

Waiver Register

Date of update: 03 July 2024

This register is maintained and made publicly available in accordance with clause 5.7(a) of the Australian Energy Regulator (AER) Electricity Distribution Ring-fencing Guideline.

The table below sets out a register of all waivers (including any variation) granted to Endeavour Energy and includes a description of the conduct to which the waiver applies, and the terms and conditions of the waiver as set by the AER.

Initiation Date ¹	Decision date ²	Description of conduct	Terms & Conditions	Comments
<i>Please provide the initiation date recorded by the AER.</i>	<i>Please provide the date the waiver was granted by the AER.</i>	<i>Please provide a description of the conduct to which the waiver applies (as set out in the AER's written decision).</i>	<i>Please outline the terms and conditions of the waiver (as set out in the AER's written decision).</i>	<i>Please include any additional comment relevant to the waiver or decision.</i>
2 November 2022	14 December 2022	<p>Class Waiver: 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.</p>	<p>Pre-conditions: The scope of the class waiver is limited to:</p> <ul style="list-style-type: none"> • DNSPs that negotiate with AEMO to enter into, and/or enter into, a RERT Panel Agreement with AEMO for the provision of short notice reserve via voltage management pursuant to rule 3.20.2 of the National Electricity Rules and clause 6 of the RERT Guidelines. • DNSPs must not contract with AEMO to recover payments for pre-activation of reserve. • If the DNSP's RERT Panel Agreement with AEMO ceases, the DNSP will no longer qualify for the class waiver (unless, and until, the DNSP commences negotiation to enter into a further RERT Panel Agreement with AEMO). For clarity, this class waiver expires on 15 April 2025, and will not apply to any RERT Panel Agreement (pre-existing or otherwise) beyond this date. • DNSPs that meet the precondition of providing the AER with a copy of the RERT Panel Agreement entered into with AEMO. • Where possible, the RERT Panel Agreement should be emailed to AERringfencing@aer.gov.au immediately, or if it is being negotiated, within 20 business days of the agreement being finalised. The AER will treat this information as commercially 	Effective from 14 December 2022 to 15 April 2025

¹ Initiation Date as per the AER's website

² Decision/Effective Date as per the AER's website

sensitive and note our policies regarding information privacy and disclosure of information.

Conditions:

The class waiver is subject to the following conditions:

- 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.

2 December 2022	3 February 2023	<p>Class Waiver: The scope of this class waiver is limited to DNSP-led projects where the battery asset is funded under the Australian Government's Community Batteries for Household Solar Program (delivered either through the Business Grants Hub (administered by the Department of Industry, Science and Resources or ARENA), where:</p> <ul style="list-style-type: none"> 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 	<p>The following criteria apply to projects that fall within class (b):</p> <ol style="list-style-type: none"> 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, other distribution services, and other services. 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 if the Guideline. <ol style="list-style-type: none"> 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 direct control services over the most recent financial year; c. the total quantified benefit derived from the deployment of the asset from other distribution services and other services over the most recent financial year; and 	Effective from 3 February 2023 to 30 June 2041.
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proportionate share (that relates to direct control services) 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);³⁹
- 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

- 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 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.

		for direct control services ⁴⁰) and the forecast non-network benefit (quantified benefit accruing to the DNSP derived from the deployment of the asset for other distribution service and other services) over its economic life.		
15 December 2022	13 February 2023	The AER granted a waiver from Clause 3.1 of the Guideline to allow Endeavour Energy to lease excess capacity from three BESS to its retail partner for the purposes of a community battery trial.	<p>Conditions: The following conditions apply with this waiver approval:</p> <ul style="list-style-type: none"> • Providing the AER with information on the contractual relationship between Endeavour Energy and its retail partner. This information includes the contractual terms, conditions and payments. This information should be provided to 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. Included at Appendix A to this letter is a template which may be used for the provision of this information. • Ex-post public sharing of information about the batteries (e.g., location(s), size, intended purposes and uses, and a key contact for external stakeholders if they wish to discuss the project further) and any useful learnings that will support the battery market. • Providing the AER, as part of Endeavour Energy's independently audited annual ring-fencing compliance report that is required under clause 6.2 of the guideline: <ul style="list-style-type: none"> • The total quantified benefit derived from the deployment of the BESS from all services over the most recent financial year; • The total quantified benefit derived from the deployment of the BESS from direct control services over the most recent financial year; • The total quantified benefit derived from the deployment of the BESS from other distribution services and other services over the most recent financial year; and • A comparison of uses (volume and frequency) of the battery that confirms the usage by Endeavour Energy and by its retail partner, 	Effective 13 February 2023 to 31 December 2037.

			including the initial proposed allocation as a baseline against which actual usage of the BESS can be compared.	
26 February 2024	25 March 2024	The AER granted a waiver from Clause 3.1 of the Guideline to allow Endeavour Energy to lease excess capacity from seven BESS to its retail partner for the purposes of a community battery trial.	<p>Conditions: The following conditions apply with this waiver approval:</p> <ul style="list-style-type: none"> • Endeavour Energy to provide the AER with information on the contractual relationship between Endeavour Energy and its retail partner. This information includes the contractual terms, conditions and payments. This information should be provided to AERringfencing@aer.gov.au within 20 business days of the contract being finalised. <p>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.</p> <ul style="list-style-type: none"> • Ex-post public sharing of information about the batteries (e.g., location(s), size, intended purposes and uses, and a key contact for external stakeholders if they wish to discuss the project further) and any useful learnings that will support the battery market. • As part of Endeavour Energy's independently audited annual ring-fencing compliance reports required under clause 6.2 of the Guideline: <ul style="list-style-type: none"> • The total quantified benefit derived from the deployment of the battery energy storage systems from all services over the most recent financial year. • The total quantified benefit derived from the deployment of the battery energy storage systems from direct control services over the most recent financial year. • The total quantified benefit derived from the deployment of the battery energy storage systems from other distribution services and other services over the most recent financial year; and • A comparison of uses (volume and frequency) of the battery that confirms the usage by Endeavour Energy and by its retail partner, including the initial proposed allocation as a baseline against which actual usage of the battery energy storage systems can be compared. 	Effective 25 March 2024 to 31 December 2037.