

Essential Energy

6.01 Classification of Services

November 2023



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Changes to Classification of Services

Metering

For our January 2023 Proposal, we followed the AER's F&A and included Type 5 to 6 metering installations and legacy meters as alternative control services, which also reflected their classification in the 2019–24 regulatory period. We were aware that there could be potential impacts from the AEMC's metering review, however, at the point of submitting our Proposal this process was still underway and it was unclear what any change in policy direction would mean for the classification of our metering services.

The AEMC released its final report on its review of metering services in August 2023. The recommendations included confirming a target of 100 per cent replacement of Type 5 & 6 DNSP owned meters, with smart meters by 2030.

In the AER's Draft Decision it determined that all legacy metering costs (capex and opex) will be shared across those customers who either have or who have ever had a legacy meter. This means that as the number of legacy meter customers reduce, the ongoing costs will not only be spread across a diminishing customer base. Also in the Draft Decision, was a move to accelerate the depreciation of the legacy meter asset base by 2029. This will lead to a shorter period of higher costs and will broadly align with the timing of the smart meter acceleration period.



The AER noted that it was likely more appropriate to reclassify legacy metering as a standard control service from 2024–29, to better absorb likely increases in costs from accelerated depreciation, but also due to the acceleration of the smart meter roll-out. DNSP costs from planning and coordinating the roll-out, plus some site remediation will also need to be recovered and will further increase prices for legacy metering customers. If the burden was shared with more customers via a standard control classification, this would reduce the customer price impact over this changeover period. It also allows for DNSPs to plan the smart meter rollout in the most cost effective and efficient manner, passing savings back to customers in the form of lower prices as legacy meters are replaced. Essential Energy engaged with its customers on this topic (Essential People's Panel and the SCC) and there was strong support. It was seen as fairer and it reflects that the benefits of smart meters will lead to broader societal benefits and lower network charges for all customers.

Other Metering Services

During the smart meter rollout, a number of legacy metering services will still be the subject of specific requests by customers or third parties. These include the replacement of shared fuses, additional changes the distributor load control relay channel and works to reseal a meter. As these works are not related to meter replacement, are customer-initiated and financially attributable to the requesting party, it is appropriate that they continue to be classified as Alternative control. Moreover, as the AEMC recommends, jurisdictional measures such as financial incentives and mandated site remediation by Essential Energy may be necessary for the accelerated deployment of smart meters. We urge the AER to consider these potential jurisdictional impacts when issuing its final determination, even if assessing these measures falls outside its immediate purview. In the event that the jurisdiction does not intervene in a timely manner, the AER could also consider a change to the existing unregulated distribution service of 'Contestable metering support roles' to include metering installer and site remediator. We acknowledge the existing support roles listed in this service are defined by the NER, while no such role of site remediator exists. As a result, we further suggest the AER change the name of the service grouping to "Contestable metering support services".

For market clarity and alignment with the AEMC's recommendations, we suggest the AER issue a class waiver allowing Essential Energy participation in these additional activities. This waiver would specify conditions under which Essential Energy could engage, enabling timely service delivery while minimising market risks. We further

recommend classifying site remediation services as direct control services if jurisdictional obligations demand Essential Energy involvement, ensuring a framework for cost recovery.

Leasing space for EV charging



In previous rounds of engagement, Essential Energy identified emerging customer needs like EV charging infrastructure. Since then, the EV market has grown substantially. Essential Energy has partnered with independent operators to install a small number of EV chargers on its assets.

The current model for hosting EV chargers fits under 'distribution asset leasing,' where space is leased for a fee. Any non-regulated revenue follows the shared asset guideline. Because of this, Essential Energy hasn't needed exemptions, as these chargers were mostly trial installations. However, with rising demand for EVs and various charging models, we think it's necessary to clarify Essential Energy's role in hosting EV charging. This could be done by simply adding 'EV chargers' to examples under distribution asset leasing. This would provide needed clarity for stakeholders.

It should be noted that we do not see this as a change to the service classification per se, but a confirmation that EV chargers on poles is no different to the leasing of pole space to telecommunications equipment.

Essential system services

The urgency for the Australian Energy Market Operator (AEMO) to have reliable access to essential system services, is escalating so they can maintain a stable electrical supply. Without adequate levels of these services, the likelihood of system failures increases, resulting in the need for high-cost emergency interventions by AEMO. These interventions not only disrupt the electricity supply but also impose additional costs that are ultimately borne by the end-users, elevating the importance of stable and adequate system services. Distributors can currently be directed by AEMO to provide certain support services. AEMO is also creating contestable markets for other services which provide support for the system.

When these services are supplied by Essential Energy, they are connected to the distribution system and are, thus, distribution services by definition. Clarifying that these services fall under the umbrella of distribution services offers a significant layer of certainty. It means that distributors can be formally requested to offer these services in a contestable market setting, treating them as unregulated distribution services when necessary. In its F&A, the AER indicated that it would consider providing clarity concerning service classification as a material change in circumstances.¹ Since then, the AER has granted distributors a class waiver to provide Reliability and Emergency Reserve Trader (RERT) services to AEMO. We consider the acknowledgment² for the urgent need for these services, a material change of circumstances that warrants the AER providing further clarity through service classification. This clarity is pivotal for both the network providers and the regulatory bodies involved, ensuring a more stable and economically efficient electrical grid.

Furthermore, the AER's 2022 decision to grant a class waiver to supply some of these services, indicates a growing awareness of the benefits of networks being able to supply these services at low cost which benefits all customers.

¹ AER, Final Framework and approach Ausgrid, Endeavour Energy and Essential Energy (NSW), July 2022, pp. 1, 22-23 [Link](#)

² AER, Decision Distribution Ring Fencing Class Waiver for RERT via Voltage Management, December 2022, Section 3.7, p 16 [Link](#).

Leasing excess battery capacity

In its F&A, the AER decided against providing stakeholders with clarity regarding the classification of the leasing of excess battery capacity to market participants.³ We suggest that the market would be better served if the AER was to provide clarity that the leasing of excess network-owned battery capacity to third parties is a distribution service which is not classified, on the basis that:

- the leasing of excess capacity of network-owned batteries is a distribution service
- the AER has a responsibility and obligation to stakeholders to provide clarity regarding the regulatory treatment of distribution services
- a material change in circumstances since the final F&A triggers the need for a change in classification approach
- listing it as a distribution service, which is not classified, is consistent with the treatment of similar services; and
- listing the activity as part of distribution asset rental allows for unregulated revenues from this service to be shared with customers.

The leasing of excess capacity of network-owned batteries is a distribution service

When networks lease excess capacity of network-owned batteries, the service is “provided by means of or in connection with a distribution system”.⁴ Therefore, it is a distribution service. Unlike privately-owned batteries, which can both charge and discharge without connection to the distribution system, distribution batteries can do neither. Without access to the conveyance of electricity through the distribution system, network batteries are stranded.

AER has a responsibility and obligation to stakeholders to provide clarity regarding the regulatory treatment of distribution services

In the landmark decision of *Ergon Energy Corporation Ltd v Australian Energy Regulator* [2012], Judge Logan J dismissed Ergon Energy’s claim that street lighting was not a distribution service and upheld the AER’s responsibility under the NER to make service classification determinations. Having vigorously defended its right to make decisions on service classification, for services provided by means of or in connection with a distribution system, it is inconsistent for the AER to now use its “discretion”⁵ to preserve ambiguity surrounding the classification of network battery leasing services.

In its final F&A, the AER argued that it “*does not have an explicit role in recognising services as “unregulated” or “unclassified”*”.⁶ However, this view is contrary to clause 6.4.4 of the NER which indicates that where a distribution asset is used to provide standard control services, and it can also provide services which are not classified or not distribution services, then the asset is defined as a shared asset. Put simply, the NER outlines that is the AER’s role to distinguish between assets that can provide unregulated services and how the revenue generated from these services are shared with customers. Service classification is key to that definition. As a result, Essential Energy submits that the AER, not only has responsibility, but an obligation to provide clarification with respect to service classification, of services provided by network batteries to ensure the consistent treatment of distribution services that fall under the definition of shared assets.⁷

A material change in circumstances

Since the F&A was published⁸, there has been a material change in circumstances triggered by the AER’s decision to grant a class waiver to allow distributors to actively participate in the Federal Government’s Community Battery

³ AER, Final Framework and approach Ausgrid, Endeavour Energy and Essential Energy (NSW), July 2022, p.19.

⁴ NER Chapter 10 Glossary, p.1247

⁵ AER, Final Framework and approach Ausgrid, Endeavour Energy and Essential Energy (NSW), July 2022, p.19.

⁶ AER, Final Framework and approach Ausgrid, Endeavour Energy and Essential Energy (NSW), July 2022, p.19.

⁷ See NER cl 6.4.4, 6.1.1 & cl. 6.2.1(c)(3)

⁸ AER, Final Framework and approach Ausgrid, Endeavour Energy and Essential Energy (NSW), July 2022

program⁹. Neither the community battery program nor the waiver to allow distributors to participate, were contemplated at the time of the F&A. This class waiver is in addition to the several individual waivers which have also been processed under clause 5.2 streamlined waiver process of the ringfencing guidelines¹⁰.

Further to this, is the NSW Government's Cabinet-endorsed acceptance of recommendation 31 in the Electricity Supply and Reliability Check Up Report¹¹, aiming to establish targets for distributed batteries, which will require participation from Essential Energy in our capacity as a State-Owned Corporation. Further, the *Electricity Supply Act 1995* (NSW) already allows for regulations to be made for the construction and use of community-scale batteries where DNSPs can own and operate these assets.¹² Regulations, as part of the NSW Government's implementation of the Electricity Supply and Reliability Check Up Report recommendations, may also trigger a material change in circumstances relating to the provision of this service.

Consistent with the treatment of similar services

In Version 1 of the Ring-Fencing Guideline, the AER stated that it would “classify new services that make available standard control assets to provide other services as unregulated distribution services”.¹³ The listing of leasing of excess battery capacity as an activity under distribution asset rental, an unregulated distribution service, is important because it provides clarity to stakeholders that the revenues generated from providing these services are subject to revenue sharing with customers under the shared asset guideline. Listing the service as part of distribution asset rental is a technology neutral approach that provides for consistency of the regulatory treatment of other assets that form part of this service.

Revenue sharing

Under a revenue cap control mechanism, the equitable sharing of unregulated revenues – generated from shared assets – directly benefits the customers who fund them by offsetting the allowed revenue requirement. This places downward pressure on the prices customers pay. We note that the AER has announced that the current Shared Asset Guideline is due for review in 2023-24¹⁴. We look forward to participating in this review to ensure that the Shared Asset Guideline produces real results by encouraging networks to use network assets to provide other kinds of services,¹⁵ with fairer return of revenues generated back to customers. We consider that equitable revenue sharing arrangements, combined with adequate safeguards to ensure against over investment in network assets, will mitigate against the potential harms the Ring-fencing Guideline is seeking to address.

Confirmation of network battery leasing as part of distribution asset rental will align with AER's treatment of other unregulated distribution services and enable network customers to benefit from non-regulated revenues through revenue-sharing frameworks under the Shared Asset Guideline.

Standardised network data

In the AER's Final F&A, the 'Customer requested provision of electricity network data' was classified as an alternative control service, primarily due to the costs networks incur in data collection and provisioning, which are directly attributable to the requesting party. However, the landscape is evolving with new reforms targeting greater network visibility via data sharing. As these data-sharing frameworks expand and become more refined, Essential Energy is likely to see an increase in obligations and broader demand for electricity usage data – from customers or third parties acting on their behalf.

Crucially, where Essential Energy receives data, such as from smart meters, at no additional cost and creates standardised data sets, we believe that this data should be made available to customers and stakeholders free of charge. To facilitate this, it is imperative that the AER to explicitly acknowledge the provision of such frequently

⁹ [AER Decision, Distribution Ring fencing class waiver for batteries funded under the community batteries for household solar programme – February 2023](#)

¹⁰ For instance, over the past 12 months Essential Energy has been granted two separate streamlined waivers for the Sovereign Hills Battery Project, [Link](#) and the 35 pole mounted batteries [Link](#).

¹¹ NSW Office of Energy and Climate Change, Electricity Supply and Reliability Check Up – NSW Government response, September 2023

¹² *Electricity Supply Act 1995* (NSW), s192A

¹³ AER, Ring-fencing Electricity Distribution Guideline (Version 1) – Explanatory Statement, November 2016, p 15.

¹⁴ AER, Distribution ring-fencing class waiver for DNSP-led projects funded under the Australian Government's Community Batteries for Household Solar Program, February 2023, p.14.

¹⁵ NER cl. 6.4.4(c)(1)

requested, standardised data sets, and/or data aligned with rule-based obligations, as part of the common distribution service in their service classification list. This step would directly benefit customers and stakeholders by providing them with accessible, cost-free data while fulfilling the network's expanding obligations

Non-standardised network data

As Essential Energy experiences a growing diversity in both the stakeholders requesting data and the types of data requested — ranging from asset details to network analytics — the costs for providing such 'non-standard' data are directly attributable to the requester, warranting an alternative control classification. To refine this, it's necessary to clarify that the existing 'customer requested provision of electricity network data' specifically pertains to non-standard, customer-initiated data requests that go beyond our rule-based obligations and standardised data sets. This should also account for instances where additional data advisory services, such as data interpretation are needed, enabling cost recovery from the initiating customer.

Updated Classification of Services Table

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Common distribution services —use of the distribution network for the conveyance/flow of electricity (including services relating to network integrity)			
Common distribution services	<p>The suite of activities that includes, but is not limited, to the following:</p> <ul style="list-style-type: none"> the planning, design, repair, maintenance, construction and operation of the distribution network the relocation of assets that form part of the distribution network, but not relocations requested by a third party (including a customer) works to fix damage to the network²³² and recoverable works to fix damage caused by a customer or third party support for another network during an emergency event procurement and provision of network demand management activities for distribution purposes provision of frequently requested, standardised data sets and/or data that is provided in accordance with obligations under the Rules. activities related to 'shared asset facilitation' of distributor assets²³³ training internal staff, accredited service providers (ASPs) and contractors undertaking direct control services rectification of simple customer fault relating to a life support customer or other critical health and safety issues the distributor is able to address 	Standard control	Standard control

²³¹ The examples and activities listed in the 'Further description' column are not intended to be an exhaustive list and some distributors may not offer all activities listed. Rather the examples provide a sufficient indication of the types of activities captured by the service.

²³² May include the provision of temporary stand-alone power systems to restore supply.

²³³ Revenue for these services is charged to the relevant third party and is treated in accordance with the shared asset guideline. 'Shared asset facilitation' refers to administrative costs of providing the unregulated service.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> • rectification of simple customer faults where: <ol style="list-style-type: none"> 1) the need for rectification work is discovered in the course of the provision of distribution services 2) the work performed is the minimum required to restore safe supply 3) the work can be performed in less than thirty minutes and does not normally require a second visit • ongoing inspection of private electrical works (not part of the shared network) required under legislation for safety reasons • bulk supply point metering – activities relating to monitoring the flow of electricity through the distribution network • work related to a regulated stand-alone power system (SAPS) deployment, operation and maintenance (including fault and emergency repairs)²³⁴, and customer conversion activities. 		
Network ancillary services—customer and third party initiated services related to the common distribution service			
Design related services	Activities include: <ul style="list-style-type: none"> • provision of design information, design consultation, design rechecking services in relation to connection and relocation works provided contestably • work of an administrative nature relating to work performed by Level 1 and Level 3 ASPs, including processing work • the provision of engineering consulting (related to the shared distribution network). 	Alternative control	Alternative control
Contestable network commissioning and decommissioning	The commissioning and decommissioning of network equipment associated with ASP Level 1 contestable works. Includes equipment checks, tests and activities associated with setting or resetting network protection systems and the updating of engineering systems.	Alternative control	Alternative control

²³⁴ Includes simple customer fault rectification on generation service of regulated SAPS.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Access permits, oversight and facilitation	<p>Activities include:</p> <ul style="list-style-type: none"> • a distributor issuing access permits or clearances to work to a person authorised to work on or near distribution systems including high and low voltage. • a distributor issuing confined space entry permits and associated safe entry equipment to a person authorised to enter a confined space. • a distributor providing access to switch rooms, substations and the like to a non-Local Network Service Party who is accompanied and supervised by a distributor's staff member. May also include a distributor providing safe entry equipment (fall-arrest) to enter difficult access areas. • specialist services (which may involve design related activities and oversight/inspections of works) where the design or construction is non-standard, technically complex or environmentally sensitive and any enquiries related to distributor assets. • facilitation of generator connection and operation of the network. • facilitation of activities within clearances of distributor's assets, including physical and electrical isolation of assets. 	Alternative control	Alternative control
Notices of arrangement and completion notices	<ul style="list-style-type: none"> • Work of an administrative nature where a local council requires evidence in writing from the distributor that all necessary arrangements have been made to supply electricity to a development. This includes but not limited to: receiving and checking subdivision plans and 88 B instruments, copying subdivision plans, checking and recording easement details, site visits, assessing supply availability, liaising with developers if errors or changes are required and preparing notifications of arrangement. • Provision of a completion notice (other than a notice of arrangement). This applies where the distributor is requested to provide documentation confirming progress of work. Usually associated with discharging contractual arrangements (e.g. progress payments) to meet contractual undertakings. 	Alternative control	Alternative control

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Network related property services	<p>Activities include:</p> <ul style="list-style-type: none"> • Network related property tenure services such as property tenure services related to providing advice on or obtaining: deeds of agreement, deeds of indemnity, leases, easements or other property tenure in relation to property rights associated with connection or relocation. • Conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer. 	Alternative control	Alternative control
Site establishment services	<p>Activities include, but not limited to:</p> <ul style="list-style-type: none"> • Site establishment, including liaising with the Australian Energy Market Operator (AEMO) or market participants for the purpose of establishing national metering identifiers (NMIs) in market systems, for new premises or for any existing premises for which AEMO requires a new NMI and for validation of and updating network load data. This includes processing and assessing requests for a permanently unmetered supply device. • Site alteration, updating and maintaining NMI and associated data in market systems. • NMI extinction, processing a request by the customer or their agent for permanent disconnection and the extinction of a NMI in market systems. • Confirming or correcting metering or network billing information in market business to business or network billing systems, due to insufficient or incorrect information received from retailers or metering providers. 	Alternative control	Alternative control
Network safety services	<p>Examples include:</p> <ul style="list-style-type: none"> • provision of traffic control services by the distributor or third party where required • fitting of tiger tails, and aerial markers • high load escort • third party request for de-energising wires for safe approach 	Alternative control	Alternative control

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> customer requested network inspection undertaken to determine the cause of a customer outage where there may be a safety and or reliability impact on the network or related component and associated works to rectify a customer caused impact on the network.²³⁵ 		
Rectification works to maintain network safety ²³⁶	<p>Issues identified by the distributor, and work involved managing and resolving (including but not limited to):</p> <ul style="list-style-type: none"> pre-summer bush fire inspections customer vegetation, or aerial mains defects. 	Alternative control	Alternative control
Services provided in relation to a Retailer of Last Resort (ROLR) event	<p>The distributor may be required to perform a number of services when a ROLR event occurs. For example:</p> <ul style="list-style-type: none"> Preparing lists of affected sites and reconciling data with AEMO listings, arranging estimate reads for the date of the ROLR event, preparing final invoices and miscellaneous charges for affected customers, extracting customer data, providing it to the ROLR and handling subsequent enquiries. 	Alternative control	Alternative control
Customer requested network outage or rescheduling of a planned interruption	<p>Examples include:</p> <ul style="list-style-type: none"> customer initiated network outage (e.g. to allow customer and/or contractor to perform maintenance on the customers assets, work close or for safe approach) where the customer requests to move a distributor planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours. 	Alternative control	Alternative control
Attendance at customers' premises to perform a statutory right where access is prevented.	<p>A follow up attendance at a customer's premises to perform a statutory right where access was prevented or declined by the customer on the initial visit. This includes the costs of arranging, and the provision of, a security escort or police escort (where the cost is passed through to the distributor).</p>	Alternative control	Alternative control

²³⁵ An ACS charge is not applicable where it is determined the customer outage was caused by a fault on the network.

²³⁶ Allows the distributor to conduct rectification works where the customer has failed to do so.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Provision of training to third parties for network related access	<p>Training services provided to third parties that result in a set of learning outcomes that are required to obtain a distribution network access authorisation specific to a distributor’s network. Such learning outcomes may include those necessary to demonstrate competency in the distributor’s electrical safety rules, to hold an access authority on the distributor’s network and to carry out switching on the distributor’s network.</p> <p>Examples of training might include high voltage training, protection training or working near power lines training.</p>	Alternative control	Alternative control
Security lights	<p>Provision, installation, operation, and maintenance of equipment mounted on distribution equipment used for security services, e.g. nightwatchman lights.</p> <p>Note: excludes connection services.</p>	Alternative control	Alternative control
Authorisation of ASPs	Includes annual authorisation of individual employees and sub-contractors of ASPs and additional authorisations at request of ASP and other administrative services performed by the distributor relating to work performed by an ASP.	Alternative control	Alternative control
Authorisation and approval of third party service providers’ design, work and materials	<p>Activities include:</p> <ul style="list-style-type: none"> • authorisation or re-authorisation of individual employees and subcontractors of third party service providers and additional authorisations at the request of the third party service providers (excludes training services) • acceptance of third party designs and works • assessing an application from a third party to consider approval of alternative material and equipment items that are not specified in the distributor’s approved materials list. 	N/A	Alternative control
Customer initiated or triggered network asset relocations/rearrangements	Relocation of assets that form part of the distribution network in circumstances where the relocation was initiated by a third party (including a customer) or triggered by a customer’s non-compliance with network safety or security standards (such as network encroachments).	Alternative control	Alternative control
Sale of approved materials or equipment	Includes the sale of approved materials/equipment to third parties for connection assets that are gifted back to the DNSP to become part of the shared distribution network.	N/A	Alternative control

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Customer requested provision of electricity network data	<p>Activities include:</p> <ul style="list-style-type: none"> Data requests by customers or third parties including requests for the provision of electricity network data or consumption data outside of legislative obligations beyond standardised data sets or obligations under the Rules. Additional services related to network data requests including provision of advice and interpretation 	Alternative Control	Alternative Control
Third party funded network alterations or other improvements	Alterations or other improvements to the shared distribution network to enable third party infrastructure (e.g. NBN Co telecommunications assets) to be installed on the shared distribution network. This does not relate to upstream distribution network augmentation.	N/A	Alternative control
Inspection and auditing services	<p>Activities include:</p> <ul style="list-style-type: none"> inspection and reinspection by a distributor, of gifted assets or assets that have been installed or relocated by a third party investigation, review and implementation of remedial actions that may lead to corrective and disciplinary action of a third-party service provider due to unsafe practices or substandard workmanship customer or third-party requested inspection of privately owned low voltage or high voltage network infrastructure (i.e. privately owned distribution infrastructure before the meter) auditing and inspection of a third-party service provider's work practices in the field re-test at a customer's installation, where the installation fails the initial test and cannot be connected. 	Alternative Control	Alternative control
Metering services – activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters)			
Type 1 to 4 metering services	Type 1 to 4 customer metering installations and supporting services are competitively available.	Not classified	Not classified

Type 7 metering services	Administration and management of type 7 metering installations in accordance with the NER and jurisdictional requirements. Includes the processing and delivery of calculated metering data for unmetered loads, and the population and maintenance of load tables, inventory tables and on/off tables.	Standard control	Standard control
Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Other m Metering services for Type 5 to 6 metering installations and legacy meters	<p>Activities include:</p> <ul style="list-style-type: none"> recovery of the capital cost of type 5 and 6 metering equipment installed prior to 1 December 2017 meter maintenance covers works to inspect, test, alter, maintain and repair meter reading refers to quarterly or other regular reading of metering installations including field visits and remotely read meters works to re-seal a type 5 or 6 meter due to customer or third party action (e.g. by having electrical work done on site) change distributor load control relay channel on request that is not a part of the initial load control installation, nor part of standard asset maintenance or replacement the processing and delivery of metering data for type 5 and 6 metering installations. activities related to legacy meter remediation or acceleration of advanced meter roll-out deemed the responsibility of the distributor 	Alternative control	Alternative control (AGD) Standard Control (ESS/End)
Other metering services for Type 5 to 6 metering installations and legacy meters	<p>Activities include:</p> <ul style="list-style-type: none"> works to re-seal a type 5 or 6 meter due to customer or third party action (e.g. by having electrical work done on site) change distributor load control relay channel on request that is not a part of the initial load control installation, nor part of standard asset maintenance or replacement services related to legacy meter replacement, such as shared fuses and outages 	Alternative Control	Alternative Control

Advanced metering acceleration services	Subject to AER confirmation of new obligations, activities requested by state policies or under the National Electricity Rules to carry out work to accelerate the advanced metering roll out	Not previously classified	ACS/SCS (classification dependent upon obligations imposed)
Special meter reading and testing (legacy meters)	Special meter reading and testing services include: <ul style="list-style-type: none"> special meter reading for type 5 and 6 meters including move in and move out meter reading (type 5 and 6 meters) type 5 meter final read on removed type 5 metering equipment special meter test (for type 5 and 6 meters). 	Alternative control	Alternative control
Emergency maintenance metering equipment not owned by the distributor (contestable meters)	Customer or third party request to restore power to customer's premises due to metering equipment not owned by the distributor.	Alternative control	Alternative control
Meter recovery and disposal – type 5 and 6 (legacy meters)	Activities include the removal and disposal of a type 5 or 6 metering installation at the request of the customer or their agent, where a permanent disconnection has been requested where it has not been removed and disposed of by the incoming metering provider.	Alternative control	Alternative control
Distributor arranged outage for purposes of replacing meter	At the request of a retailer or metering coordinator provide notification to affected customers and facilitate the	Alternative control	Alternative control
Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
	disconnection/reconnection of customer metering installations where a retailer planned interruption cannot be conducted.		
Connection services—services relating to the electrical or physical connection of a customer to the network²³⁷			

Basic connection services	<p>Means a <i>connection service</i>²³⁸ related to a <i>connection</i> (or a proposed <i>connection</i>) between a <i>distribution system</i> and a <i>retail customer's</i> premises (excluding a non-registered <i>embedded generator's</i> premises) in the following circumstances:</p> <p>(a) either:</p> <ol style="list-style-type: none"> 1) the retail customer is typical of a significant class of <i>retail customers</i> who have sought, or are likely to seek, the service; or 2) the <i>retail customer</i> is, or proposes to become, a <i>micro embedded generator</i>; and <p>(b) the provision of the service involves minimal or no <i>augmentation</i> of the <i>distribution network</i>; and</p> <p>(c) a <i>model standing offer</i> has been approved by the AER for providing that service as a <i>basic connection service</i>.</p>	N/A	<p>A) Not classified (customer initiated)</p> <p>B) Standard control and not classified where undertaken by customer with contribution from DNSP</p>
Standard connection services	<p>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.</p>	N/A	<p>A) Not classified (customer initiated)</p> <p>B) Alternative Control (where not contestable for safety/risk reasons)</p> <p>C) Standard Control and + not classified where undertaken by customer with contribution from DNSP</p> <p>D) Standard Control (where undertaken by DNSP)</p>

²³⁷ Applies to both NER chapter 5 and 5A connections.

²³⁸ Italics denotes definitions in Chapter 5A of the NER.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Non-basic negotiated connection ²³⁹	Means a connection service (other than a basic connection service) for which a DNSP provides a connection offer for a negotiated connection contract.	N/A	A) Not classified (customer initiated) B) Alternative Control (where not contestable for safety/risk reasons) C) Standard Control and + not classified where undertaken by customer with contribution from DNSP D) Standard Control (where undertaken by DNSP)
Connection management services ²⁴⁰	Works initiated by a customer or retailer which are specific to the connection point. This includes, but is not limited to: <ul style="list-style-type: none"> • connection application related services • connection point management services • where, a work health, safety, cyber or network security assessment determines that an ASP should not be given the required access, the termination of a cable (including communications cables such as fibre optic) at substations and switching stations along with the first joint out (where the connection is fully dedicated to the specific customer connecting). 	Alternative control	Alternative control
Enhanced connection services ²⁴¹	Other or enhanced connection services provided at the request of a customer or third party that include those that are: <ul style="list-style-type: none"> • provided with different levels of reliability or service, or quality of service (where permissible) than required by the NER or any other applicable regulatory instruments. • in excess of levels of service or plant ratings required to be provided by the distributor. 	Alternative control	Premise connections: Not classified Extension and augmentations: Alternative control

²³⁹ Applies to both NER chapter 5 and 5A connections.

²⁴⁰ Applies to both NER chapter 5 and 5A connections.

²⁴¹ Applies to both NER chapter 5 and 5A connections and includes enhancements for both consumption and export services.

Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Public lighting			
Public lighting	Includes the provision, construction, operation and maintenance of public lighting and emerging public lighting technology.	Alternative control	Alternative control
Unregulated distribution services			
Distribution asset rental	Includes: <ul style="list-style-type: none"> Rental of distribution assets to third parties (e.g. office space rental, pole and duct rental for hanging telecommunication wires, EV chargers, etc.). Leasing of excess battery capacity¹⁶ 	Not classified	Not classified
Contestable metering support roles services	Includes metering installer, site remediator, metering coordinator (except where the distributor is the initial metering coordinator), metering data provider and metering provider for meters installed or replaced after 1 December 2017.	Not classified	Not classified
Provision of training to third parties for non-network related access	Training programs provided to third parties which are not ASPs or contractors.	Not classified	Not classified
Type 5 and 6 meter data management to other electricity distributors	The provision of type 5 and 6 meter data management to other electricity distributors.	Not classified	Not classified
AEMO requested Essential system services	Contestable system support services, such as: <ul style="list-style-type: none"> Reliability and Emergency Reserve Trader (RERT), Operating Reserve, and System Restart as requested by the system operator Frequency Control Ancillary Services (FCAS) through the use of network batteries and dynamic voltage management systems (DVMS) System strength and Inertia, and Other services requested by the system operator 	Not classified	Not classified
Non-distribution services – Although this table relates to distribution services, we have included the below non-distribution services provided by Essential Energy for clarity.			
Generation assets	Non-standard control generation assets. E.g. Mullumbimby and Oaky Hydro	Non-distribution service	Non-distribution service

¹⁶ Subject to jurisdictional policy or AER endorsement

Water	Broken Hill	Non-distribution service	Non-distribution service
Service group / Activities included	Further description	Current classification 2019–24	Proposed classification 2024–29
Services provided in regional and remote locations into the contestable market, under a set of self-imposed controls – applies to Essential Energy only²⁴²			
Provider of last resort services	<p>All services allowed for under the NSW ASP Scheme including:</p> <ul style="list-style-type: none"> • Level 1 customer connection services including both overhead and underground, and including related network extensions or augmentations • Level 2 services such as disconnect and reconnect, work on underground service conductors, and work on overhead service conductors • Level 3 design services for both overhead and underground network electricity assets • Customer initiated private asset relocations • Connections negotiated under Chapter 5 or 5A of the NER • Inspection, maintenance (including fault and emergency) and testing of customer assets including HV assets (this is for standard distribution and sub-transmission type assets and excludes emerging technology assets such as PV, batteries, etc.). 	Alternative control	Alternative control

²⁴² Provider of last resort services, provided under a set of controls to ensure that the provision of contestable services does not impinge on existing competition. See AER, Essential Energy Draft Decision 2019-24, Attachment 12, Classification of services – November 2018. pp. 12-15.