

United Energy
Ring fencing waiver register
—updated July 2021

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1 Introduction

The AER released its Ring-fencing Guideline (Guideline) for Electricity Distribution in November 2016 and updated it in October 2017. The Guideline required that all electricity Distribution Network Service Providers (DNSPs) must be fully compliant as soon as reasonably practicable and no later than 1 January 2018.

Ring-fencing separates the regulated and contestable parts of a 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, and
- 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.

United Energy's waiver applications and the AER's reasons for approving these waivers can be found on the AER website here (<https://www.aer.gov.au/networks-pipelines/ring-fencing/ring-fencing-waivers/united-energy-ring-fencing-waiver-august-2017>).

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 trial	The AER granted a waiver to United Energy from its ring-fencing obligation to comply with clause 3.1(b) of the Guideline in respect to United Energy leasing the storage capacity of pole-mounted battery units to a retail partner, as part of the trial project described in its ring-fencing waiver application, from 4 December 2020 to 30 June 2026.	Whilst not an official condition, the AER did make clear that it expects United Energy to share knowledge gained during the trial with it and with broader industry.	30 June 2026

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	<p>The AER granted a waiver of United Energy’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:</p> <ul style="list-style-type: none"> • public lighting and watchman lights (this includes: new stand alone and green field public lighting; alteration and relocation of public lighting assets, and installation, repair and maintenance of watchman lights) • reserve feeder construction • possum guards • minor and legacy metering services (this includes metering time switch adjustment for customers with non-AMI meters, customer access to metering data, type 1-4 metering installations, legacy type 5-6 metering services for customers who consume more than 160MWh per annum, and transitional metering service arrangements for customers who consume more than 160MWh per annum and embedded network customers • non-standard connections, customer-requested supply enhancements and augmentations. <p>The expiry date of the waiver was later extended by the AER to 30 June 2021 to align with the extended regulatory control period.</p>	None	30 June 2021