Draft Decision

Evoenergy
Electricity Distribution Determination 2024 to 2029
(1 July 2024 to 30 June 2029)

Attachment 18
Connection Policy

September 2023

AUSTRALIAN ENERGY REGULATOR

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18 Connection Policy

We are required to approve a connection policy prepared by a distributor under the National Electricity Rules (NER).[1]

A connection policy sets out the nature of connection services offered by a distributor, when connection charges may be payable by retail customers and how those charges are calculated. A connection policy:[2]

- must be consistent with:
  - the connection charge principles set out in chapter 5A of the NER
  - the connection policy requirements set out in part DA of chapter 6 of the NER
  - our connection charge guideline published under chapter 5A[3], and
- must detail:
  - the categories of persons that may be required to pay a connection charge and the circumstances in which such a requirement may be imposed
  - the aspects of a connection service for which a connection charge may be made
  - the basis on which connection charges are determined
  - the manner in which connection charges are to be paid (or equivalent consideration is to be given)
  - a threshold (based on capacity or any other measure identified in the connection charge guideline) below which a retail customer (not being a non-registered embedded generator or a real estate developer) will not be liable for a connection charge for an augmentation other than an extension.

Our connection charge guideline for electricity retail customers

Under the chapter 5A of the NER, we are required to develop and publish our connection charge guideline to set out how electricity distributors should charge new electricity customers for connecting to their networks.[4]

Following a rule change, we initiated a review of the connection charge guideline to specify the conditions under which a distributor may impose a static zero export limit on rooftop solar in limited situations. Static zero export limit means a customer may not export electricity at any time. These conditions are intended to strengthen customer safeguards.[5]

Our final decision on the review of the connection charge guideline was published in April 2023, after the due date for the regulatory proposal. Hence, there is also a need to modify

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1 NER, Part DA of chapter 6.

2 NER, cl. 6.7A.1(b).

3 AER, *Connection charge guideline for electricity retail customers, Under chapter 5A of the National Electricity Rules Final Version 3.0*, April 2023.

4 NER, cl. 5A.E.3(a).

5 Available at https://www.aemc.gov.au/rule-changes/access-pricing-and-incentive-arrangements-distributed-energy-resources.

the proposed connection policy to align with the final connection charge guideline. These changes (along with other minor amendments) have been agreed by Evoenergy.[6]

A connection policy must be consistent with our connection charge guideline for electricity retail customers to ensure that connection charges:

- are reasonable and consider the efficient costs of providing the connection services arising from the new connection or connection alteration
- provide, without undue administrative cost, a user-pays signal to reflect the efficient costs of providing the connection services
- limit cross-subsidisation of connection costs between different classes (or subclasses) of retail customers, and
- are competitively neutral if the connection services are contestable.

18.1 Draft decision

We do not approve Evoenergy's connection policy because it:

- does not contain all the necessary information required under the NER, and
- contains conditions that are inconsistent with our connection charge guideline.

We have identified various deficiencies in the policy in that:

- It does not contain the new conditions set out in our amended connection charge guideline on how it may impose a static zero export limit on new rooftop solar.
- It lacks clarity for the connection applicants that the policy applies to both the inter-connection network and regulated standalone power systems.
- It does not clarify how it will make adjustments to the original capital contribution if a customer's actual energy demand and/or energy consumption is different from the original assumptions.

For this draft decision, in consultation and agreement with Evoenergy, we have amended its connection policy to the extent necessary to meet the NER requirements and our connection charge guideline.[7]

18.2 Evoenergy's proposal

Evoenergy's connection policy provides an outline of its connection services, when connection charges may be payable by its retail customers and how those charges are calculated.[8]

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6 Evoenergy, *Response to AER IR#*, 6 July 2023.

7 NER, cl. 6.12.3(j)(2); Ibid.

8 Evoenergy, *Connection Policy, Control Period:1 July 2024 to 30 June 2029.*

18.3 Stakeholder consultation and Framework and Approach

Following stakeholder consultation, we classified Basic connections, Standard connections, Negotiated connections and Enhanced connection services as direct control services, and further as standard control services. We classified connection application and management services as direct control services, and further as alternative control services.[9]

We received a submission from ACT Minister for Water, Energy and Emission, Shane Rattenbury MLA.[10] The Minister considered Evoenergy's proposed connection policy to be a fair and equitable way to pay for costs to update the network. The Minister also submitted that the connection policy should include further details and clarifications to provide greater transparency and certainty for electricity customers.[11] The Minister submitted that Evoenergy's connection policy:[12]

- needed clarification and further information on Evoenergy's basis for determining connection charges for high voltage connections
- needed clarity on how Evoenergy will adjust the original capital contribution if a customer's actual energy demand and/or energy consumption is different from the original assumptions, and
- needed to be reflective of the AER's final decision on imposing static zero export limits on rooftop solar.

The Minister submitted that the connection policy should provide additional information on how connection charges will be determined, because additional guidance should be provided to outline the process for: [13]

- determining whether a customer's shared connection costs should be determined by the customer's maximum peak demand, or coincident peak demand. The policy could explain the extent to which this decision would be made by Evoenergy or the connection applicant.
- determining whether a high voltage customer's connection charge is determined by 'costs incurred', or a fixed $/kVa figure. The policy could explain the extent to which this decision would be made by Evoenergy or the connection applicant.

The Minister also submitted that, since the connection policy includes a condition that Evoenergy may make adjustments to the original capital contribution if a customer's actual

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9 AER, *Final framework and approach, Evoenergy, July 2022,* pp. 29-31.

10 Submissions to AER on the 2024–29 revenue proposals can be found on the following webpage: https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/evoenergy-actewagl-determination-2024%E2%80%9329/proposal.

11 ACT Minister for Water, Energy and Emission Reduction, Shane Rattenbury MLA, *Response to Evoenergy's EN24 submission Attachment M – Connection Policy*, May 2023.

12 ACT Minister for Water, Energy and Emission Reduction, Shane Rattenbury MLA, *Response to Evoenergy's EN24 submission Attachment M – Connection Policy*, May 2023.

13 ACT Minister for Water, Energy and Emission Reduction, Shane Rattenbury MLA, *Response to Evoenergy's EN24 submission Attachment M – Connection Policy*, May 2023.

energy demand and/or energy consumption is different from the original assumptions, it needed further clarification on how this will be done in an equitable manner.[14]

18.4 Assessment approach

We examined the proposed connection policy against the requirements of Part DA of chapter 6 of the NER and whether it:

- is consistent with the connection charge principles set out in chapter 5A of the NER, and our connection charge guideline, and
- contains all the information for new customers as prescribed by the NER.

In addition, we also examined whether:

- other connection related charges included in the connection policy, such as metering installation charges, are consistent with the service classification of this preliminary determination, and
- the connection policy contains terms that are not fair and reasonable.

18.5 Reasons for draft decision

We agree with the Minister's submission that the Evoenergy's proposed connection policy needs to have clear statements on how connection charges are set. In addition, the policy must reflect our connection charge guideline on how distributors may impose static zero export on rooftop solar, which was published after the connection policy was lodged.

We have engaged Evoenergy to amend its connection policy to address these issues. Specifically:

- In determining the connection charges for high voltage connection, the policy clarifies that (1) the AER approved unit rates for calculating the incremental costs of the shared network for all connections where the incremental cost-revenue test is applied; and (2) Individual customer specific network augmentation downstream from the shared network connection point is network extension under the AER's connection charge guideline.
- The policy clarifies where capital contribution needs adjustment when customer's actual energy demand and/or energy consumption is materially different from the original assumptions.

Further, the policy sets out the process to adjust the original capital contribution in an equitable manner as below.

Where Evoenergy could identify customer's capacity or demand has remained materially less than the provisional estimate for at least the previous two years, Evoenergy would subsequently seek to reduce the provisional estimate for maximum capacity or demand of a connection and renegotiate a new connection agreement with the customer.

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[14] ACT Minister for Water, Energy and Emission Reduction, Shane Rattenbury MLA, *Response to Evoenergy's EN24 submission Attachment M – Connection Policy*, May 2023.

We have incorporated in Evoenergy's connection policy the latest changes to our connection charge guideline regarding conditions on imposing static zero export limits on rooftop solar installations in limited situations.

We consider that the amended connection policy is consistent with our connection charge guideline. Specifically, the purpose of the connection charge guideline includes:[15]

- to provide, without undue administrative cost, a user-pays signal to reflect the efficient cost of providing the connection services
- to limit cross-subsidisation of connection costs between different classes (or subclasses) of retail customer.

18.6 Approval of upstream charge rates

We benchmarked Evoenergy's proposed upstream augmentation unit rates (in table 3 of the connection policy) against its historical cost. This analysis is set out in Table 18.1.

Comparison with historical cost

We calculated that Evoenergy's historical average overall network cost at low voltage levels to be about $3618 per kiloVolt amperes (kVA) based on its latest Economic Benchmarking Regulatory Information Notices report for 2021–22.[16] This equates to a charging rate of $2089 and $1266 per kVA for residential and non-residential customers connecting at the low voltage networks respectively.

This rate should reflect the long run marginal cost of Evoenergy.

The long run marginal cost represents the average cost of each additional unit of capacity, for the purpose of upstream charge rates. Once an augmentation asset is added, the additional capacity stays with the distributor. However, each new connection has a finite timeframe for remaining connected. Hence, there is a need for an adjustment factor corresponding to each customer's assumed connection life. For example, business customers are assumed to stay connected for 15 years. Hence, distribution businesses should expect to receive the upstream charge every 15 years. The net present value of the multiple contributions should end up being equal to the long run marginal cost at present value. We applied the above adjustment factors for business and residential customers, based on the expected aggregate life of connections and the weighted average cost of capital for the 2024–29 period.[17]

The above historical average costs are significantly higher than Evoenergy's proposed charge rates for shared network augmentation for low voltage networks at $523 and $317 per kVA for residential and non-residential customers respectively. Hence, we conclude that

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15 NER, cll. 5A.E.3(b)(2) and (3).

16 Available at www.aer.gov.au at https://www.aer.gov.au/networks-pipelines/performance-reporting/evoenergy-actewagl-network-information-rin-responses.

17 AER, *Explanatory Statement, Proposed Connection charge guideline: under chapter 5A of National Electricity Rules For retail customers accessing the electricity distribution network*, 22 December 2011, p.33; AER, *Guidance Paper, The AER's Conclusion on the Benchmark Upstream Augmentation Charge Rates for CitiPower's Network*, 25 June 2010.

Evoenergy's proposed shared network augmentation charge rates are reasonable because the rates are less than the actual historical cost.

Table 18.1 Upstream charge rates comparison

	Evoenergy	AER
Full cost (MCR) per kVA	$905	$3618
Charge rate for residential customers	$523	$2089
Charge rate for non-residential customers	$317	$1266

Note: the rates are GST exclusive. Source: AER analysis

18.7 AER approved connection policy

We have modified Evoenergy's proposed connection policy to reflect the above draft decision on this matter.[18] This amended connection policy is appended to this chapter.

AER approved connection policy for Evoenergy

Appendix M: Connection Policy

(1 July 2024–30 June 2029)
Regulatory proposal for the ACT electricity distribution network 2024–29

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1. Overview

Evoenergy operates the distribution network across the Australian Capital Territory[1]. Evoenergy's Connection Policy (the Policy) sets out the circumstances in which we may require a retail customer or real estate developer to pay a connection charge and how these charges are calculated for the provision of connection services.

The Policy will apply to a customer requesting after 1 July 2024 to connect to Evoenergy's distribution system or to alter an existing connection under Chapter 5A of the National Electricity Rules (the Rules) or to connect to regulated stand-alone power systems (SAPS).

The Policy has been prepared in accordance with:

- Chapter 5A and Chapter 6 of the Rules;
- Australian Energy Regulator's (AER's) *Connection charge guidelines for retail electricity customers, version 3.0* (AER connection charge guidelines); and
- Australian Energy Regulator's (AER) Final Framework and Approach decision for the proposed classification of services for the ~~2024~~2024–29 regulatory control period.

The Policy uses the terminology and concepts used in the Rules and the AER connection charge guidelines. This overview provides a summary of the key elements of the Policy.

The Policy sets out the connection charges that may apply for different types of connections ranging from basic connections (requiring no augmentation of the network) for residential and small commercial customers on unserviced blocks in urban areas, through to large (>100 amps) commercial connections requiring a new substation, subdivision estate reticulation, and embedded generator connections.

A Retail Customer will not be required to make a capital contribution towards the cost of augmenting the shared network where the customer's estimated peak or peak coincident demand is below the shared network augmentation charge threshold of 100 amps ~~(or 70kVA)~~ per phase~~.~~ or 70kVA in total for a three~~-~~phase installation.

The connection charges payable by a connection applicant will depend on the type of connection and the connection assets and services involved. In general, the total charge for a new connection or altered connection may comprise:

- A capital contribution toward the costs of the assets used to provide standard control connection services. Where the estimated incremental costs of a connection exceed the estimated incremental revenue, the connection applicant may be required to make a contribution toward the costs of the premises connection assets and any required network extensions.
- Charges for alternative control services, services provided at above the least cost technically acceptable standard (LCTAS) at the customer's request, and special connection requirements. Alternative control services may include asset removals or relocations, temporary connections and service upgrades. Connection applicants pay for any required alternative control services, on a cost recovery basis as approved by the AER.
- Charges payable under the pioneer scheme. Where a connection involves the use of extension assets paid for by an original customer, within the past seven (7) years, the subsequent customer may be required to make a contribution towards the cost of the extension assets and the original customer may be eligible for a refund. The pioneer scheme will generally not apply to residential and small commercial urban customers, although it may in some cases – for example for rural connections requiring network extensions.

[1] There is a small number of customers connected to Evoenergy's distribution network in New South Wales.

Following the introduction of the Power of Choice reforms on 1 December 2017, which introduced contestability to metering services, Evoenergy no longer provides metering services for new connections or connection change requests. Retailers provide metering services and customers will need to obtain a metering quotation from their retailer during the connection process.

Larger commercial customers and real estate developers may be required to make a capital contribution toward the costs of premises connection assets and network augmentations or extensions, depending on the outcome of the incremental cost-revenue test (ICRT). Design and administration costs will be included in the calculation of the required contribution. Charges will also separately apply where the connection involves alternative control services and higher standard services or special requirements. The pioneer scheme may also apply to these connection applicants.

Evoenergy will not impose a static zero export limit (unless specifically requested by the customer) if the customer has a suitable dynamic response system installed as specified by Evoenergy for a particular location. Evoenergy will only impose a static zero export limit in circumstances permitted under the AER's Connection Charge Guideline for Electricity Customers. ~~the following circumstances:exceptional situations.~~ Our policy on when ~~to~~ we will impose a static zero export limit is detailed in ~~Chapter~~ Chapter 7.

Where Evoenergy considers there is a significant risk that it may not earn the estimated incremental revenue from the connection applicant, it may require prepayment or a financial guarantee in the form of a bank guarantee. For connections where the estimated connection charges are greater than $50,000, Evoenergy requires an advance payment of at least 50 per cent of the total charges and a bank guarantee for the balance unless an alternative payment scheme is agreed between the connection applicant and Evoenergy.

All dollars presented in this Policy exclude GST.

2. Purpose and scope

Evoenergy has prepared this Policy in accordance with the requirements in Chapters 5A and 6 of the Rules and the AER's connection charge guidelines. The Policy sets out the circumstances in which connection charges are payable and the basis for determining the amount of such charges.

This Policy will apply to a customer requesting after 1 July 2024 to connect to Evoenergy's distribution system or to alter an existing connection under Chapter 5A of the Rules or to connect to regulated SAPS, provided that the party requesting the new or modified connection is not a Registered Participant (or Intending Registered Participant), as defined in the Rules.[2] In the event that the party is a Registered Participant (or Intending Registered Participant) Evoenergy will assess the connection application in accordance with Chapter 5 of the Rules.

In addition to the requirements relating to connection charges and connection policies (in Part E), Chapter 5A of the Rules contains requirements for model standing offers (MSOs), connection contracts, negotiated connections, connection applications and dispute resolution. These matters are beyond the scope of the Policy.[3] Information on connection application processes, timeframes and contracts and copies of Evoenergy's MSOs are available on Evoenergy's website.

This Policy applies for the regulatory period from 1 July 2024 to 30 June 2029. It replaces the connection policy approved by the AER for the regulatory period 1 July 2019 to 30 June 2024.

[2] Rules, Chapter 10, Glossary

[3] Connection policy is defined in the Chapter 5A of the Rules: *connection policy* means a document, approved as a connection policy by the *AER* under Chapter 6, Part E, setting out the circumstances in which *connection charges* are payable and the basis for determining the amount of such charges.

3. Evoenergy's connection services

A connection is the physical link between Evoenergy's distribution network and a customer's premises to allow the flow of electricity as well as for connections to regulated SAPS.

A connection applicant is typically one of the following:

- a retail customer;
- a retailer or other person acting on behalf of a retail customer; or
- a real estate developer.

Connection services may involve the following types of work:

- connecting new premises to the electricity distribution network (new connection);
- extending or increasing the capacity of the existing network to reach a connection applicant (extension or shared network augmentation) where adequate supply is not available to make a new connection; or
- establishing a micro-embedded generation connection or connection of an embedded generating unit.

The above connection services may be provided by Evoenergy under two types of connection service offers:

- basic connection services; or
- negotiated connection services.

Under Chapter 5A of the Rules there is also the possibility of standard connection services, although this has not been offered to date by Evoenergy and is not proposed to be offered in the 2024–29 regulatory control period.

The type of connection service offered is dependent on certain criteria, as described in Table 1~~Table 1~~, and will be based on the information provided in a customer's initial application.

The connection charges that apply to each of the connection types will depend on the connection services required. For example:

- whether network extensions or augmentations are required;
- whether asset removals and relocations are required;
- if the connection requires the least cost technically acceptable solution (LCTAS) as determined by Evoenergy or the customer requests services above the LCTAS; or
- the voltage level of the connection.

Table 1 Connection Services

Connection Services			
Connection type	Description	AER Service Classification	Contract type
Basic Connection Service	Basic connection services involve a routine connection between Evoenergy's low voltage network and a residential or small non-residential customer's premises where supply is available. A basic connection service is provided in the following circumstances: Either: (a) the Retail Customer is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or (b) the Retail Customer is, or proposes to become, a micro-embedded generator with embedded generating units totalling ≤30kVA; And (c) Provision of the service involves minimal or no augmentation of the distribution network; and (d) Maximum demand is not more than 100 amps ~~(70kVA)~~ per phase~~.~~ , or 70kVA in total for a three phase installation. Evoenergy has two basic connection service MSOs – one for Retail Customers and one for micro-embedded generators.	Standard Control Service	MSO
Negotiated Connection Service	Negotiated connection services will apply to applications that are ineligible for a basic connection and tend to be more complex, require augmentation or extension of the network, and apply where the connection applicant requires supply capacity exceeding the shared network augmentation charge threshold of 100 amps per phase.	Standard Control Service	Negotiated Offer

Connection Services		
	However, a connection applicant that meets the requirements of a basic connection service may elect to negotiate the terms and conditions of their connection. Examples of negotiated connection services include: • high voltage (HV) customer connections; • connections to a real estate development including subdivision estate reticulation or multi- unit blocks; • connection of a micro-embedded generator that is not eligible for a basic connection service and does not require SCADA, or connection of a non-registered embedded generator that does not require SCADA; and • unmetered supply.	

Note: MSO is an offer with a default set of terms and conditions that have been approved by the AER.

4. Basis for determining connection charges

This section sets out how Evoenergy will calculate charges for basic and negotiated connection services. The method Evoenergy applies in determining connection charges depends on how the connection service is classified by the AER in the relevant ACT distribution determination.

The total connection charges payable by a connection applicant to Evoenergy will (where applicable) be calculated as = *AC+CC+PS.*

Where:

- *AC = the total charge payable for connection services classified as alternative control services.*
- *CC = the total capital contribution payable for all relevant standard control connection services.*
- *PS = the connection charges payable for any existing extension assets to which a connection applicant connects.*

Connection applicants may also be required to pay a security fee. These charges are explained below.

4.1. Connection services classified as alternative control services

Alternative control services are generally customer-specific or customer-requested services. The cost of alternative control services is not recovered in network tariffs but rather paid by the customer requesting the service. Information on the AER approved cost recovery model including charges and rates is available in the network price list published on Evoenergy's website.

The types of connection services that are typically classified as alternative control services include:

- enhanced connection services (including connection of micro-embedded generators that require SCADA or non-registered embedded generators that require SCADA);
- connection application and management services (including temporary connections greater than the shared network augmentation charge threshold);
- upgrades from single phase to three phase;
- connection services provided above LCTAS or higher reliability standards; and
- asset relocations and removals.

Evoenergy may require a site inspection fee or a fee for the negotiation of a negotiated connection service and preparation of a Connection Offer[4]. Such fees may be payable prior to any negotiations and Evoenergy providing an offer to connect.

The installation of new Type 5 and Type 6 meters by Evoenergy has ceased following commencement of the Power of Choice reforms to metering contestability on 1 December 2017. New and replacement meters must be Type 4. Type 1 to 4 meters[5] are provided in a contestable market by accredited metering service providers selected by the customer's retailer.

[4] As permitted under clause 5A.C.4 of the Rules.
[5] For more information on meter types refer to the Chapter 7 of the Rules.

4.2. Capital contributions for connection services classified as standard control services

4.2.1. Overview

The costs of providing standard control services are generally recovered through network tariffs. An up-front capital contribution may only be required if provision for the costs has not already been made through existing distribution use of system charges or a tariff applicable to the connection[6].

Where an up-front capital contribution is required, it is calculated using the incremental cost-revenue test (ICRT). Evoenergy may seek a capital contribution from a connection applicant if the incremental cost of the standard control connection services exceeds the estimated incremental revenue expected to be derived from the connection[7].

A real estate developer will be treated as a single customer for the purpose of calculating capital contributions. As permitted under clause 5.5 of the AER connection charge guidelines, Evoenergy offers pre-calculated capital contributions for greenfield subdivision estate reticulation connection services as a ~~$/~~per block charge. The amount of the pre-calculated charge is ~~included~~detailed in ~~-~~ Chapter 5.

During customer connection negotiations Evoenergy will determine the required connection type. HV connections are required in some circumstances including but not limited to:

- high demand and/or high consumption customers (for example those with maximum demand greater than 5MVA); or
- where a significant portion of upstream HV network assets ~~are~~is dedicated to service the customer request; or
- when it is deemed most appropriate after consideration of the specifics of the connection request and network constraints.

HV customer connections are subject to the HV tariff, which reflects the reduced costs associated with only utilising network assets upstream of their HV connection point.

For other types of connections, the capital contribution is calculated on a case-by-case basis as outlined below.

4.2.2. Shared network asset augmentation charge threshold

The shared network augmentation charge threshold is a threshold below which retail customers (other than non-registered embedded generators, real estate developers, registered participants or an intending participant) will not be required to make a capital contribution towards the cost of any augmentation of the Evoenergy distribution network.

Evoenergy will fund the shared network augmentation works if a retail customer connected at the low voltage network has an estimated peak or peak coincident demand below 100amps (per phase over three phases) or 70kVA.

[6] Rules clause 5A.E.1(c)(6)
[7] AER connection charge guidelines, clause 5.1.2

4.2.3. Method for calculating capital contributions

The capital contribution amount will be calculated using the ICRT in the following manner:

- *Capital Contribution (CC) = ICCS + ICSN – IR (n=X)*

Where:

- *ICCS = Incremental Cost Customer Specific*
- *ICSN = Incremental Cost Shared Network*
- *IR (n=X) = Incremental Revenue*

A capital contribution is only payable where the incremental costs exceed the incremental revenue.

4.2.4. Determining the Incremental Cost

The incremental cost includes the customer specific connection costs (ICCS) (including costs of extensions and augmentation of premises connection assets at the connection point) and any shared network costs (ICSN) (including costs of augmentation, insofar as it involves more than an extension, attributable to the customer's connection).

Evoenergy will determine each component:

- based on the LCTAS necessary for the connection; and
- in a fair and reasonable manner and to ensure that the cost estimate is reflective of the efficient costs of performing the standard control service.

ICCS includes the incremental costs incurred by Evoenergy for standard control connection services, which are used solely by the connection applicant. This may include extensions and augmentation of premises connection assets at the retail customer's connection point.

The ICCS may include costs such as:

- augmentation of premises connection assets at the retail customer's connection point
- extension costs;
- administration costs (including any design and certification costs); or
- any costs for conducting a tender process (where applicable).

The ICCS will be calculated in accordance with clauses 5.2.1 to 5.2.4 of the AER connection charge guidelines. For connection upgrades and alterations only incremental costs and revenue are taken into account (the cost of the connection upgrade/alteration is compared against the incremental revenue).

ICSN includes the costs incurred by Evoenergy for standard control connection services, which are not used solely by the connection applicant. The ICSN represents the capital cost that we incur in adding capacity to the shared network as a direct result of the new or altered connection, measured in kVA.

The ICSN will be calculated as follows:

- *ICSN = Unit Rate X Demand Estimate*

Where:

- *Unit rate = the average cost of augmentation of the shared network expressed in $/kVA of added capacity.*
- *Demand estimate = is an estimate of the ~~estimated~~ maximum ~~peak~~electrical energy flow (measured in kVA) that will be consumed by the connection applicant at the connection point.*

Evoenergy will estimate the maximum demand ~~or~~at the connection point having regard to the submitted information and the connection applicant's specific connection characteristic. The maximum demand agreed between Evoenergy and the connection applicant will be adjusted by the relevant diversity factor to determine the peak coincident demand ~~*at the connection point measured in kVA (refer to section 8 for more detail).*~~ . The diversity factor takes into account the that customers' peak demand draws on the capacity of the network at different times.

We will use the AER approved unit rates for calculating the incremental costs of the shared network for all connections where the ICRT is applied, except for HV customer connections~~. For HV customer connections, Evoenergy may calculate the incremental cost of augmenting the shared network by either:~~[8]. These unit rates are designed to recover a relatively small proportion of shared network costs with the bulk of the cost being recovered through network tariffs.

- ~~using the augmentation unit rates; or~~
- ~~the estimated project cost of the augmentation (if known).~~

~~The latter approach may be taken because the augmentation unit rates, which represent the average cost of augmentation across the network, may not result in the best estimation of the incremental cost of the shared network in some instances of HV customer connections.~~

The provision of HV connection services usually involve the establishment or modification of assets dedicated to that connection applicant (connection assets), as well as extensions to, or augmentations of, the shared distribution network. An extension of the distribution network is where the present boundaries of the distribution network need to be extended to connect a customers' premises. An augmentation of the distribution network is where work is required to enlarge the existing network or increase its capacity to distribute electricity.

Where augmentation of connection assets and / or network extension is required solely for the benefit of a HV customer (i.e. dedicated to the exclusive use of the HV customer), the HV customer will be required to fully fund the dedicated assets and associated connection work project costs. In addition, HV customers may need to make a capital contribution for shared augmentation but only towards the level of the network upstream that remains shared.

The cumulative augmentation unit rates to be applied in the 2024–29 regulatory period are shown in Table 2~~Table 2~~ below. The unit rates are escalated each year by the Consumer Price Index (CPI~~.~~).

Table 2 Augmentation unit rates $/kVA ($2023/24)

Network Component	Residential Customers - Cumulative	Business Customers - Cumulative
LV feeder	$600.02	$363.61
Distribution substation	$445.33	$269.86
HV feeder	$285.47	$172.99

[8] As defined in the Definition Table, a HV customer owned connection point is where the nominal voltage is above 1 kV)

Zone Substation	$207.90	$125.98
Sub-transmission line	$77.79	$47.14

4.2.5 ~~4.2.5~~ Determining the Incremental Revenue

IR(n=X) calculated in the ICRT will be the present value of the distribution use of system (DUOS) revenue that we expect to earn in providing the standard control connection service. The revenue calculation is based on the DUOS tariff corresponding to the customer category (residential, LV commercial and HV commercial), as determined by the AER in the relevant distribution determination.

The connection period is assumed to be 30 years for residential connections, and 15 years for commercial, unless otherwise proposed by Evoenergy and agreed by the applicant.

The estimates of demand and energy consumption are prepared with reference to existing similar loads taking into account the particular circumstances and load characteristics such as seasonality, load consumption curves, load factors and power factors. In addition, where relevant, the estimates take into account the following:

- for subdivision estates, in particular commercial estates, demand per square metre of land area;
- for residential load including subdivision estates and multi-unit blocks, existing and projected per dwelling energy consumption figures;
- for commercial load, demand and energy consumption per meter of the gross, or if more appropriate net, building floor area; or
- for unusual loads, information specific to the connection needs to be obtained from the connection applicant to allow for a bottom-up method estimate of consumption.

To ensure that the estimated revenues and costs are directly comparable, only DUOS tariff components corresponding to asset cost and costs relevant to the connection are included in the calculation, consistent with Evoenergy's cost of service model, and the AER connection charge guidelines (clause 5.1.5).

The revenue stream is discounted using the real pre-tax weighted average cost of capital (WACC), as set out in our relevant distribution determination~~.~~[9].

The assumed price path for calculating the incremental revenue is as specified in the AER connection guidelines (clause 5.3.5):

- use the price path set out in the relevant distribution determination that is applicable at the time of the Connection Offer, until the end of the relevant distribution determination; and
- a flat real price path[10] after the end of the relevant distribution determination, for the remaining life of the connection. This flat price path is the expected real DUOS charges in the final year of the regulatory control period.

The following incremental cost components of the connection are taken into account when applying the ICRT ~~:~~

for load customers~~,~~ or internal reticulation of the extra-large multi hectare blocks. The revenue is compared against the cost of standard components of premises connection assets, extensions ~~and~~, design and administration~~; and~~.

- ~~for internal reticulation of the extra-large multi hectare blocks, the treatment is the same as for above.~~

For embedded generating unit connections, other than micro embedded generators (less than or equal to 30 kVA) connected as part of a basic connection, the cost components included in ICRT are connection assets, extensions and design and administration and augmentation of shared network assets.

[9] The WACC determined by the AER for the 2024/25 to 2028/29 regulatory control period.
[10] This is equivalent to being escalated by CPI in nominal terms.

As required by clause 5.1.5 of the AER's Connection Charge Guideline, Evoenergy will ensure that the operational and maintenance costs are removed from the network tariff and have no net impact on the capital contribution payable by the customer.

4.3. Pioneer scheme

4.3.1 Overview and calculation

An original customer who has contributed to the cost of a dedicated network extension is entitled to have some of their costs reimbursed by Evoenergy if a subsequent customer(s) connects to that network extension within seven (7) years of the asset being energised. The pioneer scheme commences on the date the extension asset is energised by Evoenergy. The reimbursement amount is determined at the date the subsequent customer accepts the connection offer.

Evoenergy may recover the refund amount from the subsequent customer as part of the connection charges paid and Evo energy will pay the refund as soon as practicable after the subsequent customer pays Evoenergy the refunded amount.

The reimbursement payable under the pioneer scheme by a subsequent customer to the original customer is calculated with reference to:

- the physical length of line a subsequent customer requires relative to other customers already connected to the extension; or
- the assets or portion of assets the subsequent customer will utilise; and
- the amount of demand used by a subsequent customer relative to other customers already connected to the extension; and
- the value of the current extension asset depreciated over 20 years using a straight-line depreciation method.

If Evoenergy calculates a total refund to all customers already connected to an extension that is less than $1,~~482~~347 ($2023-24) adjusted subsequently for CPI, then Evoenergy is not required to make a pioneer scheme refund. If Evoenergy does not refund customers already connected to the extension because of the operation of the above threshold, then Evoenergy will not charge the subsequent customer connecting to the extension for the costs calculated in accordance with the pioneer scheme.

If the extension assets were constructed to a higher standard or capacity than the LCTAS required by Evoenergy, then only the cost of constructing the extension to the LCTAS will be subject to the pioneer scheme.

Any pioneer scheme applied to real estate developments would only apply to customers connecting to the extension assets outside the development's site boundary and not to premises connecting within the development.

4.3.2 Eligibility for a refund

To be eligible for a refund:

- the customer (including a real estate developer) must have paid connection charges for an extension asset installed to connect a single retail customer (including non-registered embedded generators or micro embedded generators); and
- the customer is either the current occupier of the premises or the original occupier (which paid for, or for part of an extension) of the premises. If there is a dispute between the current occupier and the original occupier of a premises as to who is eligible for a refund, and if there is no written evidence of an agreement to the contrary, the current occupier of the premises shall be taken to be entitled to any refund.

A customer is ineligible if:

- Evoenergy built and funded the extension to a higher capacity (i.e., not the LCTAS) than required by the original customer and the capacity required by the subsequent customer is less than the amount of the additional higher capacity constructed;
- the customer is a real estate developer and paid only for the portion of the total cost attributable to the real estate developer; or
- it is more than seven (7) years since the extension assets were originally constructed and energised.

4.4. Security fees

If Evoenergy fairly and reasonably assesses that there is a high risk that it may not earn the estimated incremental revenue from a connection applicant and, as a result, the incremental revenues will be less than the incremental costs of the connection, it may require a security fee in the form of a financial guarantee or prepayment. A security fee will generally only be required in relation to connections where there is a significant difference between Evoenergy's and the customer's load forecasts.

4.4.1 Financial guarantees

A financial guarantee is a binding legal agreement between Evoenergy and the customer (which may be a real estate developer) where the customer guarantees to pay Evoenergy if the connection does not meet, within a specified period, the load required to make the incremental revenue equal to or greater than the incremental cost. The period will nominally be five (5) years, although this can be varied on a case-by-case basis, depending on the nature of the risks involved.

The financial guarantee will be established at the time the connection offer is accepted and upon completion of connection works and energisation of the connection assets. The financial guarantee may be in the form of a bank guarantee provided by the customer, or other suitable financial instrument as agreed by Evoenergy. Evoenergy is entitled to withdraw from the bank guarantee any shortfall in actual revenue targets, in accordance with the terms stated in the deed and the bank guarantee.

The amount of the financial guarantee will not be greater than the amount of the connection service charge that Evoenergy would have charged had it forecast incremental revenue using a low risk forecast of the load and adjusted for time cost of money.

Any payments made to Evoenergy under the financial guarantee scheme must correspond to a difference between the guaranteed load and the actual load. Depending on the type and characteristics of the load, it may be appropriate to assume that the load increases to a guaranteed level over a period of time. If the load is below the guaranteed level in one year and exceeds the guaranteed level in another year, relevant over and under adjustments apply.

Interest is not payable on security held in the form of a bank guarantee.

4.4.2 Prepayments

For connections where the estimated connection charges are greater than $50,000, and Evoenergy fairly and reasonably assesses that there is a high risk that it may not earn the estimated incremental revenue, Evoenergy may require an advance payment of at least 50 per cent of the total charges and a bank guarantee for the balance.

Alternative payment arrangements may apply, as set out in agreed terms between Evoenergy and the connection applicant.

Evoenergy will rebate the prepayment amount annually over the period of the security fee scheme. The first rebate must be allowed in the calendar year after the connection services are provided.

Where the security fee has been provided as an upfront prepayment, then Evoenergy will pay interest on the security fee, commensurate to the manner the security fee is treated by Evoenergy.

Evoenergy may seek advance payment of the connection charge before commencement of the construction work, unless the upfront total connection charge is greater than $~~7,411~~6,737 ($2023-24) and:

- the construction work will not commence for 3 months or more after the connection offer is accepted; or
- the construction work can be logically segmented into distinct stages of construction.

If construction work is not scheduled to commence for 3 months or more after the connection offer is accepted, then Evoenergy will require payment at the time the connection offer is accepted for the costs that have been incurred and prepayment for any sunk costs that will be incurred immediately after the connection offer is accepted. The prepayment may include but is not limited to:

- the costs of specialised or non-standard assets which need to be ordered by Evoenergy in advance and would not normally be required to perform a connection; and
- design and administration costs.

5. Real estate developers, registered participants, and intending participants

5.1. Overview

This section does not apply to, or in relation to, a connection applicant that is a Registered Participant or an Intending Participant unless the:

- registered participant or intending participant is acting as the agent of a retail customer; or
- connection applicant is seeking connection or connection services in relation to a regulated SAPS.

Real estate developers, registered participants and intending participants are not eligible for the exemption from being charged for shared network augmentation (insofar as it involves more than an extension).

Charges for components of a connection that are classified as standard control services will be calculated with the following taken into consideration:

- a real estate developer's incremental revenue is the estimated revenue that Evoenergy will receive from all the sites/connection services within a real estate development;
- the assumed connection period of a real estate developer's connection will be calculated having reference to the intended usage of the development site;
- a real estate developer is to be treated as a single customer for the purposes of calculating a capital contribution;
- a real estate developer's incremental cost (for inclusion in the ICRT) for augmentation (both ICCS and ICSN) may include the costs of the connection services and, to any further extent that a prudent service provider would consider necessary, the cost of providing efficiently for forecast load growth; or
- where the development is to proceed in stages, each stage will be considered as a separate project.

Where Evoenergy and a real estate developer cannot agree on the forecast level of consumption and / or demand for the premises within the development for the purposes of determining the capital contribution, the connection offer will be based on Evoenergy's reasonable estimate of the level of future consumption and / or demand.

5.2. Multi-unit blocks

The connection of load on multi-unit blocks may consist of two distinct parts. The first part is the connection of the block and, if applicable, the second part is the reticulation of power within the block. Depending on the design, not all multi-unit blocks require internal block reticulation.

The first part, the connection of the multi-unit block, is treated in a similar way to the connection of a single customer. The second part, the reticulation within the block, is the responsibility of the developer.

5.3. New real estate developments

~~To reticulate~~The reticulation of a new ~~estate development or~~ subdivision ~~to provide supply to multiple blocks, Evoenergy will design and install~~ estate is initiated at the request of the real estate developer. To reticulate a subdivision estate, Evoenergy must install network electrical infrastructure, ~~including~~ in particular substations, pits ~~/~~or mini pillars, and cables~~,~~. The developer provides civil infrastructure including the trench used for electrical reticulation and other shared services.

A subdivision is reticulated from the connection point with the upstream network to the downstream connection points which are ~~considered dedicated~~later used to connect individual customers to the network. The downstream connection point is usually either at the pit or pillar (depending on the type of underground reticulation system employed). The reticulation assets ~~for the estate. The cost of work will be quoted and charged to the developer.~~ are located between these linkage points.

~~A pre-calculated~~ Evoenergy decides on a case by case basis whether a capital contribution ~~in the form of a $/~~towards the estate reticulation should be calculated on the basis of per block ~~may be applicable~~capital contributions per single dwellings (Category 1) or ICRT (non-Category 1).

The main criteria for ~~each~~ Category 1 estate is that it does not require significant departure from Evoenergy electricity subdivision reticulation standards (in place as at the start of 2024-2029 regulatory control) and there are no factors or requirements which materially impact:

- Evoenergy's cost of providing estate reticulation (e.g. related to configuration of an estate, street layout, verge widths, block sizes, non-residential ~~block.~~load such as schools, offices or shopping); and
- revenue stream estimates which Evoenergy is likely to receive from the estate (e.g. mandatory development conditions or incentives for: PV generation, residential/community batteries, public or home Electric Vehicle charging stations, and no gas reticulation)

Due to the large number of possible considerations and developer requirements, it is not practical to specify all characteristics of a Category 1 estate. The key Category 1 characteristics for a residential subdivision estate are:

- refers to a connection of a load on a block which was not previously electrically serviced. Also referred to as an unserviced block new connection or Greenfield connection;
- predominantly single residential dwellings, no more than 10% of medium or higher density dwellings within the subdivision;
- estimated PV generation penetration of no more than 25% within the subdivision (for residential built or to be built premises); and
- no other factors which materially impact cost or revenue.

From a Category 1 estate perspective the electrical infrastructure assets within the estate (specifically limited to, cables, pillars/pits, substations) are considered to be connection assets and capital contribution are charged on per block basis for single dwelling blocks. The amount of the pre-calculated charge is included in Table 3~~Table 3~~ below. The unit rates are escalated each year by the CPI.

Table 3 Residential Greenfield Estate Subdivision Services ($2023–24)

Description	Unit	Price (excluding GST)
Subdivision Electricity Distribution Network Reticulation - Blocks <= 650m2	per block	$2,078.21
Subdivision Electricity Distribution Network Reticulation - Blocks 650 - 1100m2 with average linear frontage of 22-25 metres	per block	$2,722.79

The application of per block contributions allows Evoenergy to streamline processing of estate applications and provides up front certainty to the developers. In the future, Evoenergy may define other categories of estates (in addition to Category 1) and may calculate per block capital contributions for newly defined categories. For those categories, capital contributions will be calculated applying per block contributions specific to those categories.

If an estate is not assessed by Evoenergy as Category 1 nor as another category which may be defined by Evoenergy. The ICRT must be applied to calculate the required capital contribution for other than Category 1 estates connection assets (non-Category 1).

Any headworks required between the existing network and the estate is considered to be an extension. An extension may involve multiple cables installed in single trench for the connection of future estates and customers. Usually, the capacity of an extension is taken up by the load within a reasonably short period of time, therefore extensions are generally excluded from the ICRT for Category 1 or non-Category 1 estates and consequently they are not subject to a capital contribution. The extension cost for either Category 1 or non-Category 1 estates must be included in the ICRT only if it is used for a single estate and there is no reasonable prospect that it will be used for other estates within 7 years. If the developer pays a capital contribution towards an extension for a single subdivision, the extension will be subject to the pioneer scheme.

6. Embedded generators

Non-registered embedded generators are not eligible for the exemption from being charged for augmentation (insofar as it involves more than an extension) and must pay the full costs of removing network constraints that are specific to the connection of the embedded generating unit.

For the purposes of this Policy, energy storage (e.g. batteries) which both charge from Evoenergy's network and discharge / generate back into the network, are considered as load when charging and embedded generation when discharging.

Charges for components of an embedded generator's connection that are classified as standard control services will be calculated in accordance with section 4 of this Policy, with the following exceptions:

- the capital contribution for non-registered embedded generators that are also load customers will be calculated based on the total cost of the works required to support both the generation (expected electricity output) and load components of the connection service;
- no incremental revenue will be received by Evoenergy from the generation component; or
- the relevant load for the purposes of calculating ICSN will be the gross peak demand of the load, regardless of the embedded generator's expected electricity output.

7. Imposing a static zero export limit on new and alteration to micro embedded generators

When the connection to the distribution network includes the ~~Evoenergy~~ use of Consumer Energy Resources (CER) technology, Evoenergy will assess the network capacity to accept the injection of energy, in order to determine its current export capacity.

The connection of CER to the Evoenergy's distribution network does not of itself guarantee the ability to export electricity.

~~7.2. Application~~

~~Evoenergy will~~ Evoenergy is required to outline the circumstances which we may offer customers CER technology with a static zero export limit. Further, Evoenergy will only impose a static zero export limit ~~to a micro embedded generation connection~~ in ~~the following~~ circumstances~~:~~

- ~~when explicitly requested by the customer; or~~
- ~~the export from the micro embedded generator will result in a high probability of Evoenergy not meeting a regulatory obligation (such as a voltage level or power quality standard) or to maintain~~ permitted under the ~~network within its technical limits; and~~
- ~~the cost of augmenting the network assets to allow a reasonable export capacity level by the micro embedded generation connection is outweighed by the benefits arising from the additional export capacity, taking into consideration expected future new distributed energy resource that will be able to export to the grid arising from the augmentation. However, this won't apply if the connection applicant elects to fund the necessary network augmentation to meet the applicant's needs.~~

~~Evoenergy will not~~ AER's Connection Charge Guidelines for Electricity Customers. Evoenergy's policy on when we will impose a static zero export limit ~~(unless specifically requested by the customer) if the customer has a suitable dynamic response system installed as specified by Evoenergy for a particular location.~~

- ~~Prior to imposing a static zero export limit, Evoenergy will:~~
- ~~provide the reasons regarding the technical and economic considerations;~~
- ~~inform the connection applicant of the option of installing a suitable dynamic response system; and~~
- ~~inform the connection applicant whether there are alternative dispute resolution channels to help negotiate a suitable export limit other than a static zero export limit.~~

~~Evoenergy will publish its policy on how it will impose a static zero export limit conditions on its~~is available on our website.

~~7.~~8. Estimation of a customer's consumption and demand

Our estimates of a connection applicant's consumption and demand will be based on an assessment of the connection applicant's particular circumstances. However, we may also consider actual consumption and demand information from existing connection services with similar characteristics.

Information provided in the connection application may be used to estimate the applicant's consumption and demand. If Evoenergy and connection applicant (other than a real estate developer) cannot agree on an appropriate estimate of consumption or demand, or where the connection applicant is uncertain of the future consumption and demand, then Evoenergy may use a provisional estimate.

Where a provisional estimate has been used to determine a capital contribution, the connection applicant may be subject to an additional charge or refund for the ~~difference~~material differences between the actual consumption and demand and provisional estimates used in the calculation. Evoenergy will assess the additional charge or refund within two years of the connection being energised.

If the connection exceeds the provisional estimate for maximum capacity or demand at the premises or site, then Evoenergy may require the customer to either:

- remediate the demand to within the limit outlined in the offer (e.g., by installing a load limiting device); or
- enter into a new connection agreement for materially increased maximum capacity or demand (which may trigger an additional connection charge).

Alternatively, Evoenergy may require at times unused network capacity to relieve a forecast network constraint. Evoenergy where practicable could identify customer's whose capacity or demand has remained materially less than the provisional estimate for at least the previous two years. Evoenergy would subsequently seek to reduce the provisional estimate for maximum capacity or demand of a connection and renegotiate a new connection agreement ~~if:~~

- ~~the customer's capacity or demand has remained less than the provisional estimate in~~with the ~~offer~~customer. This would trigger a refund for the ~~previous two years; and~~
- ~~Evoenergy requires the unused network capacity to relieve a forecast network constraint.~~

material difference between the two connection agreements.

~~8.~~9. Dispute resolution

A dispute between a retail customer or real estate developer and Evoenergy about connection charges is an access dispute for the purposes of section 2A of the National Electricity Law, which may be referred to the AER for resolution in accordance with the Rules.

Prior to referring the matter to the AER, Evoenergy encourages customers to first attempt to resolve the dispute directly with us, in accordance with Evoenergy's Complaints and Dispute Resolution Procedure, which is available on our website.

Definitions

Term	Definition
Augmentation	Means work to enlarge the transmission or distribution system, or to increase its capacity to transmit or distribute electricity.
Basic Connection Service	Means a connection service related to a connection (or a proposed connection) between a distribution system and a retail customer's premises (excluding a non-registered embedded generator's premises) in either of the following circumstances: Either: • the retail customer is typical of a significant class of retail customers who have sought, or are likely to seek, the service; or • the retail customer is, or proposes to become, a micro embedded generator, and • the provision of the service involves minimal or no augmentation of the distribution network; and • a model standing offer has been approved by the AER for providing that service as a basic connection service.
Basic Micro EG Connection Service	Means a basic connection service for a retail customer who is a micro embedded generator.
Brownfield	Means the connection of a load on a block which is electrically serviced, but a new service has to be provided due to redevelopment or change in load. Also referred to as an already serviced block new connection.
Connection	Is a physical link between a distribution system and a customer's premises to allow the flow of electricity.
Connection alteration	Is an alteration to an existing connection including an addition, upgrade, extension, expansion, augmentation or any other kind of alteration.
Connection applicant	Means an applicant for a connection service of 1 of the following categories: • retail customer; • retailer or other person acting on behalf of a retail customer; and • real estate developer.
Connection contract	Means a contract formed by the making and acceptance of a Connection Offer.
Connection offer	Means an offer by Evoenergy to enter into a connection contract with: • a retail customer; or • a real estate developer.

Term	Definition
Connection policy	Means a document, approved as a connection policy by the AER under Chapter 6, Part E of the Rules setting out the circumstances in which connection charges are payable and the basis for determining the amount of such charges.
Connection service	Means either or both of the following: • a service relating to a new connection for premises; and • a service relating to a connection alteration for premises.
Distribution network	Is a network which is not a transmission network.
Distribution system	Is a distribution network, together with the connection assets, associated with the distribution network, which is connected to another transmission or distribution system. Connection assets on their own do does not constitute a distribution system.
Greenfield	Refers to a connection of a load on a block which was not previously electrically serviced. Also referred to as an *unserviced block new connection*.
Embedded generator	A Generator who owns, operates or controls an embedded generating unit.
Embedded generating unit	A generating unit connected within a distribution system and not having direct access to the transmission network.
Extension	Means an augmentation that requires the connection of a power line or facility outside the present boundaries of the network owned, controlled or operated by Evoenergy.
HV customer connection	A High Voltage (HV) Customer owned connection point is where the nominal voltage is above 1 kV.
Intending Participant	A person who is registered by *AEMO* as an *Intending Participant* under Chapter 2 of the Rules.
Linkage points	Mean points which define different parts of the electrical network. For example, an extension relates to assets between a linkage point to the existing network on the upstream side and a linkage point to premises connection assets on the downstream side. The premises connection assets are normally linked to customer installation on the downstream side.
Micro embedded generation connection	A connection between an embedded generating unit and a distribution network of the kind contemplated by Australian Standard AS4777 (Grid connection of energy systems via inverters).
Micro embedded generator	A customer who operates, or proposes to operate, an embedded generating unit for which a micro embedded generation connection is appropriate.

Term	Definition
Model Standing Offer	Means a document approved by the AER as a model standing offer to provide basic connection services (see clause 5A.B.3 of the Rules) or as a model standing offer to provide standard connection services (see clause 5A.B.5 of the Rules).
New connection	Means a connection established or to be established, in accordance with Chapter 5A of the Rules and applicable energy laws, where there is no existing connection.
Non-registered embedded generator	Is an *embedded generating unit operator* that is neither a *micro embedded generator nor a Registered Participant* (typically >5MW Embedded generation connection).
Peak Coincident Demand	A connection service's electricity peak coincident demand at times when the network is also experiencing its maximum demand or relevant segment is experiencing its maximum demand.
Peak Maximum Demand	A connection service's electricity peak maximum demand refers to the demand at any time of the day when the customer's electricity consumption is at its highest.
Premises connection assets	Means the components of a distribution system used to provide connection services.
Relevant distribution determination	Means, for this version of the connection policy, the AER's determination for Evoenergy for the subsequent regulatory period 1 July 2024 to 30 June 2029.
Real estate developer	Means a person who carries out a *real estate development*.
Real estate development	Means the commercial development of land including its development in 1 or more of the following ways: • subdivision; • the construction of commercial or industrial premises (or both); • the construction of multiple new residential premises.
Regulated Stand-Alone Power System	A stand-alone power system: (e) implemented as a project undertaken by a Distribution Network Service Provider to address system limitations and that involves the planning, development, construction and commissioning of a stand-alone power system~~.~~; or (f) of a Distribution Network Service Provider, designated by a law of a participating jurisdiction, as a part of the national electricity system.
Retail customer	A person who is one or more of the following: • a small customer; • a large customer; • a micro embedded generator; or • a non registered embedded generator, other than a non-registered embedded generator who has made an election under clause 5.A.A.2(c) for connection under chapter 5 of the Rules.

Term	Definition
	For the purposes of chapter 5A and clause 6.7A.1 of the Rules, retail customer includes in relation to regulated SAPS, a Registered Participant or Intending Participant.
Reticulation assets	Means electrical assets normally consisting of cables, substations and pillars/pits located between the upstream linkage point to the network and downstream linkage point to which customer connection assets will be connected (normally at a pit or a pillar).
Static Zero Export Limit	The maximum specified capacity to supply zero export into the distribution network at all times of day and in all operating conditions. However, the National Electricity Rules definition will take precedence.
Standard connection service	Means a connection service (other than a basic connection service) for a particular class (or sub-class) of connection applicant and for which a model standing offer has been approved by the AER.
Subsequent customer	A connection applicant, other than the original customer, who connects to an extension subject to the pioneer scheme.

Abbreviations

Term	Meaning
AER	Australian Energy Regulator
CT/VT	current transformer/voltage transformer
DUOS	distribution use of system
HV	high voltage
ICRT	incremental cost-revenue-test
kW	kilowatt
kVA	kilovolt-ampere
LCTAS	least cost technically acceptable solution
LV	low voltage
MSO	model standing offer
MVA	megavolt-ampere
NER	National Electricity Rules
OH	overhead
PV	photovoltaic
Rules	National Electricity Rules
SAPS	stand-alone power system
SCADA	Supervisory Control and Data Acquisition (Refer to Embedded Generation Technical Requirements Documents for when this is required)
UG	underground

Disclaimer

While Evoenergy will periodically review this Policy to account for the impact of any future changes to legislation or regulation, Evoenergy does not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of this policy, or the information contained in it.

It is the customer's responsibility to ensure that the arrangements applicable to a specific connection are confirmed with Evoenergy at the time that an application to connect is made.

Shortened forms

Term	Definition
AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
NER	National Electricity Rules