31 January 2023

Attachment 3.6b: Draft Plan submissions received

Ausgrid's 2024-29 Regulatory Proposal

Empowering communities for a resilient, affordable and net-zero future.

Ausgrid

Table 1.1 Summary of submissions received on the Draft Plan for 2024-2029, Metering Services, Ancillary Network Services and public Lighting Services

	Stakeholder	Paper submission relevant to:	Resilience	Net zero	Affordability	Customer service
1.	City of Sydney	Draft Plan, Resilience Paper, Pricing – export tariffs	Support aerial bundled cables (ABCs) for combatting urban heat through larger tree canopy coverage	NA	Support co-funding for ABCs will mitigate bill impacts	NA
2.	Committee for Sydney	Resilience Paper	Looking forward to engaging on how the selection of a portfolio of community solutions could be community-led	NA	NA	NA
3.	Inner West Council	Draft Plan, Resilience and Pricing – export tariffs	Supports increased investments in network resilience	Supports increased investments in the transition to net zero by 2050. Interested in collaborating on future community battery, microgrid or stand-alone power systems projects or EV infrastructure rollout.	NA	NA

4.	National Electrical and Communications Assoc.	Draft Plan	True and comprehensive consultation required Opportunity to partner with contractor associations to help deliver during major events	Market can deliver community batteries and ASPs should be trained to do so	Costs should be cost-reflective and assist less fortunate customers	Greater focus on customer service needed, time taken to organise outages and tiger tailing is unacceptable Welcomes CSIS scheme that monitors 'service delivery performance'
5.	Northern Beaches Council	Draft Plan, Resilience and Pricing Paper – export tariffs	'Strongly supports the focus on resilience and disaster risk reduction' Needs to occur alongside local government	Adopting new and emerging technologies play a significant role in our communities 'transition to net zero…. look forward to working together on future opportunities' on top of community batteries and JOLT	Supports approach to facilitate an equitable and affordable net zero transition and approach to resilience investment	Broadly supportive of the solutions and services outlined in 'making investments that meet different customer needs'
6.	NSROC	Draft Plan, Resilience and Pricing Papers	Supports resilience initiatives. They need to be multi-faceted covering increased resilience to adverse climatic events, prompt disaster/emergency response and securing Ausgrid's information systems especially from cyber-attacks etc.	Endorses the critical role that Ausgrid will play in achieving a Net Zero future.	Support 'building on cost reductions implemented since 2015' Encourages ensuring opex reductions are 'shared equitable with consumers in a transparent manner'	NA
7.	Resilience NSW	Resilience Paper	Welcomes $310m investment in disaster risk	NA	NA	NA

			reduction and community resilience initiatives. Wants to collaborate and input on the initiatives			
8.	Shell Energy	Draft Plan and Pricing	NA	Supports large-scale batteries being connected to the distribution network	'Consumers will benefit from more cost effective, safe and secure… network… [by including] large scale batteries'	NA
9.	SSROC (common theme of wanting to collaborate more)	Draft Plan + Resilience Paper	Supports up to 5 community resilience vans Cyber resilience spends are 'extremely high priority'	'Strongly supports Ausgrid's actively contributing to a net zero future by preparing the grid for a range of technologies…' Support community batteries as a service to the community (e.g. tenants/non-DER customers)	Need to find reasonable balance between target outcomes, financial viability and customer input	CSIS 'would in principle help encourage improvements to customer services' Revenue at risk seems small Would like more info on targets and scores to be able to comment further
10.	City for Newcastle	Draft Plan, Resilience and Pricing	Agree that tackling climate change and facilitating net zero support the goal of achieving longer term affordability Does not support ABCs approach	Agree that tackling climate change and facilitating net zero support the goal of achieving longer term affordability	To fairly share the benefits of productivity gains with customers, Ausgrid must consider factors such as integrated growth and investment strategy that shifts focus away from large/isolated power supply facilities, better volume output measures and increased programs that facilitate an	Supports increased focus on CALD communities

					affordable energy transition.	
11.	Sydney Water	Draft Plan and Resilience	Continued collaboration to tackle shared events / issues	Critical to invest for the long term	NA	NA
12.	Willoughby Council	Draft Plan, pricing – export tariffs	Initiatives to build resilience in response to climate change and cyber security threats is strongly supported	Transitioning to more sustainable energy sources affordably and moving toward net zero by 2050 is strongly supported. Investment in Distributed Energy Resources (DER) is considered a priority, which would complement a balanced approach to strengthening existing power lines.	Need to collectively ensure that particular attention is given to the needs of the vulnerable and appropriate measures are taken to ensure an equitable and affordable transition is achieved for the most vulnerable members of our community.	Supports Improving customer experience; supporting CALD communities.
13.	Addelec (Accredited service provider (ASP))	Ancillary Network Services (ANS)	Noted we have the appropriate mix of fixed/quoted fees. Wants certification of designs (new connections) to be made contestable	Refer feedback to NSW Office of Energy & Climate Change. Ausgrid's position is that design certification needs to remain regulated to ensure safety and reliability of the network.	NA	Addelec (Accredited service provider (ASP))
14.	AGL (Retailer)	ANS	Seeking clarification of descriptions of a number of ANS.	Provided detailed definitions for a number of ANS		AGL (Retailer)

			Three specific issues/areas of feedback: 1) Clarification of what specific activity relates to each distributor arranged outages for shared meters fee. 2) For the same group of fees, they are questioning the definition of simple (less than 10 NMIs) vs complex (more than or equal to 10 NMIs) and whether this is too simplistic. They are strongly advocating the separation of disconnection and reconnection fees (currently Ausgrid charges a combined fee – the disconnection includes reconnection).	Propose to update descriptions for consistency/clarity Specific Issues referred to operational areas of the business for assistance with the response. A meeting has been organised to discuss disconnection and reconnection fees.		

15.	Canada Bay (Local Council)	Public Lighting	Supports the rationalisation of maintenance costs Expressed concern that rationalising the costs of luminaires with like luminaires may drive unintended outcomes i.e. no incentive to minimise the luminaire utilised - as costs the same as a larger one Minor capital works needs to be simpler and more cost effective – particularly to remove redundant assets	Comments on rationalisation noted – we will continue to consult further with councils and their representatives (SSROC) Ausgrid is reviewing the end-to-end process for customer requests for public lighting (minor capital works) – to commence in FY23.	NA	Canada Bay (Local Council)
16.	Lake Macquarie City (Local council)	Public Lighting	Supports rationalisation of public lighting charges to a smaller number based on weighted average costs provided the cost impacts to council are marginal	Comments on rationalisation noted – we will continue to consult further with councils and their representatives (SSROC)	NA	Lake Macquarie City (Local council)
17.	Southern Sydney Regional Organisation of Councils (SSROC) (represents 29 of the 33 councils w.r.t. public lighting)	Public Lighting	Price Rationalisation - councils generally support price rationalisation provided adverse bill impacts are negligible e.g. less than 1%. Price reflectivity needs to be maintained for newer technology being installed in large volumes.	Extensive feedback from SSROC - covers many areas of operation for public lighting, including programs of work currently underway or currently being planned and/or due to commence in the near future.	NA	Southern Sydney Regional Organisation of Councils (SSROC) (represents 29 of the 33 councils w.r.t. public lighting)

				Comments in relation to price rationalisation, acceleration of pre-2009 balances, and pricing of technology will be considered in relation to the 2024-29 proposal.		
			Accelerating pre-2009 charges – SSROC believes majority (80%+) of councils will support or not object to Ausgrid's proposal to accelerate pre-2009 pricing. Councils that are more impacted or in difficult budget positions more likely to say no (Ausgrid has received correspondence from one council that said no). It is important councils have the option to opt-in to this proposal Transparency of public lighting capital balances - councils would like pre and post-09 residuals to be more transparent for individual assets, including having their total liability to Ausgrid to be readily available Major road LED deployments- Councils strongly support the acceleration of major road LED deployments (complete with smart controls and additional smart city interfaces) Councils strongly support updating decorative and floodlighting luminaires with LED luminaires. Thorough consultation with councils is required on Ausgrid's proposed strategy to exit decorative lighting Smart controls deployments - Councils support having the option to deploy smart controls on residential roads, decorative lighting and floodlights. Smart controls & Zhaga-based sensor agreements - SSROC is seeking clearly agreed framework covering ownership (including data)/ access rights/ what is being charged for in relation to smart controls and Zhaga based smart city sensors Pricing of New Technology- Councils support Ausgrid proposing a pricing approach for new public lighting technology to the AER outside the annual pricing process. Minor Capital works review - SSROC strongly welcomes reform to the inter-related areas of Minor Capital Works and contestable Works Revenue sharing - where Ausgrid allows installation of 3rd party devices on customer–dedicated street lighting assets, councils are seeking an equitable share of the revenue.			

Additional submissions were received but these were requested not to be published.

Table 1.2 lists the submissions received specifically on the pricing Directions paper – over and above those in Table 1.1 which provided pricing feedback as part of their overall feedback

	Stakeholder	Type	Topics covered in submission
18.	Firm Power / Shell Energy	Battery proponent	Large battery tariffs
19.	Compliance Quarter	Consultant	Embedded network tariffs
20.	Uniting Care	EN operator	Embedded network tariffs
21.	Shopping Centre Council Aust.	EN operator	Embedded network tariffs
22.	CCIA (Caravan & Camping)	Industry Assoc.	Embedded network tariffs
23.	EV Council	Industry Assoc.	EV tariffs, embedded network tariffs
24.	TEC	Advocacy	Export tariffs
25.	Origin Energy	Retailer	Embedded network tariffs
26.	Energylocals	Retailer	Embedded networks
27.	GoEvie	EV proponent	EV tariffs
28.	PIAC	Advocacy	Responded to most topics
29.	Red Energy/Lumo	Retailer	Tariff streamlining

Table 1.3 summaries the feedback received on the Pricing Directions Paper

Stakeholder	Topics covered in submission
Northern Beaches and Willoughby Councils	Supported the proposed pricing principles further information requested on how the approach will be implemented to ensure the proposed pricing is fair and equitable and does not discriminate between customers
City of Newcastle	Supported the proposed pricing principles

PIAC	Does not consider fairness to be best expressed as a pricing principle flexibility should reward customers for being flexible in how and when they use energy, where they are able to choose to do so
EV Council	Ausgrid is creating tariffs for a specific type of customer (ENs), but is not doing the same for EVs.
Uniting Care	The proposal should differentiate between residential and commercial ENs. Uniting is non-for-profit serving retirees and any margin it receives is invested in solar panels.
Origin Energy	ENs create efficiencies that can be shared with customers. NER pricing principles should be balanced with this consideration. Supports either grandfather existing ENs or have a transition arrangement. Further questions on EN analysis.
Energylocals	Oppose embedded networks tariffs on the basis of the 30% network bill impact
GoEvie	Proposal will make it harder to deploy EV charging stations, such as within shopping centres
CCIA	Residential land lease communities are not allowed to make a profit on the sale of energy Propose carve out for land lease communities using NSW Fair Trading Data Transitional arrangements should also be introduced to avoid bill shock
Compliance Quarter Pty Ltd	Stifles innovation. Size of an EN not correlated to the level of vulnerability of customers. Independent analysis of load profiles, the costs avoided by Ausgrid, and costs of “reverse retrofitting”
Shopping Centre Council	The tariffs should only be introduced for residential embedded networks. The load profiles for shopping centres aren’t different to other customers on the same tariff. Shopping centres ENs have paid capital contributions to Ausgrid and should be treated differently
PIAC	Support proposed tariffs and minimum threshold Proposal could go further toward cost reflective levels and could include a “glide path”
Northern Beaches and Willoughby Councils	Seeks a transition for the introduction of export tariffs
Inner West Council	Concerned at penalising solar owners who invest in solar in good faith to cut their energy bills and do their part for the environment. The introduction of export charges will affect the return-on-investment calculation. Solar feed-in tariff reduction and export limits should be accompanied by reductions in consumption charges for solar customers
City of Sydney	The proposed modest charge is unlikely to be sufficient for customers to invest in grid support solutions like west-facing solar panels or costly battery storage The price signal may be obfuscated by retailers, and most customers would not know how to respond
Red Energy / Lumo	This will require IT changes, collateral changes and extensive training to our staff to be able to communicate this change Provide an opt-in export tariff that is consistently structured with other NSW networks for the 5 year period.
PIAC	Seeks a basic export level in kW (as more cost reflective), not kWh Exports rewards should be applied on a locational basis. Doesn’t support customer opt out. Supports a gap between the charge and reward windows
TEC	Export pricing is optional and the Ausgrid proposal lacks a clear need

	Postage stamp pricing amounts to addressing one cross subsidy with another one The proposed reward should reflect the value of consumption LRMC
Red Energy / Lumo	It is stability and simplicity rather than complexity and constant change that encourages consumers to make the necessary behavioural changes to their consumption patterns. Agrees that the new charging and timing windows are simpler and easier for customers to understand. Keep the existing tariffs and their complicated structures, but close them to new customers instead of withdrawing them. Create the streamlined new seasonal peak tariffs and allow retailers and their customers to transition to the new tariffs over the 5 year period. If retailers choose not to adopt the streamlined tariff over the 5 year period, Ausgrid should be able to mandatorily reassign the remaining customers to the streamlined tariff in 5 years.
Transport NSW	the proposed peak window flexibility will introduce significant uncertainty for Transport (and potentially others) as it relates to investment in EV infrastructure. certainty for the full five year regulatory period would remove a significant amount of risk.
PIAC	Does not support moving the charging window to later, as it is predicated on EV charging. Has not seen sufficient evidence for extending the residential peak window to weekends Does not support a 6 hour charging window. Favours 4 hours to give households a better chance to respond.
Red Energy / Lumo	Making the new seasonal peak charging windows more cost reflective will ensure that the price signals for the use of the network are more accurate. However, customers need consistency to make meaningful changes to their consumption profile so there is little to no benefit in changing the timing windows twice within the 5 year period.
City of Newcastle	Supports moving the peak period to 4-10pm

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11 October 2022

Our Ref: 2022/498390
File No: X009228.033

Ausgrid
By email: yoursay@ausgrid.com.au

Dear Madam/Sir,

Submission to Draft Plan 2024-29

The City of Sydney (the City) welcomes this opportunity to provide a submission to the Ausgrid Draft Plan 2024-29.

The City has endorsed a target for net zero emissions across the local area by 2035. We also have targets to reduce emissions by 70 per cent based on 2006 levels, and for at least half of the electricity used in our area to be from renewable sources by 2030.

Prior to the pandemic, emissions in our local area were 26 per cent below our 2006 baseline - during which time there has been significant growth in the number of new buildings and infrastructure, employment, housing, and economic development.

Renewable electricity has made a significant contribution (the NSW grid was only 4.7 per cent renewable in 2006 compared with 25.4 per cent today).

Leading businesses who operate in our area have also played an important role, including members of our Better Buildings Partnership, Sustainable Destination Partnership, and CitySwitch Green Office programs. Many also have net zero commitments.

Most residents in our area live in apartment buildings, many are also renters. Our Smart Green Apartments program targets this sector, however renewable energy needs to be more affordable and accessible, especially for those who are unable to install solar PV.

For new developments and major refurbishments, the City recently endorsed new net zero planning controls. These will require minimum energy ratings from January 2023 and net zero energy use from 2026.

The City also works with, and frequently advocates to other levels of government towards achieving net zero via support for electrification of transport, energy efficiency, renewable energy, and emissions targets for example.

As an organisation, the City has been certified carbon neutral by the Australian Government since 2011. As of June 2021, our emissions were 76 per cent below 2006 levels, mainly through energy efficiency and purchasing 100 per cent renewable electricity.

An example of how we are reducing our environmental footprint is the engagement we have with Ausgrid to accelerate the replacement of streetlighting with LED. This is improving the quality of light whilst also reducing the energy load substantially.

It is from this context that the City welcomes the proactive approach being undertaken by Ausgrid to consult widely in developing its next 5-year plan, and embracing the opportunities that energy networks need to play in decarbonising the energy system.

Our feedback is brief and responds to questions raised by the Draft Plan.

Given our communities' expectations for the grid, and the affordability challenge they are also facing, how do we deliver value for money into the future?

Share the benefits of renewable energy equitably

The energy system is undergoing rapid transformation and renewable energy is now the least cost form of new energy generation, and increasingly more reliable than fossil fuel generation.

Yet, the cost benefits of renewable energy are often not equally distributed - going to the organisations that have large energy contracts, or households and businesses that are able to install solar PV. This excludes many people such as renters, apartment dwellers, people who cannot afford the upfront investment, and small businesses.

It is recommended that Ausgrid explores how it can fund or subsidise non-network demand side opportunities like load shifting, community batteries, electrification, and renewable energy that would benefit those who are currently missing out on renewable energy benefits, for example by prioritising low socio-economic areas.

Invest in load shifting

Australian and NSW Government policies are supporting the large scale transformation of the grid, predominantly via the establishment of renewable energy zones and the transmission infrastructure that will be required. This large scale infrastructure is essential to ensure that there is sufficient new generation available in time for the scheduled closure of aging coal generators.

However, the opportunity for demand side interventions - via onsite and community scale renewable energy, storage, and load shifting - remains largely untapped and can make a significant contribution, at significantly lower cost to building new transmission infrastructure.

A recent discussion paper by the Australia Institute found that if buildings were to shift one third of their peak electricity consumption to the middle of the day, it would equate to 52 per cent of Australia's total coal generation capacity.

Ausgrid, via its tariff structures or other initiatives, can facilitate load shifting to times of the day when the grid is at its most renewable. This load shifting can help to reduce curtailment of renewable energy when demand is low (i.e. solve the duck curve) and likewise reduce energy demand when renewable energy generation is lower.

It is recommended that Ausgrid explores how it can incentivise load shifting (in addition to community batteries and solar export tariffs proposed) where it can reduce the overall system costs, reduce costs to users, and increase uptake of renewable energy.

Invest in electrification

Electrification of buildings is a key way to improve energy efficiency and thereby reduce energy bills. By investing in electrification, Ausgrid can offset rising prices to users by reducing their overall demand. Dr Saul Griffith[1] estimates that households need to electrify around 100 million machines to improve efficiency and make the transition to net zero. This is a significant non-network opportunity for Ausgrid which may be cost effective by avoiding or delaying the need for network upgrades.

It is recommended that Ausgrid investigates how it can partner with the Rewiring Australia project to accelerate and invest in the electrification of households and jurisdictions running on predominantly local renewable electricity.

Protect vulnerable customers

The Draft Plan shows that Ausgrid is proposing to increase household network charges by $38 p.a. to invest in net zero readiness, climate resilience, cyber security, and other important aspects.

These are necessary investments. Investing in climate resilience is likely to avoid future costs by reducing the likelihood or extent of unplanned outages. However, against a backdrop of high energy prices, careful consideration needs to be made on how cost increases will affect vulnerable customers.

There are various ways that Ausgrid might be able to do this, for example by providing subsidised products and services to reduce energy demand; access to community renewable energy and storage; or favourable tariffs to customers that provide grid support through load shifting or onsite energy and storage.

It is recommended that Ausgrid investigates ways to shield vulnerable customers against the proposed cost increases.

Reduce exposure to interest rates and insurance premiums

The Draft Plan flags a possible $111 p.a. increase to household network charges which is predominantly due to interest rates, inflation, and higher insurance premiums. As a regulated business that recovers outgoings with revenue from customers' bills, it is unclear why Ausgrid has such high cost exposure to borrowing and interest rates.

Restructured financing that makes more direct use of its regulated income and reduces borrowing (exposure to interest rates) should be explored as a key priority for improving affordability and providing value for money.

Also, the Draft Plan proposes significant investment to make the network more resilient to climate related risks. By making this investment, Ausgrid should be able to push back against higher insurance premiums.

It is recommended that Ausgrid investigates ways to reduce its exposure to interest rates and higher insurance premiums.

[1] https://amp.abc.net.au/article/101453956

Export tariffs

It is not clear whether Ausgrid's proposal to introduce solar export tariffs that reward solar customers to export during peak times and add a charge at times when demand is low would be effective or counter to its aim of facilitating net zero.

Modelled examples show that the net result for a 'typical' solar customer would be a modest increase on their energy bill by adding charges to solar exported during the day, and a rebate between 3-9pm (when most solar systems are not generating optimally).

Private investment in solar should be encouraged and made more affordable and accessible, not disincentivised. The modest charge is also unlikely to be anywhere near sufficient for customers to invest in grid support solutions like west-facing solar panels or costly battery storage.

Further, by the time network tariffs are passed through to customers by energy retailers, the price signal will be obfuscated. Without clear guidance (e.g. on the bill), most customers would not know how to respond anyway.

It is recommended that Ausgrid conducts a customer journey mapping exercise for the proposed tariff structures, and models how effective the changes are likely to be, especially compared with more direct interventions like community batteries.

How should we decide which community support services we offer?

Ausgrid is investigating ways that it can support the community in both the transition to a decarbonised grid, and during increasingly frequent and extreme weather events.

Support net zero

The Ausgrid approach to prioritise non-network solutions such as pricing options, education, network visibility, voltage management, and tailored connection processes are supported with curtailment (of solar) the lowest priority.

It is recommended that dynamic export controls for solar PV systems (that can modulate) be used in preference to total on/off curtailment and only used when necessary.

The City, like many of the customers who have provided feedback to date, is supportive of Ausgrid's approach to be proactive in unlocking opportunities for net zero, for example with community batteries and smart communications.

It is encouraging that the Draft Plan aligns with the AEMO step change scenario which envisages high percentages of renewable energy and distributed energy resources, including electric vehicle uptake.

The Ausgrid website[2] refers to a recent Decarbonising Sydney report by the Committee for Sydney that identifies five key moves for Sydney to reach the NSW state targets to halve emissions by 2030 and net zero by 2050. It is unclear how the Draft Plan relates to Ausgrid's role in delivering on the Decarbonising Sydney work.

It is recommended that the Draft Plan makes specific reference to how it will enable Sydney and the NSW Government to achieve net zero targets.

[2] https://www.ausgrid.com.au/About-Us/News/Decarbonising-Sydney-Report

Some initiatives, like providing on-street electric vehicle slow-charging, are unlikely to result in cost-effective material emissions savings compared with other options like off-street and fast-charging at destinations.

It is recommended that Ausgrid prioritises interventions that are equitable and reduce the greatest volume of emissions.

Invest in resilience

The proposal by Ausgrid to improve the resilience of its network and the community that it serves is supported. It is understood that communities want greater action by Ausgrid to make energy supply more resilient to climate related impacts including extreme heat, flooding, storms and bushfires.

For urban areas, the use of aerial bundle cabling would allow for greater tree canopy, reducing urban heat. It also makes cables more resilient to strong wind and debris during storm events.

The City supports Ausgrid proposals for non-network responses to improve resilience such as mobile community hubs and provision of services and communications during prolonged outages.

It is recommended that climate impacts (observed and modelled) and protecting vulnerable communities should be considered together, rather than separately, in prioritising resilience projects and investments. The opportunity for community batteries to provide resilience services like back up power should also be explored.

The City of Sydney makes significant investments in providing high quality, wide, safe, and comfortable footpaths that promote walking as part of our sustainability, access, health, equity, and resilience objectives.

Whilst it is acknowledged that decarbonising our economy through electrification and renewable energy will require additional electrical infrastructure, it should be installed in ways that minimises impacts to public access footways and open spaces.

In dense urban areas like the City of Sydney, underground pits are mostly preferable to above ground boundary connection pillars on footpaths which also meets obligations of the Disability Discrimination Act.

Ausgrid uses 2009 guidance developed by the Streets Opening Coordination Council (SOCC), however this is designed for lower density areas. The Walking Space Guide developed by Transport for NSW should be also used to determine when there is sufficient space for above ground connections.

It is recommended that Ausgrid includes in its pricing proposal a program to locate network connection points below ground in the City of Sydney LGA and undertake staged removal of above ground pillars where the footpath width is below the Transport for NSW Walking Space Guide target.

Ausgrid requires a significant proportion of developments to provide onsite substations. In some cases, these substations can have significant negative impacts on the urban environment, for example by creating requirements for inactive frontages, blast construction and numerous escapes, or unattractive and bulky kiosks in public places.

It is recommended that Ausgrid investigate ways to reduce the physical space requirements and other urban impacts of new and upgraded substations.

What are your views on our proposed 5 key principles for DER investment?

The proposed five principles to invest in distributed energy resources (listed below) are appropriate and supported. Further details are needed about the specific type and extent of support that is being proposed by Ausgrid in accordance with these principles.:

1. Understand customers' needs and their role in accessing cheaper, zero emissions solutions.
2. Explore smarter, flexible solutions through tariffs and data-driven asset management solutions.
3. Avoid restricting customer exports where efficient to support a cost-effective transition to net zero.
4. Recognise almost all low carbon technologies will connect to our network.
5. Share the benefits of DER with all customers.

It is recommended that Ausgrid clearly define the type and extent of support that is proposed to support distributed energy resources in line with these principles. These criteria should also be applied to support the installation of community batteries.

What role do you think Ausgrid should play in community battery initiatives?

Community batteries have multiple benefits such as increasing solar hosting capacity, providing back up supply and network support, and reducing daytime and evening congestion in the distribution network, thereby avoiding the need for more expensive upgrades to local poles, wires and substations.

Batteries will help solar households to store excess rooftop solar energy during the day and draw on it during the evening peak period. It should also allow for non-solar households to also use locally generated solar energy.

Community batteries should be installed where they make the most economic sense, but also where they are of the greatest benefit to the local community.

From a technical grid management perspective, network utility operators are the logical choice to operate community batteries most efficiently, and to determine locations based on optimising overall network performance and reducing expenditure.

It is understood however that legacy ring fencing rules designed to prohibit network operators from owning or operating generation assets may present an administrative barrier for community batteries, and that the regulator may not consider the full benefits of community batteries when approving network expenditure.

This should be challenged, especially as an environmental objective is being introduced into the National Energy Market (NEM), and the rapid pace that the grid will need to green, in line with the AEMO Integrated System Plan step change scenario and State and National net zero emissions targets.

It is recommended that Ausgrid take a lead role with other network operators, NGOs and energy user groups, to demonstrate that community batteries can cost effectively encourage more private investment and local utilisation of renewable energy, and advocate for streamlined rules that remove barriers to wider uptake.

Community batteries are more easily controlled and coordinated and may be more cost effective to society than individual household batteries.

Given that household batteries are typically purchased by individuals outside of the regulatory process, an assessment of those costs that could be potentially avoided or reduced, should be considered when developing the business case for community batteries.

Further, value added grid support services like voltage and frequency control should be considered to improve the economics of community batteries.

It is recommended that Ausgrid quantifies all the benefits that are provided by community batteries in its Draft Plan to the Australian Energy Regulator. Community batteries should also be prioritised in areas where non solar and low socio economic customers are able to participate.

The Australian Government has allocated $200 million for its Power to the People plan to fund 400 mid-sized community batteries around Australia.

It is recommended that Ausgrid seeks funding by the Australian Government to reduce the upfront costs of community batteries and test workable business models for wider deployment.

While our proposed depreciation change will improve intergenerational equity, it will mean current customers bear a higher cost burden than previously. How should we balance the proposed change with the need for affordability?

Given the important role that the electricity distribution network will have for NSW to achieve its state emissions reduction targets, Ausgrid might explore funding opportunities with the NSW Government to overcome near term intergenerational equity cost burden issues.

The NSW Government could fund this entirely through a tiered mining royalties' scheme that taxes resource companies based on windfall profits. A similar scheme was recently introduced by the QLD Government[3]. This would address the shortfall without increasing the costs to customers or adding to domestic inflation.

It is recommended that Ausgrid work with the NSW Government to identify a fair way to fund higher costs in the short term that will improve intergenerational equity without adding costs to customers in addition to other inflationary pressures.

Should you wish to speak with a Council officer about this submission, please contact Anna Mitchell, Executive Manager Sustainability & Resilience on 9265 9333 or at amitchell@cityofsydney.nsw.gov.au.

Yours sincerely

P. M. Barone

Monica Barone
Chief Executive Officer

[3] https://amp.theguardian.com/australia-news/2022/sep/21/massive-missed-opportunity-nsw-could-make-23bn-with-tiered-tax-on-record-coal-profits

Kara/ Julie
Great work putting together the Resilience Framework and the overall draft plan. Really impressive, and I'm looking forward to the workshop tomorrow.
I thought I would put down some of my reflections ahead of the workshop, in case that was useful.

Resilience Framework:
Firstly, the depth of thinking that has gone into this is beyond impressive, especially given the context in which you are operating and all the different pieces at play. So congratulations – this is a really worthy and valuable contribution to the domestic and global discussion, and I'm sure a very strong basis for engagement with AER on resilience.

All my comments below are shared in the spirit of being constructive, and if they are not relevant or helpful then please ignore and move on!

1. Diagrams = Frameworks: I know I'm being simplistic, but there is a really great opportunity to take the depth of thinking you have done, and create diagrams that bring make the complexity more accessible. Having spent too long as a consultant working on frameworks, I was hoping to see a few diagrams that explained all the complexity, and I have to admit I spent the whole time reading the report wondering when I was going to get to the framework (despite having seen a diagram in the Draft Plan).

2. P.10 *"Resilience is something that Ausgrid has always invested in but adapting to climate change is something that cannot be built over a short period of time and will likely take decades."* I think that these is more to be done to explain how these two things are different and why adapting will take decades. I assume you mean that adapting that trunk infrastructure network will take decades, but you also offer examples in the report of how the community's ability to access electricity in times of disruption could be solved through smaller interventions like charging trucks – surely these are things that don't take decades and will support climate adaptation.

3. Definitions: The energy networks paper spent a good amount of time working through definitions and for me this paper could benefit from going back to some of that, so that the language is clear.
The word resilience, while having a clear meaning from an Ausgrid perspective, is progressively used to refer to lots of things that render the word almost meaningless. E.g. *"Ausgrid has also committed to partnering and has commenced a robust engagement program with other* ***resilience*** *actors and providers of essential services.* ***Resilience*** *is a shared responsibility and cannot become the sole responsibility of Ausgrid. Ausgrid is engaging with partners to better understand where its role starts and stops within the* ***resilience*** *discussion. Under this Framework before Ausgrid looks to provide* ***resilience*** *related investments or support to a community (investments)…"* I know its not easy, but the first rule of resilience club remains that you cant use the word resilience to explain what you mean by resilience – spending a bit more time unpacking what you mean would increase clarity and understanding.

4. On page 15, you have a clear definition, but then talk about 'transforming to a new normal'. Transformation is a key element of resilience maturity, but (a) 'new normal' doesn't make it clearer, particularly given the Covid19-related use of that language, and (b) later references to 'build back better' could be addressed here i.e. rebuilding for the changed environment, learning, betterment etc (Note that you also state that building back better after disaster is not realistic, so its not clear how you can both talk about transformation, and also say that its not actually possible.)

5. I love this: "Under this Framework before Ausgrid looks to provide investment or support to a local community, Ausgrid will…" so clear!

6. When you speak about vulnerability, its not clear that this is an intersection of the vulnerability of the infrastructure, overlayed with the vulnerability of the community that would be affected. In fact you say:

a. *The Framework promotes finding the right balance in timing for investment as well as the right balance between preparatory investment and responsive investment via the cost pass through mechanism by focussing on:*
    i. *the highest risk geographic areas from climate modelling; and*
    ii. *trials and a staged roll out of new solutions, where there is a high level of uncertainty of the effectiveness of an available option.*

7. The resilience portfolio idea is great, and a very rational/ engineering mindset to try and bring order to a very messy set of issues and solutions (meaning that this would be 'complex portfolio management', given the changing social, political, economic and environmental at play…). My question is the obvious one… The development of the portfolio would require a resilience plan of some sort to identify all the options, who is best placed to deliver those options, what kinds of capacity/ reality of implementation there is, and remaining vulnerability/ adaptive capacity. So how can this approach then:
    - be community led, and place based and iterative with other interdependencies (recognising that energy is a big deal, but its only one of several big deals)
    - determine who leads and who pays, and what capacity Ausgrid has to do this at various scales (let alone State Govt that is fairly open that it doesn't have capacity in this regard)
    - What happens if there is not the capacity to play?
    - If this is critical to the outcome, does Ausgrid have the capacity to pay and convene these processes in the absence of other leadership?

8. I think we are missing a trick in talking about outages and how the community prepares for those. I.e. introducing a mindset that, however well we do at this resilience stuff, there are things out of our control (at NEM level or otherwise) that might mean you have to go without electricity for a period of time. The New Zealand based work on lifelines infrastructure really hammers this point home to communities (that they need to be prepared for days without essential infrastructure in the worst case scenario). It might be too much for this first round, but it does need to come soon.

So in summary. This is great. I'm really impressed, and I think there are some areas that could be tightened up that I'm happy to discuss.

Cheers
Sam

Sam Kernaghan
Director of Resilience Program
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14 October 2022

Ausgrid c/o Frank Roberson – Council & Community Resilience Manager

Submission via email

Dear Ausgrid team,

Ausgrid Draft Plan 2024-2029 comments

Thank you for the opportunity to comment on the Ausgrid Draft Plan 2024-9.

Council supports increased investments in network resilience and a transition to net zero by 2050. Inner West Council is a member of Southern Sydney Regional Organisation of Councils (SSROC) and supports its submission of October 4th.

In addition, Inner West Council has the following comments:

Innovation fund

Council is interested to collaborate on future community battery, microgrid or stand-alone power system projects or EV infrastructure rollout as part of the $50 million innovation fund. The Inner West community is highly engaged and home to active community energy groups interested in increasing capacity for renewable energy sharing to support emissions reductions.

Export pricing transition strategy

Council's Climate and Renewables Strategy has set a target for a 75% reduction in community greenhouse gas emissions by 2036. One strategy that supports progress to the target is a rapid increase in solar and renewable energy generation. In a highly urbanised local government area of 183,700 residents with limited land area for ground mounted renewable energy generation, rooftop solar is a key opportunity for suitable properties.

The goal of empowering customers to optimise future DER investments and maximise the value they get from self-generation is supported. However, Council is concerned that the value proposition for local rooftop solar may be weakened by a reduction to feed in tariffs, and the introduction of export charges during peak demand times.

Residents and small businesses with solar and batteries enable them to use more electricity generated by onsite rooftop solar, but batteries are still uneconomic in most cases. The anticipated drop in solar battery prices due to mass production has not yet eventuated, as has been the case with PV modules. In fact, there have been price increases observed, with solar battery payback periods longer in many cases, than the product warranty of 10 years.

Vehicle to grid charging options are also still very limited with only 3 vehicles that will accept it. The charging technology is still awaiting approval and is uneconomic at the current $10K cost.

For residents and small businesses that have already installed solar panels through a financing package, for which savings are forward projected for the life of the loan, the introduction of export charges will affect the return-on-investment calculation. Without any additional incentives offered in NSW for batteries, this will have a dampening effect on future solar uptake.

There is currently no solar battery incentive via subsidy or rebate from the NSW Government, unlike in SA, ACT or Victoria. The Empowering Homes program no interest loan of $9K for a battery retrofit for households with existing solar was not offered to Inner West residents and has now been wound up following low uptake.

With over 40% of Inner West residents living in apartments, Council has focused on increasing the capacity of strata committees to investigate solar through provision of free and independent solar feasibility reports. The notion of export charges has been raised on multiple occasions in committee meetings and has resulted in solar projects losing out to other competing projects for the tight capital works / sinking fund budgets.

The over 3.2 million solar rooftops are now the largest single generation source in the national electricity market. This has brought down the wholesale price of electricity and can provide network benefits by supplying local energy. Council supports the expenditures for network enhancement to be able to incorporate more DER but are concerned at penalising solar owners who invest in solar in good faith to cut their energy bills and do their part for the environment.

It is unclear if the Ausgrid projections of 400,000 rooftop scale solar systems by 2029 (an increase of 180,000 from the 220,000 connections in 2022) incorporate this proposed export pricing scheme.

To optimise self-consumption of solar generation, via either a home battery or change to export timing (e.g. by installing on a western facing rooftop) requires

significant investment, often an additional AC inverter to connect the existing solar to the battery, in addition to the battery cost.

Subscription to a community battery scheme is a lower cost opportunity, however there was scant detail about the rollout of the community battery scheme in the draft plan. Could Ausgrid clarify what proportion of the $153 million is allocated to this trial rollout, what the expected coverage or offering is within the Ausgrid network area, and how the delivery model (ie retailer partnership) will be offered?

To enable greater equity and opportunity for wide DER uptake Council would like to see additional measures, which although outside the scope of this consultation, are relevant to it:

- Introduction of a NSW-wide smart meter upgrade to allow flexible control of appliances in response to real time market signals. The current approach of customers needing to upgrade individually via their retailers is a disincentive for group upgrades, particularly for multi-unit dwellings.
- Introduction of NSW solar battery incentives in NSW (similar to Victoria, SA & the ACT) in the short term to address affordability concerns
- Solar feed-in tariff reduction and export limits be accompanied by reductions in consumption charges for solar customers

Should you have any further queries, please feel free to contact Sonya Renewable Energy Innovation Officer on or

Sincerely,

Jon Stiebel

Urban Sustainability Manager

2024-29 DRAFT PLAN CONSULTATION QUESTIONS

As we prepare for our submission to the regulator in January 2023, we would value your feedback on the following important questions included in our Draft Plan:

1. Given community expectations for the grid, and the affordability challenge they are also facing, how do we deliver value for money into the future?

Given the fees ASPs and electrical contractors pay for services to complete contestable works or gain access to the Network or a customers instalaltion safely, there must be a greater focus on the customer seervice relating to these services and fees. Some exampples of these are
- The time it takes to arrange an outage in the Eastern suburbs is below par
- Time to arrange the covering of the LV Netowrk (tiger tails) is unacceptable. Most customer projects take less time then it takes to arrange this critical safety reuqirement

2. How should we decide which community support services we offer?

Through true and comprehensive consultation with all Stakeholders. This must include ASP's, electrical contracotrs, member associations and customers.
Arranging an electrical contractor can be difficult after a major event so there is an opportunity for Ausgrid to partner with contractor associations to help deliver this

3. When deciding how to invest in our cyber security program, what factors should we take into account?

NECA does not have a view on this

4. What are your views on our proposed 5 key principles for DER investment?

Private enterprise will play a signifcant role in the delivery of a net zero economy. There is a large focus on the all energy Austrlaia solution and to make this a success electrical contractors and ASPs will need to be skilled and trained to deliver these new and emerging technologies.
It is critical that there is a clear path forward so ASPs and electrical contractors can be armed to assist

5. What role do you think Ausgrid should play in community battery initiatives?

There is a concern amongst NECA's members that DNSPs are stepping over the Ring-fencing line when any of these customer initiatives are deployed. NECA believes that private eneterprise can deliver this type of infrastructure more efficently and at a lower cost.
To ensure trust is maintained, clear communicaitons on Ring-Fencing compliance and efficiencies would enhance trust with the ASP and contracotr community

6. Would the proposed Customer Service Incentive Scheme encourage improvement in the service areas that matter most to customers?

NECA wlecomes this scheme that allows for strong montiroing of the service delivery performance.

7. What should we consider when improving the services we deliver to culturally and linguistically diverse communities? For example, are there culturally significant dates that we should be aware of when scheduling planned outages?

NECA does not have a view on this

8. How do we fairly share the benefits of productivity gains with customers?

The best way to share these benfits is through moentary reductions in bills, or the services that electrical contractors, custoemrs, and ASPs have to pay to do business with Ausgrid.
Another beneift is a more stable electricity Network and the wins that are acheived through the Capital investmment need to be shared with custoemrs and stakeholders so they can understand where money has been speant and what's been improved

9. How should we fairly balance price impacts across different customer groups?

it is important that the costs are passed on relative to the customer group. It can not be passed on evenly and must reflect and assist those that are less fortunate

10. What factors should we take into account in spreading customer price impacts across the 5-year period?

Pricing for the new normal is a key to the all energy Australia future. The old tariff structrues may not be suitable for this as custoemr transsiiton to chargin cars overnght
As mentioned in quesiton 1, getting a better service for the fees paid for Contestable and ANS services is of critical importance to ASP, electrical contreacots and customers.

Name:

Paul Brownlee

Company / Organisation:

National Electrical and Communications Association (NECA)

☒ I authorise Ausgrid to publish my feedback

northern beaches council

Date 11 October 2022

Rob Amphlett Lewis
Chief Customer Officer
Ausgrid

Our Ref: 2022/563817

Dear Mr. Amphlett Lewis,

Northern Beaches Council feedback on Ausgrid's Draft Plan for 2024-2029

The Northern Beaches Council would like the thank Ausgrid for the opportunity to submit feedback on the draft planning documents released for consultation in September, 2022. We also acknowledge the significant amount of effort and expertise that has clearly been invested in these resources and the consultation upon which they are based to-date.

Overall, Council supports the:

- collaborative approach, both throughout development of these documents and how they have been incorporated into the strategic directions.
- shift from a reactive approach to a resilience-based, risk reduction focus.
- consideration of equity to inform investment and resilience outcomes.
- approach to facilitate an equitable and affordable transition to net zero.

Further, more specific comments on the draft planning documents are provided below.

<u>Draft Plan</u>

- Council strongly supports the focus on resilience and disaster risk reduction underpinning the draft plan and resilience framework. Forward investment in building resilience into the network will help to reduce future impact, cost and recovery times of disaster events.
- Council is broadly supportive of the solutions and services outlined in section *4.1.2. Making investments that meet different customer needs*. We believe your proposed approach to work alongside local government to develop community resilience plans is vital considering the expansive depth of work that local Councils have already undertaken to progress community resilience. This collaborative approach will prevent duplication of effort and enhance alignment with local stakeholders.
- The Draft Plan priorities innovation which can have many benefits such as reducing emissions through maximising solar use, creating additional storage

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and improved network resilience. Adopting new and emerging technologies play a significant role in our communities' transition to net zero. To date we have partnered with Ausgrid on emerging, innovative opportunities including the Beacon Hill community battery trial and Ausgrid/JOLT fast EV chargers and we look forward to working together on future opportunities.

- Regarding figure 4.2.3 Ausgrid's FY2022 Emissions Breakdown by Scope and Type (Kilotonnes of CO2e), does the scope 3 emissions for streetlights account for the Councils that are purchasing 100% renewable electricity?

Pricing Direction Paper

- Council supports the proposed pricing principles of efficiency, flexibility and fairness. Further information on how the approach will be implemented to ensure the proposed pricing is fair and equitable and does not discriminate between customers would be valued.

- Council is also generally supportive of proposed pricing reforms, particularly those that will help reduce bills to customers, improve customer benefits from their DER investments and reduce emissions.

- Council suggests that Ausgrid further engages with retailers to better understand how retailers will transfer proposed pricing to customers to ensure customers receive intended pricing signals and to help customers better plan for proposed changes.

- Regarding specific reforms Council:

  - Supports the proposed reforms to capacity charges, in particular lifting the low usage threshold at which capacity charges apply from 40mWh to 100mWh, which will result in lower bills for business customers including Council.

  - In principle, supports the alignment of pricing with increased costs on network and understands that the timing of proposed mechanisms is intended to align with expected increased future pressures on the network including uptake of DERs and EVs. However, in accordance with the principle of fairness, customers, including Council, need sufficient lead time to prepare for these pricing changes. This will help customers maximise cost benefits and reduce risks, for example, through battery storage or other appropriate technology and/or through modifying consumption patterns to reduce peak demand charges and peak tariffs. Customers also require significant lead time to better prepare for potential financial impact of these proposed reforms. Specifically, in relation to the proposed export pricing, Council supports the commencement of opting in from 1 July 2024, however, recommends mandatory roll-out is delayed for more than the proposed one-year interval to allow customers to be better prepared.

  - Council supports Ausgrid's decision not to impose specific EV tariffs in 2024-9. A specific EV tariff may discourage EV uptake in our community and delay our transition to net zero.

Draft Climate Resilience Framework

- Council supports the utilisation of climate impact assessments and strongly encourages the sharing of the findings of these assessments to allow other agencies to better understand how risks to power networks could impact their own assets, services and operations. Information sharing and collaboration of this kind will assist both Ausgrid and stakeholders to better understand interdependencies and coupled risks.

- We note consideration of 'a willingness to pay' as a factor determining investment in local network improvements. While Council is supportive of new and innovative approaches for resilience investment, we feel that consideration of 'willingness to pay' or whether a community is actively reviewing resilience at a local level (as described on pp. 30) should also be balanced against consideration of the *capacity to pay* so as not to disadvantage low socio-economic communities or communities highly exposed to costly climate risks where resilience investment may be most needed. Further details as to what constitutes 'commencement of [resilience] planning activities' would also be helpful for Council to better understand the potential ramifications of this approach.

- We commend the focus on vulnerable and highly exposed communities and note the focus on regional areas as being of high priority. We stress the need to take into consideration isolated communities within LGA's that are otherwise considered to be part of the metropolitan area. For example, while much of the Northern Beaches LGA is relatively highly developed and not considered regional or rural, there are several isolated communities, particularly along our estuary foreshores and areas adjacent to National Parks. These areas are highly exposed to climate risk and frequently experience power outages. Definitions of vulnerability need to take this into account and these communities should be considered a priority for resilience investment.

- Council is supportive of the high level of engagement and collaboration outlined in section *5. Roles and Responsibilities.* We, again, stress the need to work with existing networks and governance arrangements to further contribute to resilience planning and community engagement initiatives. Local Emergency Management Committees and other networks developed by local government to progress place-based resilience planning provide a strong starting point for further engagement and prevent engagement fatigue amongst communities.

Should you require any further information or assistance in this matter, please contact my office on .

Yours Faithfully

Yianni Mentis
Executive Manager Environment & Climate Change

10 October 2022

NSROC submission on the Ausgrid Draft Plan 2024-29

Submitted via consultation website: https://yoursay.ausgrid.com.au/draft-plan-2024-2029

The Northern Sydney Regional Organisation of Councils (NSROC) thanks Ausgrid for consulting with its stakeholders and we are pleased to make this submission on the Ausgrid Draft Plan 2024-29.

About us

The Northern Sydney Regional Organisation of Councils (NSROC) is a voluntary association of eight local government authorities in Sydney. Our members are Hornsby, Hunter's Hill, Ku-ring-gai, Lane Cove, Mosman, North Sydney, Willoughby City Councils and the City of Ryde. NSROC assists member councils to collaborate on key issues and activities to develop regional solutions that generate benefits – social, environmental and economic – for their communities and for the region as a whole.

NSROC member councils service an area extending from the Hawkesbury River in the north to Sydney Harbour in the south, west to Meadowbank on the Parramatta River. The NSROC region is home to 633,000 people, 420,000 jobs and 80,000 businesses. The Gross State Product (GSP) for NSROC is estimated at 12% of the state's GSP.

NSROC welcomes the opportunity to consult with Ausgrid on its Plan for the 2024-29 period. This is particularly timely as we are likely to see an increase in investments by governments, industry and households to reduce emissions and to adapt to the impacts of climate change.

Net Zero

All our member councils are committed to the Net Zero by 2050 goal with many councils aiming to be Net Zero by 2030. Six of our member councils have also signed the Climate Emergency Declaration. To achieve these goals, all councils have resilience and environmental sustainability plans in place under which they are pursuing a variety of actions to make the region more resilient and sustainable. As a Distributed Network Service Provider, Ausgrid will be critical to achieving our goals on resilience and environmental sustainability.

In addition to councils pursuing Net Zero goals in their own operations, our member councils are also assisting our community to participate in emissions reduction activities. Some of these actions are sourcing green energy, investing in rooftop solar generation, adopting more efficient equipment for high energy use equipment around the house such as water heaters and swimming pool pumps.

Our councils are assisting industry in investigating and trialling local community batteries and public electric vehicle (EV) charging infrastructure. Our councils have also invested in public electric vehicle charging stations and will continue to play an important role in the creation of a viable EV charging infrastructure for owners residing in strata developments and renters who need assurance of availability of a network of charging locations in the vicinity of their homes. Ausgrid's role in supporting two-way flow of electricity and putting in place policy settings that encourage these investments by industry and communities is important.

Street lighting

As part of the portfolio of initiatives, councils are actively partnering Ausgrid in the Street Light Improvement Program. Ausgrid's policy settings are an important area of interest for councils as it has substantial implications for council finances.

Emergency response

Ausgrid also has an important role especially in terms of responding to emergencies and restoring power to business and residents expeditiously.

Ausgrid's actions and policy settings within the regulatory framework are important determinants of the pathway to emissions reductions and the cost of the transition towards Net Zero. These aspects require careful deliberation, and it is important to take the community on this transition journey in a fairly and equitably. While this is stating the obvious, it is important to recognise that Ausgrid is a monopoly supplier of distributed network services and that information asymmetry between Ausgrid and its stakeholders is heavily in favour of Ausgrid.

Some specific observations on the Ausgrid Draft Plan 2024-29 are:

- NSROC endorses the critical role that Ausgrid will play in the achieving a Net Zero future and supporting councils' and the communities' objectives to reduce emissions.
- NSROC applauds Ausgrid's recognition of its active role in enabling deployment of smart technologies to support a low emissions/zero emissions future.
- NSROC is disappointed by Ausgrid's lukewarm commitment to *fairer pricing* on feed-in tariffs (page 38 of the draft plan) as Ausgrid has signalled its commitment to *fairer transition* instead. NSROC strongly believes that it is important to provide a fairer price signal to the market to encourage their investment in emission reduction technologies, services and practices. Further, NSROC recommends that Ausgrid should not impose an export charge as any electricity fed into the network, especially during peak load times, will alleviate the need for investment in the distribution network.
- Councils are able and willing to work with Ausgrid and its partners to deploy newer technologies and integrate consumer (industry and household) investments, be it community batteries, consumer battery, charging infrastructure, environmental monitoring investment as part of street lighting upgrades or any other technology. In all cases, our member councils are willing partners to assist Ausgrid to navigate planning rules and regulations and to help in resolving conflicting concerns of the impact of investment in emissions reductions on safety, urban amenity and impact on streetscape.
- NSROC strongly advocates investment in public EV charging infrastructure specially to cater to residents in multi-unit dwellings. We recognise that installation of EV charging infrastructure in new developments of residential units will be incorporated in the Building Code of Australia in 2023, however retrofitting this infrastructure in existing developments is still a work in progress and is not included in current development control plans.
- NSROC supports LED upgrades public lighting and the incorporation of smart sensors so that the lighting infrastructure can be used to enable Smart Cities functions. In doing so, we urge Ausgrid to work on a costing structure in a transparent manner so that the costs of this investment match with the benefits received by various stakeholders including users of data collected by the sensors. Councils are ready to work with Ausgrid to develop agreements to cover the investment in and use of smart controls and associated data and communications elements that also reflect fair sharing of the burden of investment between beneficiaries.

- Ausgrid has correctly recognised the current economic environment and the relative difficulty of users to manage their demand for energy in the short term. To alleviate price pressures on our community, we support Ausgrid's commitment to further build on cost reductions implemented since 2015 (page 38). We encourage Ausgrid to add in a clause that the reductions in operating costs will be shared equitably with consumers (industry and households) in a transparent manner.
- NSROC supports Ausgrid's initiatives to enhance resilience of the electricity network. These efforts need to be multi-faceted covering increased resistance to adverse climatic events, prompt disaster/emergency response and securing Ausgrid's information systems especially from cyber-attacks etc.

NSROC commends Ausgrid on its broad approach to stakeholder engagement, including establishment of the Reset Consumer Panel and the Voice of the Community program. NSROC is ready to work with Ausgrid on all issues involving local government to support investment in smart controls, charging infrastructure, distribution energy resources and emerging technologies that help to ease transition to Net Zero and alleviates the impact on the network and on consumers.

If you require further information, please don't hesitate to contact me on or by email at

Yours sincerely

Dr Meg Montgomery

Executive Director

Resilience NSW

Reference:D22/10456

Mr Richard Gross
Ausgrid
GPO Box 4009
Sydney NSW 2001

cc Kara Chan (kara.chan@ausgrid.com.au)

Dear Mr Gross

Response to the Ausgrid draft five-year plan

Thank you for the opportunity to review and respond to Ausgrid's draft five-year plan (2024-2029).

Resilience NSW is the NSW Government's lead disaster management agency. Our remit includes driving activity to lessen the impact of disasters on the community in NSW. I understand that Ausgrid's vision is to empower communities for a resilient, affordable and net zero future.

We welcome Ausgrid's plan to invest $310 million in disaster risk reduction and community resilience initiatives, and $193 million to support and embed innovation and transform systems.

We recognise this investment will impact the cost of energy for households and business. We also acknowledge that making these investments may reduce the significant and rising costs of future disasters, and ensure continuity or the rapid return of supply to your customers. We note the initiative to engage communities and customers in how you invest in disaster resilience and to co-design a climate resilience framework. We would welcome the opportunity to collaborate and input into these initiatives.

We commend the strategic intent of Ausgrid in making the risk reduction investment of this plan and driving the disaster resilience initiatives outlined. We look forward to working alongside you and other stakeholders as we develop the NSW's State Resilience Strategy, the first strategy for disaster resilience of the NSW Government.

To discuss collaboration opportunities, please contact Kylie Bryden-Smith, Director Partnerships & Engagement, kylie.bryden-smith@resilience.nsw.gov.au or 0438 924 681.

Yours sincerely

Dawn Routledge
Executive Director, Strategy, Policy & Programs

13 October 2022

Shell ENERGY

4 October 2022

Submitted electronically

RE: Ausgrid Draft Plan 2024-29

Shell Energy welcomes the opportunity to comment on Ausgrid's Draft Plan 2024-29.

About Shell Energy in Australia

Shell Energy is Shell's renewables and energy solutions business in Australia, helping its customers to decarbonise and reduce their environmental footprint.

Shell Energy delivers business energy solutions and innovation across a portfolio of electricity, gas, environmental products and energy productivity for commercial and industrial customers, while our residential energy retailing business Powershop, acquired in 2022, serves more than 185,000 households and small business customers in Australia.

As the second largest electricity provider to commercial and industrial businesses in Australia[1], Shell Energy offers integrated solutions and market-leading[2] customer satisfaction, built on industry expertise and personalised relationships. The company's generation assets include 662 megawatts of gas-fired peaking power stations in Western Australia and Queensland, supporting the transition to renewables, and the 120 megawatt Gangarri solar energy development in Queensland.

Shell Energy Australia Pty Ltd and its subsidiaries trade as Shell Energy, while Powershop Australia Pty Ltd trades as Powershop. Further information about Shell Energy and our operations can be found on our website here.

General Comments

Shell Energy considers large scale battery energy storage systems to be a critical part of the solution to the rapid changes facing distribution systems and decarbonisation of the electricity system. We appreciate the challenges involved in adapting the distribution grid to accommodate increasing levels of local solar generation and anticipated growth of electric vehicle demand among many other changes. Growth in peak demand and changes to the consumption profile mean that many substations may need to be upgraded during the draft plan period and beyond.

In addition to providing more stable electricity supply, batteries provide a range of benefits to consumers and distribution providers including demand shifting, price stabilisation, voltage support services and frequency response services. Batteries are unique in that the asset class is fast, flexible, reliable and is required to support decarbonisation efforts with the withdrawal of coal generation and the increasing penetration of renewables. Further, consumers will benefit from more cost effective, safe and secure electricity network provided by the inclusion of large-scale batteries as part of the electricity landscape. Our view is that these benefits can be provided to consumers along with further benefits resulting from delaying or removing the need to undertake capacity upgrades at distribution substations if large scale batteries are installed within distribution networks.

To facilitate this efficient outcome for consumers and distribution networks, we consider that Ausgrid's tariff innovation efforts should go further to ensure that large scale batteries are not disincentivised from connecting at the distribution

[1]By load, based on Shell Energy analysis of publicly available data.
[2] Utility Market Intelligence (UMI) survey of large commercial and industrial electricity customers of major electricity retailers, including ERM Power (now known as Shell Energy) by independent research company NTF Group in 2011-2021.

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level. The current default Ausgrid tariff for large scale batteries connecting at the 33-132kV level is EA390, which includes a standing (capacity) charge and an energy usage charge. Our analysis shows that applying this tariff to a typical large scale battery project increases the project annual costs by millions of dollars and renders the project uneconomic. We believe that this disincentive to storage is a very negative outcome for consumers who instead of gaining access to the benefits of battery storage, will be obligated to pay for substation upgrades or experience lower reliability outcomes.

The capacity charge component of the default tariff is designed to reflect the cost of additional demand in the distribution network at peak times. However, since batteries operate to time shift demand from high priced periods to low priced periods, they already have a very strong incentive to avoid consumption at peak demand times. Our view is that a large-scale battery will have a beneficial impact on demand at peak times. For this reason, we believe the default tariff is inappropriate for battery connections and should be re-evaluated. Ideally, given the benefits to consumers and the distribution system, we believe that large scale battery installations should face very low to zero connection charges. However, we note that this is not currently part of the Draft Plan or any current tariff structure.

The best tariff arrangement currently available for large scale batteries connecting to the distribution grid is for Ausgrid's transmission tariff to be applied. Our analysis shows that this tariff structure significantly improves the economics of battery projects, effectively removing the disincentive under the default tariff and ensuring consumers see benefits from accelerated deployment of large-scale batteries. We strongly support the transmission tariff being applied as the default connection charge arrangement for large scale batteries and for this to be included in Ausgrid's FY25-29 regulatory proposal to the AER.

For any questions regarding this submission please contact Peter Wormald

Yours sincerely,

Libby Hawker
GM Regulatory Affairs & Compliance

4 October 2022

Submission via consultation website: https://yoursay.ausgrid.com.au/draft-plan-2024-2029

Ausgrid Draft Plan 2024-29

Thank you for the opportunity to comment on the draft plan, and for your willingness to engage with SSROC and councils. Making the draft available for feedback is a significant step in improving Ausgrid's engagement with its stakeholders.

Southern Sydney Regional Organisation of Councils Inc (SSROC) is an association of twelve local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney. Together, our member councils cover a population of about 1.8 million, one third of the population of Sydney, including Australia's most densely populated suburbs. SSROC advocates for the needs of our member councils and bring a regional perspective to the issues raised.

One of SSROC's functions is to coordinate and facilitate council collaboration on matters of particular importance, including non-member councils where appropriate. SSROC's Street Lighting Improvement (SLI) Program has been a major project since it began in 2003, gradually expanding in scope to include 29 councils across the area where Ausgrid operates. The provision of street lighting is the responsibility of councils as the road authority, using the services provided by Ausgrid. This project has allowed SSROC's team insights into councils' priorities and concerns in relation to Ausgrid's role service levels beyond the scope of strictly public street lighting.

Ausgrid's role in facilitating the transition to Net Zero

SSROC strongly supports Ausgrid's actively contributing to a net zero future by preparing the grid for the range of technologies that are part of that future. Ausgrid's plan rightly acknowledges that, as a distributed network service provider (DNSP), it is integral to transitioning the grid to a sustainable model. In this context, a sustainable grid will promote environmental, social and economic benefits, which includes making the grid resilient to sudden shocks and chronic stresses and accounting for intergenerational equity.

In today's conditions, the impacts of anthropogenic climate changes are increasingly and directly manifesting in more frequent and severe storms, changing temperature patterns and more intense bushfires. Such events can have serious effects on the grid, and therefore on the people it serves. Current responses include both adaptation to the ongoing change and mitigation of carbon emissions across all facets of society.

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The nexus between these and Ausgrid specifically means adaptation to accommodate those essential responses. This includes:

- Integrating solar PV and other Customer Energy Resources (CER),
- Community batteries and embedded networks,
- EV charging,
- Increasing network resilience.

Most of this work needs to be aligned with local strategic planning statements and controls so that new infrastructure can be accommodated into the local area without inappropriate or perverse outcomes for the community, environment, or streetscape.

Working with Councils to transition

SSROC therefore emphasises the need for Ausgrid to work with councils to achieve a smooth transition to renewable energy and energy efficiency, while avoiding negative impacts on local communities as a result of inappropriate delivery.

To illustrate the role of Councils, they are generally very supportive of the uptake of solar PV, and respect the role that Ausgrid necessarily has in connecting installations to the grid, as well as the way that Ausgrid has adapted to the two-way flow of electricity. The role that councils have in applying local planning controls to solar PV installations, such in heritage areas, is increasingly understood.

This sort of regulation applies equally to other aspect of the transition. For example, the implementation of EV chargers is recognised as essential to the take-up of EVs, and supported by Ausgrid through its partnership with JOLT. From a council perspective there are many related issues that have to be resolved both at a policy level and with each installation where it affects the public domain:

- Policies on the use of public domain for EV charging infrastructure, associate parking space use, revenue, parking restrictions, compliance management, social equity and visual amenity;
- Line-marking, signage and set-back standards;
- Ongoing cost implications for maintenance and enforcement;
- Communications and training.

Even private chargers are in some cases councils' concern. The issue of EV charging in strata property raises multiple issues, and development controls may not yet cover the provision of charging infrastructure.

Similar considerations apply to other initiatives such as community batteries. Again, councils are supportive of community battery initiatives as a service to the community, such as by enabling tenants or owners without solar PV to benefit from renewable electricity. But councils must also manage all the impacts of the infrastructure on the local environment and community. Councils are therefore willing to work with proponents of community battery projects, and the proponents must work with councils to understand and comply with relevant local development controls. It is unclear exactly what "support" (Ausgrid Draft Plan p32) Ausgrid as a proponent of community battery projects seeks or needs councils to provide: SSROC would be willing to work with Ausgrid to understand the support needs and to develop a mechanism for collaboration on local energy solutions.

It will be critical for Ausgrid to collaborate with local councils to deliver optimal social, environmental and economic outcomes for all concerned. Potential conflicts and complexities can be avoided by working closely with councils throughout planning for these interventions.

Urban Amenity and Streetscape

Councils have an obligation to their communities to achieve local amenity and an environment that is conducive to health and wellbeing, and which promotes the liveability of the area. These obligations are delivered through a range of planning controls, but often require conflicting priorities to be resolved. Practical and functional benefits may need to be reconciled with visual, environmental or cultural benefits.

Physical infrastructure such as telecommunications equipment, green pillars, EV charging stations and community batteries can all be very beneficial to the community in practical ways. They also affect the availability of public space, and may be detrimental to the streetscape. While each one may have little impact, councils must also be concerned with the cumulative and ongoing effects of all the installations, particular where older equipment is not removed when new equipment is added.

SSROC strongly recommends that Ausgrid works with councils to support the delivery of liveable localities. Ausgrid's Voice of Community Panel is a very good innovation which has tremendous potential. Ausgrid's efforts could achieve further gains by systematically sharing plans for all local infrastructure enhancements and additions with councils. This would enable councils to understand the cumulative impacts on the local area, and reveal likely issues well in advance of implementation. This should cover, for example:

- power poles, street lights and multi-function poles,
- any pole-mounted equipment, such as that for telecommunications (5G) and EV charging,
- standalone EV chargers,
- batteries,
- any infrastructure with advertising,
- green pillars,
- removal or replacement of existing infrastructure.

These all have impacts on the public space available, potential to block footpaths, cycleways or access, and are therefore appropriately subject to controls. In combination, the impacts can be greater, and the cumulative impacts on streetscape, visual amenity and clutter are important to the community and therefore to councils.

SSROC also supports the notification and, where possible, coordination of physical works through council and with other utilities.

Enabling Smart Cities

SSROC has had a key part in facilitating the relationship between Ausgrid and councils that has resulted in LED upgrades to public lighting on local roads, and developing the next phase to upgrade public lighting on main roads. This initiative by Ausgrid is very welcome.

SSROC also welcomes the incorporation into the main roads lighting upgrade of smart controls and Zhaga ports. Smart controls, or light point controllers, will enable a range of new functionality including automated notification of lighting outages, and the ability to dim or trim lighting.

Streetlight is an ideal and perhaps lowest cost place from which to perform many smart city sensing tasks. Public lights are ubiquitous, often appropriately located for many sensors and communication, and a secure piece of existing, powered infrastructure. Relevant standards are now in place for a Zhaga-enabled significant part of smart city infrastructure: Zhaga and the DALI Alliance standards bring standardised communication between sensors and luminaire under a global certification regime. The relatively recent Book 18 Edition 3 allows ANSI/NEMA-based light point controllers with Zhaga-D4i based smart city sensors, including control devices, photocells, motion sensors and all sensor categories.

With these technologies to come on line over the next three years, and investments committed, it is increasingly urgent to agree the mechanisms, commitments, and operating models. Therefore, SSROC urges Ausgrid to continue to work with SSROC to develop agreements to cover the efficient and effective operation and use of smart controls and Zhaga ports, and for the related data an communications.

Resilience of Ausgrid Infrastructure

SSROC supports the continued participation of customer advocates in developing resilience. The electricity grid infrastructure is essential to the effective functioning of society today, and in some instances is critical to human health. Its resilience is of great importance and SSROC is generally supportive of improvement measures.

However, we understand that compromises (often due to cost) are unavoidable; so Ausgrid necessarily must find a reasonable balance between target outcomes and financial viability, and customer input on this balance is essential.

In emergency situations, Ausgrid's plan for up to 5 community resilience vans is supported, providing a very basic but important level of supply. Ausgrid might also consider working with councils to incorporate those vans into the local emergency response plans. The role could be extended to permit Ausgrid's on-site team the authority to direct Ausgrid resources to address locally dictated priorities in collaboration with the local council.

Ausgrid Core Information Systems

Information and communication technologies (ICT) are core to any business to enable it to function effectively. For Ausgrid in an emergency outage, timely and accurate information effectively communicated to those affected by the outage is a very high priority, and needs to be addressed alongside re-establishing supply.

Therefore, investments in protection from and resilience to cyber-attacks are extremely high priorities, which SSROC supports.

Ausgrid notes (Appendix A, p8) that a sophisticated cost benefit analysis tool is used in formulating forecast climate resilience capex, and that it models the underlying risks and

customer value of millions of assets. The increasing sophistication of this model is essential as Ausgrid adapts to increasingly sophisticated climate and resilience modelling. Benefits and costs which are not easily measured in dollar values are nonetheless very important to assessing the level of investment appropriate for a given risk. SSROC is not familiar with Ausgrid's modelling tool, but notes that intangibles (such as the benefits to a local community of charging phones at a community resilience van in the aftermath of a bushfire) can be a significant element in investment justification.

Regulatory Framework

SSROC understands the necessity for regulation of Ausgrid's DNSP business, and that Ausgrid has limited control over regulated matters. The following points are therefore made for broad consideration by Ausgrid:

- the regulatory framework is slow to respond to rapidly changing circumstances such as the need to respond to changing norms. Some metrics could be changed or new ones added e.g. System Average Interruption Duration Index (SAIDI) does not reflect customers' actual experience of prolonged outages. The increasing number and scale of Major Event Days (MEDs) due to climate change should perhaps be included in reliability performance, so that the reliability measured by SAIDI is balanced by the resilience indicator MEDs.
- The Australian Energy Market Commission (AEMC) has a specific interpretation of the National Energy Objective (NEO), which has not been adjusted in response to new information about climate change. The NEO is "to promote efficient investment in, and efficient operation and use of, energy services for the long term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy." Safety remains a key consideration, and is affected by MEDs, lending further support to recognising the importance of this indicator. With the clearly proven causal links between carbon emissions, climate change and extreme weather events and bushfires, the AEMC's narrow interpretation of "long term interests of consumers" is not appropriate.
- Resilience is not specifically included by the NEO, but with today's knowledge resilience is clearly a characteristic of "quality, safety, reliability and security of supply of energy".

Customer Service Incentive Scheme

A customer service incentive scheme would in principle help to encourage improvements to customer services. The proposed revenue at risk seems to be a small percentage, but it is acknowledged that it could provide an incentive.

Further comment would require more information, such as the targets for improvement, and how scores are calculated. In particular, the Unplanned Outage Management measure, "Website – Service Resolution Score" is a good key performance indicator but needs to encapsulate effectiveness, extent of outage and duration of outage per household.

Street Lighting

Please refer to SSROC's separate submission on Ausgrid's Our Public Lighting Services for 2024-29 consultation draft.

Conclusion

In conclusion, SSROC welcomes Ausgrid's efforts to consult with its stakeholders and respond to stakeholder concerns. In particular, this consultation on the draft plan is appreciated, and we look forward to the issues raised being addressed in future.

The draft plan is very wide-ranging and extends to many issues that have not been directly addressed in this letter: into micro-grids, community batteries, cable-bundling, street trees, energy conservation, resilience, emergency response and more. These are all matters that councils and SSROC are trying to facilitate through our various plans and strategies including development control plans, local strategic planning statements, green grid plans, sustainability strategies etc.

SSROC's major concern is therefore for Ausgrid to continue its efforts to collaborate in a spirit of partnership with councils, recognising that councils support many of Ausgrid's plans, but also that they are required to represent and promote the interests of their local communities.

Thank you for the opportunity to comment on Ausgrid's Our Draft Plan for 2024-29. Please note that, in order meet the deadline for submission, it has not been possible for this submission to be formally received and endorsed at a meeting of SSROC. Should any issues arise as a result, I will be in touch.

SSROC is very keen to continue to have a role in facilitating the dialogue between councils and Ausgrid, and to develop common policies where appropriate. Should you have any further enquiries in relation to this letter, please contact me at ssroc@ssroc.nsw.gov.au.

Yours faithfully

Helen Sloan
Chief Executive Officer
Southern Sydney Regional Organisation of Councils

Cc:
Dr Meg Montgomery, Executive Director, Northern Sydney Regional Organisation of Councils.

Attached: Summary of Key Issues

Summary of Key Issues

SSROC:

1. strongly supports Ausgrid's actively contributing to a net zero future by preparing the grid for the range of technologies that are part of that future.

2. emphasises the need for Ausgrid to work with councils to achieve a smooth transition to renewable energy and energy efficiency, while avoiding negative impacts on local communities as a result of inappropriate delivery.

3. strongly recommends that Ausgrid works with councils to support the delivery of liveable localities.

4. supports the notification and, where possible, coordination of physical works through council and with other utilities.

5. welcomes the residential roads and now main roads LED public lighting upgrade initiatives.

6. a) welcomes the incorporation into the main roads lighting upgrade of smart controls and Zhaga ports.

   b) urges Ausgrid to work with SSROC to develop agreements to cover the efficient and effective operation and use of smart controls and Zhaga ports, and for the related data and communications.

7. supports the continued participation of customer advocates in developing resilience.

8. suggests that Ausgrid considers working with councils to incorporate the community resilience vans and other Ausgrid resources into the local emergency response plans.

9. supports investments in protection from and resilience to cyber attacks.

10. notes that intangible benefits can be a significant element in investment justification where a costs benefit ratio may not be strong.

11. acknowledges that the proposed customer service incentive scheme could provide an incentive, although the proposed revenue at risk seems to be a small percentage.

City Infrastructure.PMcMurray
Reference: OT2022/02090
Phone: 02 4974 2000

14 October 2022

Mr Rob Amphlett Lewis
Chief Customer Officer
Ausgrid
GPO Box 4009
SYDNEY NSW 2001

By email: kate.hawke@ausgrid.com.au

Dear Mr Lewis

COMMENTS FROM CITY OF NEWCASTLE – AUSGRID DRAFT PLAN 2024-2029

Further to the announcement of Ausgrid's Draft Plan 2024-2029 (Draft Plan), giving communities the power in a resilient, affordable, net zero future, please see City of Newcastle's comments on the Draft Plan and Pricing Directions Paper in the table below. Feedback on the Draft Climate Resilience Framework is provided at **Attachment A**.

Submission on Ausgrid Draft Plan 2024-2029	
Item	**City of Newcastle Comments**
1. Page 13.	The Draft Plan needs to provide more information and detail on what measures Ausgrid propose to put in place that will decrease the burden on communities, particularly Local Government. The emphasis on cost reduction and the example provided in the Draft Plan are specific to residential household costs only. There needs to be clearer definition on what are the factors influencing 'Delivering Value for Money' and how does that relate specifically to organisations/authorities such as Local Government. There is no mention of this in report. Further to this Draft Plan needs to identify how will the objectives, such as Transforming the Grid, Delivering Net Zero, and Building Resilience relate to Local Government.
Page 29 (CN addition)	More detail is required on how this investment will work in relation to the issue City of Newcastle (CN) has consistently faced with Ausgrid contractors poor practice of tree pruning under powerlines. Is the expectation that reviews to existing maintenance standards and specifications will be completed, and how will this be communicated and discussed with Councils?
Page 32 (CN addition)	In 'facilitating an affordable energy transition' and 'investing to reduce long-term costs', the Draft Plan should outline how 'maintaining a stable asset base so that investments we make today do not create an affordability challenge for future generations' relate to the different Ausgrid assets. There is currently in place a totally separate asset cost pricing process for Ausgrid assets, particularly street light poles. More detail is required on what is proposed in the Draft Plan, such as the statement referring to 'spending efficiently and our costs are being fairly shared across current and future generations' and the impact on Councils.

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2. Page 42	Any community support service should provide the process that defines when, what, and where consultation/workshops will be undertaken. It's on this basis that stakeholders will be able to highlight the relevant issues specific to their concern.
3. Page 43	End-user protection or endpoint security is a crucial aspect of cyber security. After all, it is often an individual (the end-user) who accidentally uploads malware or another form of cyber threat to their desktop, laptop or mobile device. Emphasis should be on End-user protection or endpoint security.
4. Page 44	Agree with five key principles to guide Ausgrid investment. However, the Draft Plan should consider including how these will be measured.
5. Page 45	Community batteries are a relatively new concept in Australia. It offers a shared battery solution in a local neighbourhood and allows customers and the wider community to access the multiple benefits that batteries can provide. It is noted that Ausgrid already has a community battery trial aims to show how: • The benefits of community batteries can be shared between local customers, the wider community and electricity networks, and • Community batteries can help deliver cost savings and support the take up of solar power by households and businesses. There was no mention of this in the Draft Plan. In implementing its already existing community battery program what did Ausgrid define as it benefits, how were they measured and what opportunity was there for Council's to participate in this program.
6. Page 50	In building, operating and maintaining a distribution network with a focus on providing a safe and reliable energy supply, as noted in the Draft Plan under 'our role in the communities we serve', how will factors/impacts such as the ones highlighted below, be delivered, implemented and communicated to Local Government. • Suppliers capability; • Pricing options; • Contract risks; • Payment terms; • Flexibility & Customer support; • Renewable Energy Policy; • Roll in & Roll Out Policy; and • Contract Variations. Currently processes relating to the abovementioned factors are undertaken very poorly and CN strongly supports the options being considered as per Section 4.3.2 of the Draft Plan.
7. Page 53	For culturally and linguistically diverse (CALD) customers and their representatives, it is considered essential that consideration be given to improving the services Ausgrid delivers to CALD communities. Culturally significant dates need to be taken into consideration and discussed with relevant Indigenous Land Councils when scheduling planned outages. This should be another key factor incorporated into community consultation and communication process with direct link through Local Government.
8. Page 54	In Australia, it has been shown that around half of the Multifactor productivity (MFP) decline in energy (electricity) supply was due to an increase in the ratio of peak to average electricity demand, which lowered average rates of capacity utilisation. This was largely attributable for example, in increased population in

	outer/rural areas combined with rapid growth in household use of airconditioners. Three other contributors were: • cyclical investment in lumpy capital assets, which temporarily increased inputs ahead of growth in output; • a shift to greater undergrounding of electricity cabling, which raised costs and the quality of output, but not the volume of measured output; and • policy induced shifts away from coalfired power to higher-cost, but less polluting, sources of new supply. Gains with customers? To fairly share the benefits of productivity gains with customers, Ausgrid must consider factors such as integrated growth and investment strategy that shifts focus away from large/isolated power supply facilities, better volume output measures and increased programs that facilitate an affordable energy transition.
9. Page 55	Agree with the reforms that highlight how Ausgrid should fairly balance price impacts across different customer groups as outlined in Section 4.4.2 Page 55 of the Draft Plan.
10. Page 60	As highlighted in comment six, factors Ausgrid need to take into account in spreading customer price impacts across the 5 year period include: • Suppliers Capability; • Pricing Options; • Contract Risks; • Payment Terms; • Flexibility & Customer Support; • Renewable Energy Policy; • Roll in & Roll Out Policy; and • Contract Variations Details need to be included in the report as to how and what the impacts will be in implementing these price factors.

Regulatory Matters	
Item	**City of Newcastle Comments**
Consultation Question 11 - Appendix A	The detail in the discussion focusses on meeting Capex requirements that is 'capable of acceptance…by AER'. This does not in any way provide users/customers with details on how that will be achieved. While it is stated on Page 4 of the Draft Plan ' Our total forecast capex for 2024-29 is $3,239 million. This is 7% higher than our current period spend. Though an increase, this amount of capex will not cause growth in the value of our RAB per customer in real terms', there is no information and/or detail that states how or if this will be achieved, particularly if there is the intent to maintain the affordability of Ausgrid services with the need to tackle long-term challenges like climate change, the facilitation of a net zero future and keeping pace with cyber threats More information as to how this will be achieved is required.
Consultation Question 12 - Appendix B	The best way of measuring improvements in the productivity of Ausgrid capital investments is improving project selection processes. In Newcastle for example, Ausgrid assets generally function adequately and undergo usual maintenance and upgrade. However, it is noted that problems have emerged and can be demonstrated in numerous examples of poor value for money arising from inadequate project selection and prioritisation. There

	is a bias toward large investments despite the returns to public investment often being higher for smaller, more incremental investments. In part, this is because the private sector is more interested in financing large investments (due to the costs involved), and Ausgrid has supported this process. What is the best way of measuring improvements in the productivity of Ausgrid capital investments is to provide users/customers with details on project election process? This should include a comprehensive and rigorous social cost—benefit analysis to all medium and major Ausgrid infrastructure investment projects. Such analyses should be publicly released during the commitment phase and be made available for due diligence. In general, cost-benefit analyses should be done prior to any in-principal commitment to a project or as soon as practicable thereafter.
Consultation Question 13 - Appendix C	It makes no sense the way Ausgrid has determined that depreciation on its street lighting assets (Ausgrid owned). For example, by changing Ausgrid method for calculating depreciation from weighted average remaining life (WARL) to year-by-year tracking, does not provide any benefit to anyone else other than Ausgrid to allow assets added each year to be depreciated by their actual remaining life rather than an average, including older and younger assets. While this change may not impact how much Ausgrid recovers over the life of an asset, it does change when Ausgrid recover it which can be significantly sooner than the life of the asset. This approach is not supported. It is typically revenue raising over a period much sooner than what the costs are required for. Creates major costs issues in the case of street lighting assets particularly when assets fail well before the endo f their useful lives.
Consultation Question 14 - Appendix F	No comments/changes to the definition of the natural disaster pass through event as highlighted on Page 33 of Appendices.

Ausgrid Pricing Directions Paper	
Item	**City of Newcastle Comments**
Consultation Question 1 - Page 10	Agree with the proposed pricing principles.
Consultation Question 2 - Page 12	CN supports more cost-reflective approaches, such as including a forward-looking price signal in Ausgrid's peak demand and capacity charges. This will provide a more fairer and equitable charge process for users, similar to the way the existing NSW Climate Change Fund (CCF) are passed through as an energy usage charge applied to all distribution network customers.
Consultation Question 3 - Page 12	Agree with the proposed pricing principles.
Consultation Question 4 - Page 22	Agree with the proposed pricing principles.
Consultation Question 5 - Page 26	For the majority of users, including Local Government, it is critical to note the times when you use most of your electricity. A time-of-use tariff needs to be considered that enables electricity to be priced differently at different times of the day: Peak – this is when electricity costs the most. Peak rates usually apply in the evenings from Monday to Friday, support changing from 4pm to 10pm.

	Off-peak – this is when electricity is cheapest. Off-peak rates usually apply overnight, and on Saturday and Sunday. Shoulder – this is when electricity costs a bit less than peak. Shoulder rates usually apply in-between peak and off-peak periods. Peak pricing encourages you to use less electricity between 4 pm and 10 pm, which is when most people are using electricity. Being on a time-of-use plan provides opportunities to save money by shifting usage to off-peak periods where possible. A time-of-use tariff plan could be a good choice for users if they: • are out a lot in the evenings from Monday to Friday • are at home during the day or on weekends • use their appliances, like your washing machine, on the weekend. A time-of-use tariff plan should incorporate a meter that measures users electricity usage at different times of the day. For example, a smart or interval meter. For Local Governments this would be of specific benefit in relation to street lighting, which in winter, is typically charged for during part of peak period.
Consultation Question 6 - Page 27	No comments against the proposed pricing principles.
Consultation Question 7 - Page 30	Do the proposed three EN tariffs accurately reflect the low and high voltage usage rates as highlighted on page 3. How were these rates determined? For example: ENs connected to the low voltage network using between 160 and 750 MWh per annum (for ENs currently on tariff EA305). Does the 160 and 750 MWh accurately reflect the low voltage usage? The tariffs could potentially have little to no benefit if usage rate not accurate or practical.
Consultation Question 8 - Page 32	Support the proposed actions to move customers to cost reflective tariffs as outlined in Table 7 of Pricing Directions Paper.
Consultation Question 9 - Page 34	The proposed amendments to tariff assignments are considered suitable for new and existing medium business customers?
Consultation Question 10 - Page 35	It is noted and supported, that an increasing number of retailers are offering EV pricing products. CN supports any consideration by Ausgrid to align existing network tariffs with these offerings, in particular the use of Time-based price signals which will encourage EV smart chargers to be programmed when to operate. As highlighted on Page 35 of the Pricing Directions Paper, new EV charging stations typically have a lower utilisation of the network and can therefore experience a higher cost per unit of energy than other customers on the same tariff. Noting Ausgrid's proposed reform of raising the threshold at which capacity tariffs apply (Section 4.5.3), it is agreed and accepted that this action should go part way in addressing the feedback from the EV industry. CN supports consideration of further tariff reforms in the future, as the impact of EV charging increases
Consultation Question 11 - Page 38	CN supports continued use of a critical peak pricing tariff for community batteries as a sub-threshold tariff as outlined on Page 38 of Pricing Direction Paper. This includes continued use/consideration of the two payment/charge components set to reflect the long run marginal cost of consumption and export services.
Consultation Question 12 - Page 38	Support continued use of tariffs as highlighted on Page 38 of Pricing Direction Paper.

Consultation Question 13 - Page 39	CN fully supports implementation of flexible load tariff as a sub-threshold tariff, which, as noted, if offered as a regulated tariff, would be available to all customers with a flexible load. CN is committed to significantly increasing its use of EV vehicles and this tariff would provide significant benefit both in terms of cost and flexibility of charge usage
Consultation Question 14 - Page 39	CN supports continued use and implementation of Project Edith as outline on Page 39 of Pricing Direction Paper.
Consultation Question 15 - Page 41	CN supports implementation of any service that: • Develops dynamic access and connection solutions that provide a range of options for customers in line with their individual needs (but still retains cost reflective and efficient pricing principles); and • Improves system affordability for all Ausgrid customers through encouraging efficient two-way utilisation of the network through dynamic network pricing

Should you require any further information please contact Tammara Ward, Interim Manager Assets and Facilities on 4974 2000 or via email to mail@ncc.nsw.gov.au.

Yours faithfully

Joanne Rigby
EXECUTIVE DIRECTOR CITY INFRASTRUCTURE

Enc.

Attachment A - Ausgrid Draft Climate Resilience Framework Plan – City of Newcastle comments

As per comments provided by participants at the Ausgrid Draft Plan Council forum conducted on 27 September 2022 where the various options under the climate resilience toward net zero were presented by Ausgrid.

The primary matters put forward by City of Newcastle (CN) are:

In July 2022, Ausgrid, represented by Frank Roberson, Council Liaison Manager put forward an aerial bundled cable (ABC) co-funding proposal to Local Government representatives at the Vegetation Management Working Group meeting. The ABC program of works were proposed to be funded by both Ausgrid ($12million) and Local Government ($8 million) contributions. The Ausgrid calculations provided by Mr Roberson estimates that a 0.5% low voltage network upgrade of Newcastle LGA would require $603,122 in funding (47 spans). Ausgrid's Draft Plan 2024-29 details that co-funding projects with Local Government will be funded from the $179 million resilience program. CN understands that Ausgrid will be submitting their Draft Plan to the Australian Energy Regulator in January 2023.

The CN offers in principle support for Ausgrid's Draft Plan 2024-29 and associated resilience projects. However, the proposal to co-fund a 50:50 split with CN to deliver ABC outcomes for Newcastle LGA is not supported. It is CN's preferred position that Ausgrid utilise its identified funding for ABC network improvements, that will be generated in part by the reduction in vegetation management demands and associated costs that Ausgrid will accrue. Meanwhile the investment in network improvement will also provide substantial service improvement to our residents through reducing unsightly vegetation amenity outcomes, and improved service supplies as our changing climate impacts utility provision. Such a proposal will also improve the cumulative benefits that CN's investment in street tree planting can accrue through increased canopy outcomes.

In support of the proposed ABC improvement plan, CN understands that the intent of Ausgrid's ABC program is to target network locations at risk of urban heat or with low canopy coverage to allow for planting of larger trees and reduced pruning demand. Ausgrid further proposed the locations for ABC upgrades would be determined by Councils, with some limitations E.g., target spans with no high voltage wires.

CN has utilised the Ausgrid /CN data exchange brokered earlier in 2022 and generated the first pass ABC program of works based on a review of Ausgrid's network data, CN's canopy, heat island, and tree data, vulnerable community census data and forward capital works program. CN's has identified 23 ABC spans in a program of works as priority Ausgrid network upgrades.

Further to CN's initial 23 span ABC program we also offer the following recommendations:

- The location of the above 23 spans should be determined by CN in accordance with Ausgrid limitations, as per Ausgrid's expectation in raising the proposal
- That updated Urban Heat Island Mapping and Lidar derived Canopy models are produced for all LGAs with Ausgrid network. This should be a co-funded project between Ausgrid and Local Governments, with data shared openly between all parties.
- That when the above data is available, Ausgrid utilise this alongside other social metrics to produce an equitable model for prioritisation of engineering solutions to enable enhanced canopy cover.

CN will continue to invest in 10 year pruning of public trees under power lines, and ensuring that appropriate new tree species are planted under power lines as per CNs Street Tree Selection Manual.

18 October 2022
Ausgrid
Submission: Positive support for Ausgrid Draft Plan 2024-29

Sydney Water acknowledges the steps Ausgrid is making to enhance the resilience of your services. Likewise Sydney Water is committed to providing secure and reliable essential services. By building infrastructure, community and organisational resilience it will ensure public health and safety, environmental outcomes, economic prosperity and social cohesion of our city.

Sydney Water recognises that Ausgrid also has a crucial role in ensuring the people of Sydney are able to survive, adapt, and grow no matter what kinds of chronic stresses and acute shocks they experience. This includes enabling Sydney Water to provide essential water and wastewater services to the community.

The nature of water management leads to substantial climate exposures. There are acute risks posed to our assets, which exist in harsh and exposed locations and chronic risks posed to our products. This means when Ausgrid is impacted by a climate hazard, it is likely that Sydney Water is as well. We must continue collaborating to better understand each other's risks and appropriate response measures for the betterment of the communities we serve. Sydney Water needs to be considered a critical customer for Ausgrid and supported in maintaining power supply to our critical assets, particularly those that cannot be powered by off grid power sources due to the asset size or its location.

Sydney Water believes it is critical that Ausgrid invests in measures that are in the long-term interest of customers, such as climate resilience and cyber security. The development of your climate resilience framework alongside customers, is a great initiative.

Finally, Sydney Water are also supportive of Ausgrid's commitment net zero by 2050 and measures that enable customers uptake of Distributed Energy Resources. We encourage Ausgrid to consider the influence you have over your supply chain in this transition.

Yours sincerely

P. Joseph

Penny Joseph
Head of Resilience and Climate Change Adaptation, Sydney Water

SUBMISSION

FOREWORD

Officers of Willoughby City Council appreciate the opportunity to provide feedback with regards to Ausgrid's proposed Draft Regulatory Plan "Our Draft Plan for 2024-29". This Plan seeks to advance key priorities, including building resilience to support thriving communities in response to climate change and cyber security threats, delivering a net zero energy transition, improving customer experience, and transforming the grid in an affordable manner.

We also take the opportunity to comment on the importance of a close working relationship with Ausgrid in realising our strategic growth plans in Willoughby, in particular for Chatswood, a major Strategic Centre. These plans have beeen supported by State government at the strategic planning level in line with the North District Plan and Council's Local Strategic Planning Statement (LSPS), and now need to be more fully developed as implementation plans are formulated.

Mitchell Noble
Head of Planning
14 October 2022

1. General Feedback

1.1 Purpose and Exhibition

Ausgrid is currently preparing its 5-yearly proposal to the Australian Energy Regulator (AER) for the period from 1 July 2024 to 30 June 2029. The Draft Plan's key priorities include building resilience to support thriving communities in response to climate change and cyber security threats, delivering a net zero energy transition, improving customer experience, and transforming the grid in an affordable manner. Ongoing priorities include safety and reliability, connecting customers and supporting diversity and inclusion.

There is support for these objectives, and Council is developing its own locally appropriate initiatives to achieve similar goals through its various plans and strategies, including the draft *Local Environmental Plan* and *Development Control* Plan (DCP), *Local Strategic Planning Statement* (LSPS, 2020), *Our Green City Plan* (2018), and *Resilient Willoughby Strategy and Action Plan* (2021).

The significant amount of effort and expertise that has clearly been invested in these resources to date, is acknowledged and the consultation upon which they are based.

Ausgrid is currently exhibiting the following:

- 2024-2029 Draft Regulatory Plan (Draft Plan)

Submissions are invited until October 11th 2022.

1.2 General Comments

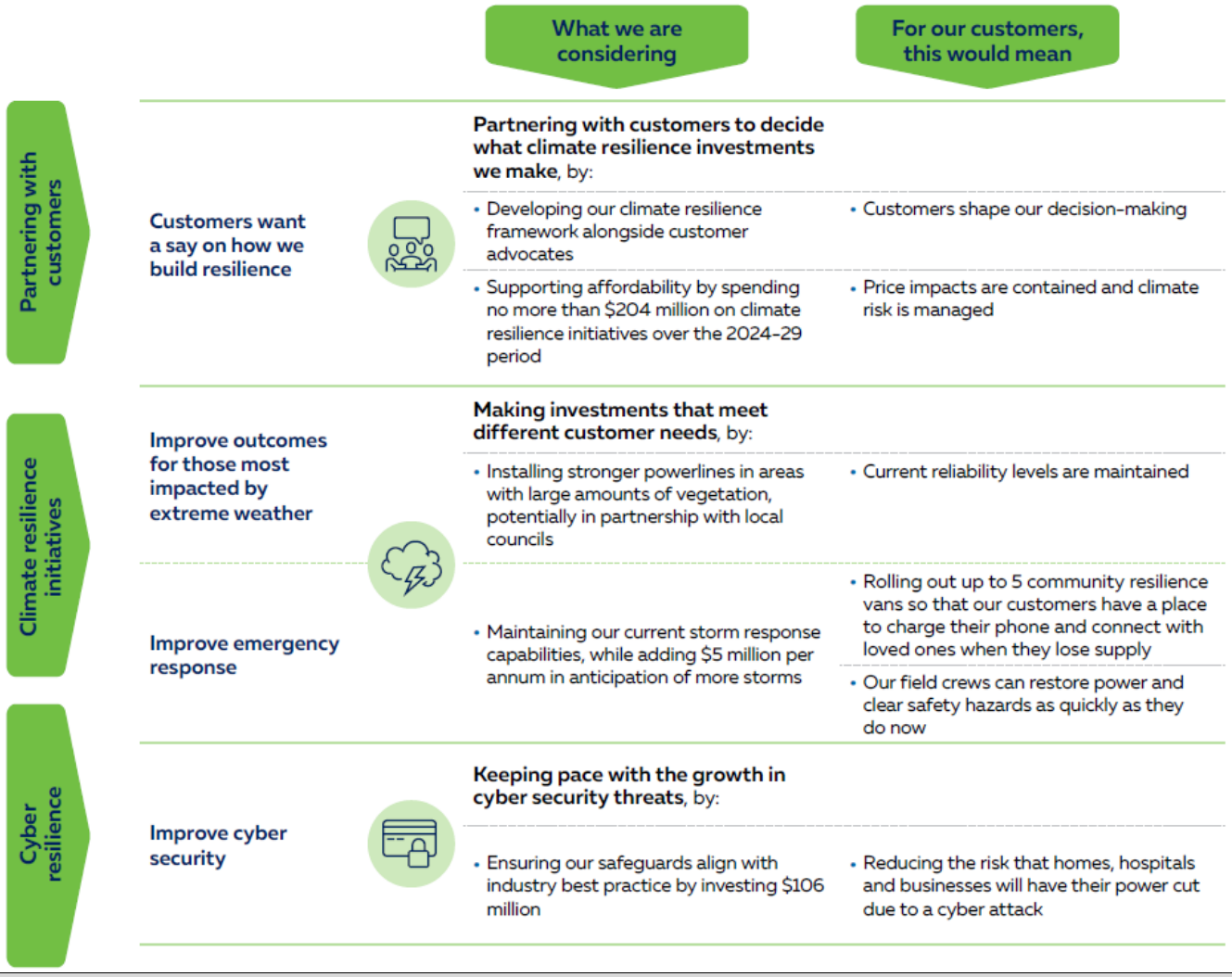
i. Working toward a 'resilient, affordable and net-zero future' is Ausgrid's overarching goal. This submission addresess Ausgrid's key priorities as outlined above. This submission incorporates comments and feedback on Ausgrid's Pricing Direction Paper.

ii. The importance of building resilience in response to climate change and cyber security threats is recognised, and this priority is supported in the Draft Plan. Transitioning to more sustainable energy sources affordably and moving toward net zero by 2050 is strongly supported. Increased collaboration with Ausgrid is welcomed to strengthen Council's own locally appropriate initiatives as we work toward our targets of net zero by 2025 for our corporate emissions, and net zero by 2040s or sooner for our community emissions.

iii. There is significant commercial and residential growth proposed for Chatswood CBD, which will be guided by the *Chatswood CBD Strategy 2036* in conjunction with Council's new Local Environmental Plan (LEP). More collaboration is invited between Council and Ausgrid on initiatives relevant to our overarching growth strategies; specifically, urban tree canopy, power lines, cable bundling, batteries, solar panels, EV charging station rollout, and emissions reductions to improve resilience and support a sustainable and net-zero future. A reliable network, including potentially increased adoption of distributed energy resources (DER) and other 'smart city' approaches will be imperative in moving forward and achieving our goals.

iv. It should be emphasised that it will be imperative that energy supply and infrastructure meet future demand in Willoughby, particularly in the context of the significant growth proposed for the Chatswood CBD in the form of high-density development, in a sustainable, resilient and reliable manner as we transition toward net-zero. Further, Council seeks to strengthen its partnership with Ausgrid to ensure collaborative arrangements are established in advance of emergencies (e.g. 'emergency dashboard'). These points are further expanded on throughout this submission.

2. Building resilience to support thriving communities



2.2 Feedback regarding building resilience to support thriving communities

i. The above initiatives to build resilience in response to climate change and cyber security threats is strongly supported. Council is working on its own locally appropriate initiatives and responses via its *Resilient Willoughby Strategy and Action Plan* (2021). Further, council has developed a cyber-security strategy and 3-year improvement program which aligns with NSW cyber security policy, ISO27001 and other standards. Further information is sought about Ausgrids cyber security strategies.

ii. Investment in Distributed Energy Resources (DER) is considered a priority, which would compliment a balanced approach to strengthening existing power lines.

iii. Additional details about how Ausgrid intends reducing the impact of outages caused by severe weather and enhancing network resilience are welcomed. The importance of developing and implementing collaborative arrangements in advance of emergencies is emphasised. Business outages should be minimised as these can cause significant disruptions to productivity.

iv. In regard to "supporting affordability by spending **no more** than $204 million on climate resilience initiatives…", imposing a cap for such a long period is impractical, as we do not know what the challenges will be in 2029.

v. It is queried why Ausgrid has nominated '5' community resilience vans specifically. Council requests further details as to when the 'climate resilience framework' will be developed.

vi. The diagram on p.40 is difficult to understand. further details and explanation about what this diagram is proposing would be welcomed. For example, under "roles and repsonsibilities", what is meant by "other resilience actors"? Further specificity is needed here. Under "program optimisation", it would be beneficial to provide further detail around what is meant by "identify prioritisation prinicples". Will this be done in consultation with "resilience actors" such as councils? Does "inter-relationships with other programs of work" refer to Ausgrid programs, or external stakeholder programs?

vii. Regarding "willingess to pay", careful consideration needs to be given to the needs of socio-economically disadvantaged communities who are often most affected by shocks and stresses (e.g. extreme weather, housing affordability), and are typically the least "able to pay". More detail is requested about how Ausgrid will ensure that equity considerations are given precedence when making decisions about "willingess to pay".

viii. At its Local Government seminar on 27 September, Ausgrid emphasied how important it is to engage effectively with CALD communities, and invited councils to collaborate on this process. Willoughby Council has invested considerable effort and resources in developing resilience-building and awareness programs for CALD communities, and is happy to share its approach with Ausgrid, to help avoid duplication and confusion amongst target communities.

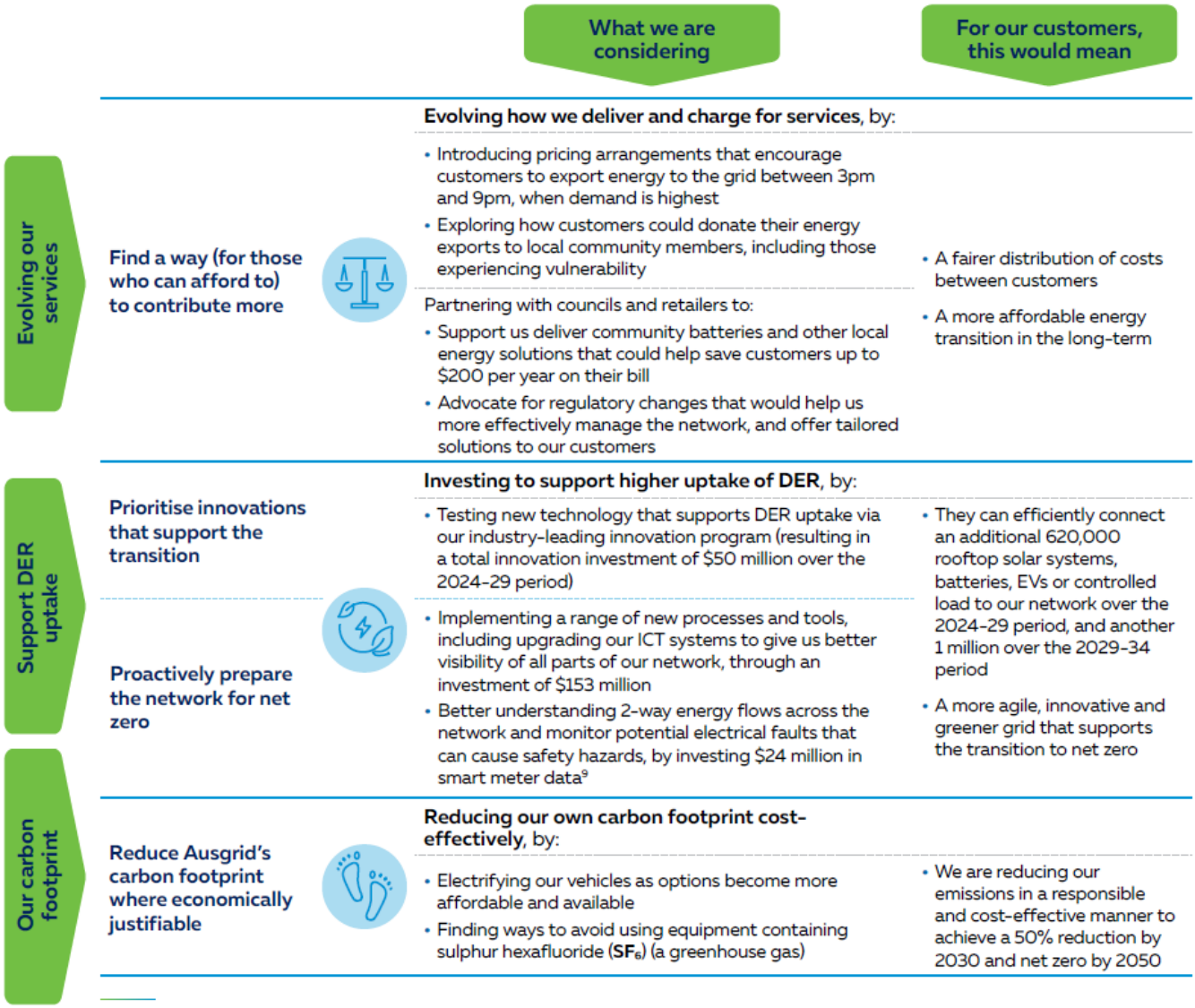
ix. Climate impact assessments are of value, as long as they are designed, implemented and reported on in a manner which is consistent with what other "resilience actors" are doing in this space; for example, councils, agencies such as Resilience NSW and Resilient Sydney. It is recommended that any climate impact assessment program is developed by Ausgrid in close consultation with other 'actors', to reduce inconsistency and duplication and enhance effectiveness. Please also do ensure that the results of the assessments are widely shared.

x. Regarding "making investments that meet different customer needs" (p.42): This outlines a number of "targeted solutions" including "working with local councils and key partners on coordinated community reslience plans". Ausgrid should be aware that resilience staff at a growing number of councils have already developed community resilience plans which are now being implemented. It is essential that Ausgrid collaborates effectively with councils and stakeholders such as Resilient Sydney during the development of resilience plans known as Local Emergency Management Committees (LEMCs) to avoid duplication and confusion in the community and 'consultation fatigue'.

xi. Regarding "community support services" (p.42): Ausgrid will be aware of the established network of LEMCs which are typically hosted by councils and undertake a range of planning, communication and coordinated emergency response activities to address community impacts from extreme weather

events such as floods, storms and bushfires. There does not appear to be any reference in the Draft Plan to the need to partner with the LEMC network, which is strongly recommended.

3. Delivering a net zero energy transition



3.2 Feedback regarding delivering a net zero energy transition

i. Ausgrid's objective to deliver a net zero energy transition through the above initiatives, is strongly supoorted and Council is developing locally appropriate responses via our own plans and strategies. Council would like to emphasise that it will be imperative that energy supply and infrastructure match future demand based on the growth proposed for Willoughby, particularly the Chatswood CBD in the context of high-density development, in a sustainable, resilient and reliable manner, as we transition to net-zero. Further clarification around how the 13% emissions reduction was measured in the Ausgrid Draft Plan (p.11) is sought.

ii. Regarding EV charging station rollout, a consistent approach is required. Regarding third-party advertising, the necessity of incorporating third-party advertising on EV charging stations should be assessed, and visual amenity impacts considered. The geographical distribution of EV facilities across council LGAs should be considered in advance to determine the most appropriate locations. It is recommended that Ausgrid partner with DPE, Resilient Sydney and a representative group of councils to develop a common set of development controls, design guidelines etc. to manage the roll-out of EV charging facilities in a consistent and efficient way. Specific to Willoughby Council, we would like to collaborate with Ausgrid to ensure new controls requiring access to EV charging facilities in apartment blocks in the context of significant future high-density growth in Chatswood will be supported by Ausgrid.

iii. Investing in a higher uptake of Distributed Energy Resources (DER) is strongly supported, as is a more agile, innovative and greener grid that supports the transiton to net zero. More detail is needed regarding how Ausgrid intends to partner with councils during the planning, design and implementation process. Clarification is sought as to how we can work together to improve and support uptake of DER.

iv. The Draft Plan prioritises innovation which can have many benefits such as reducing emissions through maximising solar use, creating additional storage and improved network resilience. Adopting new and emerging technologies play a significant role in our communities' transition to net zero. Examples of this inlcude the acceleration of vehicle to grid (V2G) opportunities and allowing EVs to export back behind the meter in households and businesses.

v. In a densely developed inner north suburb like Willoughby, we need to pay particular attention to the needs of renters and residents living in mutli-unit developments, including high-rise. What opportunities and incentives can we collectively develop to encourage household energy efficiency, demand management and uptake of DER and renewable energy alternatives? It is important that Ausgrid and councils collaborate well in this regard, to avoid duplication, confusion and inefficiencies. It is also important to develop a common set of measures to assess the impact of these DER measures utilising, where possible, existing tools and data platforms (e.g. Resilient Sydney resilience data platform). Need to plan for renters; for example, COS Green Power initiative.

vi. Ausgrid's initiative to partner with councils is agreed with to support delivery of community batteries and other local energy solutions. Further understanding is sought around how Ausgrid plans to partner with councils, noting councils may be limited in resources and / or expertise. The nature of the regulatory changes are required is queried. It is suggested that Ausgrid / state government work with councils on the development of incentives to encourage faster uptake and use of community batteries. As is the case for EV charging, there needs to be a common set of development controls and design guidelines to manage the siting and design of community batteries and other DER infrastructure.

vii. Re: Figure 4.2.3 Ausgrid's FY2022 Emissions Breakdown by Scope and Type (Kilotonnes of CO_2e), it needs to be clarified if the 10.1% attributed to streetlights includes the emissions offset by councils currently purchasing 100% renewable electricity.

viii. It is recommended that Ausgrid focuses on the need to secure multiple benefits and synergies during the development and implementation of its DER program, for example by developing measures that strengthen community resilience in emergencies whilst also driving down community carbon emissions. This requires an innovative and sophisticated approach to the evaluation by Ausgrid and its regulators of the costs and benefits of various investment programs to achieve the objectives laid out in this Draft Plan. Effective communication and collaboration with councils and other 'resilience actors' will be an important part of this process.

ix. In regards to urban tree canopy, the conservation and extension of the urban tree canopy to help combat urban heat, enhance liveability and strengthen biodiversity is a number one priority for many councils and their communities. As Chatswood grows under the *Chatswood CBD Strategy 2036* and high-density development increases, the maintenance and enhancement of urban tree canopy will be vital in combatting urban heat, enhancing liveability and strengthening biodiversity.

x. Further to the above, management of street trees, in particular, is a vital consideration and has traditionally been the source of considerable disagreement and conflcit between energy providers like Ausgrid, local communitiers and their councils. There appears to be little consideration given in the Draft Plan to this important and vexed issue. It is strongly recommended that Ausgrid gives more consideration in the Draft Plan to the urban tree canopy challenge, inlcuding how it intends reducing the impact of its operations on street trees through cable bundling and other means. Councils are very keen to collaborate with Ausgrid, the state government and other key stakeholders to develop innovative and more sustainable approaches to the conservation and extension of the urban tree canopy. The provision of DER in local communities will generate a range of opportunities and challenges in this regard.

4 Providing a better customer experience

Service delivery		What we are considering	For our customers, this would mean
		Making the customer experience simpler and easier, by	
We need to enhance our communications as outage information is crucial		• Improving the timeliness of outage communications through a $14 million additional investment in our Advanced Distribution Management System (**ADMS**)	• Faster unplanned outage communications that provide more accurate estimated restoration times
		• Improving the quality of outage information so delivery partners (such as retailers) can better communicate with customers during an outage	• SMS updates about planned outages progress, including forecast timing and estimated restoration times
Being able to speak to a real person is important		• Maintaining the quality of service delivered by our contact centres	• If they call us, they will talk to someone who knows their local area
		• Proposing that the AER apply a Customer Service Incentive Scheme (**CSIS**) to us from 1 July 2024	• We return up to $43 million to customers if we do not improve our customer service
Our services need to be simple and easy to engage with		• Improving the complex customer connection process via a $7.5 million investment in our customer information systems	• Complex connections are delivered faster and with less hassle
		• Introducing fast, easy digital self-service options for delivery partners and large customers, via an investment of $10 million	• Digital self-service options which would save around 43.5 minutes of effort per customer per year

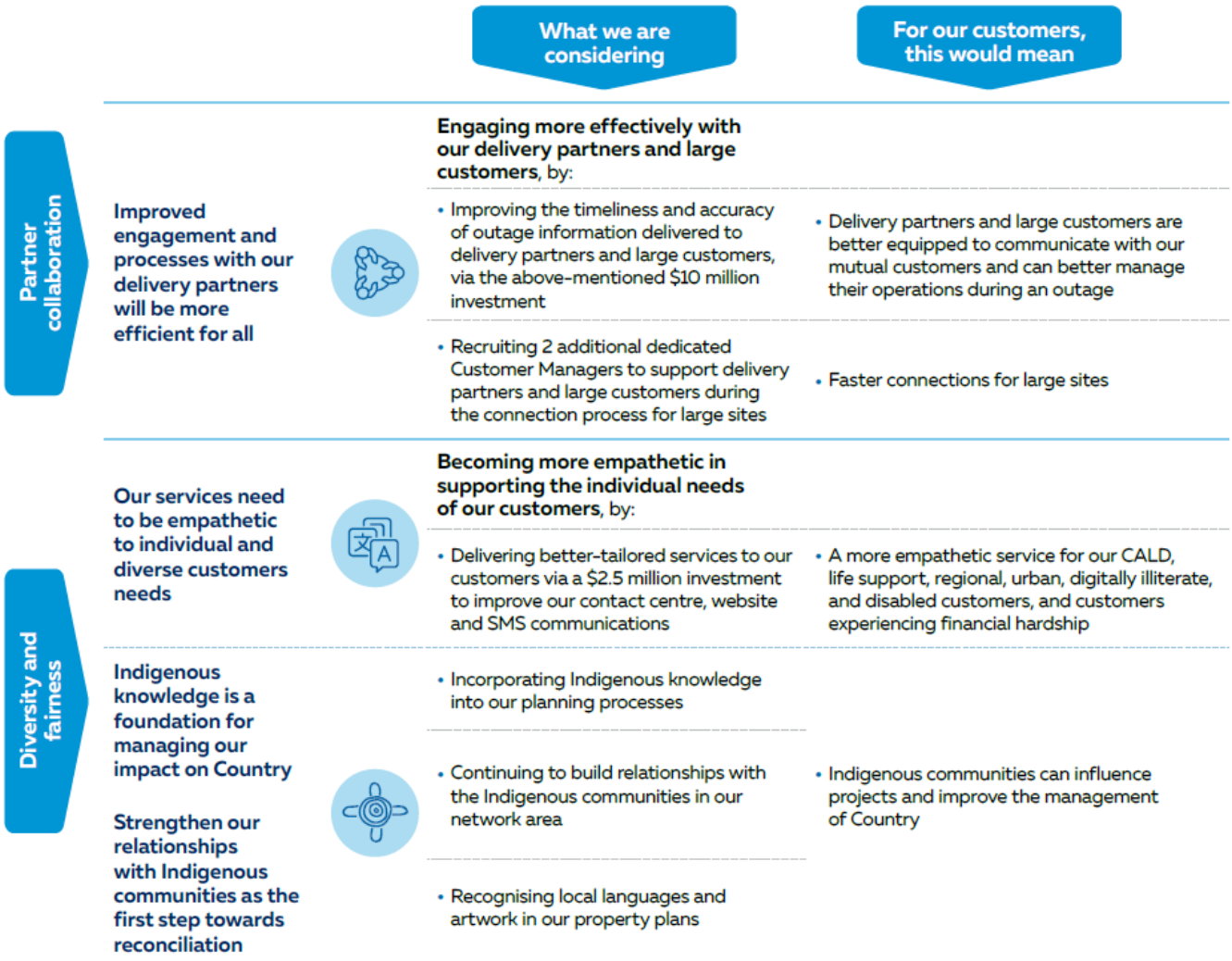
Specific to councils, Ausgrid is considering:

- Improving visibility of Ausgrid's performance on public lighting repairs with local councils by automating processes into our CRM platform
- Increasing information exchange to support improved emergency management response during outages

  WCC comments: *Refer comments on p.3 re: the need to collaborate effectively with Councils and their LEMCs to achieve this objective. For example, a number of councils in the NSROC region are investigating the establishment of a shared 'emergency dashboard' which will provide live updates and a 'single source of truth' for the community to access during extreme weather events. The dashboard combines in one place all the information updates and emergency measures put in place by emergency responders, councils and other 'actors' during an extreme weather event. This approach has been successfully trialled in Qld, Northern NSW and in some Metropolitan Sydney LGAs.*
- Exchanging data to guide street tree planting, inform vegetation management, and optimise EV infrastructure roll out
- Exchanging capital works forward plans through the IWORCS platform established to coordinate capital works jobs, to ensure that roads are only dug up once to undertake maintenance and repairs. To

identify opportunities for aligning construction, minimising disruption to the community and reducing costs

Providing a better customer experience (continued)



4.2 Feedback regarding providing better customer experience

i. Ausgrid's initiative to provide an improved customer experience is supported. There is strong support for greater collaboration and information sharing with Ausgrid regarding public lighting repairs, emergency management response during outages, street tree planting and vegetation management, and EV rollout (addressed throughout submission).

ii. Refer to our detailed comments and recommendations in the previous section with regard to EV rollout. Collaboration with Ausgrid regarding the rollout of EV charging stations is welcomed, with a consistent approach being required.

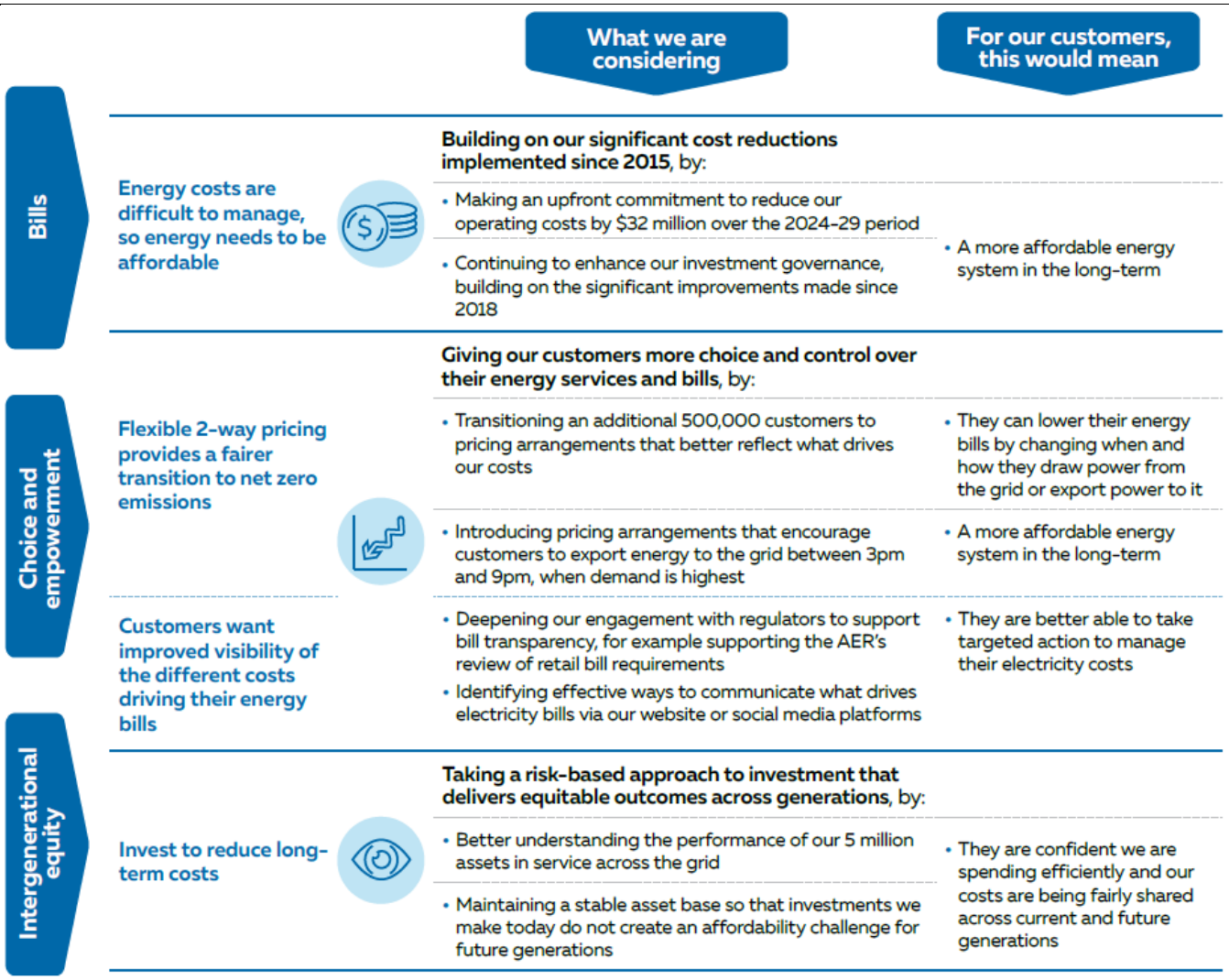
iii. Improved unplanned outage communications are strongly supported and collaboration with Ausgrid on LGA specific improvements is welcomed. Simplified and collaborative services such as the 'emergency dashboard' which are user-friendly are recommended.

iv. How to identify and target vulnerable customers is key. It is recommended that Ausgrid works with councils and community services providers to achieve this. The word 'empathetic' could be perceived as patronising – we suggest 'targeted' in replacement.

v. The development of a customer service incentive scheme is supported and it is recommended that this approach be extended to include development of incentives to encourage customers to adopt DER and other measures to reduce energy demand and encourage uptake of renewable energy. Various councils have developed incentive schemes to encourage residents to be proactive in this space, with varying degrees of success. There would be value in developing a joint Ausgrid / Council working group to develop a more consistent, broad scale approach to encourage positive behaviour change and enhanced uptake of DER.

vi. Figure 4.3.2 re: collaborating with councils: the sentiments expressed in this section re: improving collaboration with councils, are strongly supported as per our comments above. To progress to the next stage, Ausgrid and its partner councils need to develop agreed mechanisms to achieve the desired level of collaboration, with appropriate identification and sharing of associated risks, cost and impacts on all parties.

5 Facilitating an affordable energy transition



5.2 Feedback regarding facilitating an affordable energy transition

i. General support is offered for the above initiatives.

ii. Acknowledging the rising cost of living, Ausgrid's initiative to facilitate an affordable energy transition as we move toward net zero is supported.

iii. We need to collectively ensure that particular attention is given to the needs of the vulnerable and appropriate measures are taken to ensure an equitable and affordable transition is achieved for the most vulnerable members of our community.

iv. As mentioned above, it is also essential to consider the needs of renters and residents living in multi-unit developments and ensure that they are able to fully participate in and benefit from the energy transition.

v. Facilitating an affordable energy transition will be key.

5.3 Community Consultation Questions

1. Given our communities' expectations for the grid, and the affordability challenge they are also facing, how do we deliver value for money into the future? (p.13)

- It depends on the tools used to measure 'value for money' and the extent to which they include 'hard to measure' factors, such as liveability, sustainability and inter-generational equity. Ref: section 4.4.3 re: 'risk-based approach'. Ausgrid are also very dependent on the attitude adopted by their regulators, in particular IPART (see comments below).

2. How should we decide which community support services we offer? (p.42)

- 4.1.2 'Community support services': further details as to what this means for councils are requested. Many councils already have community reslilience plans and are in the process of implmenting them. It is essential that Ausgrid collaborate effectively with councils when reviewing and extending its commuinity services, as per comments above. This process should include working constructively with Local Emergency Management Committees (LEMCs) and diverse council staff.

3. When deciding how to invest in our cyber security program, what factors should we take into account? (p.43)

- What is the relationship between cyber security and strategic objectives of the plan?
- How much does cyber security underpin or enable the other objectives?
- Existing capability
- Existing risks and vulnerabilities
- Given the desire for digitisation, how do you create a strategy of security by design to enable digital service transformation?
- Strategic partnerships

4. What are your views on our proposed 5 key principles for DER investment? (p.44)

- 4.2.1 More detailed information on how Ausgrid will set targets and measure progress is sought.
- With regard to advocating for an efficient energy transition and regulatory reform, is IPART and energy regulator supportive? This is really key. Efforts by Ausgrid and its partners / stakeholders to educate its regulators and secure support for an innovative, equitable and environmentally sustainable approach to the implmentation and financing of Ausgrid's ambitious objectives are supported. also supported are Ausgrid's comments re: AERs current underestimate of the cost to customers (and the broader community / environment) of restricting exports to the grid on financial grounds. This makes no sense in a environment under threat from increasing disruption and climate change impacts.
- 4.2.2 Is Ausgrid going to drive the icrease in DER by 2029?
- Regarding urban tree canopy, it is appreciated the rejoint funding initiaitve includes councils. However questions would inlvude: Is Ausgrid going to expand its support for cable bundling? Is there sufficient consideration for environmental impacts of Ausgrid's operations and infrastructure? How can Ausgrid limit impacts on tree canopy?

5. What role do you think Ausgrid should play in community battery initiatives? (p.45)

- General support for this measure is expressed community wide; however, we await the results of the trials currently being undertaken. If beneficial to aiding the uptake of DER on the low voltage network and an equitable distribution of profits to participating households occurs, Ausgrid should fund community battery initiatives and work with local government to facilitate an efficient rollout.

6. Would the proposed Customer Service Incentive Scheme encourage improvement in the service areas that matter most to customers? (p.50)

- Probably, but as per comments above, Ausgrid and councils need to collaborate on developing community incentives to encourage accelerated take-up of DER.
- 4.3.1 Is there support for an Emergency Dashboard? Council has been consulting with Resilient Sydney and councils on developing a regional dashboard; Ausgrid used to be a pat of this discussion.
- 4.3.2 Re: 'we are considering' – these are good ideas, but what is the mechanism for doing this?

7. For CALD customers and their representatives: What should we consider when improving the services we deliver to CALD communities? For example, are there culturally significant dates that we should be aware of when scheduling planned outages? (p.53)

- Willoughby Councils has developed a suite of education materials to raise awareness amongst the CALD community of extreme weather events and other disruptions (e.g. power outages) and to encourage residents to plan better for emergencies. The materials have been developed in consultation with Red Cross, SES and NSW Fire and Rescue and to date, six Metropolitan Councils have adopted some / all of the materials for their own use. Support is offered to partner with Ausgrid on the development of engagement and education programs targeted at CALD communities and other vulnerable groups. A joint approach is recommended.
- Need to focus our efforts on providing support for vulnerable customers who are unable to access or use digital platforms and services.

8. How do we fairly share the benefits of productivity gains with customers? (p.54)

- For general savings network wide decrease your network charges. For gains for customers who participate in specific initiatives (e.g. community batteries) then specific, equitable additional payment to them.

9. How should we fairly balance price impacts across different customer groups? (p.55)

- Lower socio-economic groups should pay less.

10. What factors should we take into account in spreading customer price impacts across the 5-year period? (p.60)

- Allow enough time for understanding and for customers to plan and implement well in advance (e.g. purchasing and configuring DER to best use tariffs and income opportunities.

Pricing Direction Paper – Willoughby City Council Comments and Feedback

i. Support is offered for the proposed pricing principles of efficiency, flexibility and fairness. Further information on how the approach will be implemented to ensure the proposed pricing is fair and equitable and does not discriminate between customers would be valued.

ii. There is also general support for proposed pricing reforms, particularly those that will help reduce bills to customers, improve customer benefits from their DER investments and reduce emissions.

iii. It is suggested that Ausgrid further engages with retailers to better understand how retailers will transfer proposed pricing to customers to ensure customers receive intended pricing signals and to help customers better plan for proposed changes. Specifically, in relation to the proposed export pricing, the commencement of opting in from 1 July 2024 is supported; however, it is recommended that mandatory roll-out is delayed for more than the proposed one-year interval to allow customers to be better prepared. Ausgrid is proposing to start with what is referred to as a "weak pricing signal" for solar exports to the grid (p.20). It is considered that, as export constraints are not experienced across the whole of the Ausgrid network, a dynamic tariff approach similar to that being trialled in South Australia may be a better way of continuing rooftop solar investment across the grid. It is preferred that Ausgrid offer both a static pricing and dynamic pricing option similar to what is being trialled in South Australia. There are already lots of different pricing tariffs offered by Ausgrid, and this is just one more. We believe that many people will set up systems to do "smart things" to automatically respond to dynamic pricing like batteries, loads, and solar controllers based on available generation and market prices. We think a dynamic system should be available for 'smart' customers to work with too.

iv. There is support for the proposed reforms to capacity charges, in particular lifting the low usage threshold at which capacity charges apply from 40 MWh to 100 MWh, which will result in lower bills for business customers, including Council.

v. Removing a demand charge could be a good thing. If fixed charges go up to compensate, then it is a problem. If energy rates go up instead then solar becomes significantly more valuable, far more than the higher penalties for feed in. A wider difference between peak and off-peak rates to incentivise the right behaviour is preferred.

vi. In principle, there is support for the alignment of pricing with increased costs on network, and understanding that the timing of proposed mechanisms is intended to align with expected increased future pressures on the network including uptake of DERs and EVs. However, in accordance with the principle of fairness, customers, including Council, need sufficient lead time to prepare for these pricing changes. This will help customers maximise cost benefits and reduce risks; for example, through battery storage or other appropriate technology and / or through modifying consumption patterns to reduce peak demand charges and peak tariffs. Customers also require significant lead time to better prepare for potential financial impact of these proposed reforms.

vii. Council supports Ausgrid's decision not to impose specific EV tariffs in 2024-9. A specific EV tariff may discourage EV uptake in our community and delay our transition to net zero.

6 Concluding Comments

Strong support is given for many of the priorities and directions as outlined in Ausgrid's Draft Plan.

Particular areas of **support** relate to:

i. Building resilience to support thriving communiites in response to climate change and cyber security threats.

ii. Delivering a net-zero energy transition and transforming the grid in an affordable manner; encouraging DER uptake; conserving and extending urban tree canopy; transitioning to EV.

iii. Improving customer experience; supporing CALD communities.

iv. Increased partnership with councils on a number of fronts e.g. reviewing local plans and strategies to facilitate a consistent approach to the roll-out of DER, development and implementation of community resilience plans, improving collaboration with councils in the lead up to, during and after emergencies (via LEMCs and other means).

v. Securing the necessary support of energy regulators to implement the ambitious and worthwhile approaches outlined in this Draft Plan in order to secure a more resilient, safe and sustainable future for current and future generations

Areas of concern that are **not supported** relate to:

i. There are generally no objections to the proposed priorities. Suggestions and recommendations have been made as to where things might be improved, and posed questions where necessary.

ii. Removing a demand charge could be a good thing. If fixed charges go up to compensate then it's a problem. If energy rates go up instead then solar becomes (a lot) more valuable, far more than the higher penalties for feed in. A wider difference between peak and off-peak rates is preferred to incentivise the right behaviour.

Areas Council would **like to collaborate more** with Ausgrid are:

i. Our strategic growth plans, particularly for Chatswood. Council is eager to learn about how Ausgrid is aligning its plans with our own.

ii. Initiatives relevant to our overarching growth strategies; specifically, urban tree canopy, power lines, cable bundling, batteries, solar panels, EV charging station rollout, and emissions reductions to improve resilience and support a sustainable and net-zero future.

Ancillary Network Services

Submitted By : Andrew Kennedy		Submitted On : 2022-09-28 16:57:19
Organisation Name : Addelec Power Services	Phone : 0418751946	Email : andrew.kennedy@addelec.com.au

Q.1 Have we got an appropriate mix of fixed/quoted fees?

A. Yes

Q.2 What should we consider when proposing our labour rates for the 2024-29 period?

A. Market forces.

Q.3 Do you have any feedback on the approach to charging for out of hours work?

A. Too rigid - no flexibility. IPART-agreed rates are all well and good, but we need more of an idea of what its going to cost; not what it may cost.

Q.4 Do the proposed changes meet your needs?

A. Yes.

Q.5 Are there any more changes you think we should make?

A. More contestability.

Q.6 Additional Comments

A. I believe that certification of designs should be taken out of DNSP's hands and a private certifier regime established. For all of the good efforts of Ausgrid in the design process; the other 2 DNSPs are nothing short of woeful!

Q.7 I authorise Ausgrid to publish my feedback

A. ◉Yes
○No

Please note that I have re-arranged some of the services into similar bundles – eg I've put all the disconnection for metering jobs together

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
Metering and related ANS						
						If we understand this package of services correctly, the Distributor arranged outage (simple/complex) is the based service, including: 1. initial prep; 2. field work (de-en and then re-en. In this case we'd expect that the first service which cannot be completed in field would have the same charge – not complete status. However, a request for the same site a second time (due to failed first visit, shouldn't need the site to be revisited for planning purposes, so there is potential for a new product, which is predominantly field work. See graphic at end of pack – does this represent the basic structure of he services ?

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
						I'd understand the after hours and weekend products to be this product, but with increased field costs to represent the A/H component.
Distributor arranged outage for purpose of replacing metering – simple complete	Combine with distributor arranged outage for purpose of replacing metering – site visit only	Simplify list and increase transparency of total cost. A site visit fee is charged in conjunction with simple complete fee	Fixed	My understanding is that service includes • Site visit for planning at normal rates • One or two short site visits by field crews to de-en and then re-en at normal rates AGL would like greater understanding of how the difference between this as a completed service / not completed service operates.	This fee is described as: Facilitation of the installation of a "power of choice" meter whereby Ausgrid is required to disconnect a single fuse with multiple customers. Tasks involve: i) B2B transaction ii) investigation of site by a metering technician (including travel time) iii) actual task by a metering technician (note: de-en and re-en are expected to occur on the same visit) Proposed fees for FY25-29 for these related group supply fees are: 1) Simple complete (now inclusive of the site visit fee) 2) Complex complete 3) No access (Not complete)	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					4) Not complete -2nd visit 5) Additional charge – outside normal business hours – weekday 6) Additional charge – outside normal business hours - weekend 7) Additional activities (quoted) 8) Facilitation of metering related works supporting advanced meter roll-out (quoted) A “simple” distributor arranged outages the disconnection involves less than 10 customers, while "complex" is 10 or more customers. Further explanation of the differences of the charges is noted below against each description. The Product Code list provided to Retailers each year identifies the distinction between Simple and Complex in the description.	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					Ausgrid may be notified to conduct this service from the retailer via the use of the 'Supply Service Works' sub type 'Temporary Isolation Group Supply' B2B service order.	
Distributor arranged outage for replacing a meter – additional charge where requested outside normal business hours (weekday)	New service and fee	Recover higher costs of outages requested by the customer after normal business hours on weekdays. A fixed fee is proposed which will be a better financial outcome for customer than applying overtime rate	Fixed	My understanding is that service includes • Site visit for planning at normal rates • One or two short site visits by field crews to de-en and then re-en at OT rates Question – if OT rates are min amounts (eg 2 hrs) then the field costs would be inclusive of that minimum period – is that right ? AGL would like greater understanding of how the difference between this as a completed service / not completed service operates.	This is additional charge to the corresponding “simple”, “complex”, “Not complete - 2nd visit” charge. This is a proposed fee is to recover additional costs due to higher labour costs when working outside normal working hours on weekdays.	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
				How is this different to below service – min hours paid ?		
Distributor arranged outage for replacing a meter - additional charge where requested outside normal business hours (weekend)	New service and fee	Recover higher costs of outages requested by the customer outside normal business hours on weekends. A fixed fee is proposed which will be a better financial outcome for customer than applying overtime rate	Fixed	My understanding is that service includes • Site visit for planning at normal rates • One or two short site visits by field crews to de-en and then re-en at OT rates Question – if OT rates are min amounts (eg 2 hrs) then the field costs would be inclusive of that minimum period – is that right ? AGL would like greater understanding of how the difference between this as a completed service / not completed service operates.	This is additional charge to the corresponding “simple”, “complex”, “Not complete - 2nd visit” charge. This is a proposed fee is to recover additional costs due to higher labour costs when working outside normal working hours on weekends.	
Distributor arranged outage for purpose of replacing metering – additional activities	New service and fee	Recover costs of other tasks relating to distributor arranged outages for	Quoted	The description of this and the below service is quite similar. I understand that this service might involve both	This is a proposed quoted service to cover all additional activities that are required from the pending AEMC review, including arranging a network outage.	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
		metering not covered by the specific services now listed as fixed fees		additional office and field activities AGL would like greater understanding of the circumstances when this would apply.		
Facilitation of metering-related works supporting advanced meter roll-out	New service and fee	Recover costs of additional activity expected for DNSPs following AEMC review to facilitate advanced meter roll-out	Quoted	The description of this and the above service is quite similar. I understand that this service might involve only additional office activities. Noting their similarity (and both are quoted) what is the benefit of separating them	It is noted that there appears to be similarity in the two quoted fees i.e. to cover additional costs that Ausgrid as a DNSP may occur in relation to the advanced meter roll-out following the AEMC review. As the extent of the tasks that Ausgrid may need to perform is not yet known, two fees have been proposed. This fee is a proposed quoted service to cover all works that are required from the pending AEMC review but where arranging a network outage is not required – i.e. a facilitation role only.	
Distributor arranged outage for purpose of replacing metering –no access	Update description and change from quoted fee to fixed fee	More clarity on what the service is for; more price certainty	Fixed	It is unclear how this service is different from the original service 'simple complete'. I am assuming that the site visit activity would occur successfully or	The "No access" fee applies where there is a wasted visit by Ausgrid (to recover the cost of time spent for site visit).	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
				there would be no planned field visit Again – is this like disconnections where the service is not about success or failure – which is shown in the B2B completion code or does this somehow have a separate charge In which case there is a service – eg de-en for meter replace – completed de-en for meter replace - not completed	We are now proposing to change this description to "not complete" instead of "no access". This fee applies when the outage for a shared supply cannot be completed for the following reasons: 1) No access 2) Customer dissent 3) Unable to isolate/ dangerous switchboard	
Distributor arranged outage for purpose of replacing metering – not completed – 2nd visit	Update description and change from quoted fee to fixed fee	More clarity on what the service is for; more price certainty	Fixed	See above comments	"Not completed-2nd visit" is a charge where there is a second wasted visit ie. The outage doesn't occur for the following reasons: 1) No access 2) Customer dissent 3) Unable to isolate/ dangerous switchboard 4) Metering Provider – no show 5) No room on switchboard for new meter and/or fuses	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
Distributor arranged outage for purpose of replacing metering – complex complete	Update description and change from quoted fee to fixed fee	More clarity on what the service is for; more price certainty	Fixed	See above What makes the isolation complex or simple ? There is no general description to separate these activities Also,	The "Complex" fee applies when there is 10 or more customers. The Product Code list provided to Retailers each year identifies the distinction between Simple and Complex in the description.	In terms of simple / complex, ten NMIs seems a little small. for instance, AGL would consider a block with 12 units would be no more complex than a block with 10 or 15 units – ie simple 3 phase connection requiring isolation. We would consider an indoor substation and multiple supplies to be complex. AGL suggests that the definition of simple can be adjusted.
Type 5/6 meter test	Change from quoted fee to 2 fixed fees – a lower fee for simple and a higher fee for complex	Improve transparency and price certainty	Fixed	Noted		
Disconnect and reconnection				We understand that this cost includes both disconnection and reconnection. AGL would like to see the services separated into individual services. One party (customer and retailer) is often paying for a service for another party (anther customer and	Correct – the fee that is charged for fees described as a "disconnection" fee covers the cost of both the disconnection and reconnection. Ausgrid's current process is to charge this as a combined fee.	While the charges may balance across a retailer, AGL does not consider that this is a fair or reasonable process, as the customer and retailer combination may be quite different. Ausgrid is in a better position to analyse these outcomes as it has the full market information.

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
				another retailer). AGL would prefer each service to be discrete.	We note AGL's preference to charge for each service discretely. We are, however, not contemplating changing how we charge for this service but note that a different Retailer may benefit from the connection to the Retailer performing the disconnection (where the customer changes Retailers). However, if a Retailer has a similar number of disconnections to connections of customers in the Ausgrid network then the overall financial impact will not be material.	AGL considers that each service should be charged to each retailer/customer combination. AGLs experience, with disconnection (eg DNP), is that AGL pays for the disconnection (and reconnection) but the customer churns to another retailer, and AGL is left paying for both services, and often the customer pays for no service. Retailers are often prepared to pay for a disconnection service to manage unknown energy consumers, but are also paying for a reconnection service, often for another retailer. By separating the services, the customer who seeks reconnection pays for that service. Networks in other jurisdictions (and MCs) have separate service charges to ensure a fairer user pays process.
Disconnection visit (site visit only)	Change from quoted fee to fixed fee	More price certainty	Fixed	How is this service different to the service below (disconnection complete)	This fee applies where field staff attend a site for the purpose of disconnecting power, but this does not	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
				Is this a failed visit – in which case we would expect the cost to be the same, but with an outcome of 'not complete' Is this related to the 'Knock to stay connected' service ?	occur. The fee is less than a "disconnection completed" fee as it based on lower average time required. This could include the "knock to stay connected" but is not currently normal business process. We are proposing a minor change to this description to the following "Disconnection (site visit only). The fee is described as follows: At the request of the Retailer, a site visit to a customer's premises for the purpose of disconnecting the customer's electricity supply. Disconnection does not occur on that occasion, as customer payment is made or a wasted visit. Disconnection may not occur due to a number of reasons such as but not limited to the following: • Customer has paid retail bill;	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					• Breach of customer connection contract has been rectified; • Unable to access main switch board or metering; • Safety of Installation or Ausgrid's employee; • Late cancellation by Retailer; • Change of customer or Retailer for the NMI. Ausgrid is usually notified to conduct this service via the use of the 'De-energisation' B2B service order with sub type 'Remove Fuse', 'Local Meter Disconnection' or 'Recipient Discretion' (Non Payment).	
Disconnection completed	Change from quoted fee to fixed fee	More price certainty	Fixed	How is this service different to the service above (site visit only) or below (disconnection visit) Is this a failed visit – in which case we would expect the cost to be the same, but with an outcome of 'not complete'	We note there may be some confusion in relation to these similar fees due to inconsistency in the descriptions and are now proposing some minor changes. If the disconnection is not completed than the lower "site visit only" fee is charged. We are proposing to change the description for this	Please note the previous comments about charging separately for disconnection and reconnection.

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					service to indicate it “includes Reconnection”. The fee is described as follows: At the request of the Retailer, a site visit to a customer’s premises for the purpose of disconnecting the customer’s electricity supply. This fee is where a disconnection is successfully completed and will involve one of the following methods: • rotate plug in meter; or • removal of the service fuses; or • removal of barge board fuses; or • turn off and sticker covering main switch This charge includes the reconnection at the request of the retailer and Meter Read as required by the B2B process. If, following a request from a retailer, the reconnection component of this service is provided outside the hours of 7.30am and 4.00pm on a	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					working day, the additional 'Reconnection outside normal business hours' charge, will apply. Ausgrid is usually notified to conduct this service via the use of the 'De-energisation' B2B service order with sub type 'Remove Fuse' or 'Recipient Discretion' (Non Payment).	
Disconnection visit (disconnection completed - technical/ advanced)	Change from quoted fee to fixed fee"	More price certainty	Fixed	How does a retailer choose which service to request or will this be a product code on completion How does this tie into retailer choice of disconnection method _eg Meter or pole/pit etc What would be the cost / product code for non-completion ? Suggest strike out the word 'completed'	This is an existing fee and has a separate product code. Additional communication advising the service order process in relation to this fee is pending. Your suggested change to the description is noted. For consistency with the other disconnection completed fee we are now proposing "Disconnection completed – technical/advanced – includes Reconnection". If not completed then a "site visit only" fee would be charged. Full description is as follows:	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					At the request of the Retailer, a site visit to a customer's premises for the purpose of disconnecting the customer's electricity supply. The disconnection method will be at Ausgrid's discretion and will involve a method not identified in 'Disconnection Completed' ANS (e.g. pull load tail out of meter). This fee is applicable to any request to disconnect an installation where CT metering is installed. This charge includes the reconnection at the request of the retailer and Meter Read as required by the B2B process If, following a request from a retailer the reconnection component of this service is provided outside the hours of 7.30am and 4.00pm on a working day, the additional 'Reconnection outside normal business hours' charge, will apply. Ausgrid is usually notified to conduct this service via the	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					use of the 'De-energisation' B2B service order with sub type 'Local Meter Disconnection' (Non Payment).	
Reconnection outside normal business hours	Update description	More clarity on what the service is for. Only reconnections are performed outside business hours	Fixed	We understand this service is only the additional cost of the overtime As the base cost is built into the disconnection service	Correct – this is a separate fee to the respective disconnection fee to cover additional costs of labour when performed outside normal working hours	Please note comments about separating disconnection / reconnection services.
Type 5 and 6 CT testing	Change from quoted fee to fixed fee	More price certainty	Fixed	Noted		
Type 5 and 6 CT recovery	Change from quoted fee to fixed fee	More price certainty	Fixed	noted		
Network tariff change request (bulk transfer requests requested by a customer)	Update description and change from fixed fee to quoted fee	A fixed fee per NMI transferred is not reflective of cost for a bulk transfer. A quoted fee for bulk transfers based on estimated hours of effort is a better outcome for customer	Quoted	Noted AGL is assuming that there must be a break point between where a bulk run would be more cost effective than individual requests. It would be helpful to understand that break point to assist planning. For instance, if it was more effective, retailers could generate a standard request file and provide	The current fixed fee of $57.34 (FY23) is based on a 0.5hrs multiplied by the administration R1 labour rate. It assumes a one-off manual process for a single tariff change. The breakeven point is approx. 16 for every day's effort to process a bulk transfer. For the current regulatory period (FY20-FY24), Ausgrid has not charged this fixed fee and is unlikely to. Hence,	Thankyou – that assists in AGLs consideration and planning. For general industry usage, it may pay to add some reference to the appropriate breakpoint in the description. Given the likely changes with meter replacement, this information may be very valuable.

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
				bulk upload requests as required (eg weekly).	Ausgrid is proposing to remove the fixed fee and replace it with a quoted fee. A larger volume of NMI's can be processed far more efficiently (via a bulk upload file). As an example, five thousand NMIs may be able to be processed with say three days labour, resulting in a quoted/hr charge of under $3k instead of a fixed fee per transfer fee of over $286K. We are now proposing a change to this description as follows: "Network Tariff Change Request (bulk tariff transfers requested by a Retailer)"	
Design Related Services						
Public lighting minor capital works	New service and fee	Quoted fee to recover administration, design, technical assessment costs relating to public lighting minor capital works.	Quoted			

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
Network safety						
~~Provision of service/additional crew~~	~~Remove service and fee~~	~~Not required as another ANS covers this service~~				
~~De-energisation of wires for safe approach~~	~~Remove service and fee~~	~~Not required as another ANS covers this service~~				
~~Rectification of network related customer fault~~	~~Remove service and fee~~	~~Not required~~				
High load route assessment	New service and fee	Majority of enquiries regarding high load don't require an escort (separate quoted service). The fixed fee is to cover time spent assessing/advising the appropriate route to a customer	Fixed	Noted		
Investigation fee for voltage fluctuations at customer premises where no network fault found	New service and fee	The fixed fee is to cover costs in performing an investigation of a voltage fluctuation where no	Fixed	Noted – although it would be expected that the customer would engage an REC or ASP first and that this charge would be through an appointment made by that party as the	Agreed. This proposed new fee is not intended to be a fee initiated/requested by a Retailer. Ausgrid is experiencing an increasing number of	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
		network fault is found		customers agent and would generally not come through as a retailer request, unless it was related potentially to metering.	requests to inspect sites for voltage fluctuations (often related to recently installed solar inverters) and, upon investigation, is finding no issue with the network voltage. The problem is more likely to an incorrect installation/ settings for the solar inverter. Customers are contacting Ausgrid directly (often at the direction of the solar installer). If an Ausgrid employee is required to attend the site and investigate the matter, then a certain amount time will be spent to ensure no voltage issues exist with the network. This proposed fee will be invoiced directly to the customer and is intended to cover the time spent investigating voltage complaint where no network fault is found. Communication would be provided to the customer at the time of the request to, a) advise them of this possible fee if no fault is found and b) determine if they have	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					referred the matter to their ASP/solar installer in the first instance and/or checked inverter settings etc.	
Access permits, facilitation and oversight						
Development application approvals	New service and fee	This is a non-routine service provided to individual customers on an as needs basis only but not currently charged as an ANS	Fixed	Noted		
Simple network access permit, clearance to work or notification to work	Update description	More clarity on what the service is for. Broadened description to include notification for works	Fixed	Noted – again unclear what separates simple and complex	Noted. The distinction between simple and complex access permits/clearance to work is included in the service definition documentation submitted to the AER. Simple is where the connection to the network has less complexity e.g. access to network involving HV or LV switching only and no paralleling of substations, cable identification etc. It also refers to work limited to where 10 or less customers are affected by a supply	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					interruption. A fixed fee currently based on 8 hrs average time is applied.	
Complex network access permit or clearance to work	Update description	More clarity on what the service is for. The addition of "network access" more clearly defines the service	Quoted	Noted – again unclear what separates simple and complex	Complex is based on a quoted hourly rate and includes: • Access to the network involving HV and / or LV switching that may involve paralleling of substations, cable identification / cutting or interruptions to customers • Switching of overhead and / or underground networks involving multiple switching points and activities such as paralleling of substations, cable identification / cutting or interruptions to customers • Switching of the sub-transmission network	
Network access permit or clearance to work – cancellation – simple	Update description	More clarity on what the service is for. The addition of "network" more clearly defines the service	Fixed	Noted – although a cancellation with reasonable notice or re-scheduling should not necessarily incur a fee	Cancellation/rescheduling fees, as defined, are able to be charged where they are cancelled 1-20 days out. If cancelled on the day the outage is planned, then 100% of the fee paid is forfeited.	Noted. AGL suggests that this should be included as a note against the service fee for clarity to users.

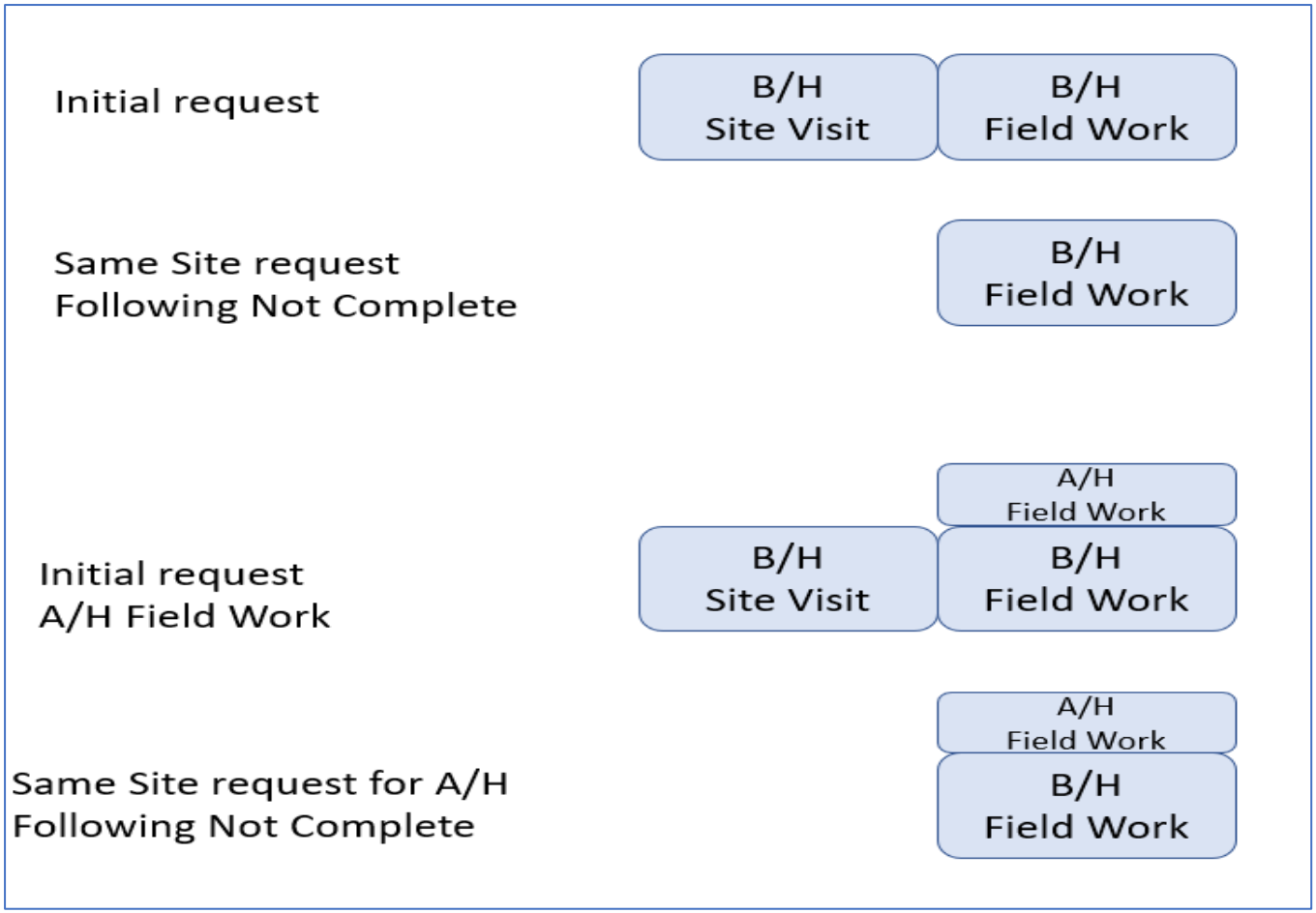
Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
Network access permit or clearance to work – cancellation - complex	Update description	More clarity on what the service is for. The addition of "network" more clearly defines the service	Fixed	Noted – although a cancellation with reasonable notice or re-scheduling should not necessarily incur a fee	Refer to comments above.	As above.
Facilitation of activities within clearances of distributor and transmission assets	Update description	More clarity on what the service is for. This service applies to transmission as well as distribution assets	Quoted	Noted		
Inspections						
Network compliance activities – Level 1 ASP works	Update description	More clarity on what the service is for	Quoted	Noted		
Notification of arrangements						
Notification of arrangements	Update description	More clarity on what the service is for	Fixed	What notification / what arrangements does this cover ? Again unclear what separates simple and complex	Noted that the description of this service is not self-evident as to what the service is (unless you are involved in new construction work and familiar with this Local Council requirement). The definition of this service is:	Thankyou – very helpful explanation.

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					Where a Local Council requires evidence in writing from Ausgrid that all necessary arrangements have been made to supply electricity to a development, Ausgrid can provide a Notification of Arrangements confirmation. Ausgrid will normally provide this Notification once construction works are complete (electrified with supply available to premises as per the certified design) and all relevant property tenure is in place Notification of Arrangement (early) If requested Ausgrid may issue a Notification prior to the completion of the contestable works provided the contestable design has: • been certified; and • a security bond is provided to Ausgrid via a Banker's Guarantee equal to the value of the remaining contestable works. NOTE: requires Ausgrid to undertake additional administrative work associated with processing	

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
					the request, determining the security bond and subsequent preparation of the Notification.	
Notification of arrangements	Update description	More clarity on what the service is for	Quoted	What notification / what arrangements does this cover? Again unclear what separates simple and complex it is assumed this is a complex job – description unclear	Quoted rate applies when the notification of arrangement is requested early and additional effort is required.	Thankyou.
ASP authorisations						
ASP level 1/2 – individual authorisation – initial	Update description, set one lower fee for levels 1 & 2	Simpler, easier to understand list	Fixed	Noted		
ASP level 1/2 – individual authorisation – maintain	Update description, set same lower fee for levels 1 & 2	Simpler, easier to understand list	Fixed	Noted		
ASP level 2 – company authorisation – initial	Update description and reduce fee	Simpler, easier to understand list	Fixed	Noted		
ASP level 1/2 – company authorisation – maintain	Update description, set same lower fee for levels 1 & 2	Simpler, easier to understand list	Fixed	Noted		
ASP level 1 – company authorisation – initial	Update description and reduce fee	Simpler, easier to understand list	Fixed	Noted		

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
Training						
~~Training – 5 to 9 participants~~	~~Remove service and fee~~	~~Replace with a standard half-day or full-day rate, to simplify~~	~~Fixed~~			
~~Training – 10 to 14 participants~~	~~Remove service and fee~~	~~Replace with a standard half-day or full-day rate, to simplify~~	~~Fixed~~			
~~Training – 15 or more participants~~	~~Remove service and fee~~	~~Replace with a standard half-day or full-day rate, to simplify~~	~~Fixed~~			
Network-related access/compliance training – half day	New service and fee	Simpler, easier to understand	Fixed	Noted		
Network-related access/compliance training – full day	New service and fee	Simpler, easier to understand	Fixed	Noted		
Security lighting						
Small – monthly charge (first 2 years)	Remove service and fee	Not required	Fixed			
Medium – monthly charge (first 2 years)	Remove service and fee	Not required	Fixed			
Large – monthly charge (first 2 years)	Remove service and fee	Not required	Fixed			
Small – monthly charge (LED)	New service and fee	Introduce new pricing for LED security lights	Fixed	Noted		

Service	Change	Reason	Fee type	AGL Comment	Ausgrid Comment	AGL Second Comment
Medium – monthly charge (LED)	New service and fee	Introduce new pricing for LED security lights	Fixed	Noted		
Large – monthly charge (LED)	New service and fee	Introduce new pricing for LED security lights	Fixed	Noted		
Small – monthly charge (Legacy lights)	Update description	Simpler, easier to understand	Fixed	Noted		
Medium – monthly charge (Legacy lights)	Update description	Simpler, easier to understand	Fixed	Noted		
Large – monthly charge (Legacy lights)	Update description	Simpler, easier to understand	Fixed	Noted		


Initial request
B/H Site Visit
B/H Field Work
Same Site request Following Not Complete
B/H Field Work
Initial request A/H Field Work
A/H Field Work
B/H Site Visit
B/H Field Work
Same Site request for A/H Following Not Complete
A/H Field Work
B/H Field Work

Hi Rob,

Just some feedback regarding the Consultation Papers listed below:

- I think the rationalisation of the maintenance costs is a good idea.
- I am hesitant to rationalise the costs of luminaires with like luminaires. There will be no incentive for Councils to minimise the luminaire they utilise, thus reducing energy consumption and light pollution. I.e. if a 17W LED and 47W LED cost the same, customers may opt for the larger luminaire just because it costs the same. Just a thought.
- I do hope Ausgrid consider making easier and cheaper the process to remove redundant assets. At Canada Bay Council, we are starting to consider the impact that all of its redundant assets have accumulated are having on maintenance and renewal costs, street clutter and restrictions to the use of space. A such, we will be removing old assets that we don't require any more and hope the process to do so will be made easier. This likely falls under the need to simplify and made more cost effective MCW.

Regard,

Harrison Steen | Strategic Assets Engineer
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2024-29 DRAFT PLAN CONSULTATION QUESTIONS

As we prepare for our submission to the regulator in January 2023, we would value your feedback on the following important questions included in our Draft Plan:

1. Given community expectations for the grid, and the affordability challenge they are also facing, how do we deliver value for money into the future?

Value for money is demonstrated sensible spend that addresses core functions and service/features that are both required and desired by customers. Rising insurance costs are cited as one of the drivers that will increase costs to customers. It's not identified whether Ausgrid is self-insured or uses an underwriter, in either case, are there opportunities for Ausgrid to either self insure to reduce the cost of insurance, or engage with the underwriter to reduce premiums as Ausgrid's investment strategy is

2. How should we decide which community support services we offer?

Ausgrid needs to clearly communicate what services are available and conduct surveys across a variety of demographics and network locations to gauge the community's priorities and expectations on which support services are required and should be Ausgrid's responsibility.

The support provided to communities for climate resilience could be based on needs and

3. When deciding how to invest in our cyber security program, what factors should we take into account?

Consider comparing your level of standard in cyber security or benchmarking yourself aga

4. What are your views on our proposed 5 key principles for DER investment?

The mission or vision stated in section 4.2.1 Evolving how we deliver and charge for services addresses the core value proposition and objective for Ausgrid and is fully supported by Council; "We are focusing on evolving our services to support a fast, coordinated transition to net zero. We aim to become a 2-way platform that enables our customers to get the most value from the network and their investments in DER."

5. What role do you think Ausgrid should play in community battery initiatives?

Ausgrid should incorporate community batteries into current Kiosk designs, both for inclusion on the LV-Boards when designs and allowance in the kiosk easements easements should have space to cater for future inclusion of community batteries and potentially generators to support energy resilience during long-term outages associated with either major NEM failures or severe weather events impacting the network. This inclusion for energy resilient hubs makes most sense for kiosks that service underground service

6. Would the proposed Customer Service Incentive Scheme encourage improvement in the service areas that matter most to customers?

Council encourages Ausgrid to engage with customers across a range of geographies, range of customer types and so on, to understand the diverse needs of customers across the network, in some areas it may be the speed of restoring power, in other areas it may be access to language support services other than english.

7. What should we consider when improving the services we deliver to culturally and linguistically diverse communities? For example, are there culturally significant dates that we should be aware of when scheduling planned outages?

Council encourages Ausgrid to make contact with groups that represent culturally diverse Australians to best understand the needs of our culturally diverse community members.

8. How do we fairly share the benefits of productivity gains with customers?

No comment provided

9. How should we fairly balance price impacts across different customer groups?

By taking into account equity issues and ensuring that customers that are least able to cope with price impacts are not unduly burdened.

10. What factors should we take into account in spreading customer price impacts across the 5-year period?

Have the ability to check the true cost of rate rises and not apply rate increases if inflation and interest rates do not rise as expected over the five year period.

Name:

Daniel Hartin - Acting Manager Environmental Systems

Company / Organisation:

Lake Macquarie City Council

☒ I authorise Ausgrid to publish my feedback

11 October 2022

Submission by email: yoursay@ausgrid.com.au

Ausgrid Draft Plan 2024-29 – Public Lighting Services Consultation Paper

Thank you for the opportunity to comment on Ausgrid's Public Lighting Services Consultation Paper, and for your willingness to engage with SSROC and councils on public lighting matters. Making Ausgrid's draft positions and modelling on public lighting available for feedback is an important step in Ausgrid's engagement with its stakeholders.

Southern Sydney Regional Organisation of Councils Inc (SSROC) is an association of twelve local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney. Together, our member councils cover a population of about 1.8 million, one third of the population of Sydney, including Australia's most densely populated suburbs. SSROC advocates for the needs of our member councils and bring a regional perspective to the issues raised.

One of SSROC's functions is to coordinate and facilitate council collaboration on matters of particular importance, including with non-member councils where appropriate. SSROC's Street Lighting Improvement (SLI) Program has been a major project since it began in 2003, gradually expanding in scope to include 29 councils across the area where Ausgrid operates extending from Sutherland through to the Hunter areas. The provision of street lighting is the responsibility of councils as the road authority, using the services provided by Ausgrid. This project has allowed SSROC's team insights into councils' priorities and concerns in relation to Ausgrid's role service levels beyond the scope of strictly public street lighting.

This short submission relates specifically to the separate Public Lighting Services Consultation Paper that Ausgrid published on 12 September 2022.

During the past three weeks, SSROC has held a large number of consultation meetings with councils on its SLI Program work program and used this opportunity to raise the points made in the Consultation Paper with councils. Where possible, this submission reflects the additional recent feedback that SSROC has had from councils.

Key items raised in Ausgrid's Consultation Paper and our response are as follows:

PRICE RATIONALISATION	• Councils generally support price rationalisation provided that adverse overall bill impacts are negligible (eg sub-1%) and that strong price reflectivity remains for new technology that is currently being installed in large volumes. • With regards to **brackets**, the use of multiple weighted average prices based on either specific price ranges or sizes may be acceptable. Without a detailed understanding of the quantities on each asset type on the network and modelling of the overall impact on total pricing, it is difficult to comment further.

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	• With regards to **decorative lighting and floodlighting**, the use of multiple weighted average prices based on specific price ranges may be acceptable. However, SSROC does note that it is highly unlikely that further installations of the entire existing portfolio of decorative lighting and floodlighting will be made after 2023. Ausgrid has indicated it intends to consult on and stage a decorative lighting tender in 2023 and thereafter, councils are likely to want to initiate upgrade discussions with Ausgrid on legacy decoratives. Similarly, many councils have indicated to SSROC that they are planning substantial upgrades of floodlighting at pedestrian crossings in the coming years. Based on the effective discontinuation of the entire portfolio of existing decorative and floodlighting types and the likely replacement of many of these legacy luminaires in the coming years, it may not be particularly important or helpful to consolidate their pricing. Proposing basic pricing bands for decoratives and then revisiting decorative pricing after Ausgrid's 2023 decorative lighting tender may be the most effective course of action. • With regards to **luminaire maintenance pricing**, the use of multiple weighted average prices based on specific price ranges may be acceptable. SSROC notes that LED maintenance pricing is already effectively consolidated into two relatively tight price bands for Category P and Category V lighting. As noted above, it may not be particularly important or helpful to consolidate the maintenance pricing of legacy luminaires that look set to be replaced in a relatively few years. Without a detailed understanding of the quantities on each decorative asset type on the network and modelling of the overall impact on total pricing, it is difficult to comment further on this aspect.
ACCELERATING PRE-09 CHARGES	• Based on all our discussions with councils in recent weeks, our expectation is that 80%+ of council will either explicitly support or not object to Ausgrid's proposal to accelerate pre-2009 pricing. • However, some of the councils that are more impacted or in a more difficult budget position have already or are highly likely to say no. • It is therefore important for Ausgrid to ensure that councils have the choice and can opt-in to this accelerated payment proposal if they wish. • Some councils have indicated that they wish to accelerate pre-09 (and post-09) residuals and, in particular, have the option of paying these off entirely at any point including as new and replacement assets are installed. • Councils would like pre and post-09 residuals be more transparent for individual assets as well as having their total off-balance sheet liability to Ausgrid be more transparent and readily available.

Major Road LED Deployments by June 2026	• Councils are strongly supportive of all efforts by Ausgrid to accelerate major road LED deployments (complete with smart controls and additional smart city interfaces on each luminaire). At least 30 of 33 councils served by Ausgrid have already provided that confirmation in writing to Ausgrid.
Decorative and Floodlighting LEDs	• Councils are strongly supportive of Ausgrid efforts to completely update its decorative lighting portfolio with modern LEDs and to then accelerate the deployment of these new choices starting the rollout of LED decorative lighting and floodlights in the 2024- 29 period. • SSROC notes that Ausgrid has, over multiple previous pricing reviews, indicated that it wished to exit decorative lighting. There is therefore the need for some thorough consultation with councils about Ausgrid's new strategy including how the installation and maintenance of lighting in areas like parks can be better managed in the future to avoid damage to other infrastructure.
Smart Controls Deployments on Other Types of Lighting	• Councils support having the option to deploy smart controls on residential roads, on decorative lighting and on floodlights. This may be driven by a desire to have better oversight of lighting maintenance, by environmental concerns (eg enabling off-peak dimming or shutting off lighting near sensitive ecosystems) or by safety concerns (eg enabling Ausgrid to monitor safety-critical locations such as pedestrian crossings).
Smart Controls & Zhaga-Based Sensor Agreements	• Based on 2021 discussions with Ausgrid, SSROC made initial proposals to Ausgrid on 30 May 2022 for agreements for smart controls and Zhaga-based smart city sensors. Ausgrid has yet to respond to these proposals. Having a clearly agreed framework covering ownership of devices, access rights to install devices, ownership of data and what is to be charged for has important implications for the pricing review and needs to be progressed. There will be material council concerns if the principles are not agreed before main road luminaires with smart controls are installed and AER pricing proposals are made.
Pricing of New Technology	• Councils support Ausgrid proposing a pricing approach to the AER which allows new public lighting technology to be adopted sooner, without needing to wait for Annual Price Reviews. Lighting technology updates are now so frequent that an Annual Pricing Review process is no longer appropriate. • Seeking approval of a generic pricing model that Ausgrid and councils can use as a basis for agreeing on interim pricing may be more appropriate. The AER's role could then be to review any recently agreed pricing at its Annual Pricing Review to ensure that it is consistent with the approved model and that all inputs are reasonable.
Minor Capital Works & Contestable Works	• SSROC strongly welcomes reform in the inter-related areas of Minor Capital Works and Contestable Works. • Councils have expressed widespread, sustained and heartfelt concerns and frustration about the costs, complexity and lengthy

	delays with Minor Capital Works and the inappropriateness and extraordinary costs of the Contestable Works process for smaller lighting projects. • With specific regards to upgrading of pedestrian crossings, many councils have undertaken systematic reviews of lighting of crossings in recent years and found much of it to be manifestly non-compliant. Councils are seeking a cost-effective and streamlined process for the systematic upgrade of pedestrian crossings as a particularly important subset of MCW/small contestable works reform.
Revenue Sharing	• Where Ausgrid allows the installation of 3rd party devices on customer-dedicated street lighting assets, councils are seeking an equitable share of the revenue from such assets. • Councils have noted that, whether gifted or paid off over time, the pricing regime is based on them funding 100% of the capital costs of these dedicated assets. As such, they should be entitled to a return or a discount when the assets that they are paying for are put to other uses.

Conclusion

Thank you for the opportunity to comment on Ausgrid's Public Lighting Services Consultation Paper. Please note that, in order meet the deadline for submission, it has not been possible for this submission to be formally reviewed by all 29 councils participating in the SSROC SLI Program nor received and endorsed at a meeting of SSROC. Should any issues arise as a result, I will be in touch.

SSROC is very keen to continue to have a role in facilitating the dialogue between councils and Ausgrid, and to develop common policies where appropriate. Should you have any further enquiries in relation to this letter, please contact me at ssroc@ssroc.nsw.gov.au.

Yours faithfully,

Helen Sloan
Chief Executive Officer
Southern Sydney Regional Organisation of Councils

FIRM POWER
Affordable. Reliable. Sustainable.

Friday, October 7, 2022

RE: Ausgrid Pricing Directions Paper for 2024-2029 Regulatory Period

To Whom It My Concern,

Firm Power is an intending participant in the National Electricity Rules as a Generator and specialises in providing energy services as a non-network solution to network limitations and constraints. Firm Power leverages private investment to provide innovative solutions, actively participates in Regulatory Investment Tests (RITs) at both distribution and transmission level and works with NSPs to design efficient and cost-effective means to save customers money through non-network solutions. Firm Power have been developing large-scale BESS projects in numerous distribution and transmission networks in the NEM, including Ausgrid's.

Firm Power are pleased to provide an overview of the current tariff situation for grid scale batteries in NSW along with a proposal for an investable tariff structure for our Ausgrid projects. We look forward to working on this with you:

In response to consultation question 11:

Given the evolving needs of the energy sector and our customers, how fast should Ausgrid move to develop and implement innovative tariffs? What factors should guide our approach?

The ISP and CSIRO's independent report on energy pricing support that firmed renewable energy from wind and solar is and will continue to be the lowest cost form of electricity moving forward[1]. The ISP also predicts that in the most likely step change scenario 46GW[2] of dispatchable energy storage is required to support the additional 125GW of wind and solar deployment necessary to achieve our net-zero ambitions by 2050[3]. With this in mind it is clear that battery storage has a key role to play in the energy transition and to facilitate the rapid rate of renewable energy deployment required, Ausgrid should be supporting tariff reform that encourages this deployment within its network. AECOM's 'Grid to Garage' report (commissioned by ARENA) identifies the medium voltage network as a more optimal location than high-voltage transmission-based BESS when considering both technical and economic benefit. Therefore, DNSP's have a key role to ensure tariff reform encourages battery location within their network as it is the point of greatest economic and technical benefit, which will ultimately drive down network costs and improve system reliability.

Firm Power are complimentary of Ausgrid's efforts to identify the need for tariffs that encourage battery deployment in your network on the basis they can respond to dynamic price signals and can

[1] CSIRO GenCosts 2021-22. Section 5
[2] AEMO 2022 Integrated System Plan. Section 4.2
[3] AEMO 2022 Integrated System Plan. Section 3.2

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be controlled to minimize their impact on, or indeed reduce, network congestion as well as power quality. This will have long-term benefits to the consumer and will provide optionality to the Ausgrid network to contract services from these batteries as and when specific support is required to improve electrical supply quality, quantity or reliability.

In NSW, the distribution system is in direct competition with the transmission system for attracting customers who are developing grid-scale Battery Energy Storage Systems (BESS). By utilising Negotiated Transmission Service arrangements, transmission connected batteries have been able to negotiate and contract the removal of TUOS for BESS projects, making the transmission system a more investor and developer friendly place to locate a grid BESS. This is evidenced in the NSW Major Projects Register where there are currently 17 large-scale stand-alone batteries with a combined capacity of 5,020MW/12,840MWh. With the exception of Firm Power developed projects, all of these connect into TransGrid's network. See List 1 For more information.

DUOS uncertainty remains a key investment risk for companies evaluating distribution system investments. If investment grade BESS tariffs cannot be established at the distribution level, BESS investment will naturally flow into the transmission system. These DUOS costs will also limit the ability for a renewable energy project connecting into Ausgrid's network to co-locate storage, as many coupled renewable energy/storage designs will require some level of charging off the grid.

We encourage Ausgrid to move quickly to establish a standard tariff for large-scale storage projects. Due to the significant amount of investment involved in a large-scale BESS, investors are critical of project cost items that cannot be reasonably forecast over the lifetime of a project (circa 10-20 years). A trial tariff is considered temporary in nature and therefore 'unbankable' to financiers, who (when forecasting project economics) will revert to conservative, prescribed tariffs when presented with short-term trial tariffs.

In response to consultation question 12:

What innovative tariffs would you like to see Ausgrid trial to support energy storage?

We provide the following background before presenting Firm Power's tariff suggestions:

i. BESS technology has sub-second response times to control signals and can easily adjust or eliminate load or generation to remove any adverse thermal impact on the network;
ii. A large-scale BESS can act as a scheduled load and avoid contributing to peak demand by accepting the load can be curtailed (by Ausgrid) at any time to give priority to other customers on a prescribed service or by avoiding charging at certain times of the day and year;
iii. This reduced level of service reliability better utilises existing assets allowing other customers to connect to the shared network without requiring distribution network investment to facilitate utility-scale BESS energy charging;
iv. BESS cycling patterns are typically arbitraging wholesale market electricity prices, which result in discharging during Ausgrid's peak period and charging during the off-peak period
v. When discharging during the peak period, a BESS is supporting the network by reducing; congestion, minimising the risk of outages and invertedly assisting power quality at the point of connection. These benefits are unrecognised by a load-only tariff; and

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vi. The purposes of the NSW Climate Change Fund are legislated under section 34F of the Energy and Utilities Administration Act 1987. Specifically part (c) states one of the purposes of the Climate Change Fund is to *'provide funding to reduce the demand for water and energy, including addressing peak demand for energy.'* Firm Power believe it is counter-intuitive and inefficient to collect revenue from storage projects that reduce peak demand for energy, only to reinvest the funds into subsequent storage projects.

Tariff Concept Proposal

Considering that a large-scale BESS will be a scheduled load, not contribute to the need for network upgrades and will cover its own non-contestable cost of connection, Firm Power are proposing Tariff structure elements as follows:

i. **Capacity Charge:** Removed on the basis that (unlike traditional load-based tariffs) load from a large-scale BESS can be curtailed via network control if and when required;
ii. **Consumption Charges:** Includes an export reward, priced at a premium during the peak period, that has the ability to efficiently offset consumption charges accrued during the consumption charge window. Consumption during high solar generation periods should also be rewarded;
iii. **Annual Fee**: removed or a de minimis charge that respects connection charges have been paid for by the BESS during the construction phase;
iv. **Climate Change Fund:** Not applicable to energy storage projects that have the ability to limit increases in peak demand;
v. **TUOS component:** Confined to a TUOS capacity charge that can be avoided by setting a tight no-load window for the super-peak periods (e.g. 6-8pm) ;

We look forward to continuing to work with Ausgrid on battery tariff development. If you have any questions, please do not hesitate to get in contact at any stage.

Kind regards,

Nick Rose
GENERAL MANAGER

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Addition A: Explanation Note - Negotiated Transmission Service arrangements and TUOS.

TUoS arrangements for BESSs are being negotiated between connection applicants and transmission network service providers in accordance with the negotiating principles of clause 5.2A.6 of the National Electricity Rules. The outcome of these negotiations has resulted in no payable TUoS to date. This is justified through a reduced level of service than the prescribed level of service that incurs the prescribed transmission tariffs.

Validation of this is provided by the following examples:

Clause 4.3.3 of ESCRI-SA Project Summary Report – The Journey to Financial Close (https://www.electranet.com.au/wp-content/uploads/2021/01/ESCRI-SA-Project-Summary-Report-The-Journey-to-Financial-Close-May-2018.pdf) describes the rationale for no TUoS tariffs for that BESS project.

Clause 6.2.1 of the Undertaking to the Australian Energy Regulator for the Period Commencing 1 July 20219 and ending on 30 June 2021 (https://aemo.com.au/-/media/files/electricity/nem/participant_information/fees/2019/aemo---ner-s59-undertaking---12-june-2019_0.pdf?la=en) confirms that the Ballarat BESS is also exempt from TUoS charges.

AEMO in Victoria acting as the TNSP in Victoria has confirmed and is presently continuing its current practice of not charging directly connected ESSs as noted in its pricing methodology.

Addition B: List 1: NSW major Project Register BESS Projects (Excluding Firm Power Projects).

1) Great Western Battery (500MW 1,000MWh | Transgrid)
2) Eraring Battery Energy Storage System (700MW/2,800MWh | Transgrid)
3) Lismore Battery Energy Storage System (100MW/200MWh | Transgrid)
4) Broken Hill Battery Energy Storage System (50MW/100MWh |Transgrid)
5) Liddell Battery (500MW/1000MWh | Transgrid)
6) Tamworth (200MW/400MWh | Transgrid)
7) Armidale (150MW/300MWh | Transgrid)
8) Coleambally (100MW/400MWh|Transgrid)
9) Wallerawang (500MW/1,000MWh | Transgrid)
10) Wellington South (500MW/1,000MWh / Transgrid)
11) Hume Battery Energy Storage System (20MW/40MWh | Transgrid)
12) Riverina Energy Storage System (150MW/300MWh | Transgrid)
13) Woodland BESS (200MW/800MWh | Transgrid)
14) Ridgey Creek BESS (130MW/260MWh | Transgrid)
15) Apsley BESS (120MW/240MWh | Transgrid)
16) Waratah Super BESS - Munmorah (700MW/1400MWh | Transgrid)
17) Orana BESS (400MW/1600MWh | Transgrid)

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10 October 2022

Mr Bill Nixey
Network Pricing Manager | Customer & Strategy
Level 13, 24-28 Campbell Street,
SYDNEY NSW 2000

By email: bill.nixey@ausgrid.com.au

Dear Mr Nixey,

SUBMISSION ON AUSGRID'S DRAFT PLAN 2024-2029

Thank you for the opportunity to lodge a submission to Ausgrid on its Draft Plan 2024-2029. We consent to the publication of this document as part of the consultation process.

1. Our submission looks at Ausgrid's proposal to introduce three new Embedded Network Tariffs (**EN Tariffs**) in the Ausgrid distribution area.
2. The introduction of EN Tariffs will have the effect of:
   a. increasing costs to some of the most vulnerable consumer groups; and
   b. stifling future innovation and the uptake of on-site renewable energy generation.
3. Below we address these impacts in turn.

Impact on consumers

4. The proposed EN Tariffs will increase costs to certain vulnerable consumer groups, including renters within apartment blocks and homeowners within land lease communities.
5. During the previous six months, wholesale electricity prices have surged to record highs. We have seen retail electricity prices increase as they catch up to wholesale prices. The AER notes (in the 2022 State of the Energy Market Report): '*...many consumers' energy bills will likely show the impact around October 2022.*'
6. When comparing the electricity market today to the electricity market in April or May 2022, we see that there are fewer market offers available for consumers, higher prices on most market offers, and fewer retailers (with 8 retailers entering the Retailer of Last Resort scheme since 1 May 2022).
7. Against this background, a proposal to introduce EN Tariffs that would result in a ~30% increase in network charges (Ausgrid's Pricing Directions Paper for 2024-2029 para 4.4.3), needs to be closely examined.

Limiting the EN Tariffs to larger embedded networks

8. Ausgrid is proposing to apply the new EN Tariffs to larger embedded networks (that consume more than 160 MWh per annum). Ausgrid states that '*This would allow small ENs such as caravan parks and small retirement villages to be exempt from the proposed changes*.'
9. The problem with Ausgrid's proposed carve out (of embedded networks consuming less than 160MWh per annum) is that the total size of an embedded network is not correlated to the 'level of' vulnerability of consumers within that embedded network (or the risk that those consumers will be more significantly impacted).
10. For example, a large land lease residential park may consume more than 160 MWh, and yet the consumer impact of increased costs (which are likely to be directly passed on to residents pursuant to s 77(3) of the Residential Land Lease Communities Act) will be equally significant to that on a small land lease community park.
11. We note that there may be an assumption that embedded network consumers are being charged the DMO and, therefore, any increase in the gate meter supply charges will simply reduce the margin of the embedded network operator.
12. That assumption is not correct where embedded network operators are charging less than the DMO (in our experience in the majority of instances) or in certain types of embedded networks such as those governed by the Residential Land Lease Communities Act.
13. The margin of an embedded network operator (other than in certain types of embedded networks) depends on the gate meter supply rate. With default large market offers of on-market retailers now typically much higher than the DMO, many embedded networks are not profitable based on arbitrage. The only lever left for embedded network operators is to install on-site generation to reduce gate meter supply costs.
14. There are three outcomes that will result from the implementation of the proposed EN Tariffs:
    a. embedded network operators will pass on these costs to consumers within embedded networks;
    b. some Embedded network operators will seek to exit the embedded network and connect all child meters to the wider distribution system; and
    c. where a or b is not possible, some Embedded network operators will no longer be solvent and will appoint administrators.

Fairness to network users

15. The reasons that Ausgrid advance for the proposed EN Tariffs centre around the (with respect) nebulous concept of equity and fairness to other network users.

16. For a proper assessment to be conducted in relation to this central proposition, we submit that:
    a. There is, at least, the risk of a perception of conflict of interest in Ausgrid putting forward this proposal and therefore modelling needs to be undertaken by independent experts engaged by the AER;
    b. Such independent modelling needs to examine load profiles across all Ausgrid embedded networks, not just those of a single customer in a single season; and
    c. Such independent modelling needs to examine and quantify:
        i. avoided costs (for Ausgrid) resulting from the private embedded network operators having responsibility for the internal infrastructure, wiring, private poles, tree trimming, etc;
        ii. the costs (for Consumers) of 'reverse retrofitting.' Reverse retrofitting is a term we use to refer to the process of abolishing an embedded network and reconnecting all child meters to the wider distribution system. Substantial costs may be incurred by consumers, and Ausgrid, in such a process as each embedded network child connection point is converted into a NMI/ market-connected meter, including re-wiring of the MSB. The likelihood of reverse retrofitting is very high as embedded network operators will not be able to absorb a 30% increase in their costs at the gate meter; and
        iii. the likelihood of embedded network operator failure from these increased costs and consequences for consumers i.e. where smaller embedded network operators are placed into administration. This should be considered noting that there is no established RoLR scheme for exempt embedded network operators.

Impact on innovation

17. Finally, we wish to express a concern that the introduction of the proposed EN Tariffs will result in stifled innovation and the potential benefits of embedded networks in terms of the uptake of on-site generation, EV charging, and storage and 'services' that embedded networks can offer to consumers and to the wider distribution system.
18. As Ausgrid understands, some of the most innovative on-site generation and storage arrangements are found within embedded networks. Embedded networks have the potential to operate independently of the wider distribution system and to reduce the exposure of pressures on the wider distribution system.
19. Again, an appropriate analysis of the benefits (both now and into the future) needs to be undertaken by independent experts engaged by the AER in terms of contribution of

embedded networks to innovation and the uptake of renewable technologies.

This is a law reform issue

20. The question that follows from the points we raise above is 'where can the line be drawn' between embedded networks where operators are achieving 'too much profit' vs embedded networks where the EN Tariffs would have a negative impact on consumers. The answer is that a line cannot be drawn and that this is fundamentally a law reform and not a pricing issue.
21. Clearly law reform (for the reasons specified by the Australian Energy Market Commission in 2019 and currently under consideration by both the NSW Government and the AER in its review of the Authorisation and Exemption Framework) is needed.
22. Law reform is needed to ensure that embedded network consumers have fewer practical barriers to exercising a power of choice and to address gaps in the existing regulatory framework so that consumers within embedded networks are appropriately protected.
23. It is the role of the regulatory bodies and legislature to design, manage and implement law reform, not distribution businesses.

Concluding comments

24. Law reform is needed to ensure that consumers within embedded networks have appropriate protections and the capacity to exercise the power of choice. That being so, the actual costs and potential benefits of embedded networks have not been adequately quantified, considered and analysed.
25. We ask that Ausgrid consider this submission and ask itself whether the issues it is seeking to address should be more appropriately dealt with as part of wider law reform. Driving reform by increasing pricing has and always will hurt those who can least afford it.

Yours faithfully,

Connor James
Principal
Compliance Quarter
Email: connor@compliancequarter.com.au

Not all EN are equal

Uniting NSW ACT has four retirement villages with Embedded Networks. They typically serve up to 100 small residential units to retirees and pensioners. The EN enable Uniting to purchase electricity at large market rates and on sell it at a heavily discounted rate. The philosophy behind the EN is providing this community with affordable power in a regular and constant manner so they do not need to worry about monitoring electricity prices and changing electricity retailers as their plans expire. The small surplus that is returned to Uniting is utilised to offset the installation of solar PV systems on the roof so the residents receive some green power bin their consumption. It is not a profit making enterprise. Our residents also have the ability to opt out of the EN and decide on their own electricity retailer.

Our ENs and other Not For Profit retirement village operators run the EN for the benefit of the residents not shareholders. This is opposite to office building and shopping centre operators who run EN and offer little opportunity for the tenant to receive fairly priced electricity. There is aggressive behaviour from some EN operators in the commercial space to lock in new customers.

The proposal should differentiate between residential properties and commercial properties as the motivation to run an EN differs greatly, the former for the interests of the resident and the later for the benefit of the landlord.

Thanks

Michael Mathias
Manager, Environmental Sustainability

Uniting

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SHOPPING CENTRE COUNCIL OF AUSTRALIA

11 October 2022

Bill Nixey
Network Pricing Manager | Customer & Strategy
Ausgrid

By email: pricing@ausgrid.com.au

Dear Bill,

Submission - Ausgrid Pricing Directions Paper

Thank you for the opportunity to comment on the Pricing Directions Paper to include new network tariffs to apply to embedded network operators.
We have a longstanding engagement on embedded network issues. In relation to Ausgrid's proposal, we participated in the pricing working group held in September and are open to attend any other future engagement events.

We respectfully suggest that the tariffs should be introduced to residential embedded networks and not shopping centre embedded networks. The reasons for our opposition to the current proposal is generally as follows:

- We remain unconvinced, and do not believe that Ausgrid has provided an evidence-base or compelling case that shopping centre embedded network costs are being 'funded' by other customers.
- Introduction of the proposed tariffs should not apply to a shopping centre, as there is no available evidence or justification showing a discrepancy between shopping centre embedded network load profiles and tariffs allocation. Cost discrepancies, as presented, are attributed to residential embedded network costs.
- Ausgrid's proposal seems to draw heavily on residential issues, rather than shopping centre issues. As you are aware, non-residential embedded networks, and more specifically shopping centre embedded networks, are different to residential networks, including the business model and negligible growth of such networks.
- It overlooks other realities such as significant capital contributions provided to Ausgrid by embedded networks to connect to Ausgrid's network.

As a general comment, we are concerned that shopping centre embedded network usage and reality is not being taken into consideration when reviewing Ausgrid tariffs. We again reject some of the claims we have heard that existing Ausgrid customers are 'subsidising' shopping centre embedded network customers.
We recommend the following:

1. Shopping centre to be exempt from any new residential embedded network specific tariff
2. Adding the type of embedded network connection to future applications
3. The Shopping Centre Industry can assist with an initial identification of current shopping centre embedded networks
4. The ongoing maintenance of tariff allocations related to shopping centre can be managed by Ausgrid existing tariff review process (i.e., additions/variations of site activity) as the volume would be negligible.

Moving forward, we consider as a general practice, that there should be a differentiation from shopping centre embedded networks to other embedded networks.

Please feel free to contact me for further discussions if required.

Yours sincerely,

Angus Nardi
Executive Director

Caravan & Camping INDUSTRY ASSOCIATION NSW | Manufactured Housing INDUSTRY ASSOCIATION NSW | Land Lease Living INDUSTRY ASSOCIATION NSW

10 October 2022

Mr Bill Nixey
Network Pricing Manager, Customer Strategy
Ausgrid
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Sydney NSW 2000

By email; pricing@ausgrid.com.au

Dear Mr Nixey

SUBMISSION ON AUSGRID'S DRAFT PLAN 2024-2029

Thank you for the opportunity to present at Ausgrid's 30 September 2022 Pricing Working Group meeting and provide a written submission on Ausgrid's Draft Plan 2024-2029, including the associated Pricing Directions Paper.

The Caravan, Camping & Touring Industry & Manufactured Housing Industry Association of NSW Ltd (CCIA NSW) is the State's peak industry body representing the interests of over 500 holiday parks and residential land lease communities (residential parks, including caravan parks and manufactured home estates) and over 200 manufacturers, retailers and repairers of recreational vehicles (RVs, including caravans, campervans, motorhomes, camper trailers, tent trailers, fifth wheelers and slide-ons), camping equipment suppliers, manufacturers of relocatable homes and service providers to these businesses.

Many holiday parks and residential land lease communities in NSW have embedded electricity networks (ENs) serving holiday makers and/or residential customers. Under the Australian Energy Regulator's (AER) *(Retail) Exempt Selling Guideline, Version 6, July 2022* (Retail Guideline) and *Electricity Network Service Provider – Registration Exemption Guideline, Version 6, March 2018* (Network Guideline) **our holiday park and residential land lease community members fall within Exemption Classes D3, ND3 and R4, NR4 respectively.**

In representing these ENs, the Association is an important stakeholder in relation to Ausgrid's proposal to introduce 3 tariffs for ENs with medium or large annual energy usage and make them the default tariffs for new and existing ENs connected to Ausgrid's network from 1 July 2024. Based on our initial findings, it is apparent that several of our members with ENs could be impacted as they are using more than 160 MWh per annum.

For the purpose of this submission, where we refer to 'holiday parks' we are referring to caravan parks that supply energy via an EN to occupants of holiday accommodation on a short-term basis (i.e., in these caravan parks there are no permanent residents occupying the accommodation as their home).

Where we refer to 'residential land lease communities' we are referring to residential parks, including caravan parks and manufactured home estates, that supply energy via an EN to

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residents who live there.[1] This includes caravan parks that supply energy to as few as 1-2 residents (mixed parks) right through to those residential land lease communities that are exclusively residential.

AUSGRID EN TARIFF PROPOSAL

The Pricing Directions Paper outlines the number of ENs connected to Ausgrid's network has grown significantly over the past 10 years, and the purpose of introducing tariffs for EN operators is to 'better reflect the costs that these business customers impose on the network' (p18).

Ausgrid notes it has reviewed what EN customers pay in network charges and compared their load profiles to those of other customers on the same tariff and this analysis suggests the current tariff arrangements for EN customers are 'not as efficient or fair as they could be' (p28).

Based on the information and case studies provided in the Draft Plan 2024-2029 and the Pricing Directions Paper, we are concerned that the two issues Ausgrid is seeking to address (i.e., the tariff arbitrage problem and ENs load profiles) are not presenting in ENs within holiday parks and residential land lease communities as claimed, and therefore the proposal is not appropriate for these customers.

In our view, certain aspects of these businesses must be properly considered and reflected in Ausgrid's analysis. ENs vary widely and such variations will reflect in their individual load profiles.

Aspects of holiday parks and residential land lease communities that must be considered by Ausgrid (and any other DNSP considering network tariffs for ENs) include:

- Most holiday parks and residential land lease communities are older developments that have evolved over time. They are one segment of the original intended recipients of the embedded network exemption framework. The supply and on-selling of electricity to sites within these properties remain ancillary services. Our understanding is they are not the types of ENs that have contributed to the growth in numbers of ENs in Ausgrid's network over the last 5 years.

- Many child meters in holiday parks and residential land lease communities are not 'smart meters' but accumulation meters and they do not communicate with the parent smart meter (or meters) for the EN. They measure how much electricity has been used at the site, but they cannot discern when the electricity has been used.

- Levels of amperage supplied to sites can be below 30 amps, determined by planning and supply authority laws at the time. In holiday parks and residential land lease communities established many years ago, the provision of lower amperage to sites was normal development.

- Holiday parks are tourism businesses, so the primary relationship between an embedded network customer and an embedded network operator in a holiday park is an arrangement for holiday accommodation. The supply of energy is incidental and temporary. As customers in holiday parks make use of the embedded network only

[1] *Residents own their own manufactured home or moveable dwelling and rent the land (the site) from the operator.*

on occasion and for holiday purposes, such usage will be reflected in the load profile of the relevant business. This can also be impacted by seasonality.

- Many residential land lease communities are 'mixed parks' i.e., a combination of holiday guests, long-term casual occupants and permanent residents. Some only have a small number of residents, while others have hundreds. So, the proportion of holiday verses residential customers in these ENs varies widely. This will also be reflected in their load profiles.

- Some residential land lease communities are only part ENs – that is, energy is on-sold by the operator to some residents, while other residents are 'on-market' and purchase their energy from an authorised retailer. However, all the residents in these communities (and any holiday guests and long-term casual occupants if it's a mixed park) would have access to and use the communal facilities, which would contribute to the overall load profile of the business/EN.[2]

- There are no gains from tariff arbitrage in residential land lease communities due to strict price controls under the *Residential (Land Lease) Communities Act 2013* (RLLC Act). Section 77(3) of the RLLC Act provides an 'operator must not charge the home owner an amount for the use of a utility that is more than the amount charged by the utility service provider or regulated offer retailer who is providing the service for the quantity of the service supplied to, or used at, the residential site.'

  The meaning of this section was clarified on 4 September 2018 by the NSW Supreme Court's determination in the case of *Silva Portfolios Pty Ltd trading as Ballina Waterfront Village & Tourist Park v Reckless [2018] NSWSC 1343* (Reckless). The Court's decision was that the concept of a 'regulated offer retailer' no longer existed (following deregulation of the energy market in 2014) and under s 77(3) of the RLLC Act the plaintiff was not entitled to charge the defendant any more than the plaintiff had been charged for the supply or use of the electricity consumed by the defendant.

  While there are some practical difficulties in calculating the tariff to apply (known as the 'Reckless method') the outcome is that these types of ENs are prohibited from profiting on the sale of energy and have no opportunity to recover any administrative, operational, maintenance or replacement costs of the EN through energy charges.

- Any increase in network charges for residential land lease communities because of Ausgrid's EN tariff proposal will pass through to home owners in accordance with electricity charging requirements under the RLLC Act.

  Considering residential land lease communities provide an important housing option for some vulnerable groups, it is concerning that Ausgrid proposes a 30% increase (give or take) in network charges for ENs in 2024/25. Should Ausgrid proceed with introducing EN tariffs, better transitional arrangements need to be applied to avoid bill shock.

RECOMMENDATIONS

We do not believe data constraints and limited visibility are in themselves justifiable reasons for ignoring the distinctions between ENs and proposing network tariffs that do not distinguish between residential and other use. Distinctions between ENs are recognised in

[2] *Communal facilities vary, but can include swimming pools, gyms, club houses, tennis courts, bowling greens, libraries, recreational rooms (e.g., cinemas), barbecues, etc.*

the different activity classes of the AER's Retail Guideline and Network Guideline. The same approach should apply in any network tariff reforms that impact them and their customers.

During the 30 September 2022 Pricing Working Group meeting, Alex McPherson, Head of Regulation at Ausgrid, acknowledged the points we raised and sought feedback on possible exemptions or carve outs given Ausgrid's constraints.

One stakeholder suggested seeking assistance from the AER to help identify the EN types within Ausgrid's network area. We agree this option should be explored and we would be happy to assist where we can to identify existing holiday parks and residential land lease communities. In addition, NSW Fair Trading has a register of residential land lease communities. Considering Ausgrid supplies power to 1.8 million customers, obtaining important data on 800 EN customers should not be an overly burdensome task.

To improve visibility going forward, could changes to the Market Settlements and Transfers System allow for distinct EN codes to be applied? Could retailers be responsible for notifying Ausgrid of an EN customer to whom an exemption applies and apply for a tariff reassignment? Advice from a technical expert in this space would be useful.

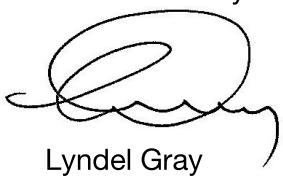
CONCLUSION

Thank you for considering our feedback. As the peak industry body representing holiday parks and residential land lease communities in NSW with ENs, CCIA NSW is an important stakeholder in relation to Ausgrid's network tariffs reforms. We are happy to continue consulting with and assisting Ausgrid to develop a proposal that is fair and equitable for the ENs we represent and their customers.

Should you wish to discuss the issues raised please contact Shannon Lakic, Policy, Training and Executive Services Manager, on 0410 651 782 or email shannon.lakic@cciansw.com.au.

We look forward to our continued involvement in the consultation process.

Yours sincerely



Lyndel Gray
Chief Executive Officer

Submission to Ausgrid with regard to Ausgrid 2024-2029 Draft Plan, as published September 2022

September 2022

Overview:

The Electric Vehicle Council (EVC) is the peak body in Australia representing the interests of manufacturers and suppliers of EVSE, software service providers in the field of EV charging orchestration, and Electric Vehicle manufacturers. We also have strong membership amongst energy market participants, including retailers, DNSP, TNSP, and generators.

The EVC has historically advocated for improvement in network tariff design, and worked closely with DNSPs, market bodies, and state and federal government departments towards this goal.

Ausgrid have published a draft plan and a pricing directions paper for the 2024-2029 regulatory reset period, and invited comment:

https://yoursay.ausgrid.com.au/projects/download/12234/ProjectDocument

Feedback from the EVC on the EA302 tariff assignment policy, relating to consultation question 9 in the pricing directions paper.

The current Ausgrid tariff assignment process assigns all new public high power EV charging sites to EA302, a capacity tariff with a rolling 12 month demand charge, on the basis of them being a three phase connection. After 12 months, the site will be able to request a transition to an energy-only tariff, EA225, subject to them being below 40MWh/annum. The cost profile this presents to an EV charging station at time of deployment is approximately an order of magnitude higher than neighbouring jurisdictions of Essential Energy and Endeavour Energy – it is a tariff position that is unfriendly to the deployment and ongoing operation of high power charging stations. A charging station at 500kVA site capacity, per the NSW state government grant program, and delivering 40MWh/annum, will be exposed to approximately $7k/annum of network costs in the Essential Energy region, or the Endeavour energy region, but approximately $70k/annum of network costs in the Ausgrid region.

The new proposition is that the initial assignment will remain EA302. The transition to a ‘greater than 100 Amp rule’ from a ‘three phase connection rule’ will have no impact on any new connection for a public charging station delivering more than 50kW, and all high power public charging stations currently being funded under state and federal programs will be larger than this. This means that for the first year, low utilisation, high power DC charging sites will continue to be allocated to a higher cost capacity-based tariff, where their volumetric utilisation levels (below 40MWh/annum) would indicate that they should actually have access to an energy only tariff (such as EA225). We note that the public DC charging infrastructure that Ausgrid is deploying co-located with distribution transformers is below the 50kW level, so would be able to take advantage of the new 100 Amp rule.

The volumetric level being shifted progressively from 40MWh to 100MWh is a step in the right direction, but does not go far enough, soon enough. At 100MWh, the network cost component of a 500kVA charging location in the Ausgrid region remains approximately $70k/annum (the energy costs being a relatively small component of the total network charges), while in the Endeavour region the network cost for the same type of site would be approximately $9k/annum, and in the essential region the network cost would be approximately $14k/annum.

In short, the proposed adjustments move slightly in the right direction, but are not adequately supportive of the deployment of high power charging locations, particularly in regional areas, and remain out of step with the other DNSP regions in NSW, and the majority of DNSP regions around the country.

Recommendations from the EVC tariff assignment policy for business customers - relating to consultation question 9 in the pricing directions paper.

1) Initial tariff assignment

Rather than mandatorily assigning all new connections above 100 Amps to EA302, business customer should be able to select whether they are assigned to EA302 (capacity tariff), EA256 (demand tariff), or EA225 (energy only tariff), on the basis of their self-predicted energy use.

If in the first 12 month period they consume greater than a specified volumetric level, they can be mandatorily assigned to EA302 by Ausgrid using established tariff assignment processes.

The assignment policy could reasonably be that the default assignment to a new connection above 100 Amps is to EA302, with an opt-out to EA256 or EA225 at time of connection.

This would resolve the issue whereby all high power DC charging stations above 50kW are mandatorily assigned to EA302, and thereby the majority of them pay excessive network charges in their first year of operation.

Please note that this recommendation does not constitute a request for a technology or customer-type specific treatment, which has previously been identified to the EVC by Ausgrid as being undesirable.

This approach could be universally applied to small business customers and is consistent with approaches to tariff assignment in other DNSP regions.

2) Volumetric limit

The volumetric limit used in the majority of other jurisdictions to determine the point at which demand and/or capacity charges are applied (billing elements based on kVA or kW, rather than kWh) is 160MWh/annum.

Rather than migrating over a period of several years from 40MWh to 100MWh as the volumetric threshold, the tariff assignment policy should shift directly to the 160MWh threshold, in alignment with the other DNSPs in NSW and the majority case in the rest of the country.

Observations with respect to embedded network customers – relating to pricing directions paper consultation question 7.

We note that this proposal is explicitly suggesting the creation of a new tariff structure, specifically for a particular class of customer, because of their unique characteristics.

While we do not have a view as to the merits of the creation of a specific tariff for embedded network operators, we note that when we have discussed with Ausgrid the potential to treat public EV charging installations as a separate type of customer for the purposes of tariff assignment, because of their unique characteristics, we have consistently been told by Ausgrid that this is not in keeping with the principles of technology neutrality and is not something that will be considered. This discussion has not been around the creation of a new, customer specific tariff – simply the correct allocation to a customer from the existing range of tariffs, based on customer type.

We find it interesting that where it is Ausgrid that wishes to treat a specific class of customer differently, to the extent of creating a new tariff class specifically for a customer type, with a view to significantly increasing the network charges applicable to that customer type, Ausgrid is prepared to set aside this principle, make a case for the position, and argue for it as part of the regulatory reset.

Ausgrid's positions on this matter seem to be inconsistent at best. We consider that Ausgrid taking this position with respect to embedded networks means that there should be no impediment, in principle, to tariff assignment being informed by customer type if there is justification to support it.

With this in mind, we would note that while we suggest in our recommendation 1 that all business customers who believe that they will be below 160MWh/annum should be able to choose between EA225, EA256, and EA302, an alternative approach that would be acceptable to the EVC would be to extend this choice of business tariff only to new connections where the principal business at the location is high power EV charging.

Conclusion

The EVC is happy to work with DNSPs and energy market regulators to achieve improved tariff design that will support a transition to EVs. Striking the right balance between commercial viability for key stakeholders, and the application of cost reflective network pricing principles, is going to take collaboration between multiple parties.

TOTAL ENVIRONMENT CENTRE

AUSGRID'S PRICING DIRECTIONS PAPER
SUBMISSION TO AUSGRID AND AER
OCTOBER 2022

TEC welcomes the opportunity to comment on this paper, and apologises for its lateness and brevity. Our feedback is restricted to the proposed residential export tariff as presented in the Pricing Directions Paper (PDP). It is informed by our role as a proponent, with ACOSS, in what the AEMC would eventually call the *Access, pricing and incentive arrangements for distributed energy resources* rule change (2021). Our focus is on the justification for, and cost reflectivity of, the export tariff. We have no specific comments regarding other aspects of the export tariff including the basic export level and the transition strategy, or the other reforms outlined in the PDP.

We remind Ausgrid of the highly contentious nature of some aspects of that rule change process, in particular the prospect of all solar households being charged for exporting surplus rooftop PV energy to the grid. We instigated and supported that process in large part because we identified potential benefits to solar and battery households well as non-PV households and distribution networks of having clear price signals about where and when distributed or consumer energy resources (DER or CER) are of value to networks, and conversely where they are likely to cause problems for networks and/or other users.

We were successful in pushing for changes to the draft rule in the final determination (FD) to virtually eliminate zero export static limits, to require distribution businesses to offer a basic export level in all their tariffs without charge for 10 years, and to require them to transition CER customers onto export tariffs.

Justification

Since the publication of the final determination, the AER has done an excellent job of implementing it via connection guidelines, flexible exports (aka dynamic operating envelopes) and working on customer export curtailment values (CECV), which networks can utilise in making the business case for investing in greater export capacity.

But probably the AER's most significant effort has been in developing its Export Tariff Guidelines ("the guidelines"). These state on page 4 that

> The AER will not approve two-way pricing proposals unless a distributor can, through the regulatory proposal (including the tariff structure statement) process, demonstrate its need…
>
> In proposing two-way pricing, distributors should have regard to:
>
> - individual network circumstances to warrant the introduction of two-way pricing, including their network's intrinsic hosting capacity
> - how their customers may be impacted if two-way pricing is not introduced
> - evidence of current or estimates of future DER penetration on the network (including rooftop solar, electric vehicles) and how this impacts network costs
> - feedback from stakeholders, including customers.

Turning to Ausgrid's pricing directions paper (PDP), we read the following on page 19:

> When we assess whether to introduce export pricing, we take into account the impact of DER on the grid now and into the future. Currently, DER can largely be accommodated by intrinsic hosting capacity on the network. If AEMO's Step Change scenario for DER uptake proves to be reasonably accurate, between 2024-29 we expect intrinsic hosting capacity to be exhausted in parts of the network. However, it is challenging to accurately forecast DER uptake. Actual DER uptake could be lower or higher than this forecast. Beyond 2029 the forecasts are even more uncertain.
>
> For this reason we think it is prudent to start sending our customers price signals about the costs and benefits their exports can have on grid costs. However, given the uncertainty with current DER forecasts, we are proposing a very small export price.

In other words, "We don't have a problem with rooftop PV exports at present, but we might in the near future, so we're going to start charging all solar owners asap so they get used to the idea".

Not surprisingly, in TEC's view this falls a long way short of proving that Ausgrid *needs* to introduce export tariffs to comply with the NER. Explicit in the AEMC's final determination (see, eg, page ii, paras 10-12) and the AER's guidelines are the arguments that, firstly, export tariffs should be a response to a material problem related to network congestion caused by rooftop solar exports; and secondly, export tariffs should be regarded as a last resort to be canvassed when cheaper and simpler measures to solve the "duck curve" problem—including transformer tap changes, better LV system visibility, flexible exports and solar soak tariffs—have been implemented and exhausted.

In other words, export tariffs are intended to be one tool among many, and should not be implemented just because, with the removal of clause 6.1.4 of the NER, they can be. Or, as the AEMC itself puts it, "a DNSP will need to explain its proposed approach to export-related planning and investment *against alternative options*" (page iii, our emphasis). To be even more explicit, the AEMC sates (on page v; our emphasis) that

> Enabling export pricing options does not mean DNSPs have a regulatory obligation to develop and implement export pricing. A proposal to implement export pricing for a DNSP would need be part of the regulatory determination process and would require the AER's approval. In assessing the DNSP's proposal, the AER must be satisfied that it is in the interest of consumers. *Export pricing is optional for each DNSP.*

In our view, in the absence of any evidence that solar exports are causing, or by 2029 are likely to cause, material costs on the network—let alone any evidence regarding what those problems may be—any proposal by Ausgrid to introduce mandatory export tariffs in 2024-29 is unjustified because it would not comply with the pricing principles in the NER—particularly 6.18.5(a) and (f):

> The *network pricing objective* is that the tariffs that a *Distribution Network Service Provider* charges in respect of its provision of *direct control services* to a *retail customer* should reflect the *Distribution Network Service Provider*'s efficient costs of providing those services to the *retail customer*…
>
> Each tariff must be based on the *long run marginal cost* of providing the service to which it relates to the *retail customers* assigned to that tariff…

If there are not likely to be material costs associated with PV exports, there is no good reason to introduce tariffs to recover them.

Cost recovery and postage stamp pricing

Further, it is not enough to indicate that this approach has been largely endorsed by Ausgrid's Voice of Customer Panel, because its recommendation that "recovering the costs associated with customers' exports by introducing a TOU [tariff?] for these customers that optimises customer pricing and network stability and cost" (page 19) is predicated on the existence of such costs.

Even if export-related costs are able to be identified, they are likely not to apply equally across the network. The imposition of a postage stamped tariff is justified on the basis that "…we think it is more important to avoid the complexity of differentiated pricing for a relatively small component of the bills of our small customers, and to retain the simplicity of postage-stamp pricing" (page 22).

Again, this view is not consistent with the application of cost reflectivity to export tariffs. Ausgrid's argument amounts to claiming that the added complexity of introducing an export tariff for *all* solar households is preferable to adding complexity to the bills faced by the potentially much *smaller* number of solar households which are actually causing the problem (wherever and whatever that problem might be). Postage stamp pricing for DER exports amounts to addressing one cross subsidy (from non-CER to CER customers) with another one (from unconstrained CER owners to constrained CER exporters).

Ausgrid could, for instance, apply a critical peak price or peak time rebate in affected areas (again, when and where they actually exist), so that affected customers could be given a choice as to how they respond—for instance, by increasing their solar self-consumption during extreme solar trough periods.

With regard to the amount of the proposed tariff (1.85c/kWh), again there is no justification proffered other than what amounts to the "boiling frog" syndrome—ie, "If we start low they'll have time to get used to it", implying that it would increase (substantially?) in the future. What is the LRMC of daytime CER exports that this relates to? And if this strategy is intended to comply with pricing principles 6.18.5(h) and (i), what is the glide path or other transition strategy towards the end point of fully cost reflective tariffs?

LRMC and mirror tariffs

Finally, Ausgrid appears to have abandoned its earlier commitment—backed by its consultants, HoustonKemp—to introduce a "mirror tariff" that would pay home battery owners the same amount for their evening peak supply or discharge as other users would pay for consuming grid energy during the same period. (This approach was taken in Ausgrid's current residential two-way tariff trial, with exports between 2 pm and 8 pm being rewarded at the same rate as the consumption charge for this period.) This would be consistent with the pricing principles, because if consumers are charged according to the LRMC of their contribution to future network costs, battery discharges during the same period should effectively cancel out the need for future grid augmentation to the same extent.

Instead, Ausgrid is only planning to pay battery owners the same low amount (1.85c/kWh) it is charging solar owners for their daytime "solar trough" exports. This is not efficient pricing. The only justification proffered for rejecting HK's proposal is that a mirror tariff would involve a cross subsidy from other customers. This is illogical, because (in a world of cost reflective tariffs) DER exports during the evening peak effectively save the network the same amount as consumption during the same period costs it. The PDP states that

> The proposed charge and reward level reflects our current long run marginal cost (LRMC) supplying export services, which we estimate is around $30 per kW. This is significantly lower than our current LRMC of supplying consumption energy services.

Unfortunately, we cannot find reference to the actual LRMC of consumption services in the PDP. However, if the consumption LRMC during the evening peak is, say, double that of export during the solar trough period, Ausgrid is planning to pay customers who help to alleviate that demand only half its actual value. This is unacceptable. If users are charged, say, $0.50/kWh during the evening peak, this is also the amount that Ausgrid should offer for exports to the grid during the same period.

Recommendations

1. In its preliminary tariff structure statement (TSS), Ausgrid should provide evidence (eg, substation heat maps) that rooftop PV exports are likely to cause material costs to the network in 2024-29.
2. If Ausgrid is able to provide such evidence, it should then explain how it is attempting to mitigate the problem via available low cost solutions that do not involve charging solar owners for their exports to the grid.
3. If Ausgrid is able to show that, having implemented step 2 above, there are still areas and times when the problem persists, it should then construct an export tariff which is cost reflective, by targeting areas where and when this problem exists, and by fairly rewarding users who are able to mitigate the problem, especially via peak time battery exports.
4. If Ausgrid is unable to provide evidence that rooftop PV exports are likely to cause material costs in 2024-29. it should abandon its plan to introduce an export tariff in this period.
5. If Ausgrid does not follow the steps outlined above, the AER should reject this part of its draft TSS.

5 October 2022

Bill Nixey
Network Pricing Manager
Ausgrid
24 Campbell St,
Haymarket NSW 2000

Email: pricing@ausgrid.com.au

Dear Mr Nixey,

Re Ausgrid Pricing Directions Paper – Embedded Networks Tariff

Origin Energy (Origin) appreciates the opportunity to provide a response to the Ausgrid Pricing Directions Paper for the 2024-29 regulatory period.

Embedded networks are a growing segment of the residential market. These supply arrangements offer a range of benefits not available to other mass market residential customers connected directly to the distribution network.

For example, by aggregating the load within an embedded network, this scale can often allow embedded networks to access energy rates and contract terms normally only available to commercial customers. In Origin's case, we share this benefit by providing customers with a usage rate commensurate with competitive market offers. In addition, embedded networks can also foster renewable energy technologies though future-proofing buildings (e.g. design to accommodate electric vehicle charge points and solar).

Therefore we believe that it is important that the regulatory framework recognise the unique characteristics of embedded networks and ensure that these benefits to continue to accrue to consumers and the achievement of a net zero energy future.

However, we also recognise that Ausgrid has certain obligations under the National Electricity Rules (NER) with respect to network pricing, notably that its prices must reflect the efficient costs of providing its services.

Ausgrid highlights that the load profile of embedded networks is different when compared to customers on the same tariff. As a result, Ausgrid argues that embedded network customers receive lower network charges than other individual connections. In response, Ausgrid propose to introduce a higher capacity charge for embedded networks compared to the current tariff.

However, we note that the NER allows a network's tariffs to vary from the pricing principles in certain circumstances. We consider the treatment of embedded networks warrants closer examination to strike a balance between the retention of benefits to consumers and the broader market with a strict application of the NER's pricing principles.

As part of this examination we look forward to working with Ausgrid to better understand how embedded networks are likely to be impacted by a change in tariffs including what expected benefits Ausgrid's hopes to realise. In particular, we look forward to better understanding:

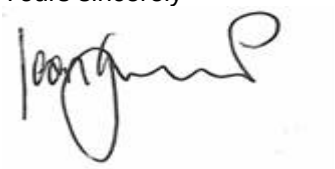
- How Ausgrid has defined an embedded network including whether a size threshold has been applied and why.
- The derivation of the embedded network load profile.
- How the difference between an embedded network load profile and a C&I profile is measured and determined to be significant.
- The derivation of the embedded network tariff parameter values.
- The reasonableness of a transition period.

Furthermore, some embedded networks would have made investments in good faith expecting certainty in network tariffs. For these reasons we believe Ausgrid ought to consider the appropriateness of grandfathering existing tariff structures or some form of transition arrangement.

We thank you for your engagement on this issue to date and look forward to further productive engagement.

If you have any questions regarding this submission, please contact me directly.

Yours sincerely



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Ausgrid
Via email: yoursay@ausgrid.com.au

4 October 2022

Dear Ausgrid,

Pricing directions paper 2024-2029: proposed embedded network tariff

Thank you for the opportunity to make a submission relating to Ausgrid's pricing direction paper for the 2024-2029 period.

We'd like to focus our feedback on one element which has really stood out: the proposal to create a new network tariff for embedded network customers that, all other things being equal, would increase the bill of a customer residing in an embedded network by 30%.

Naturally, we fundamentally disagree with both the approach Ausgrid describes and the quantum of the proposed change. Such a shift would cause significant customer detriment without a corresponding increase in Ausgrid's cost base upon which to justify it.

We will reserve further comment until we read Ausgrid's full proposal once it is published. Should it remain materially in the same form as the draft proposal, we look forward to energetically opposing this change during the subsequent AER consultation period.

Yours faithfully

Adrian Merrick
Founder & CEO
Energy Locals

GO ELECTRIC. GO ANYWHERE

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Submission by Evie Networks

On

Ausgrid 2024-29 Draft Plan

About Evie Networks

Evie Networks was founded in 2017 by the St Baker Energy Innovation Fund with the aim of building Australia's largest Electric Vehicle fast and ultra-fast charging network across all Australian States and Territories as part of a strategy that recognised the need for, and societal benefits of, the electrification of the Australian Transport Sector and the associated need to address concerns about "Range Anxiety" with EVs. Evie therefore has a strong focus on building quality charging stations, located on sites that are convenient for customers and underpinned by the Evie team's relentless pursuit of reliability and customer satisfaction. Its initial rollout was on national highways and is now being expanded into major metropolitan areas and regional centres. Evie currently has over 70 sites in operation and expects to have over 200 sites by July 2023.

Evie Networks is backed by funding from the St Baker Energy Innovation Fund, which is accompanied by significant grants from the Australian Renewable Energy Agency (ARENA) and the Federal Government's Future Fuels Fund. Evie Networks has also been successful in being selected to help rollout EV charging sites under a number of State Government and Local Government EV infrastructure programs. This makes Evie Networks the most well-funded EV charging operator in Australia, providing confidence that it will continue to grow and support its network across all Australian States and Territories.

Executive Summary

Evie Networks welcomes the opportunity to make comments on Ausgrid's 2024-29 Draft Plan, and specifically the elements therein dealing with tariffs for publicly available fast and ultra-fast EV chargers. As a result, we do not respond to every question listed in Ausgrid's consultation document.

Beyond the well-documented societal benefits of EV uptake (including emissions reduction, public health and national fuel security), EV uptake is one of the few sources of future growth for networks at a time of increasing household solar PV generation that is driving down Minimum Demand to critically low levels. Greater network utilisation from EV uptake will deliver network efficiency benefits and significant avoided network costs, particularly in relation to networks managing low minimum demand resulting from increased solar energy during the middle of the day. These network benefits can ultimately be passed through to all electricity consumers, not just EV owners.

Public fast and ultra-fast charging infrastructure is essential to support the uptake of EVs in Australia and, therefore, essential to realise the network benefits that EVs will bring. It is critical that tariffs applying to EV charging sites do not stifle investment due to high electricity costs for EV charging infrastructure providers, while EV uptake is still in its infancy.

However, Evie's experience, more so in Ausgrid areas than for any other DNSP areas, is that electricity costs are prohibitively high due to tariff structure and tariff assignment policies. This is because Ausgrid applies capacity tariffs from day one and follows with an extremely low threshold for continuing with capacity tariffs. The Load Profile of public fast charging is very different from "traditional" small and medium businesses and at such an early stage of EV uptake, Ausgrid's current tariffs and assignment policies create a very large, fixed cost for charging network operators that must be shared across a small number of drivers.

Unfortunately, based on real data and forecasts, it is clear that Ausgrid's draft plan will not address the current high prices for public fast charging. Ausgrid has acknowledged the problems with current tariffs and policies in its draft plan, stating in its "Our Pricing Directions Paper for 2024-29 for consultation" document) page 35):

> "New EV charging stations typically have a lower utilisation of the network and can therefore experience a higher cost per unit of energy than other customers on the same tariff."

However, it does not address the problems in a way that will provide any tangible outcomes and, in fact, Ausgrid clearly states in the above-mentioned consultation document (page 35) that its proposed changes to the tariff applied to publicly available charging stations will not fully address the issue, stating (emphasis added):

> "…..**our proposed reform** of raising the threshold at which capacity tariffs apply…. **will go part of the way in addressing the feedback from the EV industry**."

In this response and separate confidential attachment, Evie Networks lays out the significant network benefits that can be realised through accommodating public fast charging infrastructure and demonstrates why Ausgrid's plan will not reduce the current barriers to the growth of this critical new industry that undermine the State Government's efforts to increase the uptake of EVs. The identified significant network benefits that can ultimately be passed on to all electricity consumers support the need to introduce a specific tariff for the EV public fast charging infrastructure industry and would not represent a cross-subsidy from one group of consumers to EV drivers.

Why traditional business tariffs deliver very high costs for publicly available EV charging sites

The EV public fast charging infrastructure industry is still relatively new in in Australia. The Load Profile of public fast charging is very different from "traditional" small and medium businesses. Tariffs that are currently applied to small and medium businesses are not suited to this new industry and, in fact, result in very high electricity costs.

The graph below sets out the differences in the impact of a traditional business tariff containing a Capacity Charge on a small factory versus an EV charging station. The Capacity Charge is based on the customer's highest recorded demand in any hour or half-hour period on a rolling 12 months basis, irrespective of whether or not that peak occurred during a network peak demand event.

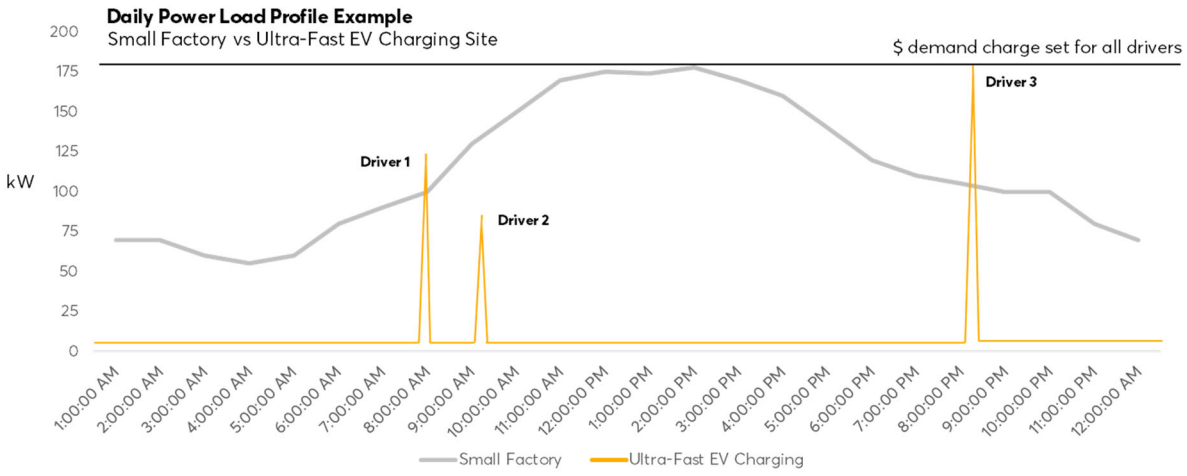

Figure 1: Illustrative example of ultra-fast load profile while EV uptake is low.

EV charging load profiles do not resemble typical Commercial and Industrial (C&I) use cases. If demand or capacity tariffs are assigned, as they are today by Ausgrid, the result is very high electricity costs. This is because the demand or capacity charges are necessarily amortised over a small number of users. In addition to the obvious high costs for charging network operators and the adverse impact on returns on investment, this will have significant consequences for drivers in Ausgrid areas:

- Public fast charging availability will be very limited as the infrastructure will not prove commercially viable. Investment in public fast charging will, therefore, be directed to other areas; or

- Costs must be passed on to drivers, rendering public fast charging unaffordable and undermining the incentive for people to switch from an ICE vehicle to an EV.

Given the importance of public fast charging availability for addressing Range Anxiety concerns of potential EV purchasers and the relative costs of "fuel" for an EV versus an ICE vehicle, these outcomes would act as a major brake on the EV transition. This would also mean that expected network benefits would not be fully realised in Ausgrid areas.

Evie Networks is already seeing the adverse impact of Ausgrid's tariff structure and tariff assignment policies on its operations.

Attachment A provides a Case Study of a site in Sydney that incurs electricity costs of over $1 per kWh sold to drivers. Clearly, if Evie were to pass on this cost to drivers, utilisation of the charging infrastructure would be extremely low.

As highlighted in the Executive Summary, the adverse impact of its capacity charges on publicly available EV charging sites is clearly recognised by Ausgrid in its "Our Pricing Directions Paper for 2024-29 for consultation" document. Despite this, Ausgrid goes on to state in the above-mentioned consultation document that its proposed changes to the tariff applied to publicly available charging stations will not fully address the issue. Ausgrid does not provide any detailed explanation as to why it believes it should not fully address the key issue for the EV public fast charging infrastructure industry that it has already fully acknowledged, but provides some negative commentary around how "Most stakeholders indicated that Ausgrid should not embed cross subsidies in our pricing to overcome transitional technology challenges".

Publicly available EV charging sites can provide significant network benefits and are not a threat to electricity grids

Evie Networks strongly disputes the view that a specific tariff for publicly available EV charging sites would involve a cross-subsidy.

The uptake of EVs, enabled by the availability of well planned, affordable public fast charging, will deliver significant long-term benefits for electricity networks and, ultimately, electricity consumers. In summary, the benefits include:

- Long term increased utilisation of electricity networks, creating efficiency benefits.
- Avoiding network costs such as voltage control to help manage low Minimum Demand levels caused through "excess" solar generation by helping to absorb this excess solar generation, as public fast charging typically peaks in the middle of the day.
- Improved local network stability, as fast charging often requires grid augmentation that is funded by the charging network operator.
- Controllable technology, allowing peaks to be managed dynamically and at short notice.

We particularly note that Endeavour Energy, in their Preliminary Proposal for the 2024-2029 period, specifically recognises the benefits from EV uptake, stating that EVs will:

> "rapidly enhance the flexibility of consumption and will form a crucial component of the dynamic architecture of the future network. They will become a very useful tool to balance loads…".

Network efficiency benefits through greater utilisation, as well as significant avoided network costs (through minimising the costs to manage minimum demand created by excess solar energy during the day), will mean lower costs can be passed on to all electricity consumers, not just EV owners.

Additionally, it is submitted that (1) the very different usage profile of publicly available EV charging sites would justify the introduction of a specific tariff for this new industry, consistent with the National Electricity Rules (Clause 6.18.4) and (2) the network benefits provided through the operation of EV charging sites would mean that the introduction of a technology-specific tariff for publicly available EV charging sites would also be consistent with the NEM Rules (Clause 6.18.5 on Pricing Principles).

The above-mentioned Ausgrid consultation document also signals its concerns that EV charging will, with an increasing number of EVs on the road, add to peak demand on its network, resulting in increased investment to address this increase in peak load.

Evie Networks submits that this view is misplaced, as EV charging can act as a "solar soak". Specifically, usage of publicly available EV charging sites is concentrated during off-peak periods, and principally during the periods of excess solar generation. Ie, charging site utilisation is broadly co-incident with the solar peak period and, thus, as noted above, can act as a "solar soak" with consequential avoided network cost benefits.

This is highlighted in the graph below from a public ARENA workshop that explored the impact of EV charging on the electricity grid. The data demonstrates how most charging occurs at off-peak times.

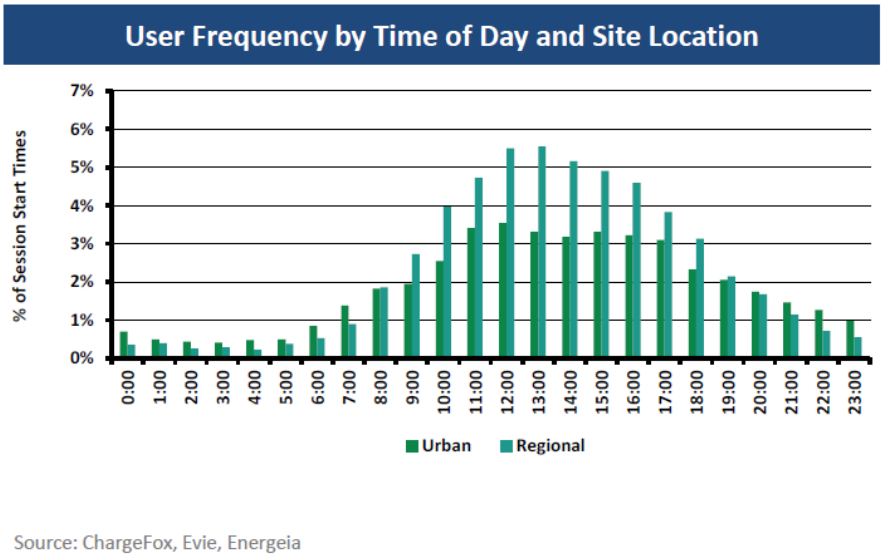

Figure 2: Charging frequency by time of day.

Further, new technologies, including public EV charging infrastructure, are inherently more controllable than legacy technologies:

- Charging technology is easily controllable.
- Load Management Systems for publicly available charging sites are readily available that can address Peak Demand issues.
    - They can be designed to optimise network utilisation and stability, while avoiding impact during peak network events.
- Technology to control public EV charging already exists and is in operation today.

Going forward, EVs will play a major role in relation to DER, with energy stored in the EV battery being used to reduce demand during the evening peak (V2H) and/or adding energy back into the grid during the evening peak (V2G). This has the potential to result in significant additional avoided network costs, which will further benefit all electricity consumers, not just EV owners.

What is Ausgrid proposing and Impact on EV Charging Station Electricity Costs (Response to Consultation Questions #7 (Embedded Networks), #9 (Tariff Assignment) and #10 (Technology Specific Tariffs))

The proposed changes to the tariffs applying to EV public charging sites result from the proposed changes by Ausgrid to its small and medium business tariff assignment policies. This is explained by Ausgrid in the above-mentioned consultation document in the following terms (Extract, page 34; emphasis added):

> **Reform our small and medium business tariff assignment policies**
>
> In our consultations to date, retailers and customers have raised two concerns about the bill impacts for small and medium business customers, when we transfer them to another tariff in line with our current tariff assignment polices.
>
> First, when a small business customer on our demand tariff (EA256) uses more than 40 MWh per annum over a 2-year period, our policy is to transfer them to a medium business capacity tariff (EA302). This tariff has different structure to the demand tariff, and this can create adverse bill impacts for customers who use the network infrequently (such as electric vehicle charging stations).
>
> Second, when new business customers connect to our network, they do not have any existing metering data to guide us in assigning them to the most appropriate network tariff. Our current policy assigns them to a demand tariff if they have a single-phase connection, and to a capacity tariff if they have a three-phase connection. However, we understand that many small business customers (using less than 40 MWh pa) are on three-phase supplies. Under this policy, they are assigned to a capacity tariff that is likely to be inappropriate. In addition, under our existing assignment policies a new customer must wait 12 months before they can request a tariff transfer.
>
> To respond to this feedback, we are proposing the following reforms:
>
> • **Increasing the consumption threshold for transferring existing customers from a demand tariff to a capacity tariff from 40 MWh per annum to 100 MWh pa.** This will align with the *National Energy Retail Law (NSW)* definition of a small customer and improve our annual review of tariff assignments by reducing the number of tariff transfers occurring. It will also enable customers using between 40 and 100 MWh per annum to be assigned to the business demand tariff EA256 (and to opt out to time of use tariff, should they choose too). We propose to **move the threshold to 100 MWh in 20 MWh steps over three years (FY25, FY26 and FY27)** to limit rebalancing of tariff components and possible customer bill impacts.
>
> • **When assigning new business customers to a tariff**, we propose to replace the 'three-phase rule' with a 'greater than 100 amp rule' for assigning customers to capacity tariffs. This will ensure that smaller business customers who have three-phase supply sites are assigned to the business demand tariff (EA256) instead of the capacity tariff (EA302). These customers would still be able to opt out of this demand tariff, and move to the business TOU tariff EA225, should they choose to.

Analysis by Evie Networks of Ausgrid's proposed tariffs and its associated low capacity thresholds demonstrates that Ausgrid's position will result in very high costs for publicly available EV charging operators, in both absolute terms and relative to the other 2 NSW DNSPs.

This high cost outcome is in both metropolitan areas and public highway sites, but the impact on public highways is greater.

This will:

1. Make investment in public EV charging in the Ausgrid network area going forward commercially challenging.

2. Create the risk that public charging costs for EV drivers in the Ausgrid network area (covering Greater Sydney, the Central Coast and the Hunter) will be unduly high. This would:

    a. Be highly inequitable for EV owners who are not able to charge their EVs at their residence.
    b. Potentially blunt the incentive to purchase an EV (ie, it would reduce the benefits of driving an EV versus an ICE vehicle), undermining the NSW Government's policies designed to increase the uptake of EVs.

This analysis is set out in a confidential attachment containing 6 graphs showing the impact of Ausgrid's tariff arrangements, including a Case Study comparing an EV charging site in the Ausgrid network area with a comparable site in the Endeavour Energy network area.

The Case Study provided highlights how electricity costs at the site in the Ausgrid area are well in excess of double the cost at the comparable site in the Endeavour Energy area.

In addition:

1. Ausgrid is not proposing to address the issue it has identified with its 40MWh capacity threshold immediately in terms of increasing this threshold to 100 MWh. Instead, it proposes to make this change in 3 steps, with the result that the new 100MWh threshold would not apply until FY27; ie, 5 years from now.

Evie's data and forecasts demonstrate that utilisation of chargers will track ahead of Ausgrid's proposed timing of threshold increases. As a consequence, most charging stations will still incur capacity charges and Ausgrid's proposed threshold increases will have very limited tangible impact.

If Ausgrid is to address the problem it has identified then, at the very least, the threshold increases need to occur immediately and in one step.

Evie has illustrated the forecast utilisation for charging stations relative to Ausgrid's scheduled threshold increases in a separate confidential attachment.

2. Even at 100MWh, Ausgrid's capacity threshold would be out of line with that of other NSW DNSPs, at 160MWh.

    Ausgrid provides no reasons for why it should continue to apply the lowest volume thresholds for capacity tariffs of all the DNSPs in Australia.

3. The proposed tariff assignment policy that applies to new connections, with EA302 tariff applying for 3-phase connections greater than 100A, will create a barrier to deploying the higher power and multi-bay charging infrastructure that is in line with driver needs and preferences. The proposed 100MWh limit could, in fact, incentivise providers of charging infrastructure to build many single charging stations to avoid Ausgrid's tariff structure. This would result in a poorer experience for drivers and poor capital efficiency. Further, the long-term capacity factor of a multi-head configuration is much greater than for small, single head configurations and, therefore, more efficient for the network, than a single head configuration.

4. We note that the proposed 100A limit would appear to unduly favour Ausgrid's own electric kiosk solution which provides single port, low power, advertising-funded charging (through Ausgrid's partner, JOLT).

5. Ausgrid's Tariff Assignment Policy position of automatically assigning new business customers to its EA302 capacity tariff on the basis that this new customer does not have any existing metering data to guide it in assigning them to the most appropriate network tariff is regarded as unduly arbitrary and, as a result, punitive.

    a. Charging stations are often very similar to existing infrastructure that is already operating.

    b. Evie Networks has attempted on multiple occasions to demonstrate likely utilisation based on actual data from operating charging stations. We have also provided data within the first 12 months of operation.

    c. Ausgrid has rejected Evie's tariff reassignment requests despite an abundance of data.

    d. It is therefore submitted that if a CPO can demonstrate data from a similar charging site to support a requested tariff assignment, Ausgrid should be required to accept that data, rather than imposing punitive network charges for 12 months.

    Evie has illustrated the real world cost of Ausgrid's connection policies in its separate confidential attachment.

6. Capacity charges limit the ability to control equipment. Once a capacity charge has been incurred, customers have no incentive to reduce peak demand in subsequent months.

7. Ausgrid is not offering incentives to CPOs to reduce costs as its tariff arrangements do not afford any recognition that the technology is highly controllable.

8. Ausgrid has not recognised that public EV charging aligns with solar peaks and the potential benefits from avoided network costs.

9. Embedded Networks: Evie Networks does not support the position presented by Ausgrid on embedded networks, and would particularly highlight that this would make it harder for CPOs to deploy charging sites at locations that are convenient for drivers, such as shopping centres. Evie Networks further notes that Ausgrid is proposing to treat a particular class of customer differently without considering the different types of loads and the flexibility of loads that are connected to the embedded network.

    We would welcome engagement with Ausgrid about how electric vehicle charging can be connected via embedded networks in a way that reduced the current barriers to infrastructure investment.

Conclusion

Ausgrid has clearly identified how its tariff structures disadvantage publicly available EV charging sites, and result in these sites experiencing a higher cost per unit of energy than other customers on the same tariff. Despite this, it also clearly states that the changes it is proposing will only go part of the way in addressing this issue that is so critical to ensuring the commercial viability of this new industry, and an industry that is seen by the NSW Government as playing a fundamental role in supporting government policy to promote the increased take up of EVs.

Evie Networks therefore does not support the tariff changes presented by Ausgrid as they simply will not provide tangible benefits.

Our analysis, presented in our confidential attachment, demonstrates that Ausgrid's changes will continue to result in very high electricity costs, both in absolute terms and compared with the other 2 NSW DNSPs. At the very least, Ausgrid should be required to immediately increase its capacity threshold to 160MWh – in 1 step – in line with the other NSW DNSPs.

DNSP tariff structures with Demand or Capacity Charges are not appropriate for the fledging EV Charging Infrastructure Industry given its very different Load Profile relative to "traditional" businesses and low usage levels at this stage of the industry's development. This very different load profile would support the introduction of a technology specific or customer specific tariff in this area (ie, a specific tariff for publicly available EV charging sites) and this would be consistent with NER Clause 6.18.4 on Tariff Assignment.

Recognition should also be afforded to how public EV charging infrastructure is inherently more controllable than legacy technologies and, as a result, can be designed to optimise network utilisation and stability, while avoiding impact during peak network events. Technology to control public EV charging already exists and is in operation today. This capability should therefore be recognised, and would further support the introduction of a technology specific or customer specific tariff for publicly available EV charging sites.

The introduction of a specific tariff for publicly available EV charging sites would not represent a subsidy and, thus, would not involve a cross-subsidy from one group of consumers to EV drivers. This is because the uptake of EVs – which is particularly assisted by public fast charging availability as it helps address the concerns by potential EV purchasers about Range Anxiety (ie, potentially running out of fuel) - will deliver significant benefits through network efficiency benefits, as well as significant avoided network costs, both now and in the future. These network benefits will ultimately flow through to all electricity consumers, not just EV owners.

Evie Networks notes that these arguments apply generally to all 3 NSW DNSPs, not just Ausgrid. Evie Networks therefore recommends that the State Government should initiate urgent action to require NSW DNSPs to develop specific tariffs for publicly available EV charging sites for the next 5 year Regulatory Period that:

1. Positively support the fledging EV Charging Infrastructure Industry.

2. Recognise the significant potential Network Benefits from EVs and the associated role of the EV Charging Infrastructure Industry in delivering these benefits.

3. Recognise the ability of Load Management Systems to address Peak Demand issues.

Additionally, it is submitted that this new tariff structure should ensure that - for driver equity and optimal Network usage reasons - electricity costs for publicly available EV charging sites are in line with the cost of charging an EV at home.

Evie Networks therefore proposes that the Government, the NSW DNSPs and the EV Charging Industry agree to work together to develop this new tariff structure over the next 4 months for presentation as part of their proposed 2024-2029 tariff proposals, and that the NSW Government specifically endorse this position in submission to the Australian Energy Regulator.

October, 2022

Public Interest Advocacy Centre

Ausgrid Pricing Directions Paper 2024-29

11 October

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About the Public Interest Advocacy Centre

The Public Interest Advocacy Centre (PIAC) is leading social justice law and policy centre. Established in 1982, we are an independent, non-profit organisation that works with people and communities who are marginalised and facing disadvantage.

PIAC builds a fairer, stronger society by helping to change laws, policies and practices that cause injustice and inequality. Our work combines:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change and public interest outcomes.

Energy and Water Consumers' Advocacy Program

The Energy and Water Consumers' Advocacy Program works for better regulatory and policy outcomes so people's needs are met by clean, resilient and efficient energy and water systems. We ensure consumer protections and assistance limit disadvantage, and people can make meaningful choices in effective markets without experiencing detriment if they cannot participate. PIAC receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

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The Public Interest Advocacy Centre office is located on the land of the Gadigal of the Eora Nation.

1. Introduction

PIAC welcomes the opportunity to respond to Ausgrid's 2024-2029 Pricing Directions Paper. In this submission we set out the role of network tariffs, the purpose of cost-reflectivity, and respond to specific questions posed in the Pricing Directions Paper.

PIAC regards well-designed network tariffs as a crucial enabler of an efficient transition of the energy system. We support a rapid transition (in increments) to more cost reflective network tariffs (CRNT) to promote the long-term interests of consumers.

Retailers and CRNTs

CRNTs are a signal to energy retailers for efficient pricing of network services.

The introduction of CRNTs is effective or successful when:

- The network charges recovered from a retailer for a given customer reflect the cost to serve that customer[1]

- Consumers have access to retail tariff options that suit their needs and preferences, such as:

    - Simple two-part tariffs (with fixed and volumetric pricing) for consumers who prefer this.
    - Tariffs that reflect the shape of the underlying network tariff for customers who prefer this.
    - Tariffs and/or rebates that reflect location-specific opt-in network tariffs or rebates, where available, for consumers who prefer this.

- This does not require all retailers to offer all consumers each option. Rather, consumers should be able to find sufficient offerings to meet their needs from whatever combination of retailers serve their area and customer type.

- Consumers can manage or change their energy demand – for example by installing solar and/or batteries, shifting loads away from peak periods, investing in energy efficiency or purchasing an electric vehicle - without requiring cross subsidy from other consumers or going unrewarded for benefits they create for the energy system.

- This does not entail consumers having to reduce or change their energy use in response to pricing. Some consumers (particularly those with peakier loads and/or solar PV) will pay more under cost reflective pricing. Others (particularly those with flatter loads and/or no solar PV) will pay less. Neither should be expected to respond to any price changes.

[1] With the exception of subsidies or transfers resulting from postage stamp pricing for default and standard tariff offering. By and large, consumers are supportive of postage stamp pricing and accept that means consumers in built-up areas pay above their cost-to-serve so those in regional and remote areas can access energy for a similar price.

In the absence of a response to price signals, CRNTs still have the benefit of equitably allocating costs between consumers on a more 'causer pays' basis. Retailers are exposed to network tariffs, and it should be their decision if and how they pass on these charges.

Despite their apparent resistance to CRNT reforms, retailers are well placed to manage the risk associated with being exposed to time-variant network prices while passing on a flat (or otherwise different) charge to consumers, as they do with wholesale costs. Wholesale costs are vastly more volatile and unpredictable than CRNTs.

The view that retailers should be 'passing through' CRNTs is, in PIAC's assessment, ill-conceived. Retailers smearing or absorbing 'peak' price signals is beneficial for consumers who choose those retail products, and beneficial to other consumers as it aligns their incentives to reduce exposure to peak costs with more efficient network outcomes. In the best-case scenario, retailers would seek to manage network price risk in innovative ways, which may include peak time rebates, load control or cost reflective retail tariffs.

2. Response to directions paper questions

1. Do you have any feedback on our pricing principles? Do you agree with them/is anything important missing?

PIAC does not consider fairness to be best expressed as a principle. Principles are traded off against each other. Fairness is an objective, and the principles should all support that objective.

We support rewarding customers for being flexible in how and when they use energy, where they are able to and choose to do so. Including this as a principle requires Ausgrid to ensure flexibility is pursued in a manner that supports scope for choice in retail tariffs for end consumers. However, pursuing flexibility for its own sake or in the name of 'empowerment' or 'choice' may undermine basic consumer protections and confuse the purpose of CRNTs.

Mandating the transition to cost reflective network tariffs provides scope and flexibility to retailers to offer greater choice to customers. It allows retailers flexibility in how they respond to the signals CRNTs provide them with. CRNTs encourage retailers to develop product offerings that cater to a broad spectrum of customers from ones that are highly engaged and wish to respond to more dynamic or complex price signals to others who value predictability and stability and prefer simpler, flatter pricing. Flexibility should not imply that Ausgrid is seeking to provide retailers with flexibility in the tariffs they are exposed to.

Ausgrid's principles should be explicit on this, particularly given this also reflects the values expressed by their consumers.

2. How should Ausgrid recover Roadmap scheme costs? Should we send a cost reflective price signal (eg. A demand charge) for the recovery of costs, or recover them in the same way as the existing climate change fund (eg. As an energy charge).

PIAC considers Roadmap costs would be more appropriately recovered through Transmission Network Service Providers, or from the NSW Government budget.

Where Roadmap scheme costs continue to be recovered by DNSPs, PIAC recommends:

- The LTESA-related portion of costs should be recovered through volumetric charges. The consumer benefit of LTESAs is downward pressure on energy wholesale costs, so recovering this through fixed charges would mean lower energy users are paying more than their fair share, and higher energy users are paying less.

- The cost of new transmission under the Roadmap would ideally be recovered from the generators for whom it is built. Whatever costs are passed through to consumers should be recovered in the same way as other Transmission Use of System charges: a combination of volumetric and fixed charges, weighted towards volumetric charges.

3. What are your views on how Ausgrid should set prices for hydrogen electrolysers in 2024-29 to provide them with the 90% discount on network charges? Should we introduce a dynamic tariff for large load customers such as hydrogen electrolysers?

In PIAC's opinion, the decision to discount network tariffs for hydrogen producers is not consistent with Ausgrid's tariff principles, the NER network pricing principles, or the long-term interests of energy users. Any subsidy for hydrogen production should be provided directly by the NSW or Commonwealth Government, not other energy users. PIAC would strongly support Ausgrid seeking a change to NSW Government policy to that effect.

In the absence of a change to this policy, and given the original intent of the policy was to improve utilisation of the existing network, in PIAC's view the 90% discount should be conditional on the hydrogen producer imposing the need for little or no network augmentation. A combination of fixed and critical peak charges would be an effective tariff for a new hydrogen producer, and the 90% discount should be reflected in the fixed component, such that:

- If they require no network augmentation in normal operation, they pay a fixed charge equal to 10% of the network costs they would otherwise pay
- If they require the reduction of load at network peak times to avoid augmentation, a critical peak charge should apply to any demand triggering the need for network upgrades. This should be over and above the fixed charge.

4. Do you think our overall approach for introducing an export pricing structure is appropriate? Are there any changes you think we should make? If so why?

PIAC supports export pricing that efficiently responds to the identified issues of accommodating solar and fairly and efficiently sharing solar export capacity and the costs of accommodating it, minimising the need for network augmentation, and improving the balance between individual household and systemic benefit from solar exports. Accordingly, PIAC supports:

- Setting a 'free' export limit for all households based on the intrinsic hosting capacity of the network, with this export limit based on kW rather than kWh. This kW limit may be calculated as the highest kWh exported in any single 30-minute interval. PIAC regards a basic export limit expressed volumetrically (in cumulative kWh) to not be cost reflective or appropriately linked to the identified issues, such as voltage management and excess export during peak

generation periods. Due to loads programmed to operate during solar generation, such as batteries, EVs and heat pumps, cumulative kWh measurements over a longer period are not a reliable proxy for kW demand.

- Having a charge and reward component to export tariffs so that exports during peak export periods (above the basic level) attract a charge, and exports during the peak demand periods attract a reward payment at times and locations where exports help avoid or delay network upgrades or reduce the need for load shedding.

- Applying the tariff structure to all residential customers (new and existing) on cost reflective tariffs (with DER assets) equally, on a postage-stamp basis, except for rewards for export which should be locationally and temporally specific.

- Implementing the tariff as the default tariff no later than 1 July 2025, with no opportunity for retailers to opt-out of the tariff.

PIAC recommends Ausgrid alter their proposed approach to the tariff to better reflect the purpose of export charging, implementing the basic export level, and export charging on a kW basis.

Do you agree we should apply the export pricing structure to all new and existing residential and small business customers on cost reflective tariffs from July 2025? Should an opt-out option be available for the export pricing structure?

PIAC supports applying the export pricing structure to all new and existing customers from 1 July 2025, with no ability for energy retailers to opt-out of this tariff. PIAC also considers it inappropriate to change overall bill outcomes so they are more favourable for customers with large solar systems as this would reduce the cost reflectivity of these tariffs and put an unfair burden on customers without solar.

Do you think there is merit in exploring a 1-2 hour gap between the export charge window and export reward window?

PIAC supports exploring a gap between export charging and reward windows. This may help avoid unintended consequences for energy users and the energy system.

Should we consider aligning more closely with the other NSW distributors on export tariffs?

Tariff structures that are consistent across NSW are generally desirable and would be simpler for both consumers and retailers. However, consistency should not come at the expense of a slower transition to cost reflective and efficient pricing. Lowest common denominator tariff design should not be an option.

5. Do you support a consistent 6-hour peak charging window in summer and winter for residential and small business customers?

PIAC does not support a consistent 6-hour peak window for summer and winter. There is no demonstrated need for a peak charging window to exceed 4 hours in duration. We consider It

materially harder for households to respond to peak tariffs longer than 3 or 4 hours, and that most peaks in most parts of Ausgrid's network can be captured in a 4-hour period.

Significantly limiting the capacity of households across Ausgrid's entire network to manage their exposure to peak pricing in order to capture the peak period of a relatively small portion of the network is not a reasonable trade-off. Particularly if only a minor subset of that smaller portion of the network is facing any constraints. PIAC generally supports consistency of peak charging windows between seasons where this is an accurate reflection of network peak demand, and where there is no material difference between seasons.

Do you support moving peak charging windows to later in the day, so it applies from 3pm-9pm?

PIAC does not support moving the peak charging windows to apply from 3-9pm. The proposal is in part predicated on the increasing penetration of Electric Vehicles (EV), rather than existing issues with systemic peak demand. PIAC does not regard this response as fair, efficient, or supportive of consumer interests or preferences, where consumers consistently indicate people should not be penalised for using energy when they cannot avoid it. Further, PIAC does not regard the proposal as necessary where there has not been an effort to optimise the charging of EVs during off-peak times with EV-specific tariffs.

Should we have the option to move the peak charging windows to 4pm to 10pm during the 2024-29 period, if we encounter new peaks in demand or increasing minimum system load costs in the afternoons?

PIAC does not support this option and considers it unnecessary. This option is predicated on the higher potential penetration of electric vehicles. It is not fair, efficient, necessary, or supportive of consumer interests or preferences to make the peak later rather than seeking to optimise the charging of EVs during off-peak times with EV-specific tariffs and/or location-specific incentives.

Should we extend the seasonal peak charging window to weekends for residential customers? If not, how do we address the localised demand peaks on the weekend, which are most common in highly residential areas?

PIAC has not seen sufficient evidence that extending peak windows to weekends is necessary, or on balance, in consumers' interest. This proposal would limit the capacity of households across Ausgrid's entire network to manage their exposure to peak pricing in the interest of capturing the peak period of a relatively small portion of the network. This is not a reasonable trade-off, particularly if only a minor subset of that smaller portion of the network is facing any constraints or has materially higher peak demand on weekends.

6. **Will our proposed changes to switching times retain the relevance of controlled load tariffs for our customers?**

   How else could controlled load tariffs be reformed to respond to new loads such as electric vehicles?

Controlled load tariffs and associated enabling technology should support different technology types including EVs, heat pumps, pool pumps and batteries.

7. **Do you agree we should introduce embedded network (EN) tariffs? Is this an appropriate response to address the tariff inequity between EN operators and other network users?**

PIAC supports the introduction of EN tariffs and regards this as an appropriate response by Ausgrid to help address issues of inequitable and inefficient cost recovery between ENs and other network users. However, we question why the proposed EN tariffs are not designed to recover the full amount of existing inequity in cost recovery identified by Ausgrid.

PIAC recommends implementing EN tariffs designed to fully restore equitable cost recovery between ENs and other network users. Implementation of these tariffs should be undertaken through a transition 'glide-path' over the course of the 2024-29 determination period. It is necessary to clearly signal the end point to provide certainty and transparency to EN operators and provide opportunity for EN arrangements to be unwound where this is desirable.

We note that action by Ausgrid to address the inequity in cost-recovery between ENs and other network users will not resolve all the issues created by the existing embedded network arrangements. However, PIAC regards addressing the cost-recovery inequity as a crucial step and encourages Ausgrid to identify issues that will need to be addressed as a result of their proposal, including ensuring effective access to default pricing in embedded networks.

Should minimum consumption thresholds be applied to allow for exemptions to the proposed EN tariffs?

PIAC broadly supports the application of minimum consumption thresholds (at least in this period) to allow for exemptions for the proposed tariffs for very small operators. Ausgrid should explore options to address these operators in future, including where regulatory reform or Government action may be required.

8. **Do the current transitional Time of Use (TOU) tariffs provide any benefits to customers?**

PIAC does not consider the transitional TOU tariffs to be an appropriate ‘step’ towards demand tariffs due to the fundamental differences between how consumers respond to the different tariffs.

Do you support the withdrawal of the introductory demand tariffs? Do they provide any benefits to customers, or do they create an unnecessary step as customers move to demand tariffs?

PIAC supports a faster transition to more cost reflective network tariffs, including demand tariffs, and would support the withdrawal of existing introductory and transitional tariffs where this is part of a co-ordinated strategy to move towards demand tariffs being a standard tariff.

Are there currently sufficient choices available for customers who want to opt out of demand tariffs?

As noted in our introductory comments, retailers offer different tariff structures to consumers and PIAC expects a sufficient number of retailers will continue to offer a range of simple retail tariffs while incurring demand tariffs themselves. PIAC does not consider it appropriate for retailers to be able to opt out of cost reflective network tariffs, including demand tariffs.

10. Are our demand and TOU tariffs suitable for customers who charge their EVs at their home?

PIAC does not consider the proposed demand and TOU tariffs suitable for enabling efficient integration of EV home charging. Tariffs should help incentivise EV owners to improve utilisation of the network and not impose new avoidable peak demand. To this end, retailers for households with EV's should be offered – and ultimately be required to have – wider peak windows and lower overnight peak charges compared to other time variant tariffs.

Should technology specific tariffs (such as for EV charging stations) be considered?

PIAC strongly supports technology specific tariffs for EVs and EV charging stations. We do not consider technology neutrality is consistent with Ausgrid's tariff principles, the NER tariff principles, or the interest of consumers. While EVs share some characteristics with other technology, the nature of vehicles and the way they are used makes them distinct.

How can our network tariffs facilitate EV charging in apartment buildings?

EV chargers should be separately metered where possible. Where EV chargers are not separately metered and are on the common meter, this meter should be subject to an EV-specific tariff noted above.

13. Should Ausgrid trial new tariffs in response to the expected high growth in EV uptake over the 2024-29 period and beyond.

EV tariffs should be introduced as a standard tariff at the earliest possibility. Any EV tariff trials should be undertaken to enable this.

14. How should we continue to build and test our capability and market interest in dynamic network pricing through the 2024-29 period, including through trial tariffs?

PIAC strongly supports Ausgrid building and testing capability to effectively implement dynamic network pricing in the 2024-2029 period, including through tariff trials.

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12 October 2022

Mr Bill Nixey
Network Pricing Manager
Ausgrid
GPO Box 4009
Sydney NSW 2001

Submitted via email to: pricing@ausgrid.com.au
cc: kris.funston@aer.gov.au

Dear Bill,

Re: Ausgrid Pricing Directions Paper for 2024-29

Red Energy and Lumo Energy (Red and Lumo) welcome the opportunity to comment on Ausgrid's Pricing Directions Paper for the 2024-2029 regulatory period. The Pricing Directions Paper includes a plan for progressing further pricing reform by making network tariffs more cost reflective for retailers and aggregators for their customers to use the network flexibly.

We support the policy intent that cost reflective pricing is designed to result in more efficient use of the network, reduce cross subsidies and result in consumers making more informed decisions on their usage. Distributors are required to set prices that reflect the efficient cost of providing network services to consumers, while ensuring that the tariff structure is easily understood and capable of being incorporated by retailers into a product offering those same customers.

During the 2024-2029 regulatory period, the industry is expected to undergo significant change. This is evidenced in AEMO's roadmap, the ESB's broader work program as well as the numerous jurisdictional changes proposed to occur over this time. Red and Lumo are mindful of the additional burden that Ausgrid's proposal places on retailers and their customers during this period.

Compliance with the consumer impact principle

The consumer impact principle in the National Electricity Rules (the Rules) provides the distributors with a high degree of flexibility in the design and implementation of cost reflective network tariffs. As retailers can choose if, and how they implement the network pricing signal, it is important for Ausgrid to consider the impact on both retailers and our customers.

Therefore it is imperative that Ausgrid introduce cost reflective network tariffs with retailers and consumers at the core of its design and decision making, consistent with the consumer impact principle. Strict interpretation and compliance with the consumer impact principle will firstly require distributors to implement pricing and pricing signals that are consistent and apply for a reasonable period of time. These must also be reasonably capable of being understood by

consumers for them to respond to. As a result, retailers and distributors must work together, cooperatively to ensure the success of the reform. If not, the reform will progress unsuccessfully.

In our view, Ausgrid's Pricing Directions Paper for the 2024-2029 regulatory period fails to comply with the consumer impact principle. Pricing reforms in the Directions Paper are inconsistent, complex and change during the 5 year determination period. Below we outline the various changes proposed by Ausgrid and what they mean for consumers and retailers. But at a minimum there are at least 170,000 customers that will have yet another tariff change applied to them if the Ausgrid proposal remains unchanged.

We cannot be confident that Ausgrid will retain a consistent approach over a reasonable period of time given the frequent changes we have observed in the recent past and which the Directions Paper foreshadows for the coming years. Attached to this submission, we have outlined the experience of a flat, time of use and time of use customer that gets solar, and how their charges would have changed, assuming that retailers have passed on the signals from Ausgrid. This tracks the various changes that have occurred in recent years, which seem at odds with the intent of the pricing principles and of the Tariff Structure Statements. The latter are intended to provide certainty and clarity to consumers and retailers but that has not been the case, given the frequent changes.

The complex and variable nature of the Ausgrid tariffs require a high degree of education and participation from consumers to respond to the price signals. It is our firm view that the plethora of change in the structure does not encourage buy-in or acceptance from consumers. It is stability and simplicity rather than complexity and constant change that encourages consumers to make the necessary behavioural changes to their consumption patterns.

Ausgrid’s proposed tariffs lack a clear direction, relying on retailers to implement costly and complex system changes to both the tariff structure and timing windows on a frequent basis. This is an unfeasible, unreasonable and ineffective way to implement a network tariff reform. It is not just retailers who need to make the investment in the system changes, but also Ausgrid. Therefore, Ausgrid must appreciate the complexity and costs associated with frequent changes. Noting that both Ausgrid and retailer system changes and requisite process and communications costs are all borne by consumers. These costs must be balanced against the likely benefit that a more reflective and ever-changing tariff is assumed to achieve in terms of efficiency gains.

Red and Lumo have focused this submission on residential and small business customers. One further change that we recommend is for Ausgrid to revisit whether business customers that have historically been on large customer tariffs must wait for 12 months of data to prove that their consumption will clearly fall below 40MWh before placing them on the cheaper, medium or small business tariff. We question whether this approach is also consistent with the consumer impact principle.

In order to ensure that Ausgrid’s pricing proposal is consistent with the consumer impact principle in the Rules, we outline below our concerns with each of the tariffs that are presented

in the Directions Paper and recommendations for Ausgrid's consideration. Adopting our approach will improve customer experience in the transition to cost reflective tariffs, and is likely to result in retailers passing through the cost reflective price signal to their customers.

Export tariffs

What has Ausgrid proposed?
Ausgrid proposes to introduce an export tariff for residential customers on an opt in basis on 1 July 2024 and follow it up with an opt out mandated export tariff on 1 July 2025. This will require customers to be mandatorily reassigned to this tariff in 2025 with a potential opt out.

Further, Ausgrid has proposed a time of use for both export charges and export rebates. The proposal is for a $0 charge for the first 3kW, and then 1.85c/kWh between 10am and 3pm and a rebate of 1.85c/kWh between 3pm and 9pm.

What does this mean for customers?
At a practical level, having multiple changes in the 5 year period will result in less uptake or reduce the likelihood of the behavioural change that the pricing signal is trying to achieve. Consumers to whom the export charging and rebates will apply need to understand the implications. They may need to make significant adjustments to their lifestyle or invest in other appliances or equipment such as a battery to maximise the benefits available to them and this will not occur if the price signals they face are not stable.

The Rules require that pricing signals are consistent and apply for a period of time and for consumers to be able to understand them. This proposal does not meet that requirement. Changing this tariff structure more than once during the 5 year period will erode the understanding levels of customers (which is inconsistent with the consumer impact principle) and result in less trust in the industry as a whole.

What does this mean for retailers?
Retailers will make competitively rational decisions in response to their customers' preferences and the network costs incurred. This will mean that some retailers will choose not to pass on multiple changes to export charging, or will implement it in a manner that will result in only one change to both their systems and customer tariffs. Implementation of a time of use export tariff into billing systems will not be simple nor inexpensive, which is consistent with Red's experience with implementing the Essential Energy tariff trial. As customers will ultimately bear the costs of implementing system changes, it will be a factor in the decision making process for retailers.

Retailers will be required to allocate scarce resources to build this change into their systems. Further, the approach taken by Ausgrid does not appear to be consistent with the equivalent proposals from Endeavour and Essential Energy.

Retailers that choose to mirror the network tariff structure, will be required to prospectively provide notice to customers that their tariff structure is changing. This will be challenging given the quantum of residential and small business customers with distributed energy resources that

are likely to end up on the export tariff on 1 July 2025. This will require IT changes, collateral changes and extensive training to our staff to be able to communicate this change to current and future customers in a manner that is clear, and that makes sense to them.

What should Ausgrid do instead?
Provide an opt-in export tariff that is consistently structured with other NSW networks for the 5 year period.

The introduction of an export tariff that provides consumers with a choice to opt in is more consistent with the consumer impact principle in the Rules. Under this approach, Ausgrid would introduce an export tariff at the beginning of the regulatory period and which remains stable for the entire period. A consistent structure across the NSW networks will give confidence to both retailers and their customers. Allowing retailers to provide their customers an understandable tariff and allow them to make an informed decision on whether to opt in to the export tariff based on their own export patterns.

Streamlining of existing tariff offerings and tariff assignment policies

What has Ausgrid proposed?
Ausgrid proposes to withdraw its existing demand and TOU tariffs and move all customers onto the new seasonal tariffs (see below).

What does this mean for customers?
In theory, it should mean that customers are given a choice of tariff structure.

In practice, it means that Ausgrid will mandate a very large quantum of customers onto yet a new tariff. This will add to the complexity for customers and reduce confidence in the industry. This is inconsistent with the consumer impact principle in the Rules of having consistent pricing signals that are applied for a reasonable period of time.

What does this mean for retailers?
Additional costs and change.

We outline the amount of changes required to accommodate a tariff change in the section below on seasonal tariffs. This will apply to all retailers who choose to mirror the new tariff structure for customers on the existing tariffs (EA011, EA051, EA111, EA251, EA115, EA255).

Streamlining tariffs appears to be a mechanism to make it simpler for Ausgrid, retailers and customers. Allowing retailers to make a competitive, commercial and customer focused decision complies with the Rules given the significant nature of the costs and the marginal benefits associated with the change.

This allows retailers to work with Ausgrid, and make the requisite system, process and people changes in a manner that is consistent with their available resources. Taking into account the AEMO roadmap of changes alongside jurisdictional changes, this will allow retailers and Ausgrid

to work together to implement these in a cost effective manner.

What should Ausgrid do instead?
Keep the existing tariffs and their complicated structures, but close them to new customers instead of withdrawing them. Alongside this, create the streamlined new seasonal peak tariffs and allow retailers and their customers to transition to the new tariffs over the 5 year period. This will allow Ausgrid to work with retailers to achieve the cost reflective outcome, in a manner that is customer focused.

If the new tariffs do, in fact, meet the consumer impact principle and deliver better outcomes for retailers and their customers, retailers will transition to these new tariffs immediately.

However, if retailers choose not to adopt the streamlined tariff over the 5 year period, Ausgrid should be able to mandatorily reassign the remaining customers to the streamlined tariff in 5 years. This provides stability in the tariffs, and the signal to the retailer to build and accommodate the new tariff structures.

Seasonal peak charging changes

What has Ausgrid proposed?
Ausgrid proposes to update its seasonal peak charging windows twice, once in 2024 and again in 2027, for all of their small customers on demand and TOU tariffs. Specifically, their proposal includes:

- Changing the peak charging window to be consistent for winter and summer periods from 1 July 2024.
- Changing the peak charging window from 1 July 2027 for both summer and winter.
- Changing the number of days in which peak pricing will apply from 5 to 7 for residential customers.
- Changing the off peak and shoulder charging windows so that off peak charging windows apply at all other times outside of the peak charging windows, effectively removing the shoulder charge.
- Removing low season peak demand charge, so that demand charges do not occur outside of summer and winter periods.

What does this mean for customers?
We agree that the new charging and timing windows are simpler and easier for customers to understand. Attached to this submission, we have outlined the amount of change that Ausgrid has mandated for time of use and demand tariffs.

Making the new seasonal peak charging windows more cost reflective will ensure that the price signals for the use of the network are more accurate. However, customers need consistency to make meaningful changes to their consumption profile so there is little to no benefit in changing the timing windows twice within the 5 year period.

What does this mean for retailers?
Red and Lumo do not support the proposal. Consistent with the impact to the export pricing change, retailers who chose to implement the revised changes will need to:

- change their billing systems to accommodate the revised windows, *twice*.
- develop new pricing to accommodate the revised windows, *twice*.
- change the collateral associated with the new windows, *twice* for new customers. This will include quotes, offers, contracts, scripting, and the associated training of all the staff. Further, this will also include changes for the AER in the DMO determinations, as such retailers will need to manage the advertising changes associated with this for the comparison to DMO.
- manage tariff change notices for existing customers, *twice*. This will include IT changes and revised collateral, scripting, FAQs for both customers and staff, and the associated training of staff to manage this.

Alternatively, retailers will keep existing customers on their current tariff structure and timing, and manage the cross-subsidies associated with the difference between the network bill and the retail bill.

Ausgrid's approach is not consistent with the intent of network tariff reform, as such, we question why there is further complexity and instability being built into the 5 year period.

What should Ausgrid do instead?
Ausgrid should just pick one set of cost reflective windows to apply for the 2024-2029 period and beyond. This should be an opt-in cost reflective tariff.

As noted above, Ausgrid should work with retailers who intend to adopt the new pricing structure in the management of the reassignment of customers onto this new tariff structure, to minimise impact on both customers and retailers.

Update to controlled load tariffs

What has Ausgrid proposed?
Ausgrid intends to amend the current, set switching times for controlled load devices (largely hot water). The change will allow for a 6 hour window in a 24 hour period, to allow for the controlled load devices (hot water) to consume during the solar export period.

What does this mean for customers?
Practically, this means that customers will have a different hot water charging window and potentially receive a benefit for providing more control to Ausgrid for heating their hot water. Depending on the individual hot water systems, it might mean that consumers have less or more hot water available to them when they want it.

What does this mean for retailers?
Further change.

In theory, this should deliver benefits to retailers and their customers. However, it is unclear to us how this change can be communicated to customers. At the time of sign up, retailers are required to quote rates and explain to customers how their retail products will operate. We question how retailers will be able to communicate the applicable 6 hour window for their hot water system.

Retailers will also need to communicate this information to current customers, which involves additional training for front line staff. Further, we question whether Ausgrid will revert the timing of the controlled load to accomodate any circumstances in which customers have adverse impacts to their hot water systems.

The AER and retailers will also need to make changes to the DMO calculations and corresponding changes.

We question whether the benefits of this change outweigh the costs of implementing it.

What should Ausgrid do instead?
These changes will create additional costs for retailers to comply with the changes but only result in a marginal difference. Therefore, we prefer that the current control load tariffs remain in place and allow consumers to continue to work with them and respond to the current time frames to allow consumers to maximise their value from these tariffs.

The role of AER and networks

The AER is required to assess distributors' Tariff Structure Statements (TSS) as part of their network regulatory proposals every five years to ensure they comply with the pricing principles in the Rules.

The Rules provide flexibility and discretion to distributors on how they can apply the pricing principles. This provides a consequential challenge for the AER to assess compliance with these Rules, as it must make judgements about the relative weighting of the different elements and how they align with the pricing objective, particularly when there is some conflict between them. For example, a pricing proposal that emphasises economic efficiency and seeks to remove all cross subsidies across an individual network is not necessarily easy for consumers to understand or for retailers to administer.

If the AER continues to apply the reform in the current manner, where it appears that more weight is given to Long Run Marginal Cost and ensuring distributors recover their total efficient costs instead of focusing on the customers that will be subject to those tariffs, network pricing reform will fail. Experience tells us that collectively, distributors and retailers need to provide tariffs that are consistent, easy to understand and stable over the 5 year periods.

We welcome discussions with Ausgrid and the AER on the benefits that placing greater weight on the consumer impact principle is likely to achieve for tariff reform. Consumers' needs must be at the heart of the reform for it to be successful.

About Red and Lumo

We are 100% Australian owned subsidiaries of Snowy Hydro Limited. Collectively, we retail electricity and gas in New South Wales, Victoria, Queensland, South Australia and in the ACT to over 1.2 million customers.

Red and Lumo welcome further discussion on our submission. Should you wish to have this discussion or have any further questions, please call Con Noutso, Regulatory Manager on 0481 013 988.

Yours sincerely

Stefanie Monaco
Manager - Regulatory Affairs
Red Energy Pty Ltd
Lumo Energy (Australia) Pty Ltd

The customer journey of network tariff reform in Ausgrid's patch for a previously flat customer that has a meter exchange

	2017 - until meter fails	From new meter date (2019 onwards)+	12 months after new meter date (2019 onwards)#	1 July 2024	1 July 2027
Nov to March (Summer)	**Anytime consumption** All other times [applied irrespective of the month]	**Peak**: 2pm-8pm on working weekdays **Shoulder:** 7am-10pm everyday except when peak applies **Off Peak**: All other times that are not peak or shoulder (i.e. 10pm-7am) **Demand:** 2pm-8pm on working weekdays	**Peak**: 2pm-8pm on working weekdays **Shoulder:** 7am-10pm everyday except when peak applies **Off Peak**: All other times that are not peak or shoulder (i.e. 10pm-7am) **Demand:** 2pm-8pm on working weekdays	**Peak**: 3pm-9pm all days **Off Peak**: All other times **Demand:** 3pm-9pm all days	**Peak**: 4pm-10pm all days **Off Peak**: All other times **Demand**: 4pm-10pm all days
June to August (Winter)		**Peak**: 5pm-9pm on working weekdays **Shoulder:** 7am-10pm except when peak applies **Off Peak**: 10pm-7am **Demand:** 5pm-9pm on working weekdays	**Peak**: 5pm-9pm on working weekdays **Shoulder:** 7am-10pm except when peak applies **Off Peak**: 10pm-7am **Demand:** 5pm-9pm on working weekdays	**Peak**: 3pm-9pm all days **Off Peak**: All other times **Demand:** 3pm-9pm all days	**Peak**: 4pm-10pm all days **Off Peak**: All other times **Demand**: 4pm-10pm all days
April, May, Sept & Oct (other)		**Shoulder:** 7am-10pm **Off Peak**: 10pm-7am **Demand**: 2pm-8pm on working weekdays	**Shoulder:** 7am-10pm **Off Peak**: 10pm-7am **Demand**: 2pm-8pm on working weekdays	**Off Peak**: 24h No demand charge	**Off Peak**: 24h No demand charge

+ Introductory rates for demand charges

Cost reflective rates for demand charges

The customer journey of network tariff reform in Ausgrid's patch for a TOU customer

	2017	2018 onwards	1 July 2024	1 July 2027
Nov to March (Summer)	**Peak**: 2pm-8pm on working weekdays **Shoulder:** 7am-2pm and 8pm-10pm on working weekdays and 7am-10pm on weekends and public holidays **Off Peak**: All other times [applied irrespective of the month]	**Peak**: 2pm-8pm on working weekdays **Shoulder:** 7am-10pm everyday except when peak applies **Off Peak**: All other times that are not peak or shoulder (i.e. 10pm-7am)	**Peak**: 3pm-9pm **Off Peak**: All other times	**Peak**: 4pm-10pm **Off Peak**: All other times
June to August (Winter)		**Peak**: 5pm-9pm **Shoulder:** 7am-10pm except when peak applies **Off Peak**: 10pm-7am	**Peak**: 3pm-9pm **Off Peak**: All other times	**Peak**: 4pm-10pm **Off Peak**: All other times
April, May, Sept & Oct (other)		**Shoulder:** 7am-10pm **Off Peak**: 10pm-7am	**Off Peak**: 24h	**Off Peak**: 24h

The customer journey of network tariff reform in Ausgrid's patch for a TOU customer that installs solar in 2025

	2017	2018 onwards	1 July 2024	Solar 2025	1 July 2027
Nov to March (Summer)	**Peak**: 2pm-8pm on working weekdays **Shoulder:** 7am-2pm and 8pm-10pm on working weekdays and 7am-10pm on weekends and public holidays **Off Peak**: All other times [applied irrespective of the month]	**Peak**: 2pm-8pm on working weekdays **Shoulder:** 7am-10pm everyday except when peak applies **Off Peak**: All other times that are not peak or shoulder	**Peak**: 3pm-9pm **Off Peak**: All other times	**Peak**: 3pm-9pm **Off Peak**: All other times **Export charge:** $0/kWh between 10am-3pm for 0-3kWh $1.85c/kWh between 10am-3pm for export over 3kWh **Export rebate:** $1.85c/kWh between 3pm-9pm	**Peak**: 4pm-10pm **Off Peak**: All other times **Export charge:** $0/kWh between 10am-3pm for 0-3kWh $1.85c/kWh between 10am-3pm for export over 3kWh **Export rebate:** $1.85c/kWh between 3pm-9pm
June to August (Winter)		**Peak**: 5pm-9pm **Shoulder:** 7am-10pm except when peak applies **Off Peak**: 10pm-7am	**Peak**: 3pm-9pm **Off Peak**: All other times	**Peak**: 3pm-9pm **Off Peak**: All other times **Export charge:** $0/kWh between 10am-3pm for 0-3kWh $1.85c/kWh between 10am-3pm for export over 3kWh **Export rebate:** $1.85c/kWh between 3pm-9pm	**Peak**: 4pm-10pm **Off Peak**: All other times **Export charge:** $0/kWh between 10am-3pm for 0-3kWh $1.85c/kWh between 10am-3pm for export over 3kWh **Export rebate:** $1.85c/kWh between 3pm-9pm
April, May, Sept & Oct (other)		**Shoulder:** 7am-10pm **Off Peak**: 10pm-7am	**Off Peak**: 24h	**Off Peak**: 24h **Export charge:** $0/kWh between 10am-3pm for 0-3kWh $1.85c/kWh between 10am-3pm for export over 3kWh **Export rebate:** $1.85c/kWh between 3pm-9pm	**Off Peak**: 24h **Export charge:** $0/kWh between 10am-3pm for 0-3kWh $1.85c/kWh between 10am-3pm for export over 3kWh **Export rebate:** $1.85c/kWh between 3pm-9pm