

**CitiPower and Powercor
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
- 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 do not have any current waivers to the AER's ring-fencing guideline.

CitiPower and Powercor have lodged waiver applications to the AER which have been approved, but have since expired. 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/citipower-powercor-ring-fencing-waiver-may-2017>).

2. Current waivers

CitiPower and Powercor do not have any waivers approved by the AER that are currently in force.

3. Expired waivers

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

Table 1 Expired waivers

Waiver group	Detail	Conditions	End date
Reclassification of services	<p>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:</p> <ul style="list-style-type: none"> • 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 greenfields 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. <p>The expiry date of the waiver was later extended by the AER to 30 June 2021 to align with the amended regulatory control period.</p>	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.	<ul style="list-style-type: none"> • 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