

Instrument of variation of conditions of distributor's licence under the *Electricity Supply Act 1995* (NSW)

1 Variation of conditions of distributor's licence

I, Penny Sharpe, Minister for Energy, vary the Licence held by the Licence Holder in accordance with clause 7 of Schedule 2 to the *Electricity Supply Act 1995* (NSW) (the **Act**).

This is the fifth instrument of variation issued for the Licence.

2 Commencement

This instrument of variation (**Instrument**) commences on the day it is signed.

3 Variation of Licence

3.1 The conditions of the Licence are varied by omitting the Previous Licence Conditions and substituting Schedule A.

3.2 Clause 3.1 of this Instrument does not:

- (a) revive anything not in force or existing at the time this Instrument takes effect,
- (b) affect the previous operation of the Previous Licence Conditions or anything done or begun under or in accordance with the Previous Licence Conditions, or
- (c) affect a right, privilege or liability acquired, accrued or incurred under the Previous Licence Conditions.

4 Definitions

In this Instrument:

Licence means the distributor's licence taken to be held by the Licence Holder's predecessors under NSW legislation and currently held by the Licence Holder for the purposes of section 14 of the *Electricity Supply Act 1995*.

Licence Holder means Essential Energy (ABN 37 428 185 226), a statutory state owned corporation established under the *Energy Services Corporations Act 1995*.

Previous Licence Conditions means all the conditions of the Licence existing immediately before the commencement of this Instrument.

SIGNED BY:

A handwritten signature in blue ink, appearing to be 'Penny Sharpe', written in a cursive style.

The Hon. Penny Sharpe MLC
Minister for Energy

Date: 10/12/25

Schedule A

Ministerially Imposed Licence Conditions for the Operator of a Distribution System

The Licence conditions in this Schedule A are imposed on the Licence Holder by the Minister under clause 6(1)(b) of Schedule 2 of the Act.

These Licence conditions are in addition to other Licence conditions imposed by the Minister, Licence conditions under the Act or Regulations, and other obligations imposed on the Licence Holder by the Act and Regulations.

General Conditions

1 Operate within distribution district

- 1.1 At all times this Licence is in force, the Licence Holder must ensure that it and all other network operators of its Distribution System only operate a Distribution System:
- (a) within its Distribution District as set out in Schedule 3 of the Act,
 - (b) within:
 - (i) such other areas outside of its Distribution District in which the Licence Holder operated a Distribution System as at 5 February 2019, or
 - (ii) any areas notified by the Licence Holder to the Tribunal and included in the register maintained by the Tribunal between 5 February 2019 and the date of commencement under clause 2 of this Instrument, and
 - (c) within such other Distribution District outside of its Distribution District, as agreed with the Distributor for the other Distribution District.
- 1.2 Where the Licence Holder has obtained agreement from another Distributor to operate in the Distribution District of such other Distributor, the Licence Holder must:
- (a) make a record of the agreement which includes sufficient details to allow all assets that operate or are to be operated outside the Licence Holder's Distribution District to be uniquely identified and located, and
 - (b) where the Licence Holder permanently removes or disconnects assets that were operating outside of its Distribution District, remove details of these assets from the record referred to in condition 1.2(a).

2 National Electricity Market registration

At all times this Licence is in force, the Licence Holder must ensure that it and all other network operators of its Distribution System:

- (a) are registered or exempt from the requirement to be registered as a Network Service Provider under the National Electricity Rules, or
- (b) hold any equivalent authorisation or right of participation in any national electricity market, granted by the person responsible for the granting of such an authorisation or right of participation under any legislation enacted for the purpose of introducing such a market.

3 Technical and prudential criteria

The Licence Holder must, for the duration of this Licence, ensure that it and all other network operators of its Distribution System satisfy the technical and prudential criteria that each entity is required to meet as a condition of its registration or exemption, or equivalent authorisation or right of participation in any national electricity market, referred to in condition 2.

4 Business continuity and disruptions

- 4.1 The Licence Holder must have a documented system to ensure that it has adequate arrangements in place to identify, assess and manage business continuity risks and manage business disruptions relating to the operation of its Distribution System (a **Business Continuity Plan**).
- 4.2 The Licence Holder must ensure that it and any other network operator of its Distribution System implements and complies with the Business Continuity Plan.

5 Reliability and performance

The Licence Holder must ensure that it complies with the Reliability and Performance Standards – Appendix A.

6 Critical infrastructure

The Licence Holder must ensure that it and all other network operators of its Distribution System comply with the Critical Infrastructure Licence Conditions – Appendix B.

7 Emergency backstop capability

The Licence Holder must ensure that it complies with the Emergency Backstop Capability Conditions – Appendix C from:

- a. where no date is expressly prescribed in the condition of Appendix C – 30 June 2026, and
- b. where a date is expressly prescribed in the condition of Appendix C – the date that is prescribed in that condition.

8 NSW consumer energy resources portal

From 30 June 2026, the Licence Holder must ensure that it complies with the NSW Consumer Energy Resources Portal Conditions – Appendix D.

CONDITIONS RELATING TO MANAGEMENT SYSTEMS

9 Maintenance of certified management systems

9.1 The Licence Holder must have and maintain:

- (a) an asset management system that is consistent with *Australian Standard AS ISO 55001 2014 Asset Management – Management Systems – Requirements* (as in force from time to time), or another standard approved by the Tribunal on request of the Licence Holder, and
- (b) an environmental management system that is consistent with *Australian/New Zealand Standard AS/NZS ISO 14001: 2016 Environmental Management Systems – Requirements with guidance for use* (as in force from time to time), or another standard approved by the Tribunal on request of the Licence Holder,

which comply with this condition 9.

9.2 The Licence Holder must ensure that:

- (a) its asset management system is certified by an appropriately qualified person to be consistent with *Australian Standard AS ISO 55001 - 2014 Asset Management - Management Systems - Requirements* (as in force from time to time), or another standard approved by the Tribunal on request of the Licence Holder, and
- (b) its environmental management system is certified by an appropriately qualified person to be consistent with the *Australian/New Zealand Standard AS/NZS ISO 14001:2016 Environmental Management Systems – Requirements with guidance for use* (as in force from time to time), or another standard approved by the Tribunal on request of the Licence Holder.

9.3 The Licence Holder must ensure that the certification of its asset management system and environmental management system in accordance with condition 9.2 is maintained for the duration of the Licence.

10 Implementation of management systems

The Licence Holder must ensure that its asset management system and environmental management system are fully implemented, and all relevant activities undertaken by it or any other network operator of its Distribution System are carried out in accordance with the relevant management system.

CONDITIONS RELATING TO COMPLIANCE, REPORTING AND FEES

11 Reporting in accordance with Reporting Manuals

The Licence Holder must prepare and submit reports in accordance with any Reporting Manuals issued by the Tribunal.

12 Complying with Audit Guidelines issued by the Tribunal

The Licence Holder must comply with any Audit Guidelines issued by the Tribunal.

13 Compliance management systems

The Licence Holder must ensure internal systems are developed and maintained that are capable of effectively managing compliance with its Licence.

14 Compliance with statistical operating obligations

The Licence Holder must provide to the Tribunal such operating statistics and performance indicators as may be required from time to time by the Tribunal. The Tribunal will provide the Licence Holder with reasons for its request when the initial request is made and after that when a request relates to operating statistics and performance indicators that are of a materially different type or category to that provided under the initial or subsequent request.

15 Information about compliance with Licence Conditions

The Licence Holder must provide to the Tribunal (at such times and in respect of such periods as the Tribunal may determine and in the manner and form specified by the Tribunal) such information as the Tribunal may determine, to enable the Tribunal to ascertain whether or not the Licence Holder is complying with the conditions of its Licence, the Act or the Regulations.

16 Compliance with Public Lighting Code

The Licence Holder must ensure that it and all other network operators of its Distribution System comply with the NSW Public Lighting Code published by Treasury, as amended from time to time.

17 Compliance with audit directions

- 17.1 The Tribunal may at any time direct the Licence Holder, by written notice, to engage an Approved Auditor at the expense of the Licence Holder to conduct an audit of, and prepare a report on, the Licence Holder's compliance with conditions imposed on it by this Licence, the Act or Regulations.
- 17.2 The Licence Holder must comply with any direction issued by the Tribunal under condition 17.1.
- 17.3 The Licence Holder must provide the Approved Auditor's report to the Tribunal by the date specified in the direction issued by the Tribunal under condition 17.1.

18 Licence Fees

- 18.1 It is a condition of this Licence that the Licence Holder pay such fees (annual or otherwise) in connection with the holding of the Licence as may be determined by the Minister from time to time.
- 18.2 The Licence Holder must pay the fees referred to in condition 18.1 in the manner and within the period specified by the Tribunal.

INTERPRETATION AND DEFINITIONS

19 Interpretation

In these Licence conditions, unless the context requires otherwise:

- (a) the singular includes the plural and vice versa,
- (b) headings are used for convenience only and do not affect the interpretation of these Licence conditions,
- (c) a reference to a document includes the document as modified from time to time and any document replacing it,
- (d) a reference to a person includes a natural person and any body or entity whether incorporated or not, and
- (e) references to conditions are references to conditions in these Licence conditions.

20 Definitions

20.1 Expressions used in these Licence conditions that are defined in the Act or the Regulations have the meanings set out in the Act or the Regulations.

20.2 In these Licence conditions:

Act means the *Electricity Supply Act 1995*.

Approved Auditor means:

- (a) a person chosen from a panel of auditors approved by the Tribunal, or
- (b) an auditor otherwise approved by the Tribunal as being of reputable standing, suitably qualified and who is independent of the Licence Holder.

Audit Guidelines means any document setting out audit requirements associated with the Licence Holder which is prepared by the Tribunal and is available on its website at www.ipart.nsw.gov.au as amended from time to time.

Business Continuity Plan has the meaning given to it in condition 4.1.

Connection Contract has the meaning given to 'Deemed Standard Connection Contract' in the *National Energy Retail Law (NSW)*.

Connection Point means, in relation to the premises of a Customer or a class of Customers, the point of connection to an electrical installation supplying electricity to the premises as determined in accordance with the Service and Installation Rules of New South Wales, as in force from time to time, published by the Department of Planning and Environment.

Critical Infrastructure Licence Conditions means the conditions set out in Appendix B to these conditions.

Customer has the same meaning as in the *National Energy Retail Law (NSW)*.

Customer Base means, in respect of a Feeder for a period:

- (a) the number of Customers supplied by the Feeder as at the start of the period, plus
- (b) the number of Customers supplied by the Feeder as at the end of the period,

divided by two.

Direct Connection Standards means the standards specified in condition A.3.2 in Appendix A.

Distribution District has the meaning given to it in the Dictionary to the Act.

Distribution System means the distribution system of which the Licence Holder is a network operator.

Distributor has the meaning given to it in the Dictionary to the Act.

Emergency Service Organisation has the meaning given to it in section 3 of the *State Emergency and Rescue Management Act 1989*.

Excluded Interruptions means the Interruptions listed in condition A.7.1(b) in Appendix A.

Feeder means:

- (a) a high-voltage line operating at over 1kV and generally at or below 22 kV that connects between a zone substation and a distribution substation, or
- (b) lines operating at, or over, 1kV within a Multiple-Customer SAPS.

Financial Year means the period commencing on 1 July and ending 30 June the following calendar year.

GSL Payment means a payment made to a Customer in accordance with condition A.5 in Appendix A.

Guaranteed Service Levels means the guaranteed service levels contained in condition A.5.2 in Appendix A.

Individual Feeder Standards means the standards contained in condition A.1 in Appendix A.

Interconnected National Electricity System has the same meaning as in the *National Electricity (NSW) Law*.

Interruption means any loss of electricity supply to a Customer of more than 0.5 seconds associated with an outage of any part of the electricity supply network including generation facilities, transmission networks, SAPS and outages affecting a single premises, which:

- (a) commences when recorded by equipment such as SCADA, or where such equipment does not exist, at the time of the first Customer communication relating to the outage, and
- (b) ends when supply is generally available to the Customer,

but does not include:

- (c) Excluded Interruptions, and
- (d) subsequent Interruptions caused by network switching during fault finding.

Investigation Report means a report prepared in accordance with condition A.4.2 in Appendix A that sets out the causes for, and potential solutions to, the Licence Holder's non-conformance with Individual Feeder Standards, Low-Voltage SAPS Standards and/or Direct Connection Standards.

Licence has the same meaning as 'Licence' in clause 4 of this Instrument.

Licence Holder has the same meaning as 'Licence Holder' in clause 4 of this Instrument.

Long Feeder means a Feeder with a total Feeder length that is equal to or greater than 500 km.

Low-Voltage SAPS means a SAPS but does not include lines operating at, or over, 1kV within a Multiple-Customer SAPS.

Low-Voltage SAPS Standards means the standards contained in condition A.2 in Appendix A.

Major Event Day has the meaning given in condition A.7.2 in Appendix A.

Minister means the Minister responsible for administering the Act.

Multiple-Customer SAPS means a SAPS that supplies multiple Customers.

Planned Interruption means an Interruption for:

- (a) the planned maintenance, repair or augmentation of the transmission system or a regulated SAPS conversion,
- (b) the planned maintenance, repair or augmentation of the Distribution System, including planned or routine maintenance of metering equipment (excluding a retailer planned interruption), or
- (c) the installation of a new connection or a connection alteration in accordance with the National Energy Retail Rules and National Electricity Rules.

(In this definition, unless otherwise defined in this Licence, terms have the meanings given to them in the National Energy Retail Rules).

Quarter means a period of three months commencing 1 January, 1 April, 1 July and 1 October and concluding on the following 31 March, 30 June, 30 September and 31 December dates respectively.

Rectification Plan means a plan prepared in accordance with condition A.4.3 in Appendix A for rectifying a Licence Holder's non-conformance with Individual Feeder Standards, Low-Voltage SAPS Standards and/or Direct Connection Standards.

Regulations means regulations made under the Act.

Reliability and Performance Standards means the conditions set out in Appendix A to these conditions.

Reporting Manual means any document setting out reporting or information disclosure requirements associated with the Licence Holder which is prepared by the Tribunal from time to time and is available on its website at www.ipart.nsw.gov.au.

Reporting Period means the period of time to be captured in a report required to be submitted to the Tribunal as specified in the Reporting Manual.

SAIDI means the average derived from the sum of the durations of each sustained Customer Interruption (measured in minutes), divided by the total number of Customers (averaged over the Financial Year) of the Licence Holder.

SAIFI means the average derived from the total number of sustained Customer Interruptions divided by the total number of Customers (averaged over the Financial Year) of the Licence Holder.

SAPS means a 'regulated stand-alone power system' as defined at section 6B of the *National Electricity (NSW) Law* but does not include parts of the Distribution System that have been temporarily isolated from the Interconnected National Electricity System due to an event or circumstance beyond the control of the Licence Holder such as bushfire or flood.

Short Feeder means a Feeder that is not a Long Feeder.

Small Customer has the same meaning as in the *National Energy Retail Law (NSW)*.

Tribunal means the Independent Pricing and Regulatory Tribunal of New South Wales established under the *Independent Pricing and Regulatory Tribunal Act 1992*.

Appendix A. Reliability and performance standards

A.1 Individual feeder performance

A.1.1 The Individual Feeder Standards that apply to each of the Licence Holder's Feeders for each 12-month period referred to in condition A.1.3, other than Long Feeders, are:

$$SAIDI = 262 + 108 \sqrt{Length} + \text{MIN} \left(160, \frac{5500}{Length} \right)$$

$$SAIFI = 3.1 + 0.44 \sqrt{Length} + \text{MIN} \left(0.65, \frac{21}{Length} \right)$$

where:

Length is the total route length of the Feeder, in kilometres, and

MIN is the lower of the values within the brackets.

A.1.2 The Individual Feeder Standards that apply to each of the Licence Holder's Long Feeders for each 12-month period referred to in condition A.1.3, are:

SAIDI = 2688 minutes

SAIFI = 13.0 Interruptions.

A.1.3 At the end of each Quarter, the Licence Holder must determine whether it has exceeded the Individual Feeder Standards applicable to each of its Feeders for the 12-month period ending at the end of that Quarter.

[Note: If the Individual Feeder Standards in this condition have been exceeded, certain obligations under condition A.4 of this Appendix A will apply.]

A.2 Low-Voltage SAPS performance

A.2.1 The Low-Voltage SAPS Standards that apply to each of the Licence Holder's Low-Voltage SAPS for each 12-month period referred to in condition A.2.2, are:

SAIDI = 1817 minutes

SAIFI = 9.4 Interruptions.

A.2.2 At the end of each Quarter, the Licence Holder must determine whether it has exceeded the Low-Voltage SAPS Standards applicable to each of its Low-Voltage SAPS for the 12-month period ending at the end of that Quarter.

A.2.3 Where the Low-Voltage SAPS do not meet the Low-Voltage SAPS Standards at the point of measurement but deliver the required level of service to the end-customer:

- (a) the Low-Voltage SAPS will be deemed to be compliant with the Low-Voltage SAPS Standards,
- (b) despite condition A.2.3(a) of this Appendix A, an Investigation Report must still be prepared in accordance with condition A.4 of this Appendix A.

[Note: If the Low-Voltage SAPS Standards in this condition have been exceeded, certain obligations under condition A.4 of this Appendix A will apply.]

A.3 Direct connection performance

A.3.1 This condition A.3 applies to each Connection Point:

- (a) that is directly supplied at a nominal voltage above 1 kV and generally at or below 22 kV, and
- (b) to which conditions A.1 and A.2 of this Appendix A do not apply.

A.3.2 The Direct Connection Standards that apply to the Licence Holder in respect of each Connection Point are:

Minutes interrupted = 530

Number of interruptions = 4.2

where:

minutes interrupted means the total number of minutes of all Interruptions to a Customer over the relevant 12-month period, and

number of interruptions means the total number of times there is an interruption to a Customer over the relevant 12-month period.

A.3.3 At the end of each Quarter, the Licence Holder must determine whether it has exceeded the Direct Connection Standards for each Connection Point to which this condition A.3 applies in the 12-month period ending at the end of that Quarter.

[Note: If the Direct Connection Standards in this condition have been exceeded, certain obligations under condition A.4 of this Appendix A will apply].

A.4 Investigation and rectification of non-conformance standards

A.4.1

- (a) Where the Licence Holder has exceeded any of the Individual Feeder Standards, Low-Voltage SAPS standards, or Direct Connection Standards in the 12-month period immediately preceding the end of a Quarter, the Licence Holder must prepare:
 - (i) an Investigation Report by the end of the Quarter immediately following the Quarter the relevant standard was exceeded, and
 - (ii) a Rectification Plan by the end of the Quarter immediately following the Quarter in which the Investigation Report was completed.
- (b) Where the cause or causes for exceeding the standard have already been rectified before an Investigation Report is required to be prepared under condition A.4.1(a) above, the Licence Holder is not required to prepare a Rectification Plan in respect of that breach of the relevant standard.
- (c) Where condition A.2.3(a) is met, the Licence Holder is not required to prepare a Rectification Plan in respect of that breach of the relevant standard.

A.4.2 An Investigation Report must:

- (a) identify the cause or causes for exceeding the relevant Individual Feeder Standard(s), Low-Voltage SAPS Standards, or Direct Connection Standard(s),
- (b) where the cause or causes identified in paragraph (a) have already been rectified, identify the steps taken to rectify the causes, including when the steps were completed,

- (c) where the cause or causes identified in paragraph (a) have not yet been rectified or fully rectified, identify any reasonable solutions that can be implemented to rectify the causes to improve conformance with the relevant Individual Feeder Standard(s), Low-Voltage SAPS Standards, or Direct Connection Standard(s), including:
 - (i) whether the solutions:
 - (A) involve expenditure on a distribution asset ('network options'), or
 - (B) do not involve expenditure on a distribution asset ('non-network options'), and
 - (ii) the steps required to implement each solution, and
- (d) in the case of an Investigation Report prepared because the Licence Holder has exceeded a Direct Connection Standard - consider the terms of the Connection Contract (including network security arrangements) agreed with the Customer of the affected Connection Point, including when the Customer was connected to the Licence Holder's Distribution System.

A.4.3 Subject to condition A.4.4 of this Appendix A, a Rectification Plan must:

- (a) set out:
 - (i) the solution(s) selected (unless condition A.4.4 applies such that there is no solution selected) to rectify the cause or causes for exceeding the relevant Individual Feeder Standard(s), Low-Voltage SAPS Standards or Direct Connection Standard(s), and
 - (ii) the timeframes for completing the steps required to implement the solution(s), and
- (b) apply the following principles:
 - (i) the solution(s) selected must be subject to a cost-benefit analysis and must demonstrate a positive net benefit,
 - (ii) all reasonable steps to improve conformance with the Individual Feeder Standards, Low-Voltage SAPS Standards or Direct Connection Standards should be taken,

[Note: a reasonable step does not include a solution that demonstrates a negative net benefit for the purpose of improving conformance with the Individual Feeder Standards, Low-Voltage SAPS Standards or Direct Connection Standards.]

- (iii) the timeframe for rectification should be as short as reasonably practicable,
- (iv) implementation of the Rectification Plan must commence no later than six months from the date the Investigation Report is completed, and
- (v) solutions identified in condition A.4.2(c) involving a 'non-network option' are preferred where they are equal or more cost-effective than a network option.

A.4.4 For the purposes of condition A.4.3 of this Appendix A, the Licence Holder may decide not to select a solution if there is no solution that demonstrates a positive net benefit following a cost-benefit analysis.

A.4.5 Subject to condition A.4.6 of this Appendix A, if the Licence Holder has prepared a Rectification Plan, the Licence Holder must implement that Rectification Plan.

A.4.6 The Licence Holder is not required to implement the Rectification Plan in accordance with condition A.4.5 of this Appendix A if:

- (a) condition A.4.4 of this Appendix A applies such that there is no solution selected, or
- (b) the Licence Holder:
 - (i) demonstrates to the satisfaction of the Tribunal that it is reasonable not to implement the Rectification Plan, and
 - (ii) has received written confirmation from the Tribunal that the Tribunal is satisfied that it is reasonable not to implement the Rectification Plan.

A.4.7 Where condition A.4.4 of this Appendix A applies, the Licence Holder must, within one month of that decision, advise the Tribunal of the Licence Holder's non-conformance with the relevant Individual Feeder Standards, Low-Voltage SAPS Standards or Direct Connection Standards.

A.5 Guaranteed service levels and payments

A.5.1 In this condition A.5:

CPI means the consumer price index All Groups index number for the weighted average of eight capital cities, published by the Australian Bureau of Statistics, or, if the Australian Bureau of Statistics does not or ceases to publish the index, then CPI will mean an index determined by the Tribunal.

[Note: Each Licence Holder is required to have a Connection Contract governing the supply of Customer connection services. The contract is based on model terms, and is formed between a Licence Holder and Customer connecting to the Licence Holder's Distribution System where the Customer does not enter into a negotiated contract.]

DUOS means distribution use of system service as defined in the National Electricity Rules.

Eligible Customer means a Small Customer who is supplied by the Licence Holder under the Licence Holder's Connection Contract.

GSL 1 means, in respect of a Licence Holder, the level 1 guaranteed service level in row 1 of the Licence Holder's table in condition A.5.2.

GSL 1 Payment means:

- (a) for the period 1 July 2024 to 30 June 2025, \$120, and
- (b) for any subsequent Financial Year, \$120 multiplied by the Inflation Multiplier for that Financial Year.

GSL 2 means, in respect of a Licence Holder, the level 2 guaranteed service level in row 2 of the Licence Holder's table in condition A.5.2.

GSL 2 Payment means the annual DUOS fixed charge component of the Licence Holder's Tariff for the Financial Year to which the GSL Payment relates. This charge is often called the 'network access charge'.

Inflation Multiplier means, for a Financial Year, CPI for the March Quarter of the preceding Financial Year divided by CPI for the March Quarter of 2024.

Tariff means BLNN2AU as contained in the Licence Holder's Tariff Structure Statement or such other tariff taken to be the Tariff in accordance with conditions A.5.8 and A.5.9.

Tariff Structure Statement has the same meaning as in the National Electricity Rules.

A.5.2 The Guaranteed Service Levels that apply to the Licence Holder are:

GSL 1	36 hours of Interruptions or 20 Interruptions
GSL 2	120 hours of Interruptions or 50 Interruptions

A.5.3 Subject to conditions A.5.5, A.5.6 and A.5.7 of this Appendix A, if the Licence Holder exceeds GSL 1 at the Eligible Customer's premises in a Financial Year, it must pay the Eligible Customer the relevant GSL 1 Payment in accordance with this condition A.5.

A.5.4 Subject to conditions A.5.5, A.5.6 and A.5.7 of this Appendix A, if the Licence Holder exceeds GSL 2 at the Eligible Customer's premises in a Financial Year, it must pay the Eligible Customer the relevant GSL 2 Payment in accordance with this condition A.5.

A.5.5 An Eligible Customer is only entitled to one GSL 1 Payment and one GSL 2 Payment in a Financial Year.

A.5.6 The Licence Holder is only required to make a payment under conditions A.5.3 and A.5.4 of this Appendix A where the Eligible Customer was a Customer at the premises for all GSL 1 or GSL 2 Interruptions, as relevant, in the Financial Year.

A.5.7 The Licence Holder must take reasonable steps to:

- (a) make a GSL Payment to an Eligible Customer if the Eligible Customer makes an application for a GSL Payment within 12 weeks of the end of the Financial Year in which the relevant GSL was exceeded, and
- (b) within 12 weeks of the date of the application, pay an Eligible Customer who makes an application all GSL Payments that the Eligible Customer is entitled to, despite any deficiency in the form or content of the application made by the Eligible Customer.

[Note: Nothing in this condition A.5 prevents a Licence Holder from voluntarily making a GSL Payment to an Eligible Customer where the Eligible Customer has not made a valid application, including where an application is deficient or made out of time.]

Where the Tariff no longer applies

A.5.8 If the Tariff no longer applies, the Licence Holder must:

- (a) notify the Tribunal within 10 business days of the AER approving a Tariff Structure Statement that no longer includes the Tariff, and
- (b) at the same time as it provides the notice under condition A.5.8(a), nominate an equivalent tariff to the Tariff.

A.5.9 The tariff nominated under condition A.5.8 is taken to be the Tariff unless the Tribunal advises the Licence Holder within 20 business days that a different tariff is to apply, in which case, that tariff is taken to be the Tariff.

Communication of GSL Payments

A.5.10 The Licence Holder must:

- (a) before the commencement of a Financial Year, publish in an easily accessible location on its website a dollar value estimate of each annual GSL Payment for that Financial Year,
- (b) take reasonable steps to notify a Customer:
 - (i) that the Licence Holder reasonably considers, based on data available to it, that the Customer may be entitled to a GSL Payment or GSL Payments, and
 - (ii) of the process for making an application for a GSL Payment, and
- (c) on request from a Customer, provide written information on the availability of GSL Payments and how to make an application.

A.5.11 From time to time, the Tribunal may require the Licence Holder to take additional steps to notify Eligible Customers in relation to GSL Payments.

A.5.12 The Licence Holder must:

- (a) notify an applicant for a GSL Payment of the outcome of the application in writing within 12 weeks of receiving the application,
- (b) specify in the notification:
 - (i) if a GSL Payment is being made, the form and timing of that payment, and
 - (ii) if a GSL Payment is not being made, the reasons for the decision.

Limitation of GSL Payment

A.5.13 A GSL Payment does not:

- (a) alter or diminish any rights that an Eligible Customer may have against any person under trade practices or other applicable legislation, common law or contract,
- (b) represent any admission of legal liability by the Licence Holder, and
- (c) alter, vary or exclude the operation of:
 - (i) section 119 of the *National Electricity (NSW) Law*,
 - (ii) sections 316 and 316A of the *National Energy Retail Law (NSW)*, and
 - (iii) any other statutory limitations on liability or immunities applicable to a Licence Holder.

A.6 Performance monitoring, reporting and information disclosure

Individual Feeder Standards report

A.6.1 For each Reporting Period for Individual Feeder Standards, the Licence Holder must prepare and submit a report to the Tribunal. This report must:

- (a) be submitted by the date specified in the Reporting Manual, or if no date is specified, within one month of the end of the Reporting Period,

- (b) for each Feeder:
 - (i) identify whether the Feeder is a Short Feeder or a Long Feeder,
 - (ii) state the Individual Feeder Standards for the Feeder, as calculated in accordance with condition A.1 of this Appendix A, for the Reporting Period, and
 - (iii) state the actual SAIDI and SAIFI performance of the Feeder for the Reporting Period, and
- (c) in addition to the requirements at condition A.6.1(b) of this Appendix A, for each Feeder for which an Individual Feeder Standard was exceeded in the Reporting Period:
 - (i) state the actual SAIDI and SAIFI performance of the Feeder for each Quarter in which an Individual Feeder Standard was exceeded,
 - (ii) state whether an Investigation Report has been prepared for the purpose of condition A.4.1 of this Appendix A and, if not, provide the reason why not,
 - (iii) where the Licence Holder has taken, or intends to take, rectification action to improve the performance of the Feeder, specify:
 - (A) the rectification action,
 - (B) the date of completion (or, in the case of rectification action the Licence Holder intends to take, the planned date of completion), and
 - (C) whether the rectification action is or involves a non-network option, and
 - (iv) where the Licence Holder has, following a cost-benefit analysis in accordance with condition A.4.3 of this Appendix A, determined not to undertake any further work to improve conformance with the Individual Feeder Standards, provide an explanation, and
- (d) include any other matter notified by the Tribunal in writing.

Low-Voltage SAPS Standards report

A.6.2 For each Reporting Period for Low-Voltage SAPS Standards, the Licence Holder must prepare and submit a report to the Tribunal. This report must:

- (a) be submitted by the date specified in the Reporting Manual, or if no date is specified, within one month of the end of the Reporting Period,
- (b) for each Low-Voltage SAPS state the actual SAIDI and SAIFI performance of the Feeder for the Reporting Period, and
- (c) in addition to the requirement at condition A.6.2(b) of this Appendix A, for each Low-Voltage SAPS for which a Low-Voltage SAPS Standard was exceeded in the Reporting Period:
 - (i) state the actual SAIDI and SAIFI performance of the Low-Voltage SAPS for each Quarter in which a Low-Voltage SAPS Standard was exceeded,
 - (ii) state whether an Investigation Report has been prepared for the purpose of condition A.4.1 of this Appendix A and, if not, provide the reason why not,
 - (iii) where the Licence Holder has taken, or intends to take, rectification action to improve the performance of the Low-Voltage SAPS, specify:
 - (A) the rectification action,

- (B) the date of completion (or, in the case of rectification action the Licence Holder intends to take, the planned date of completion), and
 - (C) whether the rectification action is or involves a non-network option, and
- (iv) where the Licence Holder has, following a cost-benefit analysis in accordance with condition A.4.3 of this Appendix A, determined not to undertake any further work to improve conformance with the Low-Voltage SAPS Standards, provide an explanation, and
- (d) include any other matter notified by the Tribunal in writing.

Direct Connection Standards report

A.6.3 For each Reporting Period for Direct Connection Standards, the Licence Holder must prepare and submit a report to the Tribunal. This report must:

- (a) be submitted by the date specified in the Reporting Manual, or if no date is specified, within one month of the end of the Reporting Period,
- (b) for each Connection Point for which a Direct Connection Standard was exceeded in the Reporting Period:
 - (i) identify which Direct Connection Standard was exceeded (including the minutes interrupted, number of Interruptions, or both (as relevant)) and in which Quarter,
 - (ii) state:
 - (A) the total number of minutes from any Interruption during each Quarter in which the Direct Connection Standard was exceeded,
 - (B) the total number of Interruptions during each Quarter in which the Direct Connection Standard was exceeded,
 - (iii) state whether an Investigation Report has been prepared for the purpose of condition A.4.1 and, if not, provide the reason why not,
 - (iv) specify, where the Licence Holder has taken, or intends to take, rectification action to improve conformance with the Direct Connection Standards:
 - (A) the rectification action,
 - (B) the date of completion (or, in the case of intended rectification action, the planned date of completion), and
 - (C) whether the rectification action is or involves a non-network option, and
 - (v) where the Licence Holder has, following a cost-benefit analysis in accordance with condition A.4.3 of this Appendix A, determined not to undertake any further work to improve conformance with the Direct Connection Standards, provide an explanation, and
- (c) include any other matter notified by the Tribunal in writing.

Guaranteed Service Levels

A.6.4 The Licence Holder must prepare and submit a report to the Tribunal, in accordance with any requirements in the Reporting Manual, which sets out the following matters in relation to Guaranteed Service Levels:

- (a) the Licence Holder's best estimate of the number of Customers for whom the Licence Holder has exceeded the relevant Guaranteed Service Level by reference to the type of Small Customer and Guaranteed Service Level,
- (b) the number of applications for GSL Payments received by the Licence Holder by reference to type of Small Customer and Guaranteed Service Level,
- (c) the number of GSL Payments made by the Licence Holder by reference to type of Small Customer and Guaranteed Service Level, and
- (d) any other matter notified by the Tribunal in writing.

A.6.5 The Licence Holder must prepare and publish on its website information about Guaranteed Service Levels in accordance with any requirements in the Reporting Manual.

Planned Interruptions

A.6.6 The Licence Holder must prepare and publish on its website a report on Planned Interruptions in accordance with any requirements in the Reporting Manual.

Major Event Days

A.6.7 Where a Major Event Day has occurred, the Licence Holder must publish daily updates advising affected Customers of the estimated time for the restoration of supply in accordance with any requirements in the Reporting Manual.

Distributed energy resources

A.6.8 The Licence Holder must collect and publish information on its website in relation to distributed energy resources in accordance with any requirements in the Reporting Manual.

Customer compensation schemes

A.6.9 The Licence Holder must report information to the Tribunal, to be published by the Tribunal at the Tribunal's discretion, about the compensation schemes it offered Customers in accordance with any requirements contained in the Reporting Manual.

Incident reporting

A.6.10 The Licence Holder must prepare and submit a report on any incident in accordance with any requirements contained in the Reporting Manual.

Independent audit report

A.6.11 For the 2024-25 Financial Year and any other subsequent Financial Year as required by the Tribunal from time to time, the Licence Holder must arrange, in accordance with conditions A.6.12 to A.6.17, for an independent audit to be conducted of the Licence Holder's performance against:

- (a) the Individual Feeder Standards,
- (b) the Low-Voltage SAPS Standards,
- (c) the Direct Connection Standards,
- (d) the Guaranteed Service Levels,
- (e) the obligation to prepare and publish a report on Planned Interruptions in condition A.6.6
- (f) the obligation to publish updates in relation to Major Event Days in condition A.6.7,
- (g) the obligations to collect and publish information in condition A.6.8,
- (h) the obligation to publish information in condition A.6.9, and
- (i) the obligation to prepare and submit incident reports in condition A.6.10.

A.6.12 The audit must be conducted in accordance with the Audit Guidelines.

A.6.13 A Licence Holder must nominate a person to conduct the independent audit by written notice to the Tribunal in accordance with auditor nomination procedures published in the Audit Guidelines.

A.6.14 The person nominated to conduct the independent audit is to be a person who is:

- (a) independent of the Licence Holder, and
- (b) competent to exercise the functions of an auditor in respect of the matters to be audited.

A.6.15 The nomination of an auditor by the Licence Holder ceases to have effect if the Tribunal advises the Licence Holder by notice in writing, that the nomination is not acceptable or has ceased to be acceptable.

A.6.16 The Tribunal may nominate an auditor to carry out an audit and the person is taken to have been nominated by the Licence Holder if:

- (a) the nomination of an auditor by the Licence Holder ceases to have effect, or
- (b) the Licence Holder fails to nominate an auditor to carry out the audit in accordance with any requirements specified by the Tribunal by notice in writing to the Licence Holder.

A.6.17 Where an independent audit is required under condition A.6.11, a Licence Holder must provide a copy of the auditor's report to the Tribunal by 30 September each year or such other date as approved in writing by the Tribunal.

A.6.18 For the 2023-24 Financial Year, a Licence Holder must provide the independent audit report required by conditions 5.7 to 5.13 set out in Appendix 1 of Schedule A of the Instrument of Variation of Conditions of Distributor's Licence dated 22 September 2023 to the Tribunal by 30 September 2024.

General matters concerning reports

A.6.19 The Tribunal may from time to time prescribe requirements to be followed by the Licence Holder in respect of reports required by this condition in the Reporting Manual and the Licence Holder must comply with any such requirements.

A.6.20 The Tribunal may from time to time require, by notice in writing to the Licence Holder, further reports relating to these Licence conditions including reports relating to capital expenditure, network refurbishment and maintenance programs.

A.6.21 A Licence Holder must provide a report submitted to the Tribunal under this condition to the Minister if requested to do so by the Minister by notice in writing.

A.7 Definitions

A.7.1 Excluded Interruptions

- (a) In this condition A.7.1:
 - (i) **Load Shedding** means reducing or disconnecting load from the power system,
 - (ii) **System Operator** has the same meaning as ‘regulated distribution system operator’ in the *National Electricity (NSW) Law*.
- (b) The following types of Interruptions are **Excluded Interruptions**:
 - (i) an Interruption of a duration of three minutes or less,
 - (ii) an Interruption resulting from:
 - (A) Load Shedding due to a generation shortfall,
 - (B) automatic load shedding due to the operation of under-frequency relays following the occurrence of a power system under-frequency condition described in the Power System Security and Reliability Standards made under the National Electricity Rules,
 - (C) Load Shedding at the direction of the Australian Energy Market Operator or System Operator,
 - (D) a failure of the shared transmission network,
 - (E) the exercise of an obligation, right or discretion imposed, or provided for, under the Act or Regulations or national electricity legislation,
 - (iii) an Interruption caused by a failure of transmission connection assets unless the Interruption was due to:
 - (A) action or inaction of the Licence Holder that is inconsistent with good industry practice, or
 - (B) inadequate planning of transmission connections and the Licence Holder is responsible for transmission connection planning,
 - (iv) an Interruption caused, or extended, by a direction from NSW or Federal Emergency Service Organisations, provided that a fault in, or the operation of, the Distribution System did not cause, in whole or in part, the event giving rise to the direction,
 - (v) an Interruption to supply or impact on quality of supply resulting from solar export and/or generation curtailment undertaken in accordance with condition 7 and Appendix C,

- (vi) a Planned Interruption, and
- (vii) an Interruption which commences on a Major Event Day.

A.7.2 Major Event Day

The following methodology for identifying Major Event Days is based on IEEE Std. 1366-2012, *IEEE Guide for Electric Power Distribution Reliability Indices*, by the Institute of Electrical and Electronics Engineers (IEEE).

Explanation and Purpose

The following process (**Beta Method**) is used to identify Major Event Days which are to be excluded from the Individual Feeder Standards for the purposes of condition A.1, Low-Voltage SAPS Standards for the purposes of condition A.2, and Direct Connection Standards for the purposes of condition A.3. The method is to be used provided that the natural log transformation of the data closely resembles a Gaussian (normal) distribution. Where this is not the case, the Licence Holder may seek the Tribunal's approval to apply a different threshold value.

A Major Event Day under the Beta Method is one in which the daily total system SAIDI value (**Daily SAIDI Value**) exceeds a threshold value, *TMED*. The SAIDI is used as the basis of determining whether a day is a Major Event Day since it leads to consistent results regardless of utility size and because the SAIDI is a good indicator of operational and design stress.

In calculating the daily total SAIDI, any Interruption that spans multiple days is deemed to accrue on the day on which the Interruption begins. That is, all minutes without supply resulting from an Interruption beginning on a Major Event Day are deemed to have occurred in the Major Event Day, including those minutes without supply occurring on following days.

For the purpose of calculating *TMED* and the Daily SAIDI Values, an Interruption referred to in condition A.7.1(b)(vii) of this Appendix A is not an Excluded Interruption.

Determining a Major Event Day

The Major Event Day identification threshold value *TMED* is calculated at the end of each Financial Year for each Licence Holder for use during the next Financial Year as follows:

- (a) Collect Daily SAIDI Values for the last five Financial Years ending on the last day of the last complete Reporting Period. If fewer than five years of historical data are available, use all available historical data for the lesser period.
- (b) Only those days that have a Daily SAIDI Value will be used to calculate the *TMED* (do not include days that did not have any Interruptions).
- (c) Calculate the natural logarithm (ln) of each Daily SAIDI Value in the data set.
- (d) Find α (Alpha), the average of the logarithms (also known as the log-average) of the data set.
- (e) Find β (Beta), the standard deviation of the logarithms (also known as the log-standard deviation) of the data set.
- (f) Complete the Major Event Day threshold *TMED* using the following equation:

$$TMED = e^{(\alpha + 2.5\beta)}$$
- (g) Any day with a Daily SAIDI Value greater than the threshold value *TMED* which occurs during the subsequent Financial Year is classified as a Major Event Day.

Treatment of a Major Event Day

To avoid doubt, a Major Event Day, and all Interruptions beginning on that day, are excluded from the calculation of a Licence Holder's SAIDI and SAIFI.

Appendix B. Critical infrastructure licence conditions

In addition to the conditions in this Appendix B, the Licence Holder may be subject to other statutory obligations, including under the Security of Critical Infrastructure Act 2018 (Cth).

B.1 Protocol with the Commonwealth Representative

- B.1.1 The Licence Holder may enter into a Protocol with the Commonwealth Representative.
- B.1.2 Where the Licence Holder has entered into a Protocol with the Commonwealth Representative and the Licence Holder is complying with the terms of that Protocol (including as varied in accordance with condition B.1.3), the Licence Holder is not required to comply with the following conditions to the extent provided for in the Protocol:
- (a) condition B.2.1,
 - (b) condition B.2.3,
 - (c) condition B.2.4, and
 - (d) condition B.3.1.
- B.1.3 The Licence Holder may vary a Protocol with the agreement of the Commonwealth Representative.
- B.1.4 The Licence Holder must provide a copy of any Protocol or varied Protocol to the Tribunal within 14 days of the Licence Holder and the Commonwealth Representative entering into a new or varied Protocol.

B.2 Substantial presence in Australia

Network maintenance

- B.2.1 Subject to conditions B.1 and B.2.2, the Licence Holder must take all practical and reasonable steps to ensure maintenance of the System is undertaken solely from within Australia.
- B.2.2 Despite condition B.2.1, the Licence Holder may acquire Components from outside Australia and conduct Physical Servicing of Components outside Australia for the purposes of maintenance of the System where:
- (a) it is not reasonably practicable to acquire the Components or conduct Physical Servicing of Components from within Australia, and
 - (b) each senior officer with Network Operations Responsibility or Operational Technology Responsibility approves the acquisition from, or Physical Servicing by, a specific person or Entity.

Network operation and control

- B.2.3 Subject to condition B.1, the Licence Holder must use best industry practice for electricity network control systems to ensure that:
- (a) the operation and control of the System, and all associated ICT Infrastructure, can only be accessed, operated and controlled from within Australia, and
 - (b) the System is not connected to any infrastructure (including any network) in a way that could enable a person outside Australia to control or operate the System in whole or in part.

B.2.4 Subject to condition B.1, the Licence Holder must notify the Commonwealth Representative of its intention to enter into an outsourcing arrangement in relation to any part of the operation or control of the System, including any associated ICT Infrastructure, before it takes steps to procure a contract for that purpose.

Network management

B.2.5 Subject to condition B.2.6, the Licence Holder must ensure that it has at least two Directors who:

- (a) are Australian citizens,
- (b) reside in Australia, and
- (c) either:
 - (i) hold a National Security Clearance, or
 - (ii) have been the subject of a Background Check:
 - (A) after 1 January 2025, and
 - (B) within the last 10 years.

B.2.6 If a Director who satisfied the requirements in condition B.2.5 vacates the position or ceases to satisfy any of the requirements in condition B.2.5:

- (a) in the case of condition B.2.5(a) or condition B.2.5(b), condition B.2.5(a) or condition B.2.5(b) (as the case may be) does not apply to the Licence Holder with respect to that Director position for a period of up to two months (or a longer period nominated by the Licence Holder and approved by the Tribunal), and
- (b) in the case of condition B.2.5(c), condition B.2.5(c) does not apply to the Licence Holder with respect to that Director position for a period of up to eight months (or a longer period nominated by the Licence Holder and approved by the Tribunal).

B.2.7 Subject to condition B.2.8, the Licence Holder must ensure that it has one or more senior officers with Network Operations Responsibility, Operational Technology Responsibility and Security Operations Responsibility who:

- (a) reside in Australia, and
- (b) either:
 - (i) hold a National Security Clearance, or
 - (ii) have been the subject of a Background Check:
 - (A) after 1 January 2025, and
 - (B) within the last 10 years.

B.2.8 If a senior officer referred to in condition B.2.7 vacates the position or ceases to satisfy any of requirements in condition B.2.7:

- (a) in the case of condition B.2.7(a), condition B.2.7(a) does not apply to the Licence Holder with respect to that senior officer position for a period of up to two months (or a longer period nominated by the Licence Holder and approved by the Tribunal), and
- (b) in the case of condition B.2.7(b), condition B.2.7(b) does not apply to the Licence Holder with respect to that senior officer position for a period of up to eight months (or a longer period nominated by the Licence Holder and approved by the Tribunal).

B.2.9 The Licence Holder must ensure that any Director, or senior officer referred to in condition B.2.7, who has undertaken a Background Check does not, based on the outcome of that Background Check, present a security risk to the operation and control of the System.

B.3 Data security

B.3.1 Subject to conditions B.1, B.3.2 and B.3.3, the Licence Holder must ensure that all Secure Data is:

- (a) held solely within Australia,
- (b) in the case of Secure Data (other than Load Data), only accessible from within Australia,
- (c) in the case of Operational Technology Information, only accessible by a Relevant Person who has been authorised by the Licence Holder, and
- (d) in the case of Secure Data (other than Operational Technology Information), only accessible by a:
 - (i) Relevant Person, or
 - (ii) person who has been authorised by the Licence Holder.

B.3.2 Condition B.3.1 does not prevent the Licence Holder from disclosing, holding, using or accessing Secure Data where reasonably required for any of the following purposes:

- (a) disclosing the information to a recognised stock exchange for it to be made publicly available in compliance with a binding obligation on the Licence Holder or an Associate,
- (b) complying with any Australian state, territory or Commonwealth law,
- (c) disclosing the information to the following persons to the extent necessary for them to provide services to the Licence Holder or an Associate:
 - (i) a financial, accounting, insurance, legal, regulatory or other adviser, or
 - (ii) auditors, insurers, security trustees and financiers (and each of their advisers),
- (d) disclosing the information to a prospective purchaser of any interest in the Licence Holder or any Associate, or of any interest in the main undertaking of operating the System, to the extent necessary to facilitate the purchase,
- (e) disclosing the information to participants, regulators, Commonwealth, State or Territory government agencies, and service providers in the electricity sector where disclosure of that information is:
 - (i) in the ordinary course of business,
 - (ii) in accordance with best industry practice, and
 - (iii) required by those persons to provide services or to perform functions, or
- (f) providing aggregated data that does not permit identification of any customer, Connection Points or a customer's demand characteristics.

B.3.3 Condition B.3.1 does not prevent the Licence Holder from disclosing, holding, using or accessing Secure Data in accordance with any:

- (a) arrangement that remains in force that was agreed to in writing by the Licence Holder and the Commonwealth Representative under the Licence before the Variation Date, or
- (b) approval that remains in force that was granted by the Tribunal under the Licence before the Variation Date.

B.4 Compliance with critical infrastructure provisions

B.4.1 The Licence Holder must, by 30 September each year:

- (a) prepare a compliance report on its compliance with conditions B.1 to B.3 for the preceding Financial Year,
- (b) ensure that an Approved Auditor has undertaken a comprehensive audit of the compliance report and prepared an audit report that meets the requirements of any applicable Audit Guidelines, and
- (c) prepare a certification in writing supported by a resolution of the Board that:
 - (i) the Licence Holder has complied with conditions B.1 to B.3 for the preceding Financial Year, or
 - (ii) if the Licence Holder has not complied with conditions B.1 to B.3 for the preceding Financial Year, details of:
 - (A) the nature and extent of each non compliance,
 - (B) the steps the Licence Holder has taken or is taking to remedy each non compliance and prevent further non compliance, and
 - (C) when it expects to achieve compliance.

B.4.2 The Licence Holder must provide the compliance report, audit report and certification referred to in condition B.4.1 to:

- (a) the Tribunal by 30 September each year, and
- (b) to the Commonwealth Representative upon their request or when directed to by the Tribunal.

B.5 Interpretation

B.5.1 Terms defined in the General Conditions to this Licence have the same meaning in this Appendix B, unless otherwise specified.

B.5.2 A reference to a condition in this Appendix B, is a reference to the condition within this Appendix B (as opposed to, for example, the General Conditions), unless otherwise specified.

B.5.3 The following terms have the corresponding meaning when used in this Appendix B:

Associate has the same meaning given to that term in the *Corporations Act 2001* (Cth).

Background Check means a background check that meets the requirements for a background check under section 9(3) of the *Security of Critical Infrastructure (Critical infrastructure risk management program) Rules (LIN 23/006) 2023* (Cth).

Board means the governing body of the Licence Holder however described.

Carrier has the meaning given by the *Telecommunications (Interception and Access) Act 1979* (Cth).

Commonwealth Representative means the First Assistant Secretary responsible for critical infrastructure security in the Commonwealth, or equivalent level and role in the agency with responsibility for critical infrastructure security or such other representative nominated by the Commonwealth Government.

Component means any part of the System that contains electronic processor capabilities, electronic storage of data or communications capability.

Connection Point means, in relation to the premises of a customer(s), the point of connection to an electrical installation supplying electricity to the premises as determined in accordance with the Service and Installation Rules of New South Wales, as in force from time to time, published by the NSW Department of Climate Change, Energy, the Environment and Water.

Director means a member of the Board of the Licence Holder.

Entity has the same meaning as under section 64A of the *Corporations Act 2001* (Cth).

Financial Year means the period commencing on 1 July and ending the following 30 June.

ICT Infrastructure means the information and communications technology equipment, systems, firmware and software directly supporting the Operational Technology environment used for the control of the supply of electricity.

Load Data means data as to the quantum of electricity delivered, both historical and current load demand from or to any one or more sites, or their Connection Points, which satisfies all of the following criteria:

- (a) it is not historical data older than 30 days,
- (b) it is not fault data,
- (c) it describes a location that allows a customer or Connection Point to be identified,
- (d) it describes the date and time of the data record, and
- (e) it describes the duration for which a quantum of electricity was delivered.

National Security Clearance means a clearance of not less than Negative Vetting Level 1 (or equivalent) issued by the Australian Government Security Vetting Agency.

Network Operations Responsibility means being responsible for:

- (a) the day-to-day operation, monitoring and maintenance of the System, and
- (b) directing the operational planning, management, control and security of the System.

Operational Technology means technology that directly controls or monitors devices on the System, including:

- (a) the supervisory control and data acquisition (SCADA) master stations and management systems (where they have operational control functionality of the System) and other associated systems that directly control primary equipment on the System, and
- (b) the ICT Infrastructure used by the systems referred to in paragraph (a) to operate or monitor the devices these systems control.

Operational Technology Information means all information about the Operational Technology for example, design specifications and operating manuals.

Operational Technology Responsibility means being responsible for:

- (a) delivering the Operational Technology to safely and reliably operate the System,
- (b) developing and implementing strategies to manage cyber security and other threats affecting the Operational Technology, and
- (c) developing systems for effectively managing assets remotely, including but not limited to network switches, condition monitoring and remote interrogation or operation of protection systems and relays.

Physical Servicing means the inspection or adjustment of Components of the System or Components held in inventory for the purpose of maintenance or upgrade, including the removal and reinstallation of Components for inspection or adjustment.

Protocol means a document agreed between the Commonwealth Representative and the Licence Holder, which may set out:

- (a) the specified purposes and circumstances in which the acquisition and maintenance of Components that form part of the System may be conducted offshore,
- (b) the methodology and activities to be undertaken to allow for maintenance and repairs of Components that form part of the System to be carried out involving remote access from offshore,
- (c) the specified purposes and circumstances in which Secure Data may be held offshore and accessed,
- (d) the exceptional circumstances in which the protocol applies,
- (e) the specific circumstances in which the Licence Holder is not required to comply with conditions B.2.1, B.2.3, B.2.4, and/or B.3.1 and any requirements that apply instead of those conditions, and
- (f) the activities and processes which achieve requisite levels of cybersecurity.

Relevant Person means:

- (a) the Licence Holder,
- (b) a network operator of the System, or
- (c) any person who is contracted or subcontracted, and approved, by the Licence Holder to work on the System.

Secure Data means:

- (a) Operational Technology Information,
- (b) Load Data relating to, or obtained in connection with, the operation of the System by a Relevant Person, and
- (c) Third Party Data that the Licence Holder stores or processes indirectly because a Carrier or another person transferred the Third Party Data using the Licence Holder's infrastructure.

Security Operations Responsibility means being responsible for:

- (a) approving the Licence Holder's personnel or other nominated personnel to access the Licence Holder's information systems or physical access to the Licence Holder's premises and associated infrastructure,
- (b) personnel security, and
- (c) managing relationships with Commonwealth and state government agencies for the purposes of paragraphs (a) and (b).

System means the Distribution System referred to in this Licence.

Third Party Data means:

- (a) communications, within the meaning of the *Telecommunications (Interception and Access) Act 1979* (Cth), and
- (b) closed-circuit television footage.

Variation Date means the Instrument of Variation of Conditions of Distributor's Licence dated 1 July 2025 which amends the Licence by replacing the appendix that contains the critical infrastructure licence conditions.

Appendix C. Emergency backstop capability conditions

C.1 Solar Curtailment

C.1.1 From 30 June 2026, the Licence Holder must not approve a Connection Application establishing a Connection for a new Solar Generating System, or approve a Connection Alteration for an existing Solar Generating System, unless:

- (a) For a Combined System Rating at a Connection Point of less than 200kW, the new or Upgraded Solar Generating System is compliant to CSIP-AUS, or
- (b) For a Combined System Rating at a connection point of 200kW or greater, the Solar Generating System will, at the time the Connection is established or altered, be able to communicate with the Licence Holder's systems for the purposes of remotely interrupting or curtailing solar exports and generation.

C.1.2 From 1 October 2026, the Licence Holder must not approve a Connection Application for a new Solar Generating System or approve a Connection Alteration for an existing Solar Generating System, unless the Licence Holder will, at the time the Connection is established or altered, be capable of remotely interrupting or curtailing solar exports and generation from the new or Upgraded Solar Generating System when required in circumstances listed at C.1.8.

C.1.3 From 1 January 2027, the Licence Holder must be capable of remotely interrupting or curtailing solar exports and generation when required in circumstances listed at C.1.8 for all new Solar Generating Systems or Upgraded Solar Generating Systems.

C.1.4 The requirements at C.1.2 and C.1.3 do not apply where:

- (a) The Combined System Rating at a connection point is less than or equal to 30kW, the Solar Generating System cannot practicably be connected to the Licence Holder's Utility Server via the internet, and the premises of the Solar Generating System has a Static Export Limit, or
- (b) The new Solar Generating System or Upgraded Solar Generating System is in an embedded network.

C.1.5 The requirements at conditions C.1.1, C.1.2 and C.1.3 do not apply where:

- (a) The alteration of the Solar Generating System is a like-for-like replacement of an existing inverter that has failed, and where the replacement is made under a manufacturer warranty and the system being replaced was not subject to the requirements of conditions C.1.1, C.1.2 and C.1.3 when it was installed, or
- (b) The alteration of the Solar Generating System is the relocation of an inverter of an existing Solar Generating System to another location within the same premises.

C.1.6 The requirements at conditions C.1.1, C.1.2, C.1.3 and C.2.1 do not apply where a Solar Generating System with a Combined System Rating of 200kW or greater is otherwise controlled via means authorised by AEMO.

C.1.7 The Licence Holder must maintain and operate a Utility Server that is compliant to CSIP-AUS for the purpose of interrupting or curtailing solar exports and generation from a Solar Generating System with a Combined System Rating of less than 200kW.

C.1.8 The Licence Holder must not remotely interrupt or curtail solar exports and/or generation from a relevant Solar Generating System as referred to in condition C.1.1, other than through the use of Flexible Export Limits, except in the following circumstances:

- (a) in response to a MSL Event as notified by AEMO,
- (b) as directed by AEMO, or another person lawfully authorised by AEMO to issue that direction under the National Electricity Law,
- (c) in carrying out testing to ensure the Licence Holder is capable of remotely interrupting or curtailing solar exports and generation, or
- (d) for any other matter agreed in writing with the applicable customer of the Solar Generating System.

C.2 Connection agreements

C.2.1 The Licence Holder must include terms in its Connection Agreement, Connection Contract, Connection Offer, Negotiated Connection Contract or Model Standing Offer (as appropriate) for new Solar Generating Systems and Upgraded Solar Generating Systems that the Licence Holder may remotely interrupt or curtail solar exports and/or generation from the relevant system in the following circumstances:

- (a) in response to a MSL Event as notified by AEMO,
- (b) where directed to do so by AEMO or another person lawfully authorised by AEMO to issue that direction under the National Electricity Law,
- (c) in carrying out testing to ensure the Licence Holder is capable of remotely interrupting or curtailing solar exports and generation, or
- (d) for any other matter agreed in writing with the applicable customer of the Solar Generating System.

C.2.2 The Licence Holder must include terms in its Connection Agreement, Connection Contract, Connection Offer, Negotiated Connection Contract or Model Standing Offer (as appropriate) that allow the Licence Holder to implement a Static Export Limit for Solar Generating Systems that are exempt under condition C1.4(a), or that cease to be able to communicate with the Licence Holder's Utility Server under condition C.6.5.

C.2.3 The Licence Holder must include terms within its Connection Agreement, Connection Contract, Connection Offer, Negotiated Connection Contract or Model Standing Offer (as appropriate) for new Solar Generating Systems and Upgraded Solar Generating Systems that the Licence Holder may dynamically increase and/or decrease the Export Limit of that system, where the customer has opted in to this Flexible Export Limit arrangement.

C.3 Notification of customers

C.3.1 At least 48 hours prior to any testing under condition C1.8(c), the Licence Holder must provide notice to affected customers where the Licence Holder anticipates that testing will result in solar export and/or generation curtailment for a cumulative total of more than 60 minutes within a 48 hour period.

C.3.2 As soon as practicable following curtailment of solar export and/or generation under condition C1.8(a) or C1.8(b) and where the cumulative period of curtailment is more than 120 minutes within a 48 hour period, the Licence Holder must take reasonable steps to notify affected customers.

C.3.3 The Licence Holder must:

- (a) publish information on a prominent part of its website as soon as practicable after the commencement of an event, detailing the nature of the event and curtailment, where curtailment is undertaken under conditions C1.8(a) or C1.8(b), and
- (b) ensure that any information published under sub-paragraph (a) remains on a prominent part of its website for at least 48 hours following the end of the event.

C.3.4 Where the Licence Holder does not have electronic contact details for a customer affected by curtailment of solar export and/or generation captured under condition C.3.1 or C.3.2, the Licence Holder may provide notice by publishing information about the curtailment in a prominent part of its website.

C.4 Measures to deliver additional operational demand

C.4.1 The Licence Holder must develop and maintain control over a level of additional operational demand capacity sufficient to deliver the forecast level of response required from the Licence Holder by AEMO under an MSL Event.

C.4.2 The Licence Holder must consult with AEMO on an annual basis to agree the additional operational demand capacity that is sufficient.

C.5 Flexible export limit capabilities

C.5.1 The Licence Holder must implement and maintain the technical capability to offer Flexible Export Limits for new Solar Generating Systems and Upgraded Solar Generating Systems that have a Combined System Rating of less than 200kW.

C.6 Conformance monitoring

C.6.1 The Licence Holder must prepare written procedures that set out the process the Licence Holder will follow to regularly test its ability to remotely interrupt or curtail solar exports and generation from Solar Generating Systems as described in condition C.1.8(c).

C.6.2 The test procedures described in condition C.6.1 must be designed to interrupt the Solar Generating System for a cumulative total of no more than 120 minutes within a 48 hour period.

C.6.3 The Licence Holder must undertake a minimum of one, but not more than four, tests annually of each Solar Generating System that it should be capable of curtailing or interrupting as per these conditions in accordance with the written procedures prepared under condition C.6.1.

C.6.4 The Licence Holder must make reasonable endeavours to contact applicable customers as soon as practicable if their Solar Generating System approved for Connection or Connection Alteration under condition C1.1(a) ceases to be connected to the Licence Holder's Utility Server for a continuous period in excess of seven days.

C.6.5 The Licence Holder must implement a Static Export Limit if a Solar Generating System approved for Connection or Connection Alteration under condition C1.1(a) ceases to be able to communicate with the Licence Holder's Utility Server.

C.6.6 Commencing from 2027, the Licence Holder must report on new Solar Generating Systems and Upgraded Solar Generating Systems authorised for Connection:

- (a) By 31 August of each year, to the Minister and AEMO in respect of the immediately preceding financial year, and
- (b) whenever it is requested to do so by the Minister or AEMO, within the timeframe requested.

C.6.7 The report at condition C.6.6 must include:

- (a) the number of Solar Generating Systems connected to the Licence Holder's distribution system in the prior 12 months, and cumulatively since 30 June 2026,
- (b) the number of Solar Generating Systems connected to the Licence Holder's distribution system in the prior 12 months, and cumulatively since 30 June 2026, that are capable of being remotely interrupted or curtailed,
- (c) the aggregate capacity of Solar Generating Systems connected to the Licence Holder's distribution system in the prior 12 months, and cumulatively since 30 June 2026, and
- (d) the aggregate capacity of Solar Generating Systems connected to the Licence Holder's distribution system in the prior 12 months, and cumulatively since 30 June 2026 that are capable of being remotely interrupted or curtailed.

C.6.8 Where a report is provided under C6.6(b):

- (a) to the Minister, the Licence Holder must also provide a copy of the relevant report to AEMO within 5 business days, or
- (b) to AEMO, the Licence Holder must also provide a copy of the report to the Minister within 5 business days.

C.7 Solar curtailment performance report

C.7.1 Within 10 business days of the end of each interruption or curtailment undertaken under conditions C1.8(a) or C1.8(b), the Licence Holder must report to the Minister and AEMO on the performance and effectiveness of its capabilities to remotely interrupt or curtail solar exports and generation from a relevant Solar Generating System.

C.7.2 The reporting at condition C.7.1 must identify:

- (a) the details of any curtailment or interruption of solar export and/or generation carried out under conditions C1.8(a) or C1.8(b),
- (b) the number and capacity in Megawatts (MW) of new Solar Generating Systems and Upgraded Solar Generating Systems that were curtailed or interrupted,
- (c) the number and capacity, in MW, of new Solar Generating Systems and Upgraded Solar Generating Systems that were intended to be curtailed or interrupted, and
- (d) whether other measures were activated to deliver additional operational demand, including the nature of these measures and the amount of additional operational demand delivered in MW.

C.8 Interpretation

C.8.1 Terms defined in the General Conditions to this Licence have the same meaning in this Appendix C, unless otherwise specified.

C.8.2 A reference to a condition in this Appendix C, is a reference to the condition within this Appendix C (as opposed to, for example, the General Conditions), unless otherwise specified.

C.8.3 The following terms have the corresponding meaning when used in this Appendix C:

AEMO means the Australian Energy Market Operator.

Application to Connect has the same meaning as in the National Electricity Rules.

Combined System Rating at a connection point for a Solar Generating System refers to the aggregate inverter rating of all Solar Generating Systems at that connection point.

Connection has the same meaning as in the National Electricity Rules.

Connection Agreement has the same meaning as in the National Electricity Rules.

Connection Alteration has the same meaning as in the National Electricity Rules.

Connection Application has the same meaning as in the National Electricity Rules.

Connection Contract has the same meaning as in the National Electricity Rules.

Connection Offer has the same meaning as in the National Electricity Rules.

CSIP-AUS means the Common Smart Inverter Profile Australia, SA TS 5573:2025, published by Standards Australia Limited on 27 June 2025 and as amended from time to time or if superseded, the document(s) listed by Standards Australia as superseding SA TS 5573:2025.

Export Limit means the maximum amount of electricity, set by the Licence Holder, that a Solar Generating System is allowed to export to the electricity grid at any given moment.

Flexible Export Limit means the dynamically varying maximum amount of electricity that a Solar Generating System is allowed to export to the electricity grid at any given moment.

Model Standing Offer has the same meaning as in the National Electricity Rules.

MSL Event means a Minimum System Load event, as identified by AEMO, in which operational demand in the electricity system is at or near its minimum threshold, such that AEMO may issue notices to maintain power system security, including curtailment of Solar Generating Systems.

Negotiated Connection has the same meaning as in the National Electricity Rules.

Solar Generating System means a system connected to the electricity network that uses solar photovoltaic technology to generate electricity and includes solar panels and an inverter, and is capable of generating and/or exporting electricity to the grid.

Static Export Limit means the fixed maximum amount of electricity that a Solar Generating System is allowed to export to the electricity grid at any given moment.

Upgraded Solar Generating System means a Solar Generating System which has been subject to a Connection Alteration.

Utility Server means the system or platform operated by the Licence Holder that enables the communication and control of Solar Generating Systems.

Appendix D. NSW consumer energy resources portal conditions

D.1 Connection to NSW consumer energy resources portal

D.1.1 Following development of the Portal by the NSW Department of Climate Change, Energy, the Environment and Water, the Licence Holder must:

- (a) integrate its Connective Systems as soon as reasonably practicable with the Portal, and
- (b) once the Connective Systems are integrated, maintain its Connective Systems' integration with the Portal and provide Portal Information to each Portal Regulatory Agency using the Connective Systems, unless otherwise directed in writing by the Minister.

D.2 Interpretation

D.2.1 Terms defined in the General Conditions to this Licence have the same meaning in this Appendix D, unless otherwise specified.

D.2.2 A reference to a condition in this Appendix D, is a reference to the condition within this Appendix D (as opposed to, for example, the General Conditions), unless otherwise specified.

D.2.3 The following terms have the corresponding meaning when used in this Appendix D:

Connective Systems means the digital platforms, applications and supporting systems owned and operated by the Licence Holder that are required to integrate with the Portal to enable end-to-end processes. This includes, without limitation, the capture, transfer, exchange and sharing of all relevant data necessary for regulatory, operational and reporting purposes.

Portal means the consumer energy resources installer portal established by the NSW Department of Climate Change, Energy, the Environment and Water.

Portal Information means information relating to the connection and installation of consumer energy resources required by a Portal Regulatory Agency to be provided by the Licence Holder through the Portal.

Portal Regulatory Agency means AEMO, the Tribunal or the NSW Department of Climate Change, Energy, the Environment and Water.