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| Electricity Ring-fencing  Waivers Register – Apr 2024 |

In accordance with cl 5.7 of the Australian Energy Regulator’s Electricity Ring-fencing Guideline, below is Jemena Electricity Network’s Waivers register including:

1. the description of the conduct to which the waiver or interim waiver applies; and
2. the terms and conditions of the waiver or interim waiver.

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| Description of conduct to which waiver applies | Terms and conditions |
| Class waiver from clauses 3.1, 4.2.1 and 4.2.2 of the Guideline, effective from 3 February 2023 to 30 June 2041, for DNSP-led projects that meet the classes and criteria of this 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 (administered by the Business Grants Hub or ARENA), where:   1. the asset is wholly excluded from the DNSP’s RAB; or 2. 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 direct control services) of the total quantified benefit that is forecast at the time the investment decision is made, where:    * 1. 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);      2. 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);      3. the total cost of the battery allocated to the RAB must be an amount equal to or less than the forecast network benefit; and      4. definitions:  * the total quantified benefit is the sum of both the forecast network benefit (quantified benefit derived from the deployment of the asset for direct control services) 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.   The following criteria apply to projects that fall within class (b):   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. 3. the total quantified benefit derived from the deployment of the asset or all services over the most recent financial year; 4. the total quantified benefit derived from the deployment of the asset from direct control services over the most recent financial year; 5. 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 6. 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):   1. 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: 2. the name of the contracting party or parties; 3. the volume of capacity (in kW or kWh) leased to that party or parties; 4. the price the capacity is leased for; and 5. which party controls the operation of the battery and on what terms. |
| 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.  This class waiver is subject to the following pre-conditions and conditions:  **Pre-conditions:**  The scope of the class waiver is limited to:   * • 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 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. |
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