



CitiPower and Powercor Ring-fencing waiver register —updated February 2026

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1. Introduction

The Australian Energy Regulator (**AER**) released its first Ring-fencing Guideline (**Guideline**) for Electricity Distribution in November 2016. Since then, the AER has released three updates. The current Guideline was released and came into effect on 27 February 2025.

Ring-fencing separates the regulated and contestable parts of a Distribution Network Service Provider's (**DNSP's**) network business via legal separation and functional separation obligations. Ring-fencing aims to provide a level playing field for third party providers in new and existing markets for contestable services. The AER's Guideline recognises that strict adherence to the ring-fencing obligations, in some circumstances, might result in outcomes that are not in the interests of consumers. Therefore, the Guideline makes provision for ring-fencing waivers. Waivers provide the ring-fencing framework with flexibility by allowing DNSPs exemptions, subject to AER approval.

Clause 5.3.2 of the Guideline states that, in assessing a waiver application and deciding whether to grant a waiver (subject to any conditions) or refuse to grant a waiver, the AER must have regard to:

- i. the National Electricity Objective
- ii. the potential for cross-subsidisation and discrimination if the waiver is granted or refused
- iii. whether the benefit, or likely benefit, to electricity consumers of the DNSP complying with the obligation (including any benefit, or likely benefit, from increased competition) would be outweighed by the cost to the DNSP of complying with that obligation.

CitiPower and Powercor's waiver applications, both current and expired, and the AER's reasons for approving these waivers can be found on the AER's website.

2. Current waivers

The following waiver has been approved by the AER and are currently in force.

Table 1 Approved waivers

Waiver group	Detail	Conditions	End date
Battery program	The AER granted a ring-fencing class waiver from clauses 3.1 and 4.2.1 and 4.2.2 of the Guideline, effective from 3 February 2023 to 30 June 2041, DNSP-led projects where the battery asset is funded under the Australian Government's Community Batteries for Household Solar Program (administered by the Business Grants Hub or ARENA).	where: a) the asset is wholly excluded from the DNSP's RAB; or b) what is allocated to the DNSP's RAB is only the part of the total cost of the asset that reflects the proportionate share (that relates to <i>direct control services</i>) of the total quantified benefit that is forecast at the time the investment decision is made, where: i. prior to the RAB allocation at the DNSP's next regulatory proposal, the DNSP includes in its regulatory proposal evidence, and a report from an independent auditor, that confirms compliance with this provision b); ii. the DNSP may use the Government contribution to offset costs (regulated or unregulated) either partially or fully but may not exceed the total cost allocation to a particular stack (regulated or unregulated); iii. the total cost of the battery allocated to the RAB must be an amount equal to or less than the forecast network benefit; and iv. definitions: ▀ the total quantified benefit is the sum of both the forecast network benefit (quantified benefit derived from the deployment of the asset for <i>direct control services</i>) and the forecast non-network benefit (quantified benefit accruing to the DNSP derived from the deployment of the asset for <i>other distribution service and other services</i>) over its economic life. Criteria The following criteria apply to projects that fall within class (b):	30 June 2041

Waiver group	Detail	Conditions	End date
		1. A DNSP must comply with the Cost Allocation Principles that require a DNSP to appropriately allocate and attribute costs for use of the asset between direct control services, <i>other distribution services</i>, and <i>other services</i>. 2. A DNSP must provide, as part of that DNSP's independently audited annual ring-fencing compliance report that is required under clause 6.2 of the Guideline. a. the total quantified benefit derived from the deployment of the asset or all services over the most recent financial year; b. the total quantified benefit derived from the deployment of the asset from <i>direct control services</i> over the most recent financial year; c. the total quantified benefit derived from the deployment of the asset from <i>other distribution services</i> and <i>other services</i> over the most recent financial year; and d. a comparison of the uses (volume and frequency) of the battery that confirms the usage by the DNSP and usage by its retail partner (or other third party), including the initial proposed allocation as a baseline against which actual usage of the assets can be compared. The following criteria will apply to projects which fall within class (a) or (b): 3. A DNSP must provide the AER with information as to the terms and conditions of the contracts entered into with third parties for the leasing of battery capacity. This information should include: a. the name of the contracting party or parties; b. the volume of capacity (in kW or kWh) leased to that party or parties; c. the price the capacity is leased for; and d. which party controls the operation of the battery and on what terms.	
Battery trial	The AER granted a waiver to Powercor from its ring-fencing obligation to comply with clause 3.1 of the	Provide the AER with information on the contractual arrangement between Powercor and the third-party retailer. This information includes the contractual terms, conditions and payments. This information should be provided to	30 June 2033

Waiver group	Detail	Conditions	End date
	Guideline in respect to Powercor leasing the excess capacity from its Tarneit battery, as part of the trial project described in its ring-fencing waiver application, from 4 October 2022 to 30 June 2033.	AERringfencing@aer.gov.au within 20 business days of the contract being finalised. Where there are changes in this contractual arrangement, the AER should be notified within 20 business days. We acknowledge the commercially sensitive nature of this information and will treat this information accordingly, noting our policies regarding information privacy and disclosure of information. • Ex-post public sharing of information about the battery (e.g., location(s), size, intended purposes and uses, approved cost allocation method, and a key contact for external stakeholders if they wish to discuss the project further) and any useful learnings from the battery usage that will support the battery market. • Provide on an annual basis a comparison of the uses (volume and frequency) of the battery that confirms and differentiates between Powercor's network usage and spare capacity leased to the third party, and an explanation of any differences between forecast and actual usage. This includes the total period of time (to the nearest five-minute increment) that the battery is operating at the direction of Powercor and the total period (to the nearest five-minute increment) of time that the battery is operating at the direction of the third party. The independent assessor, as part of the annual ring-fencing compliance assessment, is to confirm the comparison is accurate and the appropriate cost allocation was applied between the regulated and unregulated uses of the battery.	
Electrical Vehicle Charging	The AER granted a waiver to CitiPower and Powercor from its ring-fencing obligation	Trial conduct 1. Allow CitiPower and Powercor to install up to 100 EV chargers of which at least 5% must be V2G chargers. CitiPower and Powercor must	30 June 2031

Waiver group	Detail	Conditions	End date
Infrastructure (EVCI)	to comply with clause 3.1 (b) and 4.2 of the Guideline in respect to owning the EVCI and 'lease out' commercial access to E-Mobility Service Providers (e-MSPs), who will interface with customers and be responsible for setting charging rates and bills.	maintain a publicly accessible, current register of the final list of the EVCI installations on its website. This should contain information on the address, e-MSPs available, charging speeds, V2G functionality, and other relevant information. 2. CitiPower and Powercor must charge itself annual access fees equivalent to the annual median access fees charged to unrelated third-party EV charging operators accessing its poles. 3. At the conclusion of the trial, CitiPower and Powercor must elect to undertake one of the following options: a) Seek a new ring-fencing waiver from the AER to continue operation of the EVCI until failure or decommissioning; or b) Offer any EVCI that remains operational to contestable providers (for example, via competitive tender process), including access to the established charging site (subject to any applicable pole access rental charge); or c) Uninstall any EVCI that remains operational. 4. Until the commencement of the forthcoming Victorian 2026-2031 regulatory reset period: a) CitiPower and Powercor must negotiate in good faith the terms and conditions of access to pole assets, for third parties who seek access to CitiPower's and Powercor's poles. b) CitiPower and Powercor must publish on CitiPower's and Powercor's website(s) a negotiation procedure document for third-party pole access seekers and a standardised master FAA terms and conditions of pole access (including annual lease fees and other charges, with clear justification for its charges based on a cost-recovery basis with reasonable cost adjustments in providing pole access). This should include steps involved in processing kerbside EV charging connections and pole access requests, so that stakeholders have greater certainty	

Waiver group	Detail	Conditions	End date
		about the application process. This is to ensure third party applicants have access to commercial information they may reasonably require to effectively negotiate with CitiPower and Powercor. One-off reporting 5. CitiPower and Powercor must make reasonable efforts to ensure wide market participation for engaging e-MSP partners. CitiPower and Powercor must publish on CitiPower's and Powercor's website(s), and notify the AER of its publication, a report that, at a minimum, provides evidence to demonstrate that it has 'tested the market' through a range of efforts. This may include expression of interest, competitive tender process and/or request for proposals transparently. This report should be published as soon as is reasonably practicable and no longer than 12 months after the start of the trial. 6. CitiPower and Powercor to identify specific EVCI sites for its trial consistent with the following approach: a) within 6 months of this AER decision, publish on CitiPower's and Powercor's website(s), and notify the AER of its publication, a listing of the final EVCI sites, with supporting evidence, demonstrating that these selected sites appropriately balance: • i) locations where there are network constraints, which ensure greatest learnings about demand management to address network constraints. • ii) diverse council engagement; • iii) high potential for EV charging load	

Waiver group	Detail	Conditions	End date
		iv) sites that are not subject to a current connection request by a third-party. Annual reporting 7. CitiPower and Powercor must submit, to the AER, along with its annual ring-fencing compliance report (per section 6.2 of the Ring-fencing Guideline (electricity distribution)), an audited financial report on an annual basis, which sets out the financial performance of the trial (including a breakdown of the capital, operational, maintenance costs for the EVCI, and revenues earned), including an attachment containing a breakdown of the access fees charged to itself and unrelated third parties, and other relevant information, to evidence that condition 2 has been met. 8. CitiPower and Powercor must publish on CitiPower's and Powercor's website(s) at the same time as its annual ring-fencing compliance report, and notify the AER of its publication, data and information annually, provided in a downloadable tabular format (e.g. csv), on: a) all relevant learnings, including but not limited to: i) charger demand and usage, and network impacts (e.g. power quality, voltage deviations etc, at the distribution transformer level); ii) data on demand response to dynamic pricing signals; iii) timeframes for energising EV chargers for CitiPower and Powercor; b) performance of CitiPower and Powercor EVCI in terms of outage frequency, type of faults, duration, and maintenance response / resolution timeframes. 9. CitiPower and Powercor must annually publish on CitiPower's and Powercor's website(s), at the same time as its annual ringfencing compliance report, and notify the AER of its publication, the expected timeframe for energising third party EV chargers, resulting timeframes, and reasons for	

Waiver group	Detail	Conditions	End date
		rejecting any applications or elongated negotiations. This includes time from the original application to approval of application, approval to energisation, any associated assessment milestones, disaggregated by site.	

3. Expired waivers

The following waivers were approved by the AER and are now expired.

Table 2 Expired waivers

Waiver group	Detail	Conditions	End date
Reclassification of services	The AER granted a waiver of CitiPower and Powercor's obligation to comply with clauses 4.2.1, 4.2.2 and 4.2.3 of the Guideline from 18 December 2017 until 31 December 2020 in relation to the following services: • alteration and relocation of distributor public lighting assets • new public lights (new lighting types not subject to a regulated charge and new public lighting at greenfield sites) • reserve feeder construction • collection of meter data, processing and storage of meter data, and provision of meter data for type 1-4 metering installations (including smart meters) • emergency recoverable works • installation, repair, and maintenance of nightwatchman lights • non-standard connections. The expiry date of the waiver was later extended by the AER to 30 June 2021 to align with the amended regulatory control period.	None	30 June 2021

Waiver group	Detail	Conditions	End date
Branding	Waiver from 18 December 2017 until 31 December 2019 from obligations under clause 4.2.3(a)i. of the Guideline for the use of the Powercor Network Services branding and under clause 4.2.3(a) of the Guideline for the use of CitiPower and Powercor branding.	• That the Powercor Network Services, CitiPower and Powercor brands are not used at the time of responding to tenders for non-direct control services • That in the provision of non-direct control services (other than those services for which a waiver has been granted), the Powercor Network Services, CitiPower and Powercor brands are only used for large commercial and industrial customers • That staff branded CitiPower and Powercor may not promote the services of CitiPower's/Powercor's contestable service provider • That with the exception of basic forms required for administration, no new advertising, promotional or branding materials, including uniforms, are to be made with the Powercor Network Services brand.	31 December 2019

Waiver group	Detail	Conditions	End date
Reliability and Emergency Reserve Trader (RERT) services	The AER granted a ring-fencing class waiver, effective from 14 December 2022 to 15 April 2025, to allow DNSPs to contract with AEMO to provide RERT services via voltage management. The class waiver exempts DNSPs from their obligations to comply with clause 4.2 of the Guideline (functional separation) in relation to the provision of RERT services via voltage management.	• DNSPs participating in the class waiver must provide the AER with quarterly performance reports, where RERT has been provided in that quarter, detailing: ○ the number of instances the DNSP provided short notice reserve to AEMO in a quarter (i.e. the number of times the reserve was activated by AEMO); ○ the volume (MW) of reserve provided in each instance that the DNSP provided short notice reserve to AEMO; and ○ the revenue received for each instance that the DNSP provided short notice reserve to AEMO. These quarterly performance reports will be published on the AER website. • DNSPs must notify the AER if the DNSP receives: ○ notification from a customer about any adverse impacts of the DNSP's provision of RERT services via voltage management; or ○ any other customer complaints relating to the quality of supply that may be associated with the provision of RERT services via voltage management.	15 April 2025