



# 2025 ANNUAL RING-FENCING COMPLIANCE REPORT

3 June 2025 – 31 December 2025



**ACEREZ**  
the future of renewable energy

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## Summary

This document is the 2025 Annual Compliance Report (Report) for ACERZ Partnership (ACERZ) prepared in accordance with the reporting requirements outlined in the Australian Energy Regulator (AER) Ring-fencing Guideline for Transmission (the Guideline). In this Report, a reference to ACERZ is a reference to the registered transmission network service provider (TNSP) and its related entities.

This is our first annual ring-fencing compliance report to the AER as required under clause 6.2 of the Guideline. This Report demonstrates compliance with the Guideline<sup>1</sup> during the reporting period and as per reporting requirements in the Guideline, this Report has been assessed by an independent authority, Ernst & Young (EY). A copy of their Assessment of Compliance accompanies this document.

This Report contains detail on the five reporting requirements as per the Reporting Obligation in the Guideline. Table 1 summarises the compliance outcome of these requirements.

**Table 1: Reporting requirements summary**

<b>Guideline Requirement</b>	<b>ACERZ Assessment</b>
<b>Measures to ensure compliance</b>	A range of contractual, finance and information management measures have been undertaken to implement the appropriate systems and procedures. These measures are described in section 2 of this report.
<b>Breaches of the Guideline</b>	No breaches of version 5 of the Guideline were identified or reported during the period 3 June 2025 (when TNSP registration was effective) to 31 December 2025.  A breach management process has been established to manage and treat potential or actual breaches.
<b>Other services provided</b>	ACERZ has only performed the EII regulated transmission services specified in our Project Deed with Energy Co during the reporting period. No other prescribed, negotiated or contestable services were conducted by ACERZ or its D&C or M&L contractors.
<b>Purpose of transactions between TNSP and affiliated entities</b>	ACERZ has implemented an internal accounting procedure for the identification and recording of any transactions with affiliated entities. Data produced and verified by the finance team is provided in section 4 of the report.
<b>Connection Applications</b>	During the 2025 calendar year, ACERZ was in the construction and development phase of the CWO REZ transmission infrastructure and had not yet received formal connection applications under Chapter 5 of the National Electricity Rules (NER).

<sup>1</sup> Version 5 of the AER Transmission Ring Fencing Guideline as issued on the 24 February 2025  
<https://www.aer.gov.au/industry/networks/ring-fencing/ring-fencing-guideline-electricity-transmission-2025>

# 1. Background

This Annual Ring-Fencing Compliance Report outlines ACERERZ’s actions during the reporting period to meet the requirements of the Guideline. The Guideline establishes obligations to ensure that TNSPs operate independently and without providing a competitive advantage to affiliated or related entities.

ACERERZ is a newly established public–private partnership and is authorised as the Network Operator for the Central-West Orana Renewable Energy Zone (CWO REZ) under the NSW Electricity Investment Infrastructure Act. The transmission system is expected to be in operation from 2028, and the organisation remains in the development and construction phase. As such, ACERERZ’s compliance activities focus on establishing governance arrangements, procurement processes, and internal controls that will ensure full compliance both during the delivery phase and once the network becomes operational.

While the transmission network is yet to be operational, we have sought to embed appropriate ring-fencing principles into the organisation from the outset. During the reporting period, ACERERZ concentrated on building its compliance framework, maintaining functional separation from external service providers, and identifying risks that may arise as the project moves toward the operational phase.

This report summarises the measures taken to establish a compliant foundation and outlines the steps planned to support ongoing adherence to the Guideline.

## 1.1 ABOUT ACERERZ

ACERERZ is developing and will operate the transmission network for the CWO REZ, NSW’s first REZ transmission project. The network will transport electricity from new renewable generation sources, including wind and solar, to the existing NSW electricity network and ultimately to homes, businesses, and other electricity consumers.

The CWO REZ is being designed, constructed, and commissioned for the first time, with construction commencing in Q2 2025. The project spans a corridor from the Barigan Creek switching station at Wollar to Elong Elong via Merotherie, with connection to the existing NSW network supported through enabling works undertaken by Transgrid. The network will initially provide 4.5 GW of renewable capacity, expanding to 6 GW by 2029, playing a central role in supporting the transformation of electricity supply in New South Wales. ACERERZ was selected as the network operator through a competitive process, reflecting its expertise, capability, and approach to delivering value and managing project risks across the 35-year term for the project.

Over the reporting period, ACERERZ only performed EII regulated transmission services as set out in our Authorisation issued by ASL (as the Customer Trustee).<sup>2</sup> These included the any transmission and connection services required for the delivery of the CWO REZ project as specified in our Project Deed entered into with Energy Co.

## 1.2 ACERERZ PARTNERSHIP

ACERERZ is a general law partnership of ACCIONA, COBRA, and Endeavour Energy (Partners) being the entities set out in table 1:

Partner	Description
Endeavour Energy REZ Energy Network Operator Partnership (ABN 73 599 732 810)	Endeavour Energy is a NSW based electricity distribution network service provider and holder of a NSW distributor’s licence. Endeavour Energy delivers safe, reliable electricity to 2.7 million people in NSW, managing over 25,000 km of network.

<sup>2</sup> On 4 June 2024, AEMO Services issued the Notice of Authorisation for the CWO REZ Network Infrastructure Project - [notice-of-authorisation-cwo-main.pdf](#)

**Acciona Concesiones Concesiones CWO REZ NO Pty Limited ACN 670 755 521 in its capacity as trustee of the Concesiones CWO REZ NO Trust**

Concesiones is a Spanish sustainable infrastructure and renewables multinational conglomerate. Concesiones CWO REZ NO Pty Limited is a wholly owned subsidiary of Acciona Concesiones. ACCIONA is a global leader in sustainable infrastructure, with over 100 years of experience delivering major Australian projects like Sydney’s WestConnex and Adelaide Desalination Plant.

**Cobra Cobra CWO NO Pty Limited ACN 670 780 631 in its capacity as trustee of the Cobra CWO NO Trust**

Cobra is a Spanish renewable energy and transmission developer. Cobra CWO NO Pty Limited is a wholly owned subsidiary of Cobra. COBRA has 80+ years of experience in energy infrastructure, with projects spanning 43 countries and expertise in Public-Private Partnerships

Under the contractual arrangements for the CWO REZ agreed with Energy Co two separate core contractors have been established:

- ACJV Design and Construction contractor (D&C) being a joint venture of Acciona Construction Australia Pty Ltd and Cobra Asia Pacific Pty Ltd; and
- ACERERZ Maintenance and Lifestyle contractor (M&L) being a partnership comprising the three Partners and has responsibility for maintaining the network throughout its operational life over the 35-year term.

**1.3 APPLICATION OF AER TRANSMISSION RING-FENCING GUIDELINES TO ACERERZ**

The nature and timing of when the transmission ring fencing obligations start to apply to a new entrant REZ Network Operator established under the NSW Electricity Infrastructure Investment Act has been a bit unclear. In its May 2025 Guidance Note<sup>3</sup>, the AER clarified that once a Network Operator becomes registered as a TNSP, it will be required to comply with the Ring-Fencing Guideline and report annually to the AER as per Section 6 of the Guideline. Prior to registration, the Network Operator is expected to apply the draft ELL Ring Fencing Guideline.<sup>4</sup>

In relation to ACERERZ, the relevant dates are:

- On 4 June 2024, the Consumer Trustee authorised ACERERZ as the Network Operator to carry out the CWO RNIP
- On 28 March 2025, the Project Deed for CWO REZ was executed between ACERERZ and Energy Co, with Financial Close for the project bring achieved on 4 April 2025.
- On 30 May 2025, AEMO granted TNSP registration to ACERERZ with registration taking effect from 3 June 2025.<sup>5</sup>

On this basis, ACERERZ has prepared this report to demonstrate compliance with the AER transmission ring fencing guidelines issued under the NER from the date of registration.

<sup>3</sup> [https://www.aer.gov.au/system/files/2025-05/Cost%20allocation%20methodology%20and%20ring-fencing%20for%20EII%20regulated%20transmission%20services\\_%20Guidance%20Note.pdf](https://www.aer.gov.au/system/files/2025-05/Cost%20allocation%20methodology%20and%20ring-fencing%20for%20EII%20regulated%20transmission%20services_%20Guidance%20Note.pdf)

<sup>4</sup> [https://www.aer.gov.au/system/files/Legal%20and%20Functional%20Separation%20Guideline%20-%20Electricity%20Infrastructure%20Investment%20Act%20-%20Draft\\_0.pdf](https://www.aer.gov.au/system/files/Legal%20and%20Functional%20Separation%20Guideline%20-%20Electricity%20Infrastructure%20Investment%20Act%20-%20Draft_0.pdf)

<sup>5</sup> ACERERZ sought clarification from AER regarding the application of the guidelines to the project during the construction phase given that the guidelines apply to TNSPs as defined in the NER. This is defined as a person who engages in the activity of owning, controlling or operating a transmission system and a transmission system definition includes the requirement to be connect to another transmission or distribution system. Given that ACERERZ is currently constructing the system and not yet connected to main NSW grid, it was unclear how the guidelines could apply in this situation. On 10 Sept 2025, AER notified ACERERZ of their expectation that we would submit a compliance report for 2025 calendar year.

## 2. Compliance Measures

### 2.1 COMPLIANCE APPROACH

Ring-fencing is an important part of the regulatory landscape to ensure non-discrimination, competition and transparency. ACERERZ is fully committed to meeting the Guideline by:

- Not giving a related entity or any other related party an advantage over its competitors,
- Not using revenue from the CWO REZ authorisation to cross-subsidise related business services,
- Not disclosing ring-fenced Information, and
- Providing “other services” only with the AER’s approval.

ACERERZ’s approach to ring-fencing compliance is being developed progressively and reflects the organisation’s current stage of maturity as a newly established transmission network operator. This reporting period represents the first structured assessment of ACERERZ’s alignment with Guideline.

Responsibility for ring-fencing compliance sits within ACERERZ’s broader Compliance function. Rather than relying on fully embedded operational controls at this stage, the focus during the reporting period has been on interpreting the obligations, assessing current practices, and establishing the preventative controls and foundations required to support compliance as the business moves further into construction and, ultimately, operation. This work has been led by our regulatory and compliance staff who have worked closely with the operational, commercial and finance staff who are ultimately responsible for the controls and processes.

A ring-fencing compliance framework manual describing how ACERERZ has applied and implemented practice to ensure adherence to the Guidelines has been established. This manual helps demonstrate that we have established the internal procedures and capability to ensure compliance with the obligations under the Guideline. This manual will be updated regularly and will take on board any comments from the independent verification process. The monitoring and internal reporting of the compliance adherence is performed by our regulatory & compliance team.

Appendix A provides further detail on the internal controls and procedures implemented to address the individual requirements of the Guidelines.

#### 2.1.1 Governance and Accountability

Ring-fencing obligations are overseen centrally, with coordination provided by ACERERZ’s Regulatory and Compliance function. Day-to-day accountability for individual obligations sits with relevant business areas, reflecting the nature of the activity being undertaken.

In practice, this means:

- Compliance oversight is maintained centrally to ensure consistency and transparency.
- Business areas are responsible for understanding how ring-fencing obligations apply to their activities.
- Emerging risks or potential issues are escalated through established governance pathways.
- Application of learnings from internal reviews and evaluation of other network practices to ensure continuous improvement.

The effectiveness of compliance and governance is assured through independent review and assessment by the internal audit function. Operationally, the layered compliance system cascades from an overarching business risk identification and governance reporting framework, managed by the Regulatory and Compliance team through to workplace instructions and reporting implemented by teams with functional responsibility.

#### 2.1.2 Compliance Uplift

Given the early stages of development for the project and the sole focus on delivering the CWO REZ, several of the obligations in the Guideline may not yet have any practical relevance to our organisation. As part of our implementation of the ring-fencing compliance framework, we undertook scenario analysis

to identify potential gaps in current systems against the Guideline in order to help identify where additional controls, documentation, or processes could be needed to better help ensure on-going compliance.

An incremental ring-fencing uplift program is being implemented to ensure that we continue to meet compliance as the business evolves. This program will:

- Introduce clearer guidance and documented processes as operational activities increase.
- Embed ring-fencing considerations into future decision-making and contracting.
- Support staff and service providers through targeted awareness and comprehensive training activities.
- Establish clear mechanisms for raising and addressing ring-fencing queries or concerns (i.e. dedicated email account).

ACERERZ recognises that its compliance arrangements will continue to evolve as the organisation transitions from development and construction into steady-state operations. Continuous improvement of the ring-fencing framework will remain a focus in future reporting periods.

### 2.1.3 Staff Training Program

To date, we have conducted training sessions on our ring-fencing obligations and compliance strategies with the ACERERZ management team plus provided briefings to our Partnership entities. A targeted training program for staff and our core contractors is being prepared and expected to be rolled out in late 2026.

## 2.2 CLAUSE 3.1: LEGAL SEPARATION

The Guideline requires a TNSP to operate as a legally separate entity and to limit its activities to the provision of transmission services, except where otherwise permitted or authorised by AER.

ACERERZ Partnership is established as a standalone legal entity and is the registered Transmission Network Service Provider for the CWO REZ Network Infrastructure Project. During the reporting period, ACERERZ's activities were limited to the development, construction and future operation of prescribed transmission services. ACERERZ does not currently provide retail electricity or other non-transmission services.

Contractual arrangements with the D&C and M&L core contractors support delivery of the transmission network and are confined to transmission-related services under contractual and governance frameworks approved by Energy Co. As permitted under Clause 3.1(b), there is some sharing of corporate functions across the Network Operator and M&L business.

### *Partners Obligations*

Where other affiliated entities exist through ACERERZ's ownership structure, those entities operate separately from ACERERZ and any non-transmission services are undertaken outside the regulated TNSP. ACERERZ recognises that legal separation risks may evolve as activities expand. For this reason, we have implemented procedures with our Partners to ensure regular notification of any activity performed by the Partners and affiliated entities in relation to the provision of electricity services in the NEM.

### *Ownership of energy storage devices*

Responding to Clause 3.1(c) of the Guideline, ACERERZ can confirm that it does not own, operate or control any energy storage devices, and no arrangements exist that permit third-party use of energy storage assets. We have put in place a process to ensure any new agreement with a third party which involves potential use of an energy storage device is reviewed by our legal and regulatory teams prior to execution.

*Summary of compliance measures:*

- Agree procedures with Partners on regulator notification of related activities and electricity services
- Implemented procedure where any new agreement with a third party which involves potential use of an energy storage device is reviewed by our legal and regulatory teams prior to execution.

### **2.3 CLAUSE 3.2 ESTABLISH AND MAINTAIN ACCOUNTS**

Clause 3.2 of the Guideline requires a TNSP to establish and maintain appropriate accounting arrangements to clearly identify transactions between the TNSP and its affiliated entities and to prevent cross-subsidisation.

During the reporting period, ACERERZ operated as a new entrant REZ network operator. We have established initial accounting arrangements to identify and record transactions with its affiliated entities, which at this stage primarily comprise Partner related entities and Core Contractors. Related party transactions are captured through existing financial systems and governance processes, with further formalisation underway to support future operational requirements. Records are maintained to demonstrate the nature and purpose of transactions between ACERERZ and affiliated entities and to support future regulatory review.

Annual Regulatory Accounts are prepared for each relevant entity as of 30 June each year in accordance with Australian Accounting Standards, which is audited and certified by an independent financial auditor.

The Guideline requires to allocate and attribute costs in accordance with the Cost Allocation Principles and an AER-approved Cost Allocation Methodology (CAM when applicable). The AER has advised that ACERERZ is not required to submit a CAM at this time, given the current scope of activities.<sup>6</sup> ACERERZ is required to notify the AER in advance of any proposed activity that would necessitate a CAM being in place if one has not already been requested.

At present, ACERERZ's activities relate solely to prescribed transmission services and no non-transmission services were provided during this reporting period. Accordingly, no unrelated costs have been allocated to transmission services during the reporting period.

To support compliance with these requirements, ACERERZ has implemented an internal Accounting and Related Party Transaction Identification Procedure. This procedure sets out how transactions between ACERERZ and affiliated entities are identified, recorded and reviewed through the organisation's financial systems. The procedure also establishes internal verification processes to ensure that related party transactions are appropriately documented and can be readily reported for regulatory purposes

Based on the activities undertaken during the reporting period, ACERERZ considers it has complied with the requirements of clause 3.2 of the Guideline. As the project progresses, ACERERZ will continue to evolve its accounting procedures and cost allocation arrangements, including regulatory approval of a CAM where required, to ensure ongoing compliance as operational activity increases.

*Summary of compliance measures:*

- Preparation and auditing of Annual Accounts for ACERERZ Partnership
- Implementation of an accounting procedure to generate and verify transaction report detailing information relating to transactions with any affiliated entity.
- Establish and regularly maintain affiliated entities and RESP register with Partners.

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<sup>6</sup> Given this possibility ACERERZ has already prepared a cost allocation methodology, a draft of which has been shared with the AER.

## 2.4 CLAUSE 4: FUNCTIONAL SEPARATION

### 2.4.1 Obligations not to Discriminate

Clause 4.1 of the Guideline requires a TNSP to not discriminate, directly or indirectly, between a related electricity service provider and a competitor in connection with the provision of transmission services.

During the reporting period, ACERERZ's activities were limited to delivery of the CWO REZ project scope, with all assets and services captured as EII regulated prescribed transmission services. No negotiated transmission services, contestable works, or competitive connection activities were undertaken.

As a result, the non-discrimination obligations under clause 4.1 were not practically triggered during the reporting period.

Notwithstanding this, ACERERZ recognises that non-discrimination obligations will become increasingly relevant as the project progresses, particularly in the context of future connections and augmentations where contestable works may be undertaken by third parties, including affiliated entities. In these circumstances, ACERERZ will be required to ensure that it engages with all connecting parties and service providers on a consistent and non-discriminatory basis, including in relation to the assessment of applications, commercial terms, technical requirements, and service delivery timeframes.

To support ongoing compliance, ACERERZ is undertaking uplift actions to identify and confirm all related electricity service providers and to embed non-discrimination principles into future connection, procurement, and governance frameworks.

Based on the activities undertaken during the reporting period, ACERERZ considers it has complied with the requirements of clause 4.1 of the Guideline.

#### *Summary of compliance measures:*

- Conducted Training sessions for Network Operator management team and briefings to Partners

### 2.4.2 Information Protection, Disclosure and Sharing

Clauses 4.2.1 to 4.2.4 of the Guideline set out requirements for the protection, disclosure and sharing of ring-fenced information, including the establishment of an information register. These obligations are intended to ensure that confidential information obtained through the provision of transmission services is appropriately protected and that, where information is shared with related electricity service providers, equivalent access is provided to other relevant market participants.

In relation to the CWO REZ project, ring fencing information would be defined as information associated with the EII regulated transmission services that relates to either; the network, customers, or the services provided. As set out in our manual, ACERERZ requires all staff to keep ring-fenced information confidential and use it for the purpose it was acquired or generated to fulfill the obligations required as per Clause 4.2.1 of the Guideline.

In compliance with Clause 4.2.3(d) of the Guideline, ACERERZ has published on its external website<sup>7</sup>, the Information Sharing Protocol. The Protocol sets out how ring-fenced information is identified, classified, disclosed, and, where applicable, made available to other legal entities on an equal basis.

ACERERZ did not disclose ring-fenced information to any related electricity service provider. As a result, the equal-access obligations under clause 4.2.3 were not triggered, and no requests for access to ring-fenced information were received from other legal entities.

During the reporting period, no intentional disclosure or misuse of information that may meet the definition of ring-fenced information was identified. Information was used solely for the purposes of delivering prescribed transmission services and meeting our regulatory obligations our contractual and project requirements with Energy Co.

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<sup>7</sup> [Regulatory framework | Central-West Orana Renewable Energy Zone Transmission Network | ACERERZ](#)

ACERERZ recognises that, in the context of the CWO REZ, the nature and breadth of ring-fenced information will evolve. As part of our broader operational readiness program, we are embedding a comprehensive data governance and management system within our operational systems. This will ensure regulatory compliance on how information is managed across our organisation.

*Summary of compliance measures:*

- Development and publication of ACERERZ Information Sharing Protocol
- Publication of ACERERZ Information Sharing Register and Application Form

### **2.4.3 Staff Separation**

Clause 4.3 of the Guideline requires a TNSP to ensure that marketing staff involved in the provision of prescribed transmission services are not also involved in the provision of contestable electricity services by a related electricity service provider, and that staff involved in prescribed transmission services are not marketing staff for contestable electricity services.

The scope of EII regulated transmission services specified in our Project Deed covers connection and metering services for REZ Access Holders. During the reporting period, ACERERZ provided these prescribed transmission services only and did not provide, nor procure, any contestable electricity services. Nor did we pursue any opportunities or marketing in relation to contestable electricity services. This requirement is maintained primarily through the functional separation of prescribed and any contestable businesses, effective training and awareness and regular management oversight.

ACERERZ recognises that staff separation obligations could become relevant if contestable electricity services are provided in future, including in connection with future connections or contestable network assets. In preparation for circumstances, we will conduct training for our management team and will include provisions in our HR policies prohibiting the use of staff involved in the provision of prescribed transmission services in marketing activities relating to contestable electricity services for RESPs.

*Summary of Compliance Measures:*

- Management oversight of ACERERZ activities and any pursuit of opportunities outside the scope of the authorized EII regulated transmission services

### **2.4.4 Service Providers**

Clause 4.4 of the Guideline requires a TNSP to ensure that service providers engaged to support the provision of prescribed transmission services comply with specified ring-fencing obligations, and that the TNSP does not encourage or incentivise service providers to engage in conduct that would breach the TNSP's obligations under clause 4 of the Guideline.

During the reporting period, ACERERZ engaged service providers, including the core contractors established for the project (D&C and M&L contractors), to support the delivery of prescribed transmission services. The services provided were limited to activities necessary for the development, construction and future operation of the transmission network and did not involve the provision of contestable electricity services.

To ensure that these contractors have not entered into contracts relating to the provision of contestable electricity services, ACERERZ management regularly meet with the respective contractors to understand and assess their activities. The terms of our contracts with these core contractors require these entities to reasonably comply with the Guidelines and ACERERZ can request these entities to notify ACERERZ if they decide to pursue opportunities to provide other electricity services. Therefore, while our core contractors are affiliated entities, they are not classified as related electricity service providers (RESP) under the Guideline.

With respect to other service providers, all ACERERZ standard commercial agreements and terms include standardised Ring-Fencing and Compliance with Law clauses covering the relevant obligations of the Guideline. ACERERZ has also undertaken substantial efforts to amend existing and active contracts to ensure that the specific ring-fencing provisions are incorporated into contracts that were entered into prior to the commencement of the reporting period.

Further, our contractual arrangements with existing contractors contain extensive provisions relating to management and disclosure of information relating to the project. Any new or varied agreements that request deviations from these provisions will be subject to approval from our Legal team. This helps to ensure compliance with clause 4.2.1 of the Guideline and the protection of ring-fencing information.

In summary, service provider activities were subject to contractual, governance and project management oversight, and no procurement, discriminatory behaviour or information-handling practices inconsistent with ring-fencing requirements were identified.

ACERERZ acknowledges that, as the project progresses, the extent of ring-fencing information expands and the scope of services provided by contractors and other service providers evolves, additional contractual safeguards controls may be required. ACERERZ will review and, where necessary, update service provider agreements and governance arrangements to ensure ongoing compliance with clause 4.4, including in relation to non-discrimination and the handling of ring-fenced information.

*Summary of compliance measures:*

- Standard terms and conditions for service agreements that reflect the requirements of the Guideline
- Extensive information management and disclosure provisions in existing contractual service agreements.

## **2.5 CLAUSE 5: WAIVERS**

ACERERZ has not sought any waivers from the Guidelines during the reporting period. As required under clause 5.7 of the Guideline, a Waiver register has been made available on the ACERERZ website.

*Summary of compliance measures:*

- Publication of Waiver Register on ACERERZ website.

## 3. Compliance Breaches and Reporting

This section of the compliance report details our responses to the information requested in clause 6.2 of the Guideline.

### 3.1 Compliance Breaches

Clause 6.3 of the Guideline requires a TNSP to notify the AER of any breaches of the Guideline within 15 business days of becoming aware of the breach.

During the reporting period, no breaches of the Transmission Ring-fencing Guideline were identified by ACEREZ.

### 3.2 Other services provided by TNSP

Clause 6.2.1(b)(iii) of the Guideline requires TNSPs to report all other services provided by the TNSP in accordance with clause 3.1 of the Guideline. Under the Guideline, other services are defined as services other than transmission services.

During the reporting period, ACEREZ only provided the EII regulated transmission services as required under our Project Deed with Energy Co. No other services were provided.

#### *Distinguishing between EII regulated transmission services and other prescribed services*

The AER May 2025 Guidance Note states that a TNSP providing EII regulated transmission services must distinguish between EII regulated transmission services and prescribed (or NER) transmission services.<sup>8</sup>

As noted above, ACEREZ only performed EII regulated transmission services and no NER prescribed services were provided during this period.

Appendix B provides more detail on how the NER classification of transmission services relate to the CWO REZ project.

### 3.3 Transactions with Affiliated Entities

Clause 6.2.1(b)(iv) of the Guideline requires TNSPs to report the purpose of all transactions between the TNSP and its affiliated entities.

During the reporting period, ACEREZ's transactions with affiliated entities were limited to arrangements necessary to support the delivery of prescribed transmission services for the CWO RNIP. These arrangements primarily related to staff secondments and limited shared corporate support functions. No transactions were identified that involved the provision of contestable electricity services or that would give rise to cross-subsidisation concerns.

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<sup>8</sup> See Section 3.3 of the Guidance Note.

<b>Affiliated Entity</b>	<b>Purpose of Transaction</b>
<b>ACERERZ Maintenance and Lifecycle Partnership</b>	Some corporate functions (i.e. HR and IT) are shared between ACERERZ NO and its core contractor, ACERERZ M&L.
<b>ACERERZ Maintenance and Lifecycle Partnership</b>	Payments relating to the mobilisation of maintenance activities relating to the provision of prescribed transmission services
<b>ACCIONA S. A</b>	Staff secondments to ACERERZ to support the provision of prescribed transmission services.
<b>Acciona Australia Asset Development Pty Ltd</b>	Repayment of Project Financing Support
<b>ACJV D&amp;C Contractor</b>	Staff secondments to ACERERZ to support the development and construction activities associated with prescribed transmission services.
<b>ACJV D&amp;C Contractor</b>	Payment for activities performed to design and construction network assets relating to the provision of prescribed transmission services
<b>Cobra Asia Pacific Pty Ltd</b>	Staff secondments to ACERERZ to support the provision of prescribed transmission services.
<b>Cobra Instalaciones Y Servicios</b>	Repayment of Project Financing Support

### 3.4 Connection Applications

During the 2025 calendar year, ACERERZ was in the construction and development phase of the CWO REZ transmission infrastructure and had not yet commenced formal connection application intake under Chapter 5 of the National Electricity Rules (NER).

As a newly established TNSP operating within a Renewable Energy Zone (REZ), access to the network is governed by an Access Rights Framework approved under the applicable jurisdictional and regulatory arrangements. This framework differs from the traditional open-access transmission connection model in the NEM, in that connection rights are allocated through an access rights allocation process prior to the submission of formal connection applications.

Throughout 2025, ACERERZ engaged with Access Rights Holders during the pre-connection application stage to support project development and facilitate orderly progression toward formal connection application submission.

<b>Requirement</b>	<b>ACERERZ response</b>
<b>Total number of connection applications received</b>	0 connection applications. No formal connection applications under Chapter 5 of the NER were submitted during this period.
<b>Proportion of applications including contestable electricity services solely by a related electricity service provider</b>	None
<b>Proportion of applications including contestable electricity services provided by a person other than a related electricity service provider</b>	None
<b>Average time (business days) — connections including</b>	No connections were commissioned in 2025

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**contestable services by a related electricity service provider**

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**Average time (business days) — connections not including contestable services by a related electricity service provider**

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No connections were commissioned in 2025

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ACERERZ anticipates that formal connection applications from Access Rights Holders will commence during the 2026 calendar year, following progression through the pre-connection engagement and project development processes under the Access Rights Framework.

### **3.5 Independent Assessment**

ACERERZ engaged EY to undertake an assessment of ACERERZ's compliance with the Guideline for the reporting period. The assessment considered ACERERZ's compliance with the applicable provisions of the Guideline, having regard to ACERERZ's current operating model and stage of project development.

In accordance with the Guideline, the independent assessor's report accompanies this Annual Ring-fencing Compliance Report and has been provided to the Australian Energy Regulator.

## Appendix A: Ring-fencing Guideline Compliance Summary

Guideline Clause	Requirement Summary	Current Applicability (Reporting Period)	Key Controls / Approach	Status
<b>3.1(a) Legal entity</b>	TNSP must be a legal entity	ACERERZ operated as a standalone legal entity throughout the reporting period	ACERERZ Partnership established with its own ABN and documented legal structure; registered as the TNSP for the CWO RNIP	<b>Compliant</b>
<b>3.1(b) No other services</b>	TNSP may only provide transmission services	ACERERZ activities limited to prescribed transmission services only	Governance and contractual controls restrict activities to transmission scope approved by EnergyCo	<b>Compliant</b>
<b>3.1(c) Energy storage</b>	Restrictions on use of energy storage devices	ACERERZ does not own, operate or control energy storage assets	No energy storage assets or related agreements exist	<b>Compliant</b>
<b>3.1(d) Affiliated entities</b>	Affiliates may provide other services if legally separate	Affiliates exist but ACERERZ does not provide non-transmission services	Legal separation maintained between ACERERZ and affiliated entities	<b>Compliant</b>
<b>3.1(e)(i) Shared assets</b>	Limited shared asset use permitted	No shared asset arrangements in place	No leasing or third-party use of ACERERZ assets	<b>Compliant</b>
<b>3.1(e)(ii) Corporate services</b>	Corporate services may be provided	No corporate services provided outside permitted scope	Contractual and accounting oversight	<b>Compliant</b>
<b>3.1(e)(iii) Information disclosure</b>	Information sharing subject to clauses 4.1 & 4.2	No information sharing outside permitted purposes	Confidentiality obligations applied	<b>Compliant</b>
<b>3.1(e)(iv) Emergency assistance</b>	Emergency assistance permitted	No emergency assistance outside normal operations	Incident logging framework	<b>Compliant</b>
<b>3.1(e)(v) Waiver-based services</b>	Other services only under waiver	No waivers sought or granted	Waiver register monitoring	<b>Compliant</b>
<b>3.1(f) Waivers</b>	TNSP may apply for waivers	No waiver applications required	Ongoing compliance monitoring	<b>Compliant</b>
<b>3.2.1 Separate accounts</b>	Maintain accounting separation (cannot be waived)	Applicable during reporting period	Accounting systems identify transactions with affiliated entities; related-party disclosures maintained	<b>Compliant</b>
<b>3.2.2 Cost allocation (CAM)</b>	Allocate costs per CAM (cannot be waived)	CAM not required at this stage per AER advice	Monitoring of activities to identify when CAM becomes necessary	<b>Not Applicable</b>
<b>4.1 Non-discrimination</b>	Must not discriminate between affiliates and competitors	No contestable services or connections undertaken	Non-discrimination principle embedded in governance	<b>Compliant</b>

Guideline Clause	Requirement Summary	Current Applicability (Reporting Period)	Key Controls / Approach	Status
<b>4.2.1 Confidentiality</b>	Ring-fenced information must be protected	Limited ring-fenced information handled	Confidentiality controls applied; no unauthorised disclosures identified	<b>Compliant</b>
<b>4.2.2 Disclosure of information</b>	Disclosure only in permitted circumstances	No prohibited disclosures identified	Information shared only for transmission, legal or regulatory purposes	<b>Compliant</b>
<b>4.2.3 Equal access to information</b>	Equal access required if information shared with affiliate	No information shared with related electricity service providers	No information sharing requests received	<b>Compliant</b>
<b>4.2.4 Information register</b>	Register required if access requests received	No access requests during reporting period	Information register published	<b>Compliant</b>
<b>4.3 Staff separation</b>	Marketing staff separation required	No contestable electricity services or marketing activities	Organisational structure limited to transmission services	<b>Compliant</b>
<b>4.4.1(a) Service provider conduct</b>	Service providers must comply with key obligations	No service provider engaged in contestable services	D&C and M&L engaged only for prescribed transmission services	<b>Compliant</b>
<b>4.4.1(b) No encouragement of breaches</b>	Must not incentivise non-compliant conduct	Applicable during reporting period	Governance and contract management oversight	<b>Compliant</b>
<b>6.1 Maintaining compliance</b>	Maintain internal compliance procedures	Compliance framework under development	Compliance uplift program planned	<b>Compliant</b>
<b>6.2 Compliance reporting</b>	Annual report and independent assessment required	Applicable	Annual report prepared; independent assessment commissioned	<b>Compliant</b>
<b>6.3 Breach reporting</b>	Notify AER of breaches	No breaches identified	Incident escalation process in place	<b>Compliant</b>
<b>6.4 Complaints &amp; investigations</b>	Respond to AER investigations	No investigations or complaints	Regulatory engagement protocols	<b>Compliant</b>

## Appendix B: Prescribed Transmission Services and Contestable Electricity Services

This Appendix sets out the distinction between prescribed transmission services and contestable electricity services for the purposes of the Transmission Ring-fencing Guideline. It is intended to provide clarity on how these service categories are applied in the context of ACEREZ and this Annual Ring-fencing Compliance Report.

Service Category	Description (For Ring-fencing purposes)	Application to ACEREZ in the reporting period
Prescribed Transmission Services	Regulated transmission network services provided by a Transmission Network Service Provider in accordance with the National Electricity Rules and applicable regulatory frameworks.	Consistent with Chapter 9A (clause 9A.13.5(b) of the National Electricity Rules, services provided by ACEREZ under our Project Deed with Energy Co are to be treated as prescribed transmission service for the purpose of the Transmission Ring Fencing Guidelines.  All services provided by ACEREZ during the reporting period fall within this category.
Negotiated Transmission Services	Transmission services that may be negotiated with customers in accordance with the National Electricity Rules but remain regulated transmission services.	No negotiated transmission services were provided during the reporting period.
Contestable Electricity Services	Services for the supply of electricity, or services that are necessary or incidental to the supply of electricity, that are not prescribed or negotiated transmission services and are capable of being provided competitively.	No contestable electricity services were provided by ACEREZ or any related electricity service provider during the reporting period.
Other (Non-Electricity) Services	Services that do not constitute electricity services for the purposes of the Ring-fencing Guideline.	These services do not trigger ring-fencing obligations.

### Application to Ring-fencing Obligations

Ring-fencing obligations relating to non-discrimination, information sharing, staff separation and service provider conduct are primarily triggered by the provision of contestable electricity services. As ACEREZ provided prescribed transmission services only during the reporting period, those obligations were not practically engaged.

ACEREZ will review the classification of services as the project progresses and as connection and operational activities commence, to ensure continued compliance with the Ring-fencing Guideline.