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(FROM JULY 2026)

PAL ATT 6.01 – PUBLIC

2026–31 REGULATORY PROPOSAL

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1. Introduction

1.1 Background and scope

A connection is the physical link between the electricity distribution network and customers' premises that allows the flow of electricity. Every year we connect thousands of households, businesses and generators to our network.

This policy outlines the connection services we provide, how connection charges are calculated and the application process. It accords with the Australian Energy Regulator's (**AER**) connection charge guidelines for electricity retail customers and the requirements in the *National Electricity (Victoria) Act 2005* (Vic) (NEVA).

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This policy applies to customer and/or real estate developer connections requested from 1 July 2026. The policy does not apply to Registered Participants or intending Registered Participants—which are typically large industrial customers or large generators—as outlined in the Rules.[1]

The types of connections covered by this policy include:

- connecting new premises
- making alterations to existing connections to meet a customer's new requirements[2]
- connecting non-registered embedded generators such as solar, wind power generators, or embedded storage
- connecting to a stand-alone power system.

1.2 National Electricity (Victoria) Act 2005 (NEVA)

The Victorian Government has not adopted the National Energy Customer Framework to date. However, it decided to adopt one aspect of this framework—the national retail customer connection framework under chapter 5A of the NER. Most of the conditions under chapter 5A of the NER where they are applicable in the Victorian regulatory context have been incorporated into the NEVA (under schedule 2).[3] Schedule 2 of the NEVA applies to connecting load for retail customers, or a retailer or other person on behalf of a retail customer, or a real estate developer. It also applies to non-registered embedded generators and micro embedded generators (that is, embedded generator connections that comply with Australian Standard AS4777).

1.3 Overview of connection works and categories

To connect a customer, we will need to undertake:

- **premises connection** works—typically consisting of a new line between the closest pole and the dwelling, or a connection to an existing underground service pit.

Where adequate supply is not available in an area to make a connection, we may also need to undertake:

- **customer specific** works—extend the network or augment the connection assets at the customer's premises

1 These connections will be considered under the requirements of Chapter 5 of the National Electricity Rules.
2 Such as increasing the supply capacity or the number of phases that supply a premise, relocating the connection point at a premises or changing from an overhead to underground service
3 Some of NEVA's conditions are different from the current version of chapter 5A of the NER.

- **shared network** works—where the network's capacity is insufficient to support a connection, we may need to upgrade/augment it. This can be thought of as upgrading the network 'backbone' that services all customers.

We provide two types of connection offers, basic (where supply is available) and negotiated (where adequate supply is not available). How we calculate connection charges, and timeframes, will depend on the connection type. A summary of the most common connection types is provided below.

TABLE 1 CONNECTION OFFER TYPES

SEEKING A NEW CONNECTION OR MODIFIED CONNECTION FOR…	CONDITIONS	THIS CONNECTION IS TYPICALLY A…
Residential premises or small commercial premises such as small shops	Where supply is available	Basic connection
	Where adequate supply is not available	Negotiated connection
Temporary supply, e.g. for carrying out construction works or holding a special event	Where supply is available	Basic connection
	Where adequate supply is not available	Negotiated connection
Unmetered supply e.g. electronic parking meters, bus shelters or phone boxes	Where supply is available	Basic connection
Micro-embedded generator with pre-approval of exported capacity e.g. solar panels	With an inverter capacity of less than 10kW single phase, or less than 30kW for a three-phase connection	Basic connection
	With an inverter capacity greater than 10kW single phase or 30kW for a three-phase connection	Negotiated connection
Embedded generator that is not a micro-embedded generator e.g. thermal or wind generating systems	Not applicable	Negotiated connection
Commercial premises and/or multi-tenancy residential e.g. apartment building, shopping complex	Not applicable	Negotiated connection
New land subdivision/ real estate development	Not applicable	Negotiated connection
Stand-alone power system	Not applicable	Negotiated connection

2. Basic connections

2.1 Service description

The basic connection service covers routine connections such as:

- residential dwellings and small commercial premises, including temporary and permanent connections
- micro-embedded generator connections, such as inverter energy systems using solar, thermal or wind
- unmetered supply connections, such as electronic parking meters, bus shelters or phone boxes.

Whether a connection is considered a basic connection is discussed below.

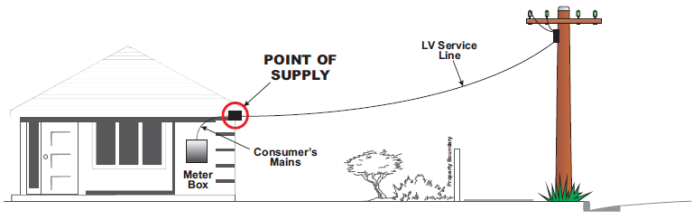
2.1.1 Load connections

Basic connections are available for:

- loads up to 80 amperes (**amps**) for single-phase connections where adequate supply is available
- loads up to 160 amps per phase for multi-phase connections where adequate supply is available
- loads less than 10kVA (i.e. 40 amps in total) for connections to a single-phase substation or on a single wire earth return (**SWER**) line where adequate supply is available.

For premises located in areas with overhead lines, the connection involves a service wire to a point of supply (typically a fuse) on the customer's premises. The overhead service wire can be no longer than 20 metres on the customer property and 45 metres in total.[4] This is illustrated in the following diagram.

FIGURE 1 TYPICAL OVERHEAD CONNECTION FOR RESIDENTIAL OR SMALL COMMERCIAL PREMISES



An underground connection can be included as a basic connection where there is an existing underground service pit located at the property boundary. Where there is no underground service pit, it can be installed as a negotiated connection service as outlined in section 3. The customer is responsible for the consumer's mains to the premises as illustrated in the following diagram.

[4] The overhead line must comply with the requirements of the Victorian Service and Installation Rules. Victorian Electricity Distributors, *Victorian Service & Installation Rules*, accessed 28 February 2025: http://www.victoriansir.com.au/

FIGURE 2.1 TYPICAL UNDERGROUND CONNECTION FOR RESIDENTIAL AND SMALL COMMERCIAL PREMISES

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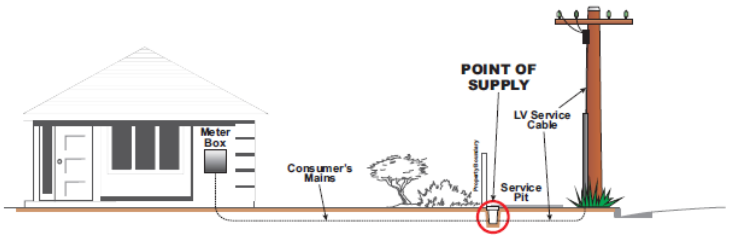

In new housing estates, customer connections are often underground. Generally, the electricity infrastructure would be installed under a negotiated connection contract with the developer and then each dwelling would be connected as a basic connection service. A typical customer connection in an underground residential housing development is shown in the following diagram.

FIGURE 2.2 TYPICAL UNDERGROUND CONNECTION IN A RESIDENTIAL HOUSING ESTATE

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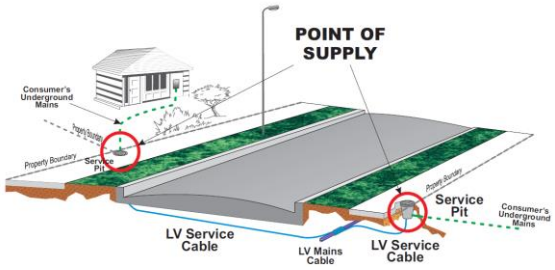

Basic connections also include connection modifications, such as upgrades from a single-phase connection to a three-phase connection (up to 80 amps per phase) or an upgrade of the service fuse. The alterations must not require customer specific or shared network works.

2.1.2 Micro-embedded generation and storage

Rooftop solar photo-voltaic (**PV**) is the most common type of micro embedded generator. Other examples include thermal, or wind powered generators, or embedded storage such as a battery. To be eligible for a basic connection, the generator must meet the following requirements:

- be connected to our distribution network by an inverter with a capacity of no more than 10 kilowatt (**kW**) on a single-phase, or no more than 30kW on a three-phase connection
- comply with Australian Standard 4777 (**AS4777**) (see the Clean Energy Council website for a list of approved inverters)
- comply with our preapproved flexible export or static limits

- be emergency backstop enabled or exempt from the requirement to be emergency backstop enabled, if a micro-embedded generating unit is a 'relevant solar microgeneration unit'.[5]

A micro-embedded generating unit will be:

- a 'relevant solar microgeneration unit' if it is a solar photovoltaic embedded generating unit with a total capacity less than or equal to 30 kilovolt-amperes (**kVA**), for which we establish or alter a connection to our distribution system on or after 1 October 2024
- 'emergency backstop enabled' if the unit can communicate with our server via a communication channel that is compliant to IEEE 2030.5 CSIP-AUS[6] and is hosted on the unit, or a gateway device, or via a cloud connection, and the unit is connected to our utility server via the internet, to enable us to remotely interrupt or curtail the unit's ability to generate electricity
- any other conditions legislated by the Victorian Government at the time of connection application and
- exempt from the requirement to be emergency backstop enabled if:
  - the customer agrees to low static export limit
  - the customer, or the customer's agent, has advised us that the relevant solar microgeneration unit is no greater than 30kVA capacity and cannot practicably be connected to our utility server via the internet
  - the relevant solar microgeneration unit is in an embedded network, and we are satisfied that we are capable of remotely interrupting or curtailing electricity generation by the unit despite it not being emergency backstop enabled
  - we received an application to establish or alter the connection of the relevant solar microgeneration unit before 1 October 2024.
- not require customer specific or shared network works
- the customer must have sought and received pre-approval from us for the requested capacity of the generator, as discussed in section 4.

2.1.3 Unmetered supply

Unmetered supply connections are typically provided for electronic parking meters, closed circuit television, bus shelters or telephone boxes. We offer unmetered supply when it is impractical to read or maintain a meter. Connections eligible to be unmetered must be small (i.e. less than 2 amps) and have a steady and uniform load so the energy consumption can be accurately estimated.

2.2 Basic connection charges

A fixed fee is charged for basic connection services. The applicable fee depends on the connection characteristics, such as whether a current transformer is required (typically required for loads greater than 80 amps up to 160 amps). These fees are approved by the AER and published in our General Service Charge Pricing Schedule available on our website.

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5 Within the meaning given to that term by the Ministerial Order dated 30 January 2024 made under section 33AB(1)(a) and 33AC(1)(c) of the Electricity Industry Act 2000, published in the Victorian Government Gazette No. S 31 on Wednesday 31 January 2024.

6 The term "IEEE 2030.5 CSIP-AUS" refers to: (1) the Standard IEEE 2030.5-2018, Institute of Electrical and Electronics Engineers Standard for Smart Energy Profile Application Protocol, as in force at 1 July 2024 and as amended from time to time; and (2) the Common Smart Inverter Profile Australia, SA HB 218:2023 Handbook, published by Standards Australia on 16 June 2023 and as amended from time to time or if superseded, the document(s) listed by Standards Australia as superseding the SA HB 218:2023 Handbook.

2.3 Other charges

Other (connection and non-connection) charges may apply depending on your connection characteristics. These charges are outlined in our General Service Charge Pricing Schedule and have been approved by the AER.

2.4 Application process

You can apply for a basic connection service by:

- engaging a registered electrical contractor (**REC**) to advise on supply availability, prepare the premises for connection and to provide a certificate of electricity safety
- once the above has been completed, your REC can apply for a basic connection service on your behalf via our online portal.

We will perform the connection service once the basic connection contract is executed, and we have received the relevant basic connection fee.

If you would prefer a written offer you, or your REC, must complete the basic connection service application form available on our website. We will provide a letter of offer within 10 business days of receiving a completed application (or within 10 business days of receiving additional information sought). The offer will remain open for 45 business days. Once the offer is accepted and an electronic service order is received by your retailer and the connection service contract is executed, we will perform the connection service.

Upon receiving a connection request, we will review the application to assess whether it meets the criteria for a basic connection.[7] If your connection does not meet the criteria, you reject our model standing offer, or you wish to negotiate the terms and conditions of an offer, we will refer you to the negotiated connection service process.

[7] This will involve assessing the customer's maximum demand and/or estimated energy consumption based on information supplied in the connection application and actual energy consumption from similar customers.

3. Negotiated connections

3.1 Service description

Negotiated connections are those too large or complex to meet the basic connection service criteria. This includes:

- connecting residential dwellings and small commercial premises where adequate supply is not available
- embedded generation or storage that is not compliant with AS4777 or requires greater than 5kW per single phase connection and 30kW for a three-phase connection up to 5MW (connections above this threshold are not governed by this policy)
- sub-transmission, high voltage (**HV**), reserve capacity or dedicated assets
- public electric vehicle charging facilities
- two or more dwellings on a site
- enabling embedded networks
- real estate developments
- where customers construct and gift connection assets to us under our contestability framework, discussed in section 16 below.

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3.2 Negotiated connection charges

Negotiated connection charges are calculated in accordance with the AER's cost-revenue-test:

$$CC = ICCS + ICSN - IR + SF$$

Where:

- **CC** *is the capital contribution the customer must pay*
- **ICCS** *is the incremental cost of customer specific works, reflecting the cost for the connection services used solely by the customer (e.g. an extension)*
- **ICSN** *is incremental cost of shared network work, reflecting the costs incurred for connection services that are not used solely by the customer (e.g. an augmentation)*
- **IR** *is incremental revenue which is calculated as the present value of expected distribution revenue over 30 years (residential) or up to 15 years (non-residential).*
- **SF** *is the amount of any security fee*

Under the cost-revenue-test:

- the component of the connection that forms part of a basic connection (e.g. the premises connection asset) is charged in accordance with the basic connection charges and is not subject to the cost-revenue-test. If, however, there is no clear distinction between the premises connection and the customer specific works (typical for large customers) or the basic connection does not cover the type of premises connection works required for the connection, all works will be subject to the cost-revenue-test
- a capital contribution is only payable where the connection cost exceeds the revenue expected to be derived from it

- we calculate the charge for each component in a fair and reasonable way and based on the least cost technically acceptable standard necessary for the connection[8]
- some customers may be required, or in some cases may request, to make a pre-payment to initiate design or purchasing of long lead time material. Full payment of connection charges is generally required before construction commences.

The calculation of each element of the cost-revenue-test is described below.

3.2.1 Customer specific charges

The customer specific charges include:

- costs to augment connection assets at a customer's premise
- network extension costs
- administration costs (including any design and certification costs)
- cost of providing any other connection services which are used solely by the customer
- tender costs (where relevant).

Overheads will be applied to these costs.

3.2.2 Shared network charges

The shared network charge is the cost of augmenting the network backbone to provide capacity for a new or modified connection.

Only customers requiring a connection capacity greater than 100 amps per phase, or more than 40 amps on a SWER line are required to pay the shared network charges. These limits are known as the augmentation charge threshold.

The shared network cost is calculated as follows:

$$Incremental\ cost\ of\ shared\ network = average\ cost\ of\ augmentation\ x\ peak\ coincident\ demand\ estimate$$

Peak Coincident Demand—A connection service's electricity demand at times when the network or relevant segment is experiencing its maximum demand

The average cost of augmentation is the cost we incur to add a unit (i.e. a kVA) of capacity to the network. The applicable rate depends on which 'level' of the network the connection is made. For example, if a connection is made at the high voltage level, you will not pay for augmenting low voltage assets. The rates are calculated from a review of recent actual augmentation project costs and are outlined in appendix A.

The shared network calculation takes account of the assumed period for which the customer will be using the network. If a customer is assumed to be connected for 30 years (which is the default period for residential customers) then the augmentation unit rate will be discounted if the economic life of the augmented assets is longer than 30 years.

Overheads will be applied in addition to the augmentation unit rates.

[8] This standard may differ depending on the connection's location, for example a higher standard may apply in high consequence bushfire areas. Where the customer is a real estate developer, we may also include the cost of providing for forecast load growth.

3.2.3 Incremental revenue

The incremental revenue is calculated as the forecast revenue customers pay for the distribution network through their electricity charges (distribution use of system charges (**DUoS**)) less the amount that pays for operating and maintenance costs. In calculating this value:

- the DUoS price path is set out in our regulatory determination for the 2026–2031 regulatory period, and a flat path (real terms) is used thereafter
- DUoS is discounted by our regulated real pre-tax weighted average cost of capital.

This is calculated over 30 years for residential customers and 15 years for business customers. An alternative period may be applied to business customers where 15 years is not a reasonable estimate of the connection services' life.

3.2.4 Estimating maximum demand and energy consumption

As discussed, an estimate of peak coincident demand and electricity consumption is needed to calculate the connection charge. For residential and small commercial premises, we will assess a customer's consumption and maximum demand based on:

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- previous load history (if available)
- information supplied in the connection application (e.g. expected energy use, supply voltage, meter type)
- energy consumption / demand for similar customers.

For commercial and industrial premises, or real estate developments, we may also consider:

- the total load of all equipment in the building or project
- the method of estimating the maximum demand outlined in Australian Standard AS/NZS 3000 - Wiring Rules
- the proposed usage pattern
- typical load factors for similar customer installations or industry types.

3.2.5 Security fee

If we believe we may not receive the incremental revenue used to estimate a customers' capital contribution, a security fee may be required. The security fee is refundable if the assumed incremental revenue eventuates. This ensures existing network users do not fund large customers' connections.

We will operate the security fee in accordance with the following principles:

- the security fee will be capped at the amount of incremental revenue we assess as being at risk
- the security fee will not exceed the present value of the connection cost
- we will not recover more than the total estimated incremental revenue through the security fee[9]
- the security fee may be in the form of either a prepayment or a financial guarantee.

We will provide an annual rebate of the security fee. The first qualifying period is 12 months after the connection is tied-in to the network. To receive the maximum allowable refund for the year, we will verify that the customer's actual electricity use meets the estimate used in the connection offer.

We will pay interest on the refund amount based on the 90-day Bank Bill rate less a 0.25 per cent administration charge. Interest will not be payable on security held in the form of a bank guarantee.

[9] If the actual incremental revenue realised over the period of the security fee scheme exceeds the estimated incremental revenue, we will refund the security fee in full.

3.2.6 Pioneer scheme

A pioneer scheme (scheme) is applied to network extensions that cease being dedicated to the use of a single customer within 7 years. Under the scheme, the initial, and every subsequent, customer may be entitled to a partial refund of their connection charge. Similarly, if you connect to an extension within 7 years of its construction, you may be required to make a financial contribution towards its cost to the customers already connected. This scheme applies to dedicated network extensions which have been fully funded by a customer or towards which a customer has paid a capital contribution.

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We will calculate the charge (from a subsequent customer) and refund (to each customer already connected) by:

- considering the length or amount of electricity used relative to customers already connected to the extension
- depreciating the extension's value on a straight-line basis over 20 years
- if the original extension was built to a higher standard than the least cost technically acceptable standard, then only the cost of constructing to the least cost technically acceptable standard will be used for the purposes of the pioneer scheme. Where the extension's cost is unknown, for example because it was contestably constructed, we will estimate it.

The scheme will apply in the following circumstances:

- the original premises must be occupied and using the extension
- the payment to any customers already connected is greater than $1,508 ($2026, real) adjusted for CPI
- a pioneer payment can be made to the current occupier of the premises
- the scheme is not applicable to business customers or real estate developments.

This scheme will apply to offers made from 1 July 2026. The scheme in place at the time of an offer made prior to this date will continue to apply to those connections.

If the customer is seeking to connect to a network extension that is subject to a scheme, then the connection will be considered a negotiated connection.

3.3 Other charges

Other (connection and non-connection) charges may apply depending on the connection's characteristics. These charges are outlined in our General Service Charge Pricing Schedule and have been approved by the AER. They include:

- an upfront fixed fee connection application charge to cover our expenses directly and reasonably incurred in assessing applications and making connection offers
- a quoted service charge to cover the additional cost of providing a service to a higher standard, where requested[10]
- a quoted service charge for specification and design, where connections are complex and require additional resources[11]
- a quoted service charge for specification and design enquiry services where a customer requests information to assist them with undertaking feasibility studies or budget estimates

[10] This may include an applicant requesting a supply point that requires additional extension work or a request for a reserve high voltage feeder.

[11] If uncertainty exists with respect to matters including, but not limited to, the route of an extension, location of other utility assets, environmental considerations, obtaining necessary permits from state or local government bodies.

- a quoted service charge for audit design and construction services where our review, approval or acceptance of third-party works is requested or considered necessary.[12]

For quoted services charges, we will provide you with a quote for the service. The fee quoted will depend on your requirements and will be determined in accordance with the AER's regulatory determination. It will be based on quantities of labour, approved labour and contractor and material costs.

3.4 Application process

Connection requests should be made in advance of the anticipated date of the connection so we are able to meet your timeframes.

Customers seeking a negotiated connection will need to apply for supply through the mySupply portal. Upon receiving a customer request for connection, we will review the application to assess whether it meets the criteria for a negotiated connection.[13]

A customer can only submit their negotiated connection application after paying the connection application charge.

We will use best endeavours to provide an offer within 65 business days of receiving a completed application and payment of the connection application charge (not counting any time in which further information that we have sought from the customer is provided).

The offer will remain valid for 20 business days. A negotiated connection service contract is entered into when a customer accepts our offer and makes payment.

After this, customers will need to apply for basic connection to have the supply turned on via our eConnect portal.

[12] This may be required in situations including, but not limited to: customer provided buildings, conduits or ducts used to house our electrical assets; customer provided connection facilities including switchboards used for connections; electrical distribution work completed by one of our approved contractors that has been engaged by a customer; provision of system plans and system planning scopes e.g. to bidders for contestable works; reviewing and/or approving plans submitted by bidders for contestable works.

[13] This will involve assessing the customer's maximum demand and/or estimated energy consumption based on information supplied in the connection application and actual energy consumption from similar customers.

4. Customer energy resources

There are unique connection requirements for customer energy resources (**CER**) such as embedded generation units, energy storage and vehicle to grid installations. These are presented below.

4.1 Connection process

When considering the installation of CER, it is important that they perform as expected. To ensure this, we require all CER to undergo a pre-approval process before it can be installed or upgraded. If CER does not perform as expected, it may impact other network users or the conditions of the network itself.

4.1.1 Pre-approval for small-embedded generators

You can apply for export pre-approval or submit a connection application for an embedded generator up to 10 kW single phase or 30 kW three phase (inverter capacity) via our eConnect portal.

4.1.2 Other categories of CER

For the following types of connections, you can apply on our mySupply portal:

- an embedded generator between 0 kW and 200 kW (once we receive your application, we will contact you to guide you through the approval and connection process)
- storage systems less than 200 kW
- non-registered generators with a capacity less than 5 MW (these will generally be offered as a negotiated connection service)
- electric vehicle chargers.

As part of this connection process, you will be required to provide information on your embedded generator or storage system to the Australian Energy Market Operator (AEMO). AEMO's requirements are available on their website.

Further information on the pre-approval process is available on our website.[14]

4.2 Export limits

Some CER units (such as solar PV panels and energy storage units) can export electricity to the grid.

Over the 2026-2031 regulatory period, we will introduce a flexible export limit product. Under a flexible export limit product, customers will receive a variable export limit based on available network capacity at any point in time. We expect customers who choose a flexible export product to be able to export more electricity.

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4.2.1 Calculating and apportioning capacity between static and flexible agreements

Capacity allocation refers to the apportioning of available network hosting capacity between individual customers based on anticipated network conditions and expected power flow. Previous engagement with our customers has indicated a preference for equal allocation of capacity between static and flexible export agreements to achieve fairness and simplicity. Equal allocation is also our preference

[14] Powercor, *Connecrion requests processess*, acessed 28 Febuary 2025: https://www.powercor.com.au/industry-partners/connection-requests-processes/

given other allocations can be very complex. This has been reflected in our approach to establishing export limits.

4.2.2 Static export limits

During this regulatory period, we will commence offering flexible export products to residential and small business customers. We will also be lowering the maximum static export limit to 1.5kW per phase, in line with our network's intrinsic hosting capacity.

We will not be imposing a zero static export limit on any customer, as we will place customers in this situation on our flexible exports program. Customers will enter this program via registration.

4.2.3 Flexible export limits

Our flexible export product will allow residential and small business customers to export up to 10kW per phase, subject to network constraints. To provide greater certainty to customers, the flexible export product will be supported by a performance metrics to be agreed with the AER. It is important to note the final performance metric will be an average. Individual experiences will vary.

All current eligible customers on static export limits will be provided with information to assist them make an informed decisions about whether a flexible export limit product is right for them. When considering a flexible export limit product, customers will be presented a model standing offer which incorporates flexible and static export limit options, and the terms and conditions of each.

Over the next regulatory period, all customers will be eligible at some point to adopt a flexible export limit product.

There will be circumstances where a flexible export limit product customer will be constrained below the static export limit. These circumstances may include:

- minimum demand emergency events: in these circumstances, we will notify customers with CER units greater than 30kVA of the emergency. For customers with CER units less than 30kVA, information will be posted on the website or through the contact centre
- minimum demand response test events: these events take place ahead of Spring. All customers with CER units will be notified if the test duration is expected to be greater than 15 minutes
- loss of connectivity with customer's CER unit: this will apply whether the loss of connectivity is due to the actions of the customer, original equipment manufacturer or our network
- network constraints (localised or upstream): in rare circumstances we may need to reduced export until a constraint is alleviated.

In all circumstances, export capacity of CER units will be done automatically by us.

4.2.4 Reverting to static export limits

Customers on a flexible export limit product have the right to revert to a static export limit.

If a customer wishes to revert to a static export limit product, the applicable static limit will be determined using the pre-approval tool available through our connection portal. In most cases, the maximum will be 1.5kW. However, if the customer is in a severely constrained part of the network, the static export limit maybe lower.

4.3 Regulated stand-alone power systems

A stand-alone power system (**SAPS**) is a self-sufficient electricity system that is not connected to the network. Typically SAPS include a source of electricity generation, distribution and storage - for example, a SAPS may include solar panels, back-up generators and batteries.

SAPS are commonly used to support customers at the end of a line, where there is a higher likelihood of interrupted electricity supply, or properties are in difficult to access terrain. SAPS support these customers through reducing their reliance on the physical electricity network, providing a more reliable and resilient energy supply.

A regulated SAPS is a system that forms part of the network and is owned, operated or controlled by us. If you are eligible to connect to one of our regulated SAPS, you will be eligible for the same basic or negotiated connection process, depending on your specific circumstance.

4.4 Charges for CER connections

As we explain in section 2.2, most CER connections are basic connections. For customers requiring a negotiated connection, the cost-revenue-test outlined in section 3 will apply.

For CER units that consume electricity, as well as generate electricity (bidirectional units such as energy storage units), the connection cost will be calculated on the cost (including shared network charge) to support both the load and generation components of the connection. The relevant load for calculating the shared network costs will be the gross peak demand of the load. This will be calculated regardless of the generator's expected electricity output. The network augmentation charge is not applied to the generation output.

5. Real estate developers

5.1 Charges for real estate developers

When determining the requirement for a capital contribution for connection of a real estate development:

- the real estate developer is treated as a single customer in respect of all sites/connection services within the real estate development
- incremental costs may include the costs of providing for forecast load growth within the real estate development
- incremental revenue is the estimated revenue we will receive from all the sites/connection services within the real estate development.

5.2 Equalisation scheme

We operate an equalisation scheme for real estate developers, under which we may contribute towards the cost of installing high voltage assets within residential subdivisions. We contribute to ensure the original real estate developer in an area does not pay for the network assets used by subsequent developers — similar to how the pioneer scheme operates.

For a low-density subdivision (subdivisions with two or more lots with an average density of <5 lots per hectare), we may contribute towards the cost of installing high voltage and low voltage assets.

Within a continuous medium density residential subdivision (>5 lots per hectare), we may contribute to high voltage assets, excluding bedding sand and all civil works.

Our contributions are based on the average cost for high voltage components across our network. Our contribution will not exceed the value of the capital contribution a real estate developer must pay, as calculated in accordance with section 3.2. We pay the contribution for high voltage assets within the subdivision to the developer.

6. Contestable services

6.1 Competitive tendering and contestable works

When we offer to modify our network in relation to a connection request, we must call for tenders (or you may run a tender process) unless you agree no tenders should be called for.[15] Our tender policy, available on our website, outlines which works are contestable.[16] Where a competitive tender has been sought by a connection applicant, and that request received in writing, we will provide an:

- itemised breakdown of the materials, labour costs and overheads, and the final price, offered to us by any person who submitted a tender
- an explanation of why a person was selected as preferred tenderer for the performance of works associated with the modification.

We may charge you the reasonable costs incurred in conducting or assisting in the tender process. An estimate of the costs will be provided before the tender process begins.

6.2 Gifted asset rebate

Assets constructed on a contestable basis must be gifted to us, after which we will own and maintain them.

Where works are undertaken by a third party, we ensure competitive neutrality by providing the customer with a rebate for the gifted connection assets. The rebate is calculated as follows:

$$customer\ contribution = gifted\ asset\ value - rebate$$

$$rebate = gifted\ asset\ value - (incremental\ cost - incremental\ revenue)$$

[15] Electricity Distribution Code of Practice, Version 2, clause 5.2.
[16] Powercor, *Tender policy*, accessed 28 February 2025, https://media.powercor.com.au/wp-content/uploads/2022/06/10142501/VPN-tender-policy-Final-080622.pdf

7. Modifying assets

Asset modification includes the undergrounding, relocation, replacement, upgrade or removal of assets.

Where we receive a written request, we will develop an offer to modify our assets. Our offer will include:

- the price, calculated on the basis we contribute to the cost of our avoided costs
- the cost we will incur for the modification works (not subject to the cost-revenue-test), including the costs of materials and labour
- other terms and conditions.

Following receipt of the offer, the connection applicant may make a written request for an itemised breakdown of our material, labour and overhead costs contained within the offer, in addition to our calculation of the avoided costs. Our response will be provided within 10 business days.

7.1 Avoided costs

Customers may be eligible for a rebate for our avoided costs that result from the modification of our assets.

7.1.1 Calculating avoided maintenance

Customers will be eligible for a rebate of the amount of our avoided costs that may result from the modification of our assets. The avoided costs will be calculated as follows:

$$AC = AM + DAR$$

where:

- *AC is the amount of our avoided costs*
- *AM is the present value of the maintenance and vegetation management we will avoid in relation to existing assets as a result of their modification*
- *DAR is the amount of our deferred asset replacement (DAR) costs*

The DAR costs are calculated as follows:

$$DAR = RC_E - RC_N$$

where:

- RC_E *is the present value of the future capital costs that we will avoid in connection with the replacement of existing assets as a result of their modification*
- RC_N *is the present value of the future capital costs that we will avoid in connection with the replacement of new modified assets*

The future capital costs in the calculation of DAR include the cost of materials, labour and a margin of up to 10 per cent for overheads.

In determining the present value, we will use a discount rate equal to our regulated pre-tax weighted average cost of capital. The asset life used in the calculation will be consistent with that set out in our regulatory determination for the prevailing regulatory control period.

7.1.2 No avoided maintenance cost rebate for 'like for like' asset replacements

For asset relocation projects which involve 'like for like' asset replacement (such as overhead powerlines replaced with overhead powerlines or underground powerlines replaced with underground powerlines), our maintenance costs are unaffected. This means there are no avoided maintenance costs resulting from the customer requested asset relocation.

In these circumstances, no avoided maintenance rebate is applicable. This is so regardless of whether there is an increase or decrease in asset numbers in undertaking a 'like for like' asset replacement.

7.1.3 Avoided maintenance cost rebate may be applicable for other asset replacements

For asset relocation projects which do not involve 'like for like' replacement (such as overhead powerlines replaced with underground powerlines), our maintenance costs may be reduced because of the asset replacement. If there is an avoided maintenance cost resulting from asset replacements that are not 'like for like' replacements, an avoided maintenance cost rebate may be applicable.

Generally, there will be little (if any) maintenance costs for new underground assets. Accordingly, a rebate for avoided maintenance costs will be calculated for the replacement of existing overhead assets with new underground assets by reference only to the maintenance costs for the existing overhead assets over the remaining average asset life of those overhead assets.

8. Further information

8.1 Contact

For more information about connecting to our network you may:

- visit our website http://powercor.com.au
- email us via info@powercor.com.au
- call us on 13 22 06

8.2 Complaints

We aim to provide our customers with a positive connection experience. However, if you ever find the service we provide is less than satisfactory, we encourage you to contact us via one of the ways outlined above so that we may address your concerns. All complaints are recorded and forwarded to us for investigation and resolution. If the complaint is not resolved to your satisfaction, a dispute resolution process will start, and a senior customer relations consultant will investigate the matter further.

If we cannot resolve your concerns, you may contact the Victorian Energy and Water Ombudsman or the AER.

A Augmentation unit rates

TABLE 2 DISCOUNTED AUGMENTATION UNIT RATES ($ PER KVA, JUNE 2026)

	DISCOUNTED CUMULATIVE UNIT RATE
Residential customers	
LV feeder	727.97
Distribution substation	494.84
HV feeder	201.87
Zone substation	161.67
Sub-transmission line	67.46
Non-residential customers	
LV feeder	471.96
Distribution substation	320.82
HV feeder	130.88
Zone substation	104.81
Sub-transmission line	43.73

Note: The average augmentation unit rates are escalated each subsequent year by the Consumer Price Index (**CPI**). Overheads will be applied in addition to the augmentation rates

For further information visit:

Powercor.com.au

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