



**Ausgrid's 2026-27
Pricing Proposal
Overview Document**

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1 Executive Summary

Ausgrid submits this Pricing Proposal for 2026-27, the third year of the 2025-29 regulatory control period, to the Australian Energy Regulator (AER) in accordance with the requirements of the National Electricity Rules (NER).

On 30 April 2024, the AER released its final decision on Ausgrid's electricity distribution determination for the 2024-29 regulatory control period. This includes the AER's decision on our Tariff Structure Statement (TSS) for the 2024-29 period. Our approved TSS is published on both the AER's website and the Ausgrid website.

Our pricing proposal for standard control services is based on the approved TSS. It also provides a schedule of charges for alternative control services (public lighting, ancillary network services and metering services) based on the AER's final determination.

This pricing proposal results in a 9.7% increase in average network prices from 2025-26 to 2026-27. This is a result of increases in TUOS transmission prices, NSW jurisdictional schemes and Ausgrid's approved revenue pathway for the current regulatory period. This pathway and its underlying costs are largely driven by economic factors outside our control such as inflation and interest rates.

A 'typical' residential customer, on a legacy flat energy tariff with energy consumption of 5 MWh per year, has a \$73.81 (9.9%) increase in the network component of the annual bill from 2025-26 to 2026-27.

The following is a list of documents that form part of this pricing proposal:

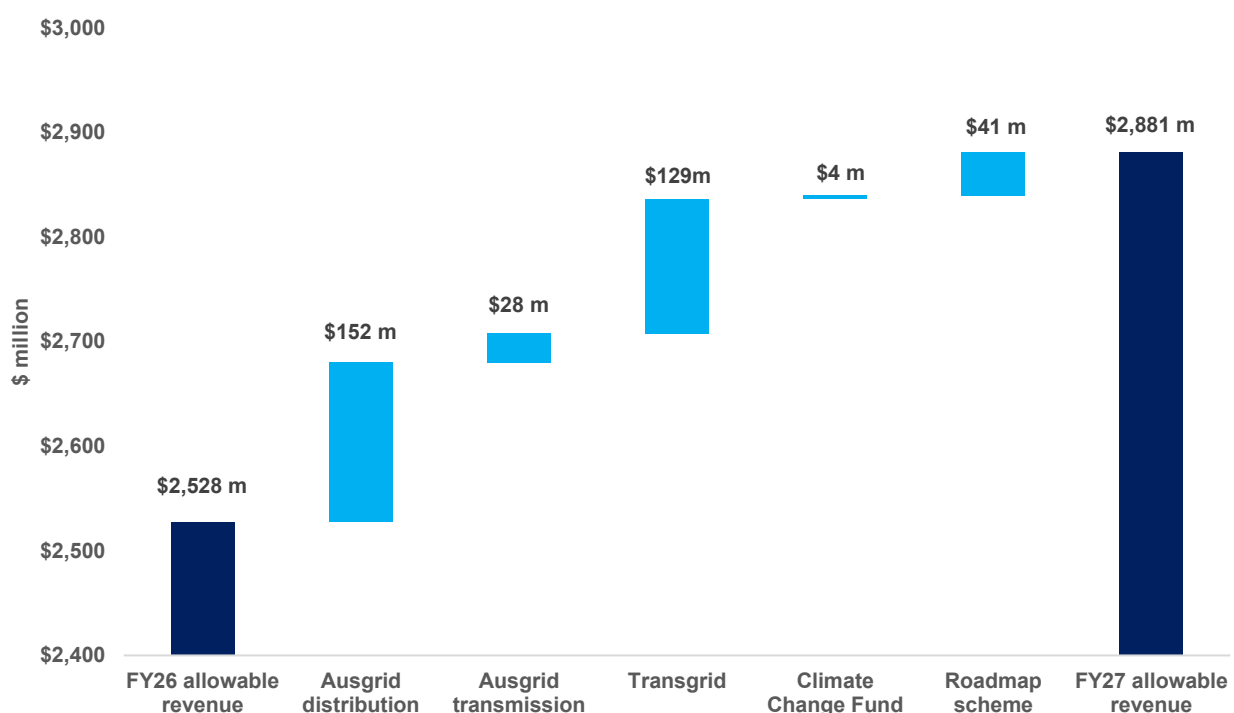
- Ausgrid's 2026-27 pricing proposal cover letter
- Ausgrid's 2026-27 price proposal overview document (**this document**)
- Attachment A - Statement of compliance
- Attachment B - SCS pricing model - public
- Attachment C - SCS pricing model - confidential
- Attachment D - ACS pricing model

2 Annual Revenue

The AER’s 2024-29 Determination for Ausgrid established our smoothed revenue allowance for 2026-27 and methodology to calculate the resulting revenue targets. Our network revenue (NUOS) is expected to increase by 12.6% from 2025-26 to 2026-27. This is higher than the forecast average price increase given expected demand and capacity volume movements in 2026-27.

Figure 1 below shows the changes to allowable revenue by each component of network revenue, and the resulting total 2026-27 revenue allowance. We have set our proposed network tariffs for 2026-27 to recover this revenue target, adjusted for prior years’ under- or over-recoveries. The changes to revenue are mostly driven by an increase to Transgrid’s TUOS revenue recovery, the NSW Government’s Electricity Infrastructure Scheme (Roadmap) and increases in Ausgrid’s costs.

Figure 1: Projected annual revenue increase (2025-26 to 2026-27) by component



Roadmap revenue for 2026-27 has increased by \$41 million (19%) compared to the current year. These costs cover financial support for new renewable generation and storage investment, network investment and the administration costs of Roadmap entities. It is expected that Roadmap costs will continue to grow each year as additional renewable energy, storage and network investment is built.

Ausgrid recovers Transgrid’s transmission revenue in its network prices. This component has increased by \$129 million (47%) for 2026-27. This increase is driven by a range of factors, including major inter-connection projects and lower than expected recovery at an inter-regional and intra-regional level.

Some of the changes to Ausgrid’s costs are due to factors largely outside of our control such as cost of debt and inflation.

3 Tariffs and Tariff Structures

This section describes the changes that apply to our tariffs and tariff structures from 1 July 2026, the third year of the current five-year regulatory period. The full details of these changes and those made in prior years can be found in the following documents on the Ausgrid website ([link](#)):

- Tariff Structure Statement 2024-29
- Tariff Structure Explanatory Statement 2024-29
- Ausgrid ES7 Network Price Guide.

3.1 Changes to the threshold for business customer demand tariffs

In 2026-27 we are increasing the volume threshold at which small business customers are assigned to tariff EA302. Our TSS requires us to move this threshold to 100 MWh in 20 MWh steps over three years to limit possible customer bill impacts. 2026-27 is the third and final year of this transition period and the threshold will move from 80 MWh to 100 MWh per annum on 1 July this year.

When complete, these changes will align our small business tariffs with the National Energy Retail Law (NSW) definition of a small customer. They will also enable more business customers to opt into a time-of-use tariff.

3.2 Embedded network tariffs

Our current TSS requires us to transition embedded network customers to more cost-reflective tariffs. 2026-27 is the third year of this seven-year transition period. By 1 July 2031, the capacity charge for embedded network customers will be 50% higher than the capacity charge applied to equivalent medium or large business tariffs. Only embedded networks using more than 160 MWh per annum receive these changes.

3.3 New and ongoing trial tariffs

Ausgrid is committed to developing new, innovative tariffs with our retailers and customers. We plan to introduce four new sub-threshold tariffs for 2026-27. These are a continuation of Ausgrid's Project Edith with a dynamic residential tariff, a flexible load tariff for large businesses and a high-voltage dynamic connection tariff.

These trial tariffs are available to retailers who have agreed to a trial tariff memorandum of understanding with Ausgrid.

Table 1. New sub-threshold tariffs for 2026-27:

Tariff code	Tariff name
EA905	Large business flexible load tariff
EA974/EA975	Residential dynamic network tariff (primary and secondary)
EA976	HV dynamic connection tariff

Several of our current trial tariffs will continue in 2026-27.

Table 2. Sub-threshold tariffs continuing in 2026-27:

Tariff code	Tariff name
EA956	Residential local use of system
EA964	Business flexible load (primary mains circuit)
EA965	Residential flexible load (secondary mains circuit)
EA955	Small business local use of system
N/A	Large storage individually calculated tariff (sub-transmission/dual function connections)

Further details of the above sub-threshold tariffs can be found in Ausgrid’s Trial Tariff notification documents, available on the AER’s website ([link](#)).

4 Network Tariff Impacts

Our Pricing Proposal results in a 9.7% increase in average network charges from 2025-26 to 2026-27.

A 'typical' residential customer on a legacy flat energy tariff with energy consumption of 5 MWh per year will see a \$73.81 (9.9%) increase in the network component of the annual bill from 2025-26 to 2026-27.

A 'typical' small business customer on a legacy flat energy tariff with energy consumption of 10 MWh per year will see an increase of \$174.74 (10.3%) in the network component of the annual bill from 2025-26 to 2026-27.

A 'typical' medium-size low voltage business customer with energy consumption of 125 MWh pa will see their network bill increased by \$937.43 (8.3%) in 2026-27. A 'typical' large sized low voltage business customer with energy consumption of 331 MWh per year will see an increase of \$3,318.54 (8.5%) in 2026-27.

Network charges for our larger customers connected at low voltage and using more than 750 MWh per year are expected to increase by 7.9%. Customers supplied with high voltage and the sub-transmission tariffs will face expected network charge increases of 8.8% and 10.1% respectively.

The changes for the main network tariffs are summarised in the table below.

Table 2. Average 2026-27 network bill impacts by tariff

Tariff code	Tariff description	Typical customer energy MWh pa	FY27 network bill ex GST	% annual change
EA010	Residential flat	5	\$821	9.9%
EA025	Residential TOU	5	\$828	10.4%
EA116	Residential demand	5	\$797	9.6%
EA030	Controlled load 1	2	\$65	10.8%
EA040	Controlled load 2	2	\$131	8.7%
EA050	Small business flat	10	\$1,871	10.3%
EA225	Small business TOU	10	\$1,866	10.8%
EA256	Small business demand	10	\$1,514	7.1%
EA302	LV business 100-160 MWh pa	124	\$12,221	8.3%
EA305	LV business 160-750 MWh pa	331	\$42,213	8.5%
EA310	LV business above 750 MWh pa	1,548	\$144,062	7.9%
EA370	High voltage	3,810	\$237,295	8.8%
EA390	Sub-transmission	13,004	\$493,876	7.6%

5 Transgrid Revenue Confirmation



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Friday, 13 March 2026

Ellen Lambridis
Chief Financial Officer
Ausgrid
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Sydney NSW 2001

Email:

Copy:

Dear Ellen

2026/27 Prescribed Transmission Service Prices

Please find attached a schedule of Ausgrid's 2026/27 prescribed Transmission Service Prices applicable from 1 July 2026. These prices have been set by Transgrid as the co-ordinating Transmission Network Service Provider (TNSP) for the New South Wales (NSW) and Australian Capital Territory (ACT) market region of the National Electricity Market (NEM).

The 2026/27 transmission prices are published in accordance with the National Electricity Rule (NER) requirements and Australian Energy Regulator (AER) approved pricing methodology for Transgrid for the 2023/24 to 2027/28 period.

The total forecast revenue to be collected through transmission charges for NSW and ACT in 2026/27 compared to 2025/26 has changed by:

- Transgrid's maximum allowable transmission revenue increasing by 16%.
- Ausgrid's maximum allowable transmission revenue increasing by 14%.
- Directlink's maximum allowable transmission revenue increasing by 2%.
- Evoenergy's maximum allowable transmission revenue increasing by 10%.
- A recovery of \$20.72m to meet the system strength requirements. This is a 5.8% decrease compared to 2025/26.
- A recovery of AEMO's National Transmission Planner costs, Core Fees and Cyber Fees for 2026/67 of \$30,408,237 which is an increase of 25% from 2025/26.
- A decrease in the inter-regional charges (MLEC) of 23% from \$24m in 2025/26 to \$18.8m in 2026/27.
- A 127% decrease in the 2026/27 forecasted residues that will increase the non-locational service charge by \$90m in 2026/27 compared to 2025/26. This change arises from two causes: the first a

change in AEMO's loss-factor methodology that lowers forecast residues payments; and secondly, a forecast large negative residue from the Victorian-South Australia-NSW loop interconnector.

- A 3% increase in the 2026/27 SRA proceeds payable by AEMO that will decrease the locational service charged by \$6.7m compared to 2025/26.

Ausgrid payment for transmission services provided by Transgrid

The following table summarises the forecast revenue by service category across Ausgrid's transmission connection points billable by Transgrid. It excludes the TNSP-to-TNSP net transfer payment amount.

Ausgrid's Connection Points Billable by TransGrid (\$ - GST Excluded)					
Forecast	Connection	Locational	Common Service	Non-locational	Total
2025/26 Budget Charges	12,692,118	86,130,714	81,124,038	15,157,699	195,104,568
2025/26 Actual and Estimate)	12,692,114	85,420,050	81,124,038	15,157,699	194,393,901
2026/27 (FORECAST)	13,575,728	100,841,713	95,894,994	62,249,054	272,561,490
\$ change	883,613	15,421,663	14,770,956	47,091,356	78,167,588
% change	7%	18%	18%	311%	40%

Transgrid's forecast annual transmission charge to Ausgrid is \$272,561,490 in 2026/27, which represents a 40% increase in transmission charges compared to the expected charge for 2025/26.

Transfer Payments

The transfer payments for Ausgrid are shown in the following table.

Ausgrid - 2026/27 Financial Transfer (\$ GST excluded)		
	Credit	Debit
TransGrid to Ausgrid	\$ 81,042,034.52	
Ausgrid to TransGrid		\$212,591,240.75
Ausgrid to Directlink		\$ 686,235.76
Ausgrid to Evoenergy		
Evoenergy to Ausgrid	\$ 1,695,968.51	
Totals	\$ 82,738,003.03	\$213,277,476.51
Net financial transfer from Ausgrid	\$ 130,539,473.48	

Should you wish to discuss any aspect of the 2026/27 transmission prices please contact Hugh Laurie, General Manager Finance – Network via email Hugh.Laurie@transgrid.com.au

Yours sincerely
Nadine Lennie
Chief Financial Officer

6 Jurisdictional Scheme Confirmation

6.1 NSW Electricity Infrastructure Scheme

Australian Energy Regulator

Contribution Determination for 2026–27

1. On 12 November 2021, the Australian Energy Regulator (AER) was appointed as a Regulator under the *Electricity Infrastructure Investment Act 2020 (NSW)* (the EII Act).
2. Under section 56 of the EII Act, the AER is required to make an annual contribution determination in which it determines the amount that is required for the Scheme Financial Vehicle to be able to make payments from the Electricity Infrastructure Fund (the Fund) that are required under the EII Act, including an amount for the Scheme Financial Vehicle to meet its liabilities as they fall due.

AER's Contribution Determination

3. On 11 February 2026, the AER made the following contribution determination under section 56(1) of the EII Act.
 - a. The total contribution determination amount for 2026–27 is \$593.16 million.¹
 - b. The Scheme Financial Vehicle will manage an estimated total liquidity risk of \$401.17 million during 2026–27, through a combination of a cash balance and liquidity facilities. For the cash component under section 56(3)(a) of the EII Act, the AER set the minimum prudent cash balance target for 2026–27 at \$269.10 million. As the Fund will recover a minimum prudent cash balance of \$269.10 million in 2025–26, the Scheme Financial Vehicle will not need to recover further funds to reach the target level during 2026–27. The Scheme Financial Vehicle will use liquidity facilities to manage the remainder of its estimated total liquidity risk during 2026–27, which amounts to \$132.07 million.
 - c. The amounts required to be paid by each NSW Distribution Network Service Provider (DNSP) are:
 - i. Ausgrid \$254.23 million.
 - ii. Endeavour Energy \$221.40 million.
 - iii. Essential Energy \$117.53 million.

Details of how the contribution determination was made

4. The AER made this contribution determination in accordance with the process and methodology set out in its Contribution Determination Guideline (Guideline).²
5. The methodology the AER applied in making this contribution determination is set out in its Contribution Determination Model (Model).³
6. Schedule 1 shows a public version of the completed Model and contains the underlying data inputs provided by the NSW scheme entities and DNSPs. The AER used these data inputs to calculate the contribution determination amounts.⁴ In line with the process set out in the Guideline, the AER undertook a quality assurance check of all data provided.

6.2 NSW Climate Change Fund

Please find Ausgrid's annual contribution amount to the Climate Change Fund (CCF) for the current budget year and forward estimates to FY 29/30.

Climate Change Fund Contributions	Budget year	Forward estimate	Forward estimate	Forward estimate
	2026-27	2027-28	2028-29	2029-30
Ausgrid	\$146,994,265	\$150,669,122	\$154,435,850	\$158,296,746

Should you have questions or need clarification please do not hesitate to reach out directly.

Kind regards,

Max

Max Gordon

Climate Change Fund Policy

NSW Department of Climate Change, Energy, the Environment and Water