



# Ausgrid - Tariff Trial Notification 2026-27

February 2026

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## Overview

In accordance with Clause 6.18.1C of the National Electricity Rules (NER), Ausgrid is notifying the Australian Energy Regulator (AER) of its intention to introduce new sub-threshold tariff trials from 1 July 2026.

This document provides the objectives, design principles, and evidence-gathering goals for each trial tariff. These tariffs are designed to encourage efficient network use and support the integration of Consumer Energy Resources (CER). Developed through our on-going engagement with retailers and customers, these trials comply with the revenue limits set out in NER Clause 6.18.1C, as modified by the transitional provisions in NER Clause 11.141.8.<sup>1</sup>

Ausgrid is committed to developing new, innovative tariffs with our retailers and customers. We intend to introduce three new sub-threshold tariffs for 2026-27. These include:

- residential dynamic tariff (import/export) for customers whose CER can respond to 5-min dynamic price signals, rewarding them for their flexibility;
- a large low voltage (LV) flexible load tariff for business customers (160–750 MWh per year) to test load shifting and responding to sharper price signals during peak intervals; and
- a high voltage (HV) dynamic connection tariff available to HV business customers who have an effective dynamic connection contract with clear differentiation between firm (guaranteed) and flexible (conditional) access.

Table 1 provides an overview of the new subthreshold tariffs we will be introducing in 2026-27.

*Table 1 - New sub-threshold tariffs for 2026-27*

Tariff code	Tariff name	2026-27 Forecast revenue	Details
<b>EA974/975</b>	Residential Dynamic Tariff	\$0.95 million combined, equivalent to 0.05% AAR	Refer to Section 2 - Residential Dynamic Tariff for further information
<b>EA905</b>	Large-LV Flexible-Load (160–750 MWh)	\$0.28 million, equivalent to 0.02% AAR	Refer to Section 3 - Flexible load with Critical Peak Price (CPP) for further information
<b>EA976</b>	HV Dynamic Connection	\$0.33 million, equivalent to 0.02% AAR	Refer to Section 4 - HV Dynamic Connection Tariff for further information

It should be noted that all of our current trial tariffs listed in Table 2 will continue in 2026-27.

<sup>1</sup> Revenue limits at 1% (individual tariff) and 5% (cumulative for all trials) of the Annual Revenue Requirement (ARR), applicable to Ausgrid's current 2024-29 regulatory period

Table 2 - Current sub-threshold tariffs continuing in 2026-27

Tariff code	Tariff name	2026-27 Forecast revenue	Details
EA955	Small business local use of system	\$0.00 million, equivalent to 0.0% AAR	Please refer to our <a href="#">Ausgrid's FY26 Trial Tariff Notification</a> for further information.
EA956	Residential local use of system	\$ 2.96 million, equivalent to 0.16% AAR for the upcoming regulatory year	
EA964	Business flexible load (primary circuit)	\$0.08 million, equivalent to 0.0041% AAR	
EA965	Residential flexible load (secondary circuit)	\$0.00 million, equivalent to 0.00% AAR for the upcoming regulatory year	
N/A	Two-way TUOS for storage (individually calculated tariff for sub-transmission/dual function connections)	\$0.00 million, equivalent to 0.00% AAR for the upcoming regulatory year	

Tables 1, 2 (above) and 3 (below) demonstrate that both new and existing sub-threshold tariffs comply with the revenue thresholds of 1% (individual tariff) and 5% (cumulative for all trials) of the Annual Revenue Requirement (ARR), applicable to Ausgrid's current 2024-29 regulatory period.

Table 3 - Notification template for a distributor intending to provide sub-threshold tariffs

Distributor	Ausgrid
Total cumulative revenue of all sub-threshold tariffs (\$ and % AAR)	\$4.6 million, equivalent to 0.25% of AAR
Confirmation for publication	We confirm that this document contains no commercial or private information, and we provide permission for the AER to publish this notification on the AER website.

## Residential Dynamic Tariff

Current residential tariffs apply network-wide, static peak and off-peak windows that cannot reflect the actual cost of using the network at specific times and locations. The growing adoption of flexible Consumer Energy Resources (CER) creates an opportunity for dynamic tariffs that respond to real network conditions, rewarding customers for alleviating congestion and enabling greater market participation.

Project Edith is Ausgrid's flagship initiative to introduce dynamic network prices (DNPs) that reflect forecasted local network conditions and reward customers for using energy in ways that support the grid. By converting local network headroom into time and location specific prices for imports and exports, the project encourages more efficient network use. These dynamic signals are active only when the grid is under stress. At all other times, customers pay a low, flat network price, giving them greater flexibility to participate in wholesale market opportunities. Since its 2021 pilot, Project Edith has grown to involve approximately 1,200 customers across multiple retailers and aggregators. Preliminary findings suggest that dynamic prices effectively elicit responses from flexible CERs, noting outcomes are also influenced by household consumption patterns, optimisation algorithms, and aggregator retail offerings. Further details on Project Edith can be found here in the [Project Edith Stage 3 Insights Report](#).<sup>2</sup>

In 2026-27, Ausgrid will expand Project Edith as a broader on-market, residential dynamic trial tariff targeted at residential customers with flexible CER. Further expansion will aim to increase the number of participating customers and build the empirical evidence needed to understand how dynamic pricing can be scaled - validating price responsiveness, network value, operational integration, billing processes and customer experience under real market conditions.

The paired import/export tariff comprises a daily fixed charge and a low anytime energy import rate for residual cost recovery, with a dynamic pricing layer on top. When local network loading approaches capacity thresholds, dynamic prices are triggered. These dynamic prices are symmetrical, meaning a reward for exporting during a high-demand event mirrors the charge applied to imports.

To protect consumers while encouraging participation, the trial incorporates several safeguards:

- **Volatility Management:** Dynamic prices are capped and event durations are limited to ensure that the tariff remains a "reward-led" mechanism to support a more positive customer experience.
- **Revenue Neutrality:** The tariff is benchmarked against standard residential offerings using real customer data to ensure participants are not unfairly disadvantaged or cross-subsidised.
- **Operational Transparency:** Participating agents receive day-ahead pricing advice, providing the predictability needed for effective automated dispatch.

Table 4 provides a consolidated overview of the Residential Dynamic Network trial tariff, including its objectives, tariff structure and engagement activities.

*Table 4 - Residential Dynamic Network Tariff*

Name of trial	Residential Dynamic Network Tariff (EA974/975)
<b>Objectives of trial</b>	To test whether eligible customers (or their agents) can and will respond to dynamic price signals that vary by location and time, for both imports and exports. To understand what drives price responsiveness, how dynamic prices shape load and generation, and how dynamic signals influence network outcomes during congestion
<b>Retailer engagement</b>	As part of the dynamic network pricing off-market trial, we have partnered with four customer partners, including two retailers, with a total of ~1200 customers participating. We continue to actively engage with other interested retailers in preparation for the subthreshold tariff.

<sup>2</sup> ARENA, Project Edith Stage 3 Insights Report, December 2025

<b>Stakeholder engagement</b>	Ausgrid holds quarterly reference group meetings with other DNSPs, retailers, and consumer groups to share progress and gather feedback on Project Edith. We've also presented at conferences including ENA, CIGRE, and ARENA Insights, and contributed to several publications, the latest, supported by ARENA, was released in December 2025.
<b>Expected customer and/or retailer response</b>	During local network peaks, reduced imports and increased exports. During periods of low demand, increased imports to soak up excess solar. The net effect is a flatter local load profile.
<b>Proposed tariff (structure and pricing)</b>	Baseline: any-time energy charge ( $\phi$ /kWh) and a fixed daily Network Access Charge ( $\phi$ /day) for residual network cost recovery.  Dynamic overlay: dynamic prices ( $\phi$ /kWh) are triggered when the network loading is greater than 80% with prices escalating as loading approaches network limits. These dynamic prices are symmetrical, meaning that a customer who exports during a peak demand event will receive a reward that mirrors the dynamic charge applied to customer imports. When the network is unconstrained, the dynamic prices do not apply.
<b>Links to TSS strategy and Export Tariff Transition strategy (if applicable)</b>	Provides the evidentiary basis for the 2029-34 TSS by demonstrating how dynamic pricing can manage high CER penetration and optimise existing network assets.
<b>Trial start date</b>	1 July 2026
<b>Duration of trial</b>	For the remainder of the regulatory period
<b>Potential changes and triggers</b>	We will monitor customer and agent response to calibrate price caps and event duration limits. Revenue-neutrality checks will be performed annually to ensure no cross-subsidisation between trial participants and the broader customer base.
<b>Notification</b>	AER and retailers notified by 28 February 2026

## Flexible load with Critical Peak Price (CPP)

In July 2023 Ausgrid introduced its flexible load trial tariffs for small business (EA964) and residential customers (EA965) to evaluate the effectiveness of sharper price signals during 'critical peak events' in shifting demand. Following the success of our small business trial (EA964), in 2026-27 we are introducing a flexible load tariff for larger LV sites consuming between 160 and 750 MWh per year.

A critical peak event is a specific window of time - typically during periods of extreme weather or forecasted system constraints - when the network is under significant stress. These events are limited to a maximum of 40 hours per financial year. Ausgrid will provide retailers with day-ahead alerts via email or SMS to ensure there is sufficient time to notify customers or trigger automated load control systems. During these notified windows, a higher critical peak price (CPP) is applied to incentivise demand reduction responses, thereby rewarding customers who shift their usage to the cheaper off-peak.

The expansion of the flexible load trial tariff to large LV business customers aims to test whether these higher-utilisation customers will shift load away from stress periods when provided with a sharper price signal. While trial tariff EA964 has resulted in significant demand reduction across small business sites during critical peak events, its current 160 MWh ceiling prevents high-utilisation sites from continuing their participation as they scale. Extending the trial allows Ausgrid to evaluate the grid-benefit potential of larger business sites.

This expansion is also a response to industry feedback where large-scale EV charging providers have noted that traditional capacity-based tariffs can penalise the load profiles of emerging public charging hubs. Because early-stage facilities often have low utilisation, capacity charges based on a rolling 12-month maximum demand may be perceived as inequitable and inadvertently slowing EV uptake.

The Large LV Flexible load trial tariff will adopt the same tariff structure as the existing flexible load tariff EA964 with a combination of off-peak energy rates and critical peak price (CPP) events. This structure is designed to encourage off-peak utilisation and reward customers for their flexibility during notified windows.

The following table outlines the sub-threshold application for the new large business flexible load tariff.

*Table 5 - Large business flexible load tariff*

Name of trial	Large business flexible load tariff (EA905)
<b>Objectives of trial</b>	To test the price responsiveness of large low-voltage business customers (160–750 MWh p.a.) to event-based signals. The trial seeks to determine if replacing traditional capacity charges with Critical Peak Pricing (CPP) can encourage off-peak utilisation and support the commercial viability of high-growth EV charging hubs without compromising network security.
<b>Retailer engagement</b>	This tariff is a direct expansion of the small business EA964 trial. Following feedback from currently participating retailers and major charging providers, we identified a need to extend the flexible load structure to higher utilisation sites that would otherwise be forced onto the default EA305 capacity tariff as they scale.
<b>Customer engagement</b>	Industry feedback from large-scale EV charging proponents highlighted that capacity charges in default tariffs are a barrier to electrification. This trial was designed specifically to address those concerns for the 160–750 MWh segment.
<b>Expected customer and/or retailer response</b>	<p>We anticipate retailers and charging providers may take either of the two following approaches:</p> <ul style="list-style-type: none"> <li>• Remotely manage EV charging loads on behalf of their customers e.g. use remote control of EV chargers to interrupt supply; or</li> <li>• Pass through the critical peak prices so that customers can manually adjust their behaviour in response to the higher costs. We expect to see significant network usage reduction during critical peak events.</li> </ul> <p>The trial will provide insights on trial participants' behaviour which, in turn, will enable us to finetune the tariff over time.</p>
<b>Proposed tariff (structure and pricing)</b>	The flexible load tariff has three components: a critical peak price ( $\text{¢/kWh}$ ), an anytime usage charge ( $\text{¢/kWh}$ ), and a daily fixed charge ( $\text{¢/day}$ ).
<b>Links to TSS strategy and Export tariff transition strategy (if applicable)</b>	The results from the trial will inform our 2029-34 TSS. Including this tariff as a sub-threshold tariff allows Ausgrid to change the price by more than the side constraint and amend the structure (if necessary) in response to ongoing learnings. This helps ensure that we have tested the tariff before including it in our next TSS.
<b>Trial start date</b>	1 July 2026
<b>Duration of trial</b>	Expected to continue until the end of the current regulatory period.

<b>Potential changes and triggers</b>	We will monitor uptake and review the structure and charges in collaboration with affected retailers
<b>Notification</b>	AER and retailers notified by 28 February 2026

## HV Dynamic Connection Tariff

Ausgrid seeks to support growing electrification and new large loads in a manner that maximises utilisation of existing network assets. As high-capacity loads connect to the distribution network, traditional ‘firm-only’ connection models may constrain access to available network headroom, particularly where constraints occur only in limited periods. To address this, Ausgrid has begun implementing dynamic connection arrangements at the HV level. Dynamic connections allow additional network capacity to be accessed where system conditions permit, while preserving network security during periods of constraint.

A dynamic connection provides two tiers of access at the connection point:

- **Firm capacity:** capacity that is protected from intentional interruption for active network management purposes; and
- **Flexible capacity:** additional capacity above the firm allocation that may be available under certain network conditions and may be reduced or withdrawn at short notice through active network management systems (Supervisory Control and Data Acquisition (SCADA) Data Link).

Currently, HV customers using dynamic connection are assigned to the default capacity tariff. This will result in those customers paying full price for variable capacity that they cannot always access. In 2026-27, Ausgrid is introducing a HV dynamic connection trial tariff which seeks to align price signals with the specific level of service provided by differentiating the price levels between firm and conditional access. HV Dynamic Connection tariff will be available to HV connected business customers with approved dynamic connection agreements.

The trial tariff maintains the same level of standard daily fixed charge and Time-of-Use (TOU) energy charges as the default Ausgrid HV connection tariff (EA370). The capacity charge component split into two tiers:

- **Block 1 (Firm Capacity):** Charged at the standard HV capacity rate for the customer’s guaranteed kVA threshold.
- **Block 2 (Flexible Capacity):** A discounted capacity rate applied to the demand used above the firm threshold. This discount accounts for the fact that this capacity is subject to curtailment via real-time network signals.

Table 6 provides a consolidated overview of the HV Dynamic Connection trial tariff, including its objectives, tariff structure and engagement activities.

*Table 6 - HV Dynamic Connection Tariff*

<b>Name of trial</b>	<b>HV Dynamic Connection Tariff ( EA976)</b>
<b>Objectives of trial</b>	To test a tiered capacity pricing design that reflects the difference between firm and non-firm network access. The trial evaluates if discounted pricing for curtailable capacity encourages proponents to accept dynamic connections and to encourage grid utilisation.

<b>Retailer engagement</b>	We have consulted with a number of retailers on potential application of the trial tariff. Engagement with retailers will continue for the duration of the trial period.
<b>Customer engagement</b>	Developed in response to feedback from high capacity proponents who identified that paying standard capacity rates for interruptible, non-firm access is a barrier to adopting flexible connection agreements.
<b>Expected customer and/or retailer response</b>	Proponents are expected to utilise the flexible capacity block to maximise site throughput during periods of high availability, while responding to automated network signals to reduce load during rare local constraints.
<b>Proposed tariff (structure and pricing)</b>	Fixed & Time-of-Use (TOU) Energy: Standard HV default tariff (EA370) rates.  Capacity Block 1 (Firm): Standard HV default tariff (EA370) rate.  Capacity Block 2 (Flexible): Discounted rate applied to demand exceeding the firm threshold during permitted windows.
<b>Links to TSS strategy and Export tariff transition strategy (if applicable)</b>	The results from the trial will inform our 2029-34 TSS. Including this tariff as a sub-threshold tariff allows Ausgrid to change the price by more than the side constraint and amend the structure (if necessary) in response to ongoing learnings. This helps ensure that we have tested the tariff before including it in our next TSS.
<b>Trial start date</b>	1 July 2026
<b>Duration of trial</b>	For the remainder of the regulatory period
<b>Potential changes and triggers</b>	The discounted rate for flexible capacity will reflect the conditional nature of access and may be refined over time based on trial evidence, including availability, curtailment frequency, and demonstrated network value.
<b>Notification</b>	AER and retailers notified by 28 February 2026

## Two-way TUOS for storage

In July 2025 we introduced a new trial tariff for large scale storage facilities. This tariff applies a two-sided approach<sup>3</sup> to the recovery of the transmission locational charge, a price which represents the marginal cost of providing prescribed transmission services to a customer's connection point.

Under existing sub-transmission storage tariffs (EA394/EA395), customers pay a locational charge (\$/kW/month) based on their demand coincident with the local transmission peak. Simultaneously, they are assessed for any avoided transmission use of system (TUOS) rebates as required by National Electricity Rule 5.3AA. This model could result in a storage facility receiving both a charge and a credit for the same locational peak within a single billing month - an administrative inefficiency that we are seeking to resolve through this trial.

<sup>3</sup> Ausgrid, [FY26 Sub-Threshold Application Trial Tariff Notification](#), February 2025

## Identified Challenges and Market Feedback

This trial is available to storage facilities seeking to connect to our network at the sub-transmission or dual function asset levels with a discharging capacity exceeding 10 MW as an Individually Calculated Tariff (ICT). To date we have not had any retailers join this trial. Feedback from proponents indicates that the ex-post nature of the current 'Two-way TUOS' construct introduces uncertainty that may deter participation. Currently, the outcome is determined only after month-end by comparing the actual peak at the Transmission Network Identifier (TNI) against a counterfactual 'no-battery' scenario. Because the timing and magnitude of the coincident monthly peak are unknown until after settlement, proponents cannot reliably forecast or dispatch against the signal.

## Proposed Tariff Redesign

To address this uncertainty, Ausgrid is evolving the trial toward a more predictable TUOS structure. This redesign aims to provide a defined window for demand charges, allowing proponents to plan their dispatch with higher confidence.

Same as last year, the Distribution Use of Service charge (DUOS) and jurisdictional schemes for the two-way TUOS ICT tariff will be the same as network tariff EA394/EA395. The Transmission Use of Service (TUOS) charge structure will be amended to include:

- Fixed charge (\$/day)
  - Based on the customer's share of Transgrid's prescribed charges at the transmission connection node
  - Allocated using the battery's maximum demand.
- TUOS demand charge (¢/kW/day)
  - Based on the customer's maximum demand within a pre- defined TUOS demand window set by Ausgrid.
  - Proponents can avoid this charge by managing their charging behavior to remain outside the defined window.
  - The rate and charging window will reflect Transgrid's prescribed charges and load profile at the transmission connection node, subject to annual review.

This refined approach preserves cost-reflectivity at the transmission connection point while providing customers with a transparent, manageable, and actionable price signal. The learnings from this tariff trial will help inform the design of the utility scale storage tariffs we intend to offer in the next regulatory period as part of the TSS.