

Ausgrid Community Power Network: Trial Waiver consultation

Combined slides



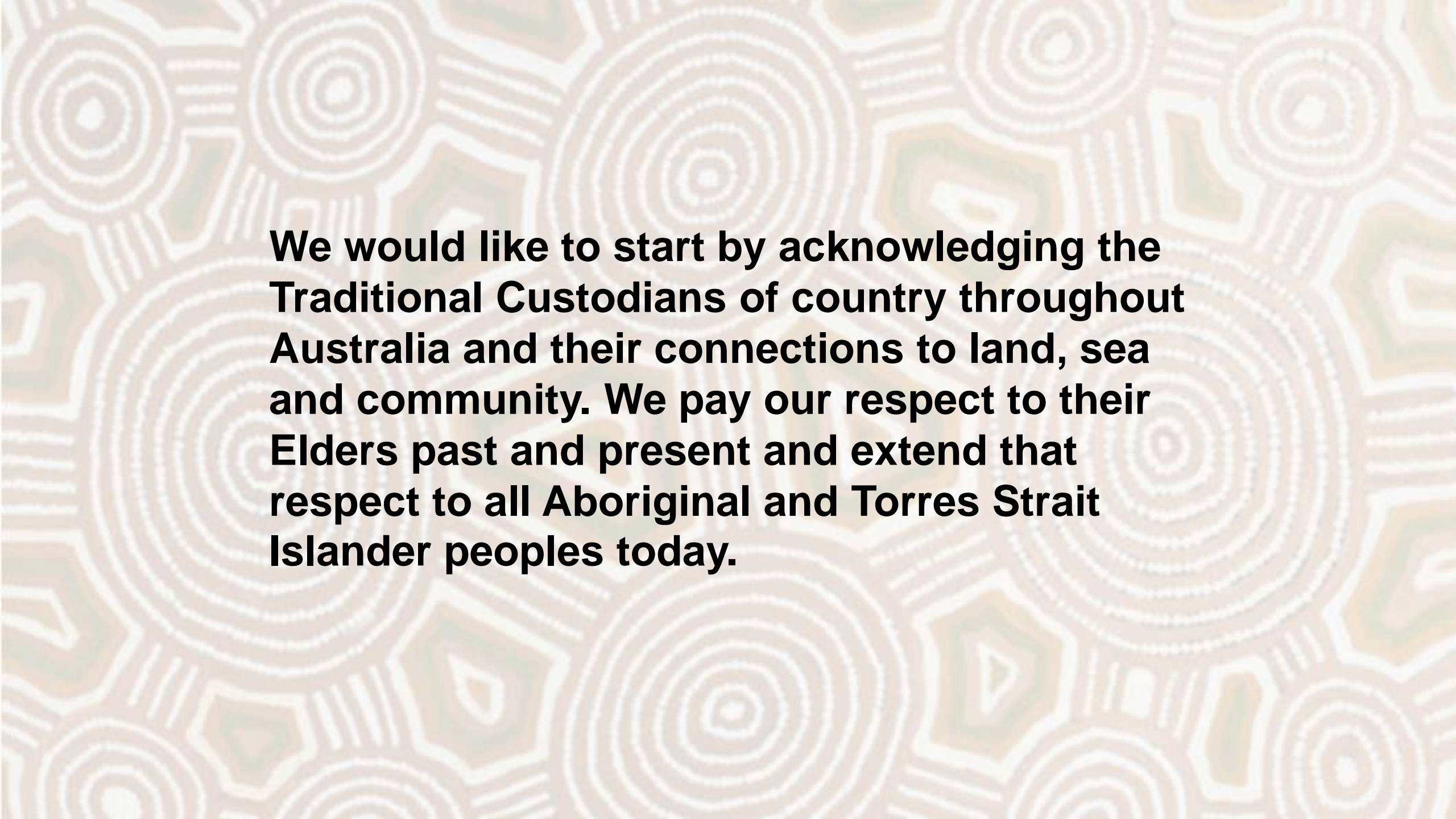
Australian Government



Energy Innovation Toolkit



AUSTRALIAN
ENERGY
REGULATOR



We would like to start by acknowledging the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Project overview: Ausgrid Community Power Network



***We will endeavour to make decisions within the proposed timeframe, there may be complexities which require a longer period for us to fully consider the issues and arrive at a decision.**

Introduction

WHY

The aim of these workshops is for the AER to engage with and hear directly from stakeholders, to explore, test and challenge the details of Ausgrid's proposal, and provide an opportunity for stakeholders to discuss their views directly with the AER.

Your views will help inform our consideration of the proposal against our criteria.

Our discussion today is based on the content of the issues paper

- The topics are tied to the waiver assessment criteria and the questions asked in the issues paper. We will be using these questions to guide the discussion today.
- We will cover the top 3 topics from the registration forms and a 4th topic on potential trial conditions, if the trial waiver is granted. There is also an opportunity for an open discussion for broader topics at the end.
- Top 3 topics of likely most interest to stakeholder groups (in order of workshop timing), noting stakeholders are free to raise other topics:

Networks & advocacy groups	Trial learnings and new or improved approaches to services	National Electricity Objective	Competition or determining success *
Retailers, aggregators and advocacy groups	Trial learnings	Consumer protection and risks	Competition
Government & consumers	Trial learnings	Consumer protection and risks	Competition

*An additional item on consumer protection and risks will be covered in the networks & advocacy groups discussion if time permits.

Your feedback will help us build a better understanding of stakeholder views and where the opportunities and challenges are, as we assess Ausgrid's trial waiver application

Confidentiality and submissions

Summary of discussions and confidentiality

- Ausgrid will attend for the first 15-20 minutes to allow you to ask any operational questions, or questions about areas that you feel the consultation documents do not make clear.
- After this, Ausgrid will exit the meeting and stakeholders will commence discussion, facilitated by AER staff.
- A de-identified summary of feedback and themes will be sent to Ausgrid and workshop participants at the end of all workshops and will also be published on the Energy Innovation Toolkit website.
 - This de-identified summary will refer to points raised by participant type (e.g. retailer, consumer advocate, network business).
 - It will not identify companies or individual stakeholders.
 - A copy of these slides will be published to the Energy Innovation Toolkit website.
- Stakeholders who participate in these workshops are **encouraged** to make a public submission in addition to this feedback.
- Should you wish to make a confidential, rather than a public, submission – please speak to AER staff.

Your feedback will help us build a better understanding of stakeholder views and where the opportunities and challenges are, as we assess Ausgrid's trial waiver application

Ausgrid Presentation on Proposal

The need for change

Uncoordinated installation of solar results in customer inequity, grid instability and market dysfunction

Three issues renewables are creating...

Customer Inequity

Only those owning a suitable building and access to capital can capture the benefits of renewables

Higher Costs

Uncoordinated addition of assets can create imbalances and the requirement for network upgrades

Slower Transition

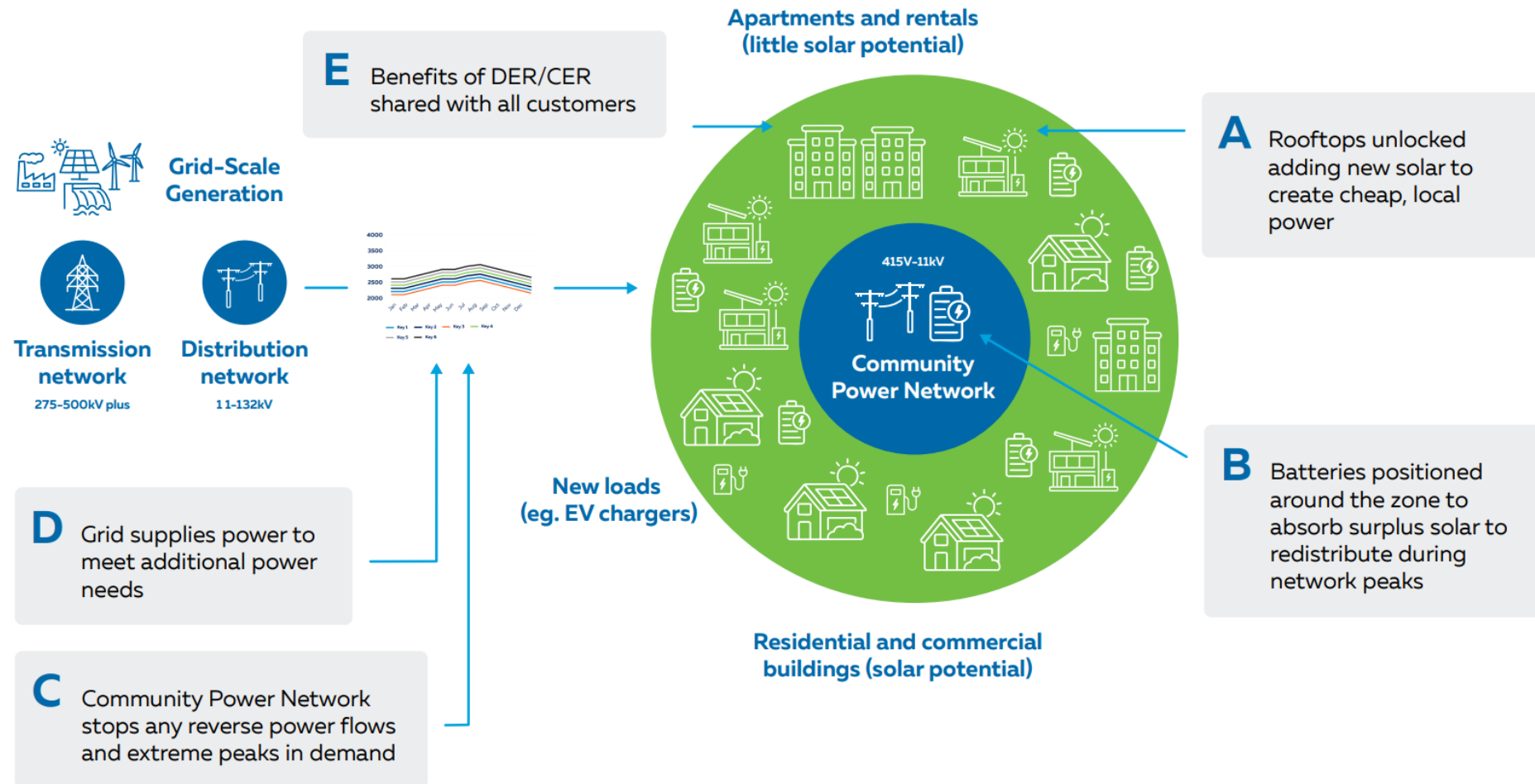
Zero, or even negative wholesale pricing is created nullifying the case to install more renewables

...and we are missing out on potential



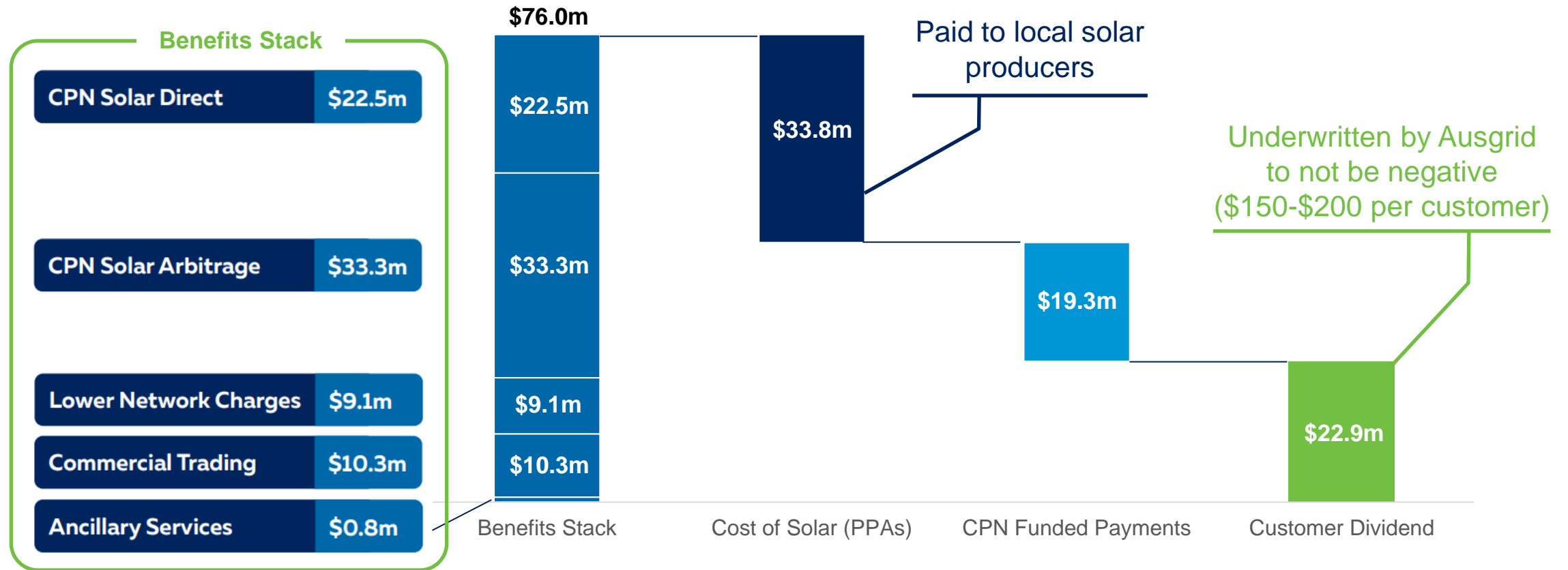
How do we solve these issues?

Community Power Network: an accelerated deployment of Distributed/Consumer Energy Resources in a local network area – planned and orchestrated by the DNSP – to pool and redistribute surplus solar



How do Customers Benefit?

Our modelling shows the pilot will generate a \$22.9m dividend for customers by pooling all the benefits from the operation of the batteries and then netting off the costs to create them



Why Ausgrid is proposing to lead this?

As the Network Operator Ausgrid is uniquely positioned to operate assets for the whole community

Ausgrid is the only entity...

- ...with full visibility of all existing and potential customers
- ...managing network constraints and potential solutions
- ...with the regulated structure to operate shared assets on behalf of all customers



Batteries are the key asset to making this work

- We need to get the batteries to behave differently to current commercial market drivers
- The pilot will confirm if these battery behaviours do generate better customer outcomes
- We will learn the market signals required to create these behaviours in 3rd party owned batteries
- Owning and directly controlling the pilot batteries makes the pilot quicker and more cost effective

Discussion

Trial learnings and new or improved approaches to services

**Discussion questions for:
Workshop #1: Networks and
network advocacy groups**

Questions to guide discussion

1. Which elements of the trial do you consider will generate the most valuable learnings?
2. How might this trial contribute to future regulatory reforms or industry practices?
3. Could the spatial energy plan deliver broader benefits or support other trials?
4. Is the project scalable? Is it scalable in the sense of replicability and in broader application?

National Electricity Objective

**Discussion questions for:
Workshop #1: Networks and
network advocacy groups**

The **National Electricity Objective** is:

“to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity with respect to:

1. price, quality, safety, reliability and security of supply of electricity; and
2. the reliability, safety and security of the national electricity system; and
3. the achievement of targets set by a participating jurisdiction—
 - that are likely to contribute to reducing Australia's greenhouse for reducing Australia's greenhouse gas emissions; or
 - gas emissions.”

Questions to guide discussion

1. What are your views on how this trial could contribute to the achievement of the National Electricity Objective?

Competition and determining project success

**Discussion questions for:
Workshop #1: Networks and
network advocacy groups**

Questions to guide discussion

1. How might the proposed trial support competition in other areas or support the development of new markets or services that would benefit consumers?
2. What are your views on Ausgrid's pathways upon conclusion of the trial? Are there alternative pathways that Ausgrid should consider?
3. What other factor/s should be taken into account when considering if the trial is successful?

Consumer protection and risks

**Discussion questions for:
Workshop #1: Networks and
network advocacy groups**

Questions to guide discussion

1. Noting Ausgrid's commitment that no consumers will be worse off in the trial area, what are your views on consumers not having the ability to opt out of this trial?
2. What other consumer protections should be considered?
3. What sort of principles and process considerations should guide design of a delivery mechanism for consumer dividends as part of this trial?

Trial conditions (if granted)

**Discussion questions for:
Workshop #1: Networks and
network advocacy groups**

Questions to guide discussion

1. What conditions should be placed on the waiver to monitor and protect competition while ensuring the trial generates learnings for all participants?
2. What reporting conditions or other requirements should the AER consider?
3. What data should the AER and/or Ausgrid publish (and when) to maximise learnings and benefits from the trial and are there specific metrics that should be used?

Trial learnings

**Discussion questions for:
Workshop #2: Retailers
and aggregators**

Questions to guide discussion

1. Which elements of the trial do you consider will generate the most valuable learnings?
2. How might this trial contribute to future regulatory reforms or industry practices?
3. What other benefits could be delivered, or learnings contributed, by Ausgrid's proposal to orchestrate CER and DER?

Consumer protection and risks

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Workshop #2: Retailers
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Questions to guide discussion

1. Noting Ausgrid's commitment that no consumers will be worse off in the trial area, what are your views on consumers not having the ability to opt out of this trial?
2. What other consumer protections should be considered?
3. What sort of principles and process considerations should guide design of a delivery mechanism for consumer dividends as part of this trial?

Competition

**Discussion questions for:
Workshop #2: Retailers
and aggregators**

Questions to guide discussion

1. How could Ausgrid's proposed trial impact the contestable markets in which it seeks to participate? Which markets could be affected and in what way?
2. What other benefits could be delivered, or learnings contributed, by Ausgrid's proposal to orchestrate CER and DER?
3. How might any risks be mitigated?

Trial conditions (if granted)

**Discussion questions for:
Workshop #2: Retailers
and aggregators**

Questions to guide discussion

1. What, if any, other conditions should be placed on the waiver to ensure consumers and their private information are protected, while maximising trial benefits and learnings?
2. What conditions should be placed on the waiver to monitor and protect competition while ensuring the trial generates learnings for all participants?
3. What data should the AER and/or Ausgrid publish (and when) to maximise learnings and benefits from the trial and are there specific metrics that should be used?

Trial learnings

**Discussion questions for:
Workshop #3: Consumer
advocacy groups, consumers
and government**

Questions to guide discussion

1. Which elements of the trial do you consider will generate the most valuable learnings?
2. How might this trial contribute to future regulatory reforms or industry practices?
3. What other benefits could be delivered, or learnings contributed, by Ausgrid's proposal to orchestrate CER and DER?

Consumer protection and risks

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3. How might any risks be mitigated?

Trial conditions (if granted)

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Workshop #3: Consumer
advocacy groups, consumers
and government**

Questions to guide discussion

1. What, if any, other conditions should be placed on the waiver to ensure consumers and their private information are protected, while maximising trial benefits and learnings?
2. What reporting conditions or other requirements should the AER consider?
3. What data should the AER and/or Ausgrid publish (and when) to maximise learnings and benefits from the trial and are there specific metrics that should be used?

Open discussion

Closing remarks and next steps

- Workshop summaries will be shared with participants and a summary (de-identified) will be available online
- Submissions close 16 September 2025
- Submissions will be published by 23 September 2025
- Email: RegulatorySandbox@aer.gov.au

Thank you for your participation