Ausgrid
ABN 78 508 211 731

Ausgrid Waiver Register

Ausgrid maintains this register in accordance with clause 5.7 of the Australian Energy Regulator's (**AER**) *Ring-fencing Guideline Electricity Distribution Version 4* (**Guideline**).

Date of AER's decision to grant the waiver or interim waiver	Description of the conduct to which the waiver or interim waiver applies	Terms and conditions of the waiver or interim waiver
Distribution ring-fencing class waiver for DNSP-led projects funded under the Australian Government's Community Batteries for Household Solar Program		
3 February 2023	The AER decided to grant a ring-fencing class waiver, effective from 3 February 2023 to 30 June 2041, to allow DNSPs to lease battery capacity to third parties for batteries funded under the Australian Government's Community Batteries for Household Solar Program, subject to strict controls and criteria. The class waiver exempts DNSPs from their obligations to comply with **clauses 3.1, 4.2.1 and 4.2.2** of the Guideline (legal and functional separation) in relation to leasing out capacity in batteries to third parties.	**Classes this waiver applies to:** The scope of this class waiver is limited to DNSP-led projects where the battery asset is funded under the Australian Government's Community Batteries for Household Solar Program (administered by the Business Grants Hub or the Australian Renewable Energy Agency (**ARENA**)), where: a. the asset is wholly excluded from the DNSP's Regulatory Asset Base (**RAB**); or b. what is allocated to the DNSP's RAB is only the part of the total cost of the asset that reflects the proportionate share (that relates to direct control services) of the total quantified benefit that is forecast at the time the investment decision is made, where: i. prior to the RAB allocation at the DNSP's next regulatory proposal, the DNSP includes in its regulatory proposal evidence, and a report from an independent auditor, that confirms compliance with this provision b); ii. the DNSP may use the Government contribution to offset costs (regulated or unregulated) either partially or fully but may not exceed the total cost allocation to a particular stack (regulated or unregulated); iii. the total cost of the battery allocated to the RAB must be an amount equal to or less than the forecast network benefit; and iv. definitions: ▪ the total quantified benefit is the sum of both the forecast network benefit (quantified benefit derived from the deployment of the asset for direct control services[1]) and the forecast non-network benefit (quantified benefit accruing to the DNSP derived from the deployment of the asset for other distribution service and other services) over its economic life. **Criteria:** The following criteria apply to projects that fall within class (b): 1. A DNSP must comply with the Cost Allocation Principles that require a DNSP to appropriately allocate and attribute costs for use of the asset between direct control services, other distribution services, and other services. 2. A DNSP must provide, as part of that DNSP's independently audited annual ring-fencing compliance report that is required under clause 6.2 if the Guideline. a. the total quantified benefit derived from the deployment of the asset or all services over the

[1] DNSPs should calculate total quantified benefits from the provision of direct control services with reference to the AER's DER integration expenditure guidance note and in particular, the benefit streams identified therein.

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		most recent financial year; b. the total quantified benefit derived from the deployment of the asset from direct control services over the most recent financial year; c. the total quantified benefit derived from the deployment of the asset from other distribution services and other services over the most recent financial year; and d. a comparison of the uses (volume and frequency) of the battery that confirms the usage by the DNSP and usage by its retail partner (or other third party), including the initial proposed allocation as a baseline against which actual usage of the assets can be compared. The following criteria will apply to projects which fall within class (a) or (b): 3. A DNSP must provide the AER with information as to the terms and conditions of the contracts entered into with third parties for the leasing of battery capacity. This information should include: a. the name of the contracting party or parties; b. the volume of capacity (in kW or kWh) leased to that party or parties; c. the price the capacity is leased for; and d. which party controls the operation of the battery and on what terms.
Ausgrid ring-fencing waiver for the Hunter Central Coast Renewable Energy Zone		
29 September 2025	The AER decided to grant a ring-fencing waiver to Ausgrid, effective until 30 June 2035, to enable Ausgrid to provide network services in the Hunter Central Coast Renewable Energy Zone (**HCC REZ**) alongside its existing regulated network services. The waiver exempts Ausgrid from its obligation to comply with **clauses 4.2.1, 4.2.2 and 4.2.3** of the Guideline (functional separation) in relation to the above network services.	**Term of the waiver:** Effective until 30 June 2035 (unless varied or revoked sooner). **Condition of approval:** Ausgrid must notify the AER in writing in the event that any legislative change is made (which may be earlier than the change coming into effect) that would affect the required scope of the waiver.
Ring-fencing related waivers		
Ausgrid trial waiver for Community Power Network trial		
5 December 2025	The AER decided to grant Ausgrid a trial waiver from ring-fencing obligations to enable it to conduct a Community Power Network (**CPN**) trial. This trial will involve stimulation of investment in rooftop solar on both residential and commercial and industrial rooftops to increase local renewable generation. Ausgrid will also own and install local battery storage to store, trade and redistribute local generation within the trial areas to reduce the cost of energy to consumers during the evening peak. The waiver exempts Ausgrid from **clause 6.17.1 of the National Electricity Rules** (**NER**), which requires compliance with	**Term of the waiver:** Effective for 5 years (possibility of a 1-year extension) after one week (7 days) after a final investment decision is made by Ausgrid to proceed with the trial, upon funding arrangements being confirmed. As at the date of this register, funding arrangements have not been confirmed. **Conditions:** This waiver is only granted in relation to the installation, operation and trading of identified trial energy storage devices (batteries) and generation (solar) installations within the Trial Sites [i.e. Charmhaven and Botany/Mascot], for a period of 5 years, subject to the conditions in section 4.1 of the AER's trial waiver decision document. The waiver only applies to the requirements in clauses 3.1, 4.2.1, 4.2.2 and 4.2.3 of the Guideline to the extent these provisions prohibit the conduct described in the trial waiver application. As a condition of this waiver, Ausgrid is required to comply with all other requirements of the Guideline with respect to the Trial Sites and Ausgrid's operation of its network outside of the Trial Sites. This waiver provides relief from clause 6.17.1, which requires compliance with the Guideline

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	the Guideline only to the extent that the Guideline prohibits the conduct outlined in the trial waiver application (i.e. the waiver only applies to the requirements in **clauses 3.1, 4.2.1, 4.2.2 and 4.2.3** [legal and functional separation] of the Guideline to the extent these provisions prohibit the conduct described in the trial waiver application).	authorised under clause 6.17.2 only to the extent that this Guideline prohibits the conduct outlined in the trial waiver application. In all other regards, the Guideline is reinstated. There are other conditions that apply to the CPN waiver that can be viewed by accessing the AER's decision document on the AER's website at this link: https://www.aer.gov.au/about/strategic-initiatives/energy-innovation-toolkit/energy-innovation-toolkit-decisions/ausgrid-community-power-network-trial-waiver-application/final-decision

Date of this Register: 15 July 2026

If you have any questions about this Register, please contact Ausgrid via ringfencing@ausgrid.com.au.