hill did

Marchment Hill worked with Industry Program Managers and Government to develop a revised plan for the delivery of the AMI Program.

The replanning approach focused on understanding the delivery and dependency risks of the various options, and on seeking an optimum risk approach that continued to deliver high quality outcomes within the mandated timeframe.

Options Comparison of Mitigated Risks				
Option	1	2	3	4
Delay in Participant(s) build for Release 1	Moderate	Moderate	Very High	NA
Delivery of AMI technology takes longer due to Vendor delivery delay and/or component manufacture failure	Low	Low	Low	Low
Workforce not able to scale to meet volume rollout targets	Low	Low	Low	Low
Major issue detected during Industry Proof of Concept	Low	Low	Very High	Very High
Lack of participant readiness	Low	Low	Moderate	Low
Functional Specification not baselined by 2 September	Low	Low	Moderate	Moderate

Figure 1: Risk Comparison table

The above table compared the various mitigated risk options.

¹ AMI is the Victorian government's term for Smart Metering. AMI includes meters that satisfy the Minimum AMI (Victoria) Functionality Specification and related communications technology required to fully enable the AMI Services defined in the Minimum AMI (Victoria) Service Level Specification.

Once the least-risk approach was determined, Marchment Hill led the development of a comprehensive implementation plan that detailed:

- the program planning approach and the work breakdown structure;
- roles, responsibilities and governance arrangements; and
- deliverables, risks, issues, dependencies, assumptions, and schedule.

The revised approach was presented to the Minister for Energy and approved as a Program Change.

the benefit

The replanning led to a revised scope and approach for the AMI Program that is aggressive but achievable, and consistent with of the Government's AMI policy objectives:

- Having a cross-industry framework ensured that businesses shared a consistent understanding of the revised plans and Program outcomes.
- Long-term planning prepared businesses for the significant program of work to implement the new technology and services, thus supporting a smooth transition to future operations.
- The detailed schedule and plan provides a framework for project managers to direct and manage their internal teams.
- Clearly defining roles and responsibilities for managing the program's portfolio enhanced co-ordination and control of the complex range of activities.

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