



ALTERNATIVE CONTROL SERVICES

NEGOTIATED DISTRIBUTION SERVICE CLASSIFICATION

CP RRP ATT 6.03 – PUBLIC
2026–31 REVISED PROPOSAL

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1. Overview

Negotiated distribution services are services that support the specific needs of individual customers or small groups of customers. They are not required by most electricity users and are not funded through standard or alternate control charges.

These services are different from:

- **standard control services**, which are provided to all customers and funded through network tariffs
- **alternative control services**, which are provided on request to individual customers based on fixed charges or unit rates approved by the AER.

Negotiated services provide flexibility when a tailored solution is needed. Pricing and conditions are agreed directly between the customer and us. This ensures:

- terms and conditions reflect the specific work required
- costs are paid by the customer requesting the service, not the larger customer base.

We provide negotiated services on a transparent, consistent and non-discriminatory basis in accordance with our approved Negotiating Framework, and we comply with the AER Ring-fencing Guideline for contestable services.

2. Proposed services

We propose the introduction of three new negotiated distribution services for the 2026–31 regulatory control period.

2.1 Third-party access to distribution poles for EV charging equipment

This service allows a third party to request access to our distribution poles for the purpose of installing electric vehicle (EV) charging equipment. It provides access only. Installation, operation, maintenance and removal of equipment will be subject to separate technical and commercial conditions, as set out in individual access agreements.

This service will be provided only to applicants who request it. It supports a growing, competitive market for EV public charging infrastructure without requiring costs to be recovered from all electricity customers.

2.2 Hot water flexibility as a service

This is a new service proposed by Powercor for more dynamic control of existing hot water controlled load. This service will become available when systems and processes have been established to support functionality of the service.

We already have capability to move customer hot water load between agreed times to manage load diversity on our networks. This movement is usually undertaken customer by customer, remains static over long periods and does not consider broader customer or third-party needs. This new service enables us to more dynamically shift electric hot water load at agreed times on request from a retailer or aggregator and only for the customers they have contracted. It delivers load shifting only. All metering, appliance installation, customer engagement, and operational responsibilities remain subject to separate technical and commercial conditions, set out in individual agreements.

This service is provided only to parties who request it. It supports a competitive market for flexible load services without requiring costs to be recovered from all electricity customers.

2.3 Type 9 metering for public lighting

We provide type 9 metering for public lighting assets where a council or authorised public lighting owner appoints us as the preferred provider. This service involves the provision and installation of metering equipment for public lighting loads and may apply whether the public lighting asset is owned by us or another party.

The service is tailored to the specific lighting asset, metering configuration and installation arrangements. It is only provided to parties who request it and select us to provide this work.

2.4 Reason for negotiated classification

We propose the following services be classified as negotiated distribution services because they are tailored to specific third-party needs and are not used by most electricity customers.

For **third-party access to poles for EV charging equipment**, the service supports a competitive public charging market in which multiple providers choose where to invest and compete for customers. Charging providers benefit directly from access and should therefore bear the full cost. It would not be appropriate for this cost to be recovered from all electricity customers.

For **hot water flexibility as a service**, we provide load shifting to a retailer or aggregator on request. The service benefits the contracting party only, and any wider network benefits are incidental. Pricing should therefore be established through negotiation rather than by regulation.

For **type 9 metering for public lighting**, councils or lighting owners may appoint us as a preferred provider for specific works. The service benefits only the contracting party and is not required by most customers, so costs should be recovered directly from the applicant rather than from all customers.

All services align with the National Electricity Rules (Rules) requirement that the AER consider:

- the form of regulation that promotes efficient outcomes for the market
- any relevant circumstances (clause 6.2.1(c)(3)), including that the services are not required by most customers
- the extent to which costs are directly attributable to the user of the service (clause 6.2.1(c)(5)), meaning they should not be funded through network tariffs.

Classifying these services as negotiated ensures:

- customers pay only for the services they request
- no cross-subsidies are paid by other customers
- competition and innovation are supported in emerging markets.

3. How pricing and terms will be determined

Pricing and commercial conditions for these services will be negotiated in accordance with our Negotiating Framework. Charges will be:

- based on our AER approved Cost Allocation Methodology
- cost-reflective and free from cross-subsidies, consistent with the Negotiation Distribution Service Principles set out in clause 6.7.1 of the Rules.

Technical, safety and operational requirements will not be set through this classification. They will be established in a standard access agreement, which will be provided to applicants during negotiations.

The access agreement will apply equally to all applicants and is not part of this classification.

3.1 Process and timeframes

All timeframes are indicative only and are intended to support timely, good-faith negotiation, consistent with clause 6.7.5(c) of the National Electricity Rules. Timelines can be viewed in our Negotiation Framework document.

3.2 Information requirements

Both parties must act in good faith and provide information reasonably required to progress the negotiation, including technical, commercial and safety requirements relevant to the proposed service.

We may request additional information where it is necessary to assess cost, risk or system impacts. If the information is not provided, we may be unable to provide the service.

4. Dispute Management

If a party disagrees with the terms, conditions or charges proposed for a negotiated distribution service, the matter will be managed in accordance with our approved Negotiating Framework.

Where agreement cannot be reached through good-faith negotiation, either party may initiate the dispute resolution process under clause 6.7.6 of the National Electricity Rules, including referral to the AER where appropriate.

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APPENDIX




SERVICE CLASSIFICATIONS

A Service classification table

SERVICE	CLASSIFICATION	WHAT THE SERVICE INVOLVES	WHY IT'S A NEGOTIATED SERVICE
Third-party access to distribution poles for EV charging equipment	Negotiated Distribution Service	Allowing approved third-party providers to install charging equipment, subject to separate commercial terms on Powercor-owned distribution poles.	This service is only used by specific parties, not all customers. Costs are paid by the third-party provider and negotiated on a case-by-case basis to avoid cross-subsidies.
Hot water load as a service	Negotiated Distribution Service	Allow us to shift electric hot water load at agreed times at the request of a retailer or aggregator that has a retail relationship with those customers	This service is provided to specific third-party market participants. Any benefits are commercial, and costs are paid by the party requesting the service, avoiding cross-subsidies to other customers
Type 9 metering for public lighting	Negotiated Distribution Service	Allows for the provision and installation of type 9 metering where we are appointed by a council or public lighting owner.	Service is only provided when specifically requested by a council or public lighting owner. Costs are paid by the applicant and negotiated to avoid cross-subsidies to other customers.



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