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27 June 2025

Ms Clare Savage  
Australian Energy Regulator  
GPO Box 3131  
Canberra ACT 2601

## **Rewiring Australia Letter of Endorsement – Ausgrid Community Power Network Pilot**

Dear Clare,

Rewiring Australia is pleased to offer our support in principle for Ausgrid's proposed Community Power Network (CPN) regulatory sandbox trial. The CPN represents a timely opportunity to explore whether distribution-level coordination of customer energy resources can unlock system-wide benefits, particularly in high-density urban areas underserved by current market structures.

We are especially encouraged by the project's ambition to demonstrate how coordinated solar and battery deployment can reduce the need for traditional network augmentation and deliver fairer outcomes for renters and apartment dwellers. The proposal's dividend-sharing model, reverse auction for solar procurement, and spatial planning approach are promising innovations aligned with the AER's sandbox priorities.

We would also like to note some important issues that we encourage the AER to consider in this proposal, and indeed in the overall regulation of networks.

### **Avoiding unnecessary DNSP ownership of generation assets**

We note that a proposed option is for Ausgrid to act as a "solar owner of last resort" if commercial deployment falls short. Ausgrid argues this is justified during a pilot phase to de-risk the rollout. It is unclear to Rewiring Australia if this is necessary for the proposed aims of the pilot. The CPN's success should instead be measured by how effectively it catalyses market-based investment in generation assets, and establishing market-based structures for solar CPN participation would be a more valuable outcome than .

## **Focus on enabling scalable third-party storage integration**

We support the pilot's use of neighbourhood-scale storage to test orchestration and network optimisation tools. We would accept that, at this time in the technology rollout, and noting the urgency of deploying practical solutions to connect neighbourhood storage, there is a role for network-owned storage assets that can be developed and managed directly in the interests of developing operational capability, while carefully limiting and accounting for any expansion of the RAB.

However, the most valuable long-term outcome from this trial would be developing robust frameworks to allow commercially-owned, price-exposed batteries to connect rapidly and participate at scale. We encourage the AER and Ausgrid to treat this pilot as a stepping stone to unlock third-party front-of-meter storage integration - particularly as a mechanism to manage peak loads, increase network utilisation rates, support wholesale market operations, and enable emerging neighbourhood-scale energy models.

## **Conclusion**

Ausgrid's proposal is an important experiment, and its success should not just be measured in dividend returns but in whether it leads to faster, more open integration of flexible distributed resources. We appreciate the AER's leadership in creating space for bold ideas and support this trial as a critical learning opportunity.

Sincerely,

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