

Appendix A – Other Services in the Isolated Systems

On 22 August 2024, the AER granted Ergon Energy a ring-fencing waiver enabling it to provide generation services in Queensland's Isolated Networks using renewable energy assets behind participating customers' meters. This was driven by Ergon Energy's efforts to provide more sustainable energy solutions in place of existing centralised diesel generation, and various constraints that can make new centralised renewable energy solutions not feasible in certain locations. The waiver will expire on 30 June 2030, unless varied or revoked sooner.¹

The ring-fencing waiver for providing behind the meter generation services in the Isolated Networks, although complementary, is distinct to this application to renew the existing ring-fencing waiver enabling Ergon Energy to provide other services in the Isolated Systems. This is because the later enables Ergon Energy to provide centralised generation for each Isolated System, with those centralised generators each having their own connections to the Isolated Network separate to the connections of customers in that community. Ergon Energy owns these assets and has done so for decades. Therefore, behind-the-meter generation services are outside the scope of this latest waiver application's consideration.

Furthermore, the AER granted the behind-the-meter generation services waiver in 2024 on the conditions that Ergon Energy:

- i. For the duration of this waiver, publish, maintain, and update (where necessary in order to keep the report current), a publicly-available report on the Ergon Energy website detailing the available capacity in each isolated network for hosting solar PV installations, including the available hosting capacity (expressed in kVA) and the available dynamic solar capacity (expressed in kVA).
- ii. Provide the AER with a report, in July 2026 and again in July 2028, detailing the steps undertaken by Ergon Energy (including, for the July 2026 report, steps taken before the grant of this waiver) to investigate whether other unaffiliated third parties have the capacity to supply, install, operate or maintain behind-the-meter assets in the communities served by the isolated networks. Such steps could include, but are not limited to, formal calls for expressions of interest or tenders, direct engagement with community groups in the communities served by the isolated networks and/or with local government bodies, and other market testing activities.

Ergon Energy is committed to meeting the conditions of that waiver. Pre-empting the first condition, Ergon Energy had already started providing online information on the amounts of remaining unmanaged solar PV hosting capacity (in kilovolt amperes (KVA)) and the availability of dynamic solar PV connections (related to timeframes and kVA) for each Isolated Network.²

To meet the second condition, Ergon Energy will provide the AER with reports in July 2026 and July 2028 detailing the steps undertaken to investigate whether other unaffiliated third parties are able to supply, install, operate and maintain behind-the-meter assets in the Isolated Networks' communities. Ergon Energy re-iterates that there are various models it could implement to deploy behind the meter generation in the Isolated networks, but this will be subject to discussions with and a final decision by Queensland Government.³

¹ [AER - Decision - Ergon Energy- Ring-fencing - Behind the meter services - August 2024.pdf](#).

² [Isolated networks solar capacity | Ergon Energy](#).

³ [EECL - cover letter and waiver application - behind the meter in isolated networks.pdf](#), page 6.