



CERTIFICATE OF TRIAL WAIVER

This certificate records, for the purposes of clause 8.16.6(a) of the National Electricity Rules, that the Australian Energy Regulator has granted a trial waiver to the proponent for the approved trial project identified below as required by the National Electricity Rules.

Certificate reference: TWC0003 **Date issued:** 14 July 2026

Trial waiver proponent	Ausgrid
ABN	78 508 211 731
Trial project name	Community Power Network (CPN)
Innovative project description	Ausgrid will fund the accelerated deployment of Distributed/Consumer Energy Resources (DER/CER) in a local network area pooling surplus solar from rooftops to redistribute cheaper power to customers during the evening peak.
Regulatory framework	National Energy framework
Waived obligation(s)	Clause 6.17.1 of the National Electricity Rules
Waiver commencement date	December 2025
Waiver end date	December 2030
Decision authority	Delegated AER Board member

Certification statement. The Australian Energy Regulator certifies that, following assessment of the application and relevant supporting material, a trial waiver has been granted to the proponent identified above for the approved trial project, subject to the scope, duration, conditions (attached below) and any reporting requirements set out in the AER's written decision and associated instruments.

Decision record and conditions. This certificate is evidence of the grant of the trial waiver only. It must be read together with the AER's final decision, any notice of decision, waiver instrument, approved conditions (attached below), reporting requirements and any subsequent variation, revocation, or replacement instrument.

Final decision reference	<u>Ausgrid Decision 20 December 2025.pdf</u>
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Important note: This certificate does not certify that the proponent or the trial project complies with all applicable regulatory requirements. The proponent remains responsible for compliance with all obligations that have not been expressly waived or modified by the AER's decision.

In accordance with clause 8.16.6(a) of the National Electricity Rules, this trial waiver is certified on behalf of the AER Board by Board member:

Name: Jarrod Ball

Signed:

Date: 14 July 2026

Conditions

As provided in section 18ZM of the NEL, the AER may impose any conditions we consider appropriate for the trial. This allows the AER to impose conditions to ensure issues raised through public consultation are addressed, ensuring the trial maximises the learnings for the market, while also ensuring other requirements are met. Section 18ZR of the NEL requires that a trial waiver proponent must comply with any conditions to which the trial waiver is subject, and if the proponent breaches a condition the AER may revoke the trial waiver or revoke or vary the condition, or impose further conditions on the trial waiver.¹³

1 Comply with remaining procedural obligations

This waiver is only granted in relation to the installation, operation and trading of identified trial energy storage devices (batteries) and generation (solar) installations within the Trial Sites, for a period of 5 years, subject to the conditions in this section. The waiver only applies to the requirements in clauses 3.1, 4.2.1, 4.2.2 and 4.2.3 of the Ring-fencing guideline (electricity distribution) 2025 (Ring-fencing Guideline) to the extent these provisions prohibit the conduct described in the trial waiver application. As a condition of this waiver, Ausgrid is required to comply with all other requirements of the Ring-fencing Guideline with respect to the Trial Sites and Ausgrid's operation of its network outside of the Trial Sites.

This waiver provides relief from clause 6.17.1, which requires compliance with the Ringfencing Guideline authorised under clause 6.17.2 only to the extent that this Guideline prohibits the conduct outlined in the trial waiver application. In all other regards, the Guideline is reinstated.

2 Requirement for a Third Spatial Energy Plan Location

Ausgrid must publish the Spatial Energy Plan to include the Third Spatial Energy Plan Location, which is not subject to this waiver, for the benefit of the commercial market to engage with to install and coordinate DER. Ausgrid must also take all reasonable steps to ensure there is a level playing field for the commercial market to participate at this location, offering connections to third parties on the same or similar terms it is factoring in for itself at the existing two Trial Sites. This includes, and is not limited to, ensuring the following:

Site conditions

Ausgrid to specify a Third Spatial Energy Plan Location that provides a comparable equivalent to the two already identified Trial Sites in terms of:

- Consumer numbers
- A diversity of residential / consumer & industrial consumers
- Existing network constraints and opportunities (including availability of sites with capacity to host DER)

Network settings for third site

Ausgrid must operate the network at the Third Spatial Energy Plan Location, and offer the same tariff arrangements at this site, in the same way as it does at the two Trial Sites. This includes:

- The offer of:
 - trial Local Use of Systems tariffs (EA956 and EA955) to eligible residential and small business customers (allocated through financially responsible market participants or otherwise), and
 - equivalent LV storage tariffs (EA334 and EA335) to those assigned to Ausgrid owned batteries for commercially operated batteries and other storage installed, and equivalent tariffs under future resets as elected by Ausgrid to apply to its own assets at the two Trial Sites.
- The offer of the same export and battery tariffs, both behind and in front of meter.
- Utilisation of DER to optimise voltage management and provide other network services.
- Connection Fees and Charges (which are installed in accordance with the opportunities identified in the Spatial Energy Plan) being equivalent to what Ausgrid has accounted for itself at the two Trial Sites.
- Timing of connection requests for assets (which are installed in accordance with the opportunities identified in the Spatial Energy Plan) being equivalent to what Ausgrid has accounted for itself at the two Trial Sites.

3 Reporting

All reporting is required to be published by Ausgrid on its website, with the AER notified in writing by email within 2 business days of publication. All personal information should be deidentified prior to publication. The AER may also publish reports on the Energy Innovation Toolkit website.

Reporting conditions are important to allow the value of learnings to be captured and shared with the market, and to aid future policy formulation. These regular reports will allow the AER to monitor progress of the rollout, and have visibility of complaints, emerging issues, and key learnings.

Project phase	Type	Metric	Objective
Prior to trial commencement (by no later than the date at which Ausgrid notifies the AER of the start date)	Confidential costings and connection times	Ausgrid must provide to the AER details of the costs and connection timings of its own connection of assets to its network at the two existing Trial Sites. This information will be processed by the AER to develop costing and timing requirements for connections at the Third Spatial Energy Plan Location.	Provides a baseline for the AER to compare future reports to.
Ongoing (within 2 business days of the occurrence of a safety issue)	Safety issues (all sites including the Third Spatial Energy Plan Location)	Any safety issues relating to the trial to be reported to the AER via email.	Ensures timely notification of potential harmful issues.
Project roll-out (first 2 years of trial) Quarterly from trial start date (within 10 business days of quarter end, for data relating to that quarter)	Consumer and industry complaints (all sites including the Third Spatial Energy Plan Location)	- De-identified consumer and industry complaint information, including the issue and how this was/will be rectified - Time taken to resolve	Allows the AER to monitor project progress and any emerging issues relating to asset installation or engagement with consumers during this time. Confidential information provided to the AER will only be used for compliance assessment and in accordance with the ACCC/AER Information Policy.
	Roll-out status	- Battery capacity installed (all sites including the Third Spatial Energy Plan Location) - Solar capacity installed (all sites including the Third	

		Spatial Energy Plan Location) ▫ Dividend payments made to consumers (Trial Sites) Consumer engagement undertaken (Trial Sites)	
	Tendering and procurement of third-party solar installers (Trial Sites)	▫ Number of bids received, and the number of bids accepted by Ausgrid (and where and why bids have not been accepted) ▫ What the average feed-in tariff is for accepted bids, and what amount has been drawn down from the total pool of customer benefits to date for third-party solar installers through feed-in tariffs. bids have not been accepted).	
	Connection agreements and complaints / issues (Third Spatial Energy Plan Location only)	• Names of contracting parties Terms of access to the network provided (including costs and time to connect) • Number of complaints, how the issues were/are being resolved Time taken to resolve complaint/issues	
Trial check in: End of 2027 and end of trial	Ausgrid must contract an independent party to conduct two research reports (all sites including the Third Spatial Energy Plan Location, except where noted otherwise)	• Using metrics listed in the annual reporting to be included, plus any other metrics and analysis identified by the independent party or Ausgrid. • Detailed summary of learnings from trial, including collated information provided in annual reports. This should be in the format and to the standards prescribed in the ARENA Knowledge Sharing Guideline. • Quantified benefits derived from assets, including the estimated benefits of improved network utilisation and how this compares to historical values. • Cumulative value of the CPN Dividend benefits and amount paid to consumers (Trial Sites only). • Demonstration of value-stacking of batteries and the associated revenue streams, including: • o Value of network services (such as FCAS, grid stabilisation, inertia or other services) • o Details of when batteries inverters were grid forming or grid following and any benefits/revenues	Summary of trial progress Independent report to be published by Ausgrid on its website and provided to the AER. Mid-way report will also allow for the identification of potential areas of concern or emerging issues. It will also generate some initial learnings on the uptake and delivery progress between the two approaches. The end of trial report is more focused on the learnings and generated benefits.

		associated with this (Trial Sites only). • Identify savings to capex, improvement of services • Value of learnings from the Third Spatial Energy Plan Location - uptake on available locations, time taken to connect, number of customers serviced as part of VPP. • Export curtailment that has occurred. • Summary of any reports to AEMO on the design, technical standards and orchestration approach. • Equity and affordability metrics. • Outcomes for consumers including quantified benefits and specifically those distributed to consumers, reduced network augmentation and how these deliver reduced whole of system costs for consumers. • Any reports provided by UNSW and/or RACE for 2030 including on consumer sentiment by providing copies to the AER and publishing deidentified results online on Ausgrid's website.	
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4 Publishing of Spatial Energy Plan

Ausgrid must publish a Spatial Energy Plan for Trial Sites and the Third Spatial Energy Plan Location, every six months after the trial start date on their website and notify the AER within 2 business days after publication. Ausgrid must take all reasonable steps to ensure the data in the Spatial Energy Plan is usable, clear, accurate and of benefit to the broader market. Of particular interest are constraints and other assets which may impact the local network, such as EV chargers, peak demand diversity mix and behind-the-meter batteries.

Ausgrid must publish a list of capacity remaining on the Spatial Energy Plan every other six months, offset by three months from the re-release of the Spatial Energy Plan, to allow competitive market users to understand what opportunities remain active and which sites have been subject to connection bids or agreements already. The publication of these must occur within 10 business days of the end of the last month of data included in the plan.

5 System operation

Ausgrid must proactively engage with AEMO in respect to any requirements that come into effect during the trial period and promptly implement any necessary changes to ensure ongoing compliance. Such matters may include (but are not limited to):

- AEMO's DNSP Guideline - Technical Requirements for sub 5 MW DER Connections the registration of assets as Voluntarily Scheduled Resources to provide AEMO and the market with forward pre-dispatch visibility of these resources
- any outcomes following completion of the National Electricity Market Wholesale Market Settings Review. Prior to the commencement of the trial, Ausgrid will engage with AEMO to agree on the scope, format and frequency of information Ausgrid must provide AEMO during the trial. Where an aspect of the Trial presents a (potential) risk to the power system, Ausgrid will engage with AEMO as soon as practicable to mitigate these (potential) risks.

6 Exit strategy

At the conclusion of the trial, Ausgrid must undertake the necessary steps to ensure it complies with all relevant requirements under the NEL and NER. As this regulatory sandboxing trial waiver is from the ring-fencing obligations for a period of 5 years, at the end of the trial Ausgrid will:

- seek a new ring-fencing waiver from the AER to continue operation of the trial assets; or
- offer the assets to contestable providers through an arm's length transaction; or
- request at the start of the next reset determination for a change to service classification that allows this trial to be supported and scaled in the 2029–2034 regulatory reset period, to be considered by the AER in its discretion at that time.

7 Competitive tendering

Ausgrid must engage with the commercial market to provide the commercial aspects of its trial (including battery installation and procurement of any solar or battery assets). A tendering process must be undertaken by Ausgrid and the outcome reported to the AER on the successful tenderers within 15 business days of a contract being entered into.