

11 September 2025

Our Ref: 2025/520055

File No: X009228.068

Ms Stephanie Jolly  
Executive General Manager, Consumer, Policy and Markets Division  
Australian Energy Regulator  
By email: [regulatorysandbox@aer.gov.au](mailto:regulatorysandbox@aer.gov.au)

### **City of Sydney Submission - AER - Ausgrid Community Power Network trial**

The City of Sydney (the City) welcomes the opportunity to provide this submission in support for the proposed Ausgrid Community Power Network trial.

Australia has a complicated energy market and the Ausgrid proposal could significantly increase the amount of local solar installed and used, at speed and scale, with equitable benefits for customers.

We have long advocated for clean and local energy that is affordable for all, including renters, people on low incomes, and apartment dwellers.

The AER is to be commended for enabling a policy-led sandboxing approach for innovation in a tightly regulated market.

Ausgrid is also acknowledged for identifying how local renewable energy can be significantly scaled with shared benefits.

### **Ausgrid proposal supported**

This submission is to express in-principal support for the Ausgrid proposal with high-level recommendations for the AER to consider in making its decision.

We support the trial proposal for both locations, noting that Botany-Mascot has a similar typology to the City of Sydney and is adjacent to our area.

The trial has been carefully designed to overcome barriers and increase local energy and storage, with a simple, yet effective proposal to share benefits with customers including those who are unable to install consumer energy resources.

Deployment during the trial itself is a significant outcome - 65MWh of additional storage & 50MW of additional solar in the Botany-Mascot area alone.

In addition, the trial aims to gather valuable insights that will almost certainly inform a range of ways that consumer and distributed energy resources can be accelerated across the entire national energy market.

Achieving any of the many proposed outcomes would be a significant advancement, such as:

- Community dividend: \$150–\$200 per annum per household in bill savings.
- Improved grid resilience and hosting capacity for EVs and electrification.
- Flattened peak demand, deferred network augmentation, lower system costs.
- Matching local renewable generation and demand.
- Incentivising commercial rooftop solar.
- Lower emissions.
- Integrating decentralised energy into network planning.
- Spatial energy mapping.

Aside from the cheaper home batteries program, the City is unaware of any other ready to deploy program, policy, or proposal that can accelerate local solar and storage in built up areas at a speed or scale equivalent to the Ausgrid trial.

## Recommendations

It is recommended that the AER approve the Ausgrid Community Power Network trial with the following recommendations to ensure that value and equitable sharing of benefits is delivered as intended.

- **Recommendation 1** - Ensure the proposed community dividend results in equitably shared benefits by all energy users in the trial, especially those who are renting and/or connected through an embedded energy network.
- **Recommendation 2** - Consider the equity implications of whether customers who have solar and/or storage receive the same level of benefit as customers who are unable to install consumer energy resources.
- **Recommendation 3** - Implement controls and spot checks that require energy retailers to pass on the proposed feed-in tariffs to solar customers in full.
- **Recommendation 4** - Ensure that the AER has access to sufficient financial and economic data collected during the trial to identify how possible future expansion for a Distribution Network Service Provider (DNSP)-led approach compares with alternative options.
- **Recommendation 5** - Identify safeguards and collect supporting data to ensure efficient allocation of capital (i.e. regulated network utilities are not incentivised to over allocate capital for greater return) during the trial and any DNSP-led approach.
- **Recommendation 6** - Data and insights should be made freely available throughout the entire trial so that regulators or any third-party is able to use the information in actionable ways to accelerate distributed energy resources (well before the 5-year trial ends).
- **Recommendation 7** - Include conditions for how this trial can support the proposal by Committee for the Sydney that the NSW Government declare Sydney as a Renewable Energy Zone.
- **Recommendation 8** - Ensure that Spatial Energy Plan maps be made public and actively gather feedback on accessibility and usability by non-DNSP proponents.

## About the City of Sydney

The City has a target for net zero emissions across the local area by 2035 and to reduce emissions by 70 per cent based on 2006 levels by 2030. As of June 2024, greenhouse gas emissions for the local government area were 45 per cent below our 2006 baseline.

For our own operations, we are electrifying our properties and fleet, improving energy efficiency, and using 100% renewable electricity.

Our community supports action to reduce emissions. More than 80 per cent of our residents live in apartment buildings, many are renters, and we have a high share living in social housing.

Our net zero planning controls combine energy efficiency and the use of onsite and offsite renewables to move new buildings towards net zero energy use. From 1 January 2026, indoor gas appliances won't be able to be installed in new residences.

In June 2025 we endorsed draft planning controls for public exhibition which would require all new development, including offices, hotels, and serviced apartments buildings to be fully electric.

Sustainable Sydney 2030-2050 is our overarching community strategic plan with key targets and directions. We recently adopted our Environmental Strategy 2025-2030 and our latest annual Green Report<sup>1</sup> documents progress on our goals and targets.

## About the Ausgrid Community Power Network Trial

Ausgrid proposes a 5-year Community Power Network (CPN) trial in Mascot-Botany and Charmhaven, NSW. The goal is to accelerate deployment and orchestration of rooftop solar and community batteries to deliver cleaner, lower-cost, and more equitable energy.

Ausgrid seeks waivers from National Energy Rules and ring-fencing rules to enable DNSP-led ownership and operation of distributed energy resources and support for consumer energy resources.

## Conclusion

The City of Sydney is committed to achieving net zero emissions by 2035. The proposal by Ausgrid can make a significant contribution by accelerating the deployment of local renewable energy and storage with benefits shared by customers.

We recommend the AER approve this trial, with a view to gaining actionable insights throughout, including the economic and financial costs compared with alternative non-network led approaches.

This trial and other energy market improvements should be implemented as soon as possible to help us toward a sustainable, resilient, and equitable future for our city.

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<sup>1</sup> <https://www.cityofsydney.nsw.gov.au/surveys-case-studies-reports/green-reports>

Should you wish to speak with a Council officer about this submission, please contact [REDACTED], Manager Carbon Strategy on [REDACTED] or at [REDACTED].

[REDACTED]

[REDACTED] **PSM**  
Chief Executive Officer