



19 September 2025

Ms Stephanie Jolly
Executive General Manager, Consumer, Policy and Markets Division
Australian Energy Regulator
GPO Box 520
Melbourne VIC 3001

regulatorysandbox@aer.gov.au

Dear Ms Jolly,

Ausgrid Community Power Network trial – Issues Paper

Southern Sydney Regional Organisation of Councils Inc (SSROC) welcomes the opportunity to provide a submission to the Australian Energy Regulator (AER) on the Issues Paper related to Ausgrid's Community Power Network Trial (CPNT).

SSROC is an association of twelve local councils in the area south of Sydney Harbour, covering central, inner west, eastern and southern Sydney. SSROC acknowledges the traditional custodians of the land on which we work and live, the peoples of the Darug, Dharawal and Eora Nations. SSROC provides a forum for the exchange of ideas between our member councils, and an interface between governments, other councils and key bodies on issues of common interest. 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 seeks to advocate for the needs of our member councils and bring a regional perspective to the issues raised.

Councils place a very high priority on achieving net zero carbon emissions from their own operations and throughout their local government area. They have for years and through a range of different mechanisms facilitated reductions in carbon emissions. These initiatives include SSROC's joint procurement on behalf of a group of 25 councils of renewable energy, as well as working with Ausgrid for 29 councils in its area to facilitate the upgrade of street lights to more energy efficient LED lighting.

The proposed CPNT is welcome in that it aims to promote equity of access to renewable energy from widespread solar, making use of commercial and industrial roof-space to generate power for the grid and batteries. That power would then be available for consumption by local residents and businesses that have been unable to access renewable energy, such as renters and those who could not afford the cost of investment in their own solar system. Financial benefits would be shared with customers within the trial areas. Ausgrid has also stated that there would be benefits to the grid, stopping reverse power flows and extreme peaks in demand by orchestrating the distributed resources.

However, SSROC has several reservations, in particular:

1. The National Electricity Market (NEM) is heavily regulated, and the role of Distributed Network Service Providers (DNSP) is clearly delineated. It is unclear that the role of CPNT operator can be reconciled with that of DNSP, or that there is any reason why the CPNT could not be delivered by commercial or community-based organisation.

2. It appears that some of the funding required for the CPNT would come from all Ausgrid customers, while the benefits would accrue only to those customers within the trial area.
3. Ausgrid has not provided any indication of how the success (or otherwise) of the trial would be measured, which is an important element of any trial.

Ausgrid has been very helpful in sharing information about the proposed trial, and responding to questions that have arisen as the information is reviewed. It would be aware of the above issues and may well find ways to address them given more time.

SSROC is keen to promote reform of the NEM and the use of regulatory sandboxing to test new models aimed at improving the resilience of grid while promoting net zero carbon emissions. If these issues could be addressed, the trial would be a very helpful exercise that we would be happy to support.

Thank you for allowing and extension of the deadline for submissions to 19 September 2025. While this submission has been made in consultation with council officers, in order to meet this deadline it has not been possible for it to be endorsed at a formal meeting of SSROC. I will contact you should any issues arise as a result.

Yours sincerely

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Southern Sydney Regional Organisation of Councils Inc (SSROC)