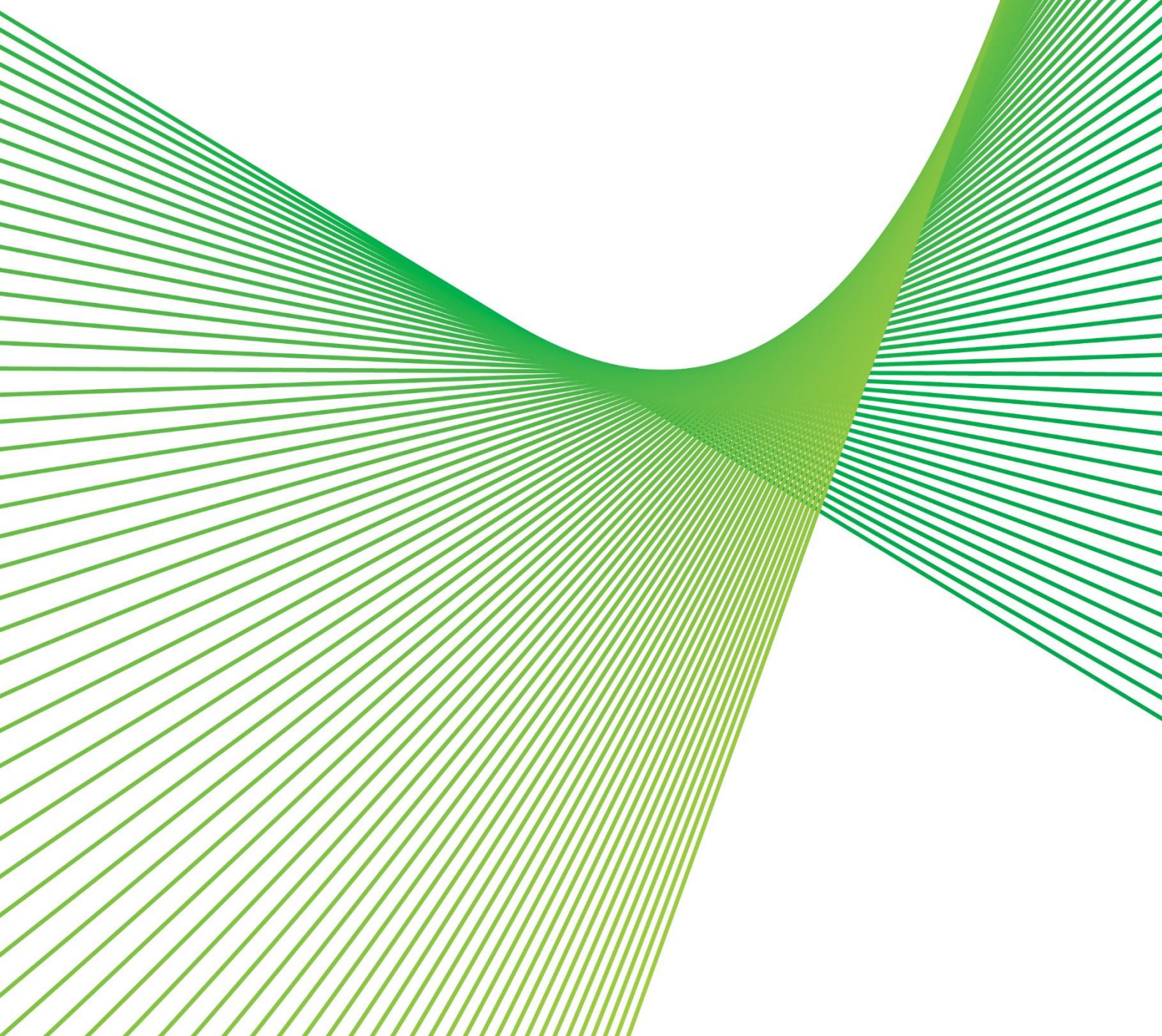


Annual Ring-fencing Compliance Report

2025

24 April 2026



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1. Introduction

The Australian Energy Regulator (AER) has issued and enforces the Ringfencing Guideline Electricity Transmission (Guideline). On 24 February 2025, the AER published version 5 of the Guideline, accompanied by an explanatory statement. The updated Guideline focuses on extending Ring-fencing obligations to negotiated transmission services, in addition to several other changes, to improve the Ring-fencing framework.

For the period 1 January 2025 to 31 December 2025, NSW Electricity Networks Operations Pty Ltd (ACN 609 169 959) as trustee for the NSW Electricity Networks Operations Trust (Transgrid) complied with version 4 and version 5 of the Guideline as in force at the time (detailed in Table 1). The Transgrid Ring-fencing Compliance Report 2025 (Report) demonstrates compliance with the Ring-fencing Guideline Electricity Transmission version 4, for the period 1 January 2025 to 23 August 2025, and version 5, for the period 24 August 2025 to 31 December 2025. The Report for the calendar year ending 31 December 2025, forms part of Transgrid's submission in respect of clause 6.2 of the Guideline.

Transgrid engaged Pricewaterhouse Coopers (PwC) to complete an independent assessment of compliance in accordance with clause 6.2.1(c) of the Guideline. PwC have issued an Assessment Report with respect to Transgrid's compliance with version 4 Guideline for the period from 1 January 2025 to 23 August 2025 and version 5 Guideline for the period from 24 August 2025 to 31 December. An overview of PwC's independent assessment is provided in Section 6.

We have summarised in Appendix A the processes and controls in place to ensure compliance with the requirements of the two versions of the Ring-fencing Guideline.

Terms used in this Report are defined in the Guideline.

1.1. About the Guideline

The compliance date for version 5 of the Guideline was 24 August 2025, allowing 6 months for Transgrid to transition to the requirements of the new Guideline. During this transition period, Transgrid continued to comply with version 4 of the Guideline.

The objective of the revised Guideline is to:

1. Promote the national electricity objective by providing for:
 - (a) accounting separation of the provision of prescribed transmission services or negotiated transmission services by TNSPs from the provision of other services by them, or by their affiliated entities;
 - (b) functional separation of the provision of prescribed transmission services or negotiated transmission services by TNSPs from the provision of contestable electricity services by them, or by their affiliated entities; and
2. Promote competition in the provision of electricity services.

The Guideline imposes obligations on TNSPs targeted at, among other things:

- (a) preventing cross-subsidisation, with provisions that aim to prevent a TNSP from providing other services that could be cross-subsidised by its prescribed transmission services or negotiated transmission services; and
- (b) discrimination, with provisions that aim to:
 - (i) prevent a TNSP conferring a competitive advantage on related electricity service providers that provide contestable electricity services; and
 - (ii) ensure a TNSP handles ring-fenced information appropriately.

Table 1 below highlights the relevant implementation dates for introduction of the revised Guideline for the period 1 January 2025 to 31 December 2025.

Table 1: Application of Ring-fencing Guideline version 4 and version 5 during Calendar Year 2025

	Jan-25	Feb-25	24/02/2025	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	24/08/2025	Sep-25	Oct-25	Nov-25	Dec-25	
RfG Version 4: Prescribed transmission services are under the Guideline	Compliance as per RfG v4		v5 Commencement Date: 24/02/2025	Transition from RfG v4 to RfG v5							v5 Compliance Date: 24/08/2025				
RfG Version 5: Both Prescribed transmission services or Negotiated transmission services are under the Guideline				Compliance as per RfG v5											

1.2. About Transgrid

Transgrid operates and manages the high-voltage electricity transmission network across NSW and the ACT, connecting generators, distributors and major energy users. We deliver power to more than three million homes and businesses, working to keep it safe, reliable and affordable.

1.3. Transgrid’s Electricity Network

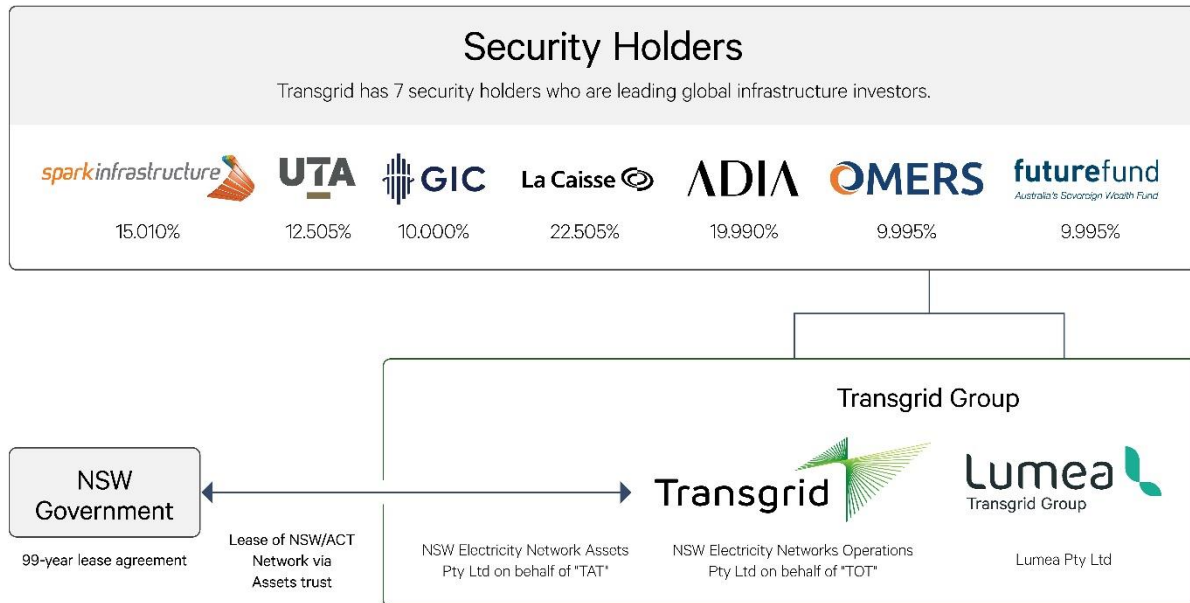
Our network transports electricity from diverse generation sources – wind, solar, hydro, gas and coal – to large industrial customers and the distribution networks that deliver power to homes and businesses. It is the backbone of the National Electricity Market (NEM), keeping electricity flowing across regions, enabling energy trading and building a more resilient power system for Australians.

Our NSW and the ACT network includes:

- 131 substations and switching stations
- 13,461 kilometres of high-voltage transmission lines
- 109 kilometres of underground cables
- 6 key interconnectors linking NSW to QLD, VIC and, for the first time this year, SA.

1.4. Transgrid Group

Transgrid ownership is held by seven security holders, who are leading financial and strategic global investors. A simplified representation of the Transgrid Group is shown below:



Due to the common ownership structure of Transgrid and Lumea, Lumea is both an Affiliated Entity (AE) and Related Electricity Service Provider (RESP) to Transgrid under the Guideline.

Transgrid - Prescribed and Negotiated Business

The core transmission network includes a regulated asset base forming the backbone of the NEM enabling electricity transmission in NSW and ACT. Transgrid is currently engaged in multiple transmission infrastructure projects which have been identified by the Australian Energy Market Operator (AEMO) and NSW Government as critical to Australia's future energy system and provide long-term benefits to electricity consumers.

Lumea – Contestable Business

Lumea provides contestable energy services to the NEM, including new transmission and connection infrastructure as well as 'other services'. Lumea is also the brand name used for the provision of telecommunications services via the transmission system to wholesale, government and emergency services customers, data transmission and emergency broadcast services with a focus on servicing regional areas. Lumea is the only entity in the Transgrid Group that provides contestable electricity services. In addition, Lumea with customer consent, manages the customer relationship and coordinates with Transgrid for the planning and delivery of some negotiated services associated with contestable connections.

1.5. Reporting Requirements

As per clause 6.2.1 and 6.2.2 of the Guideline, Transgrid must submit an annual Ring-fencing compliance report for the period 1 January 2025 to 31 December 2025 to the AER within four months of the end of the calendar year to which the report relates. Clause 6.2.1(b) of the Guideline requires that the Report include the following information:

- (a) the measures Transgrid has taken to ensure compliance under this Guideline (both version 4 and version 5 requirements respectively for the relevant period).
- (b) any breaches of the Guideline by Transgrid, or which otherwise related to Transgrid.
- (c) all other services provided by Transgrid in accordance with clause 3.1.
- (d) the purposes of all transactions between Transgrid and its affiliated entity, Lumea.
- (e) the total number of connection applications received by Transgrid in 2025.
- (f) the proportion of the total number of connection applications received by Transgrid in 2025 that include the provision of contestable electricity services provided solely by Lumea.
- (g) the proportion of the total number of connection applications received by Transgrid in 2025 that include the provision of contestable electricity services provided by a person other than Lumea.
- (h) for connections commissioned in 2025 that have included the provision of contestable electricity services by Lumea, the average time (in business days) between initial receipt of the connection application and the commissioning of the connection.
- (i) for connections commissioned in 2025 that have not included the provision of contestable electricity services by Lumea, the average time (in business days) between initial receipt of the connection application and the commissioning of the connection.

The structure of this Report is set out in Table 2 below:

Table 2: Structure of the annual compliance report

Clauses of the Guideline	Compliance Requirement	Report Section
6.1	Maintaining Compliance	2.1 and Appendix A
3.1	Legal separation	2.2
3.2	Establish and Maintain Accounts	2.3
4.1	Functional Separation – Obligation not to discriminate	2.4.1
4.2	Functional Separation – Information access and disclosure	2.4.2
4.3 (a)	Functional Separation - Staff separation	2.4.3
4.4.1	Service Providers	2.4.4
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2. Maintaining Compliance

2.1. Compliance Framework (Clause 6.1)

Transgrid's Ring-fencing Framework has been established which details how Ring-fencing obligations are managed and assured via established controls and continuous monitoring, review and reporting. The Framework clearly documents the relevant obligation owner / custodian for each of the requirements in the Guideline.

Ring-fencing obligations have been recorded in Transgrid's GRC system (CAMMS/Riskconnect). Regular reporting to Executive Management and Board and Audit Risk Committee (BARC) on any issues associated with meeting the National Electricity Rules (including Ring-fencing obligations) has been established.

Transgrid has undertaken key activities during the transition period to ensure compliance with the updated Guideline. These activities include, but are not limited to, establishing a dedicated, cross-functional working group to drive awareness of the updated Guideline and manage the changes, conducted targeted training for relevant teams and refreshed the organisation-wide Ring-fencing training e-module, updated relevant internal documentation and artefacts, and customer-facing forms and agreements.

Specific procedures and controls to ensure compliance with the Guideline are detailed in following sections of the Report and Appendix A.

2.2. Legal Separation (Clause 3.1)

Transgrid (NSW Electricity Networks Operations Pty Ltd ACN 609 169 959) is the legal entity that is the primary TNSP providing prescribed and negotiated transmission services in the NEM for NSW and the ACT. Transgrid and its RESP, Lumea, maintain legal separation by registering with ASIC as two separate legal entities.

Clauses 3.1(b), (c), (d) and (e) of the Guideline allows Transgrid to provide transmission services, namely prescribed and negotiated transmission services, but not to provide other services.

Transgrid confirms that no distribution or electricity retail supply services were provided in this reporting period. Transgrid does however operate the Broken Hill Gas Turbine solely for the purpose of supporting the reliability of supply for potential outages in the Broken Hill region. This generator does not bid into the market and does not supply generation services to any other entity. The AER granted a waiver for the operation of the Broken Hill Gas Turbine on 13 February 2024. The waiver is valid until 28 February 2029.

With regard to clause 3.1(c), Transgrid confirms that it has not entered into any new or varied agreements that grant any other legal entity the right to use any energy storage device which is owned, operated, or controlled by Transgrid during the reporting period.

Lumea continue to provide telecommunication service to third parties using the Transgrid Telecommunication Network in accordance with clause 3.1(e)(i) of the Guideline.

2.3. Establish and Maintain Accounts (Clause 3.2)

The Transgrid Group (including Transgrid and Lumea) has established and maintained appropriate internal accounting procedures that adequately demonstrate the extent and nature of transactions between Transgrid and its affiliated entity.

The attribution and allocation of transmission services costs is performed in a manner consistent with the Transgrid *Cost Allocation Methodology* (CAM) as required by NER Rule 6A.19.4. Documentation supporting cost attribution and allocation is maintained in accordance with the CAM. The CAM is available on both Transgrid's public website and the AER's website.

Transgrid submits annually our response to the AER's Annual Information Order as of 30 June each year. These are based on Australian Accounting Standards with regulatory adjustments as required by the AER. Our response is subject to independent audit review.

2.4. Functional Separation (Clause 4)

2.4.1. Obligation not to discriminate (Clause 4.1)

Clause 4.1(b) of the Guideline requires Transgrid to not discriminate (directly or indirectly) between Lumea and its competitors (or potential competitors) in connection with the provision of prescribed or negotiated transmission services provided by Transgrid.

Compliance with this requirement is achieved primarily through the provision of mandatory induction and annual refresher training to all staff (and focussed training to staff in higher risk groups) on, *Ring-fencing and Competition Law* requirements, Transgrid's *Code of Ethics and Conduct* and, *Security Awareness*.

Transgrid requires its directors to state interests (inclusive of security holder interests) in other entities on an ongoing basis, at each Board and Board Committee meeting. Such control enables the Board to be aware of any actual or potential conflicts of interest and subsequently take appropriate steps. Corporate governance processes provide for clear separation of decisions and the documentation thereof.

Transgrid provides substantially the same terms and conditions, with the same service quality, reliability and timeliness to any competitors (or potential competitors) as Transgrid would provide to its RESP. Transgrid ensures that preferential treatment is not given to an associate that takes part in a related business by implementation of Transgrid's *Ring-fencing Framework*, *Information Sharing Protocol* and *Information Classification and Handling Standard*.

2.4.2. Information Access and Disclosure (Clause 4.2)

Transgrid policies and procedures, reinforced through induction and mandatory annual refresher training, requires all staff to keep ring-fenced information confidential and to use it only for the purpose it was acquired or generated to fulfill the obligations required as per Clause 4.2.1 of the Guideline.

Ring-fenced information is defined as the information associated with Transgrid's prescribed and negotiated transmission services relevant to its:

- Electricity network
- Electricity customers, or
- Electricity services

As per Clause 4.2.2 of the Guideline, Transgrid has policies and procedures in place, that prevent disclosure of ring-fenced information to any person including Lumea, unless such disclosure meets the requirements of the clause. These disclosure requirements include the following:

- obtaining the explicit informed consent of the relevant or prospective customer prior to disclosure,
- when information disclosure is required by, or for the purpose of complying with, any law,
- the disclosure was solely for the purpose of providing assistance to the extent necessary to respond to an event (such as an emergency) that was beyond Transgrid's reasonable control.

In compliance with Clause 4.2.3(d) and clause 4.2.4(a) of the Guideline, Transgrid has published on its external website, the revised *Information Sharing Protocol* and *Information Sharing Register*. The Protocol sets out how and when Transgrid makes ring-fenced information available to other legal entities.

2.4.3. Staff Separation (Clause 4.3)

The requirements to ensure staff are separated in accordance with the requirements of clause 4.3, are described in Transgrid's *Ring-fencing Framework*. This requirement is maintained primarily through functional separation of prescribed and contestable businesses, ongoing training and awareness and regular management oversight. For the purposes of meeting this obligation, marketing staff are defined as staff directly involved in sales, sale provision or advertising of the prescribed business.

2.4.4. Service Providers (Clause 4.4)

In relation to the requirement in Clause 4.4.1, Transgrid requires external service providers to comply with the Guideline.

Transgrid mandates compliance with its *Code of Ethics and Conduct* and *Business Ethics Guide* as a condition for all contractors and consultants involved in enabling or assisting in the provision of prescribed or negotiated transmission services. These documents require all relevant service providers to adhere to the following:

- Report any suspected or actual regulatory compliance incidents (including Ring-fencing);
- Comply with all relevant laws and contractual obligations;
- Not access, use or share Transgrid's confidential information (which includes ring-fenced and other sensitive information) without prior permission from the respective custodian of the information; and
- All contract and labour hire staff are required to complete Ring-fencing training.

3. Waivers

Other Services are defined in Section 1.4 of the Guideline as services other than transmission services. Examples of other services include:

- Generation
- Electricity retailing
- Electricity distribution services
- Entering in new, or varying existing agreements for controlling an energy storage device (e.g. battery), unless the device is solely for the purposes of network services
- Telecommunication services provided in isolation of the transmission system (i.e. services that are not provided by means of, or in connection with, Transgrid's transmission system)

- Any other services that are not provided by means of, or in connection with, Transgrid’s transmission system
- Transgrid, as a TNSP, is not permitted to provide Other Services without an approved waiver from the AER

There are two services that Transgrid provides that fall into the category of Other Services, and these are shown in the Table 3 below. Transgrid holds AER approved waivers for both services in accordance with Clause 3.1(f) the Guideline.

Table 3: Current AER approved waivers

Provision of Other Services	Service Details with Waiver
Generator Service	<ul style="list-style-type: none"> • Transgrid operates the Broken Hill Gas Turbine for the purpose of Network reliability support. • A waiver for this service was approved by the AER on 13 February 2024 This waiver is valid until 28 Feb 2029.
Telecommunication Services not associated with the Transmission network	<ul style="list-style-type: none"> • Transgrid provides telecommunications services to one customer. • The AER extended its approval of this waiver until 12 April 2026. • Since expiry of this waiver, Transgrid has disconnected telecommunication services to the customer.

4. Compliance Breaches (Clause 6.3)

During this reporting period, there were no identified or reported breaches of the relevant Guideline.

5. Purpose of transactions between Transgrid and Lumea

Transgrid is required to disclose the purpose of all transactions with an affiliated entity (AE) as per Clause 6.2.1(b) (iv). The table below shows the types of transactions between Transgrid and Lumea grouped by the purpose and nature:

Basis of Service Provision	Services provided
Corporate Management Services to Lumea under the Management Services Agreement (MSA)	<ul style="list-style-type: none"> • General Administration • Accounting • Payroll • Human Resources • Financial and Treasury • Legal and Regulatory • Compliance and Risk • Communications and Media • Procurement services
Building, Operating and Managing transmission assets for Lumea under the Construction Operation and Management agreement (COMA)	<ul style="list-style-type: none"> • Construction • Operation • Maintenance • Asset Management • Design

Basis of Service Provision	Services provided
	<ul style="list-style-type: none"> Project Management Commissioning
Project Services Agreement	<ul style="list-style-type: none"> Design Project Management Commissioning Customer Management
Provision of Labour	Staff employed by Transgrid in the Lumea Business unit including but not limited to: <ul style="list-style-type: none"> Lumea Management Bid Management Customer Management Portfolio Management

6. Independent Assessment

PwC has been engaged to conduct an independent assessment of Transgrid's compliance with the requirements of version 4 of the Guideline from 1 January 2025 to 23 August 2025 and version 5 of the Guideline from 24 August 2025 to 31 December 2025.

PwC's assessment of obligations summary is provided below and should be read in conjunction with PwC's independent assurance report.

Report section	Clauses	Guideline Requirement	Transgrid assessed Compliance Rating	Guideline	PwC's Assessment of Compliance	Observations
2.1/Appendix A and B	6.1	Compliance Procedures	Compliant	Version 4 and Version 5	Compliant	None noted for the current period.
2.2 / 3	3.1/5	Legal separation and waivers	Compliant	Version 4 and Version 5	Compliant	None noted for the current period.
2.3	3.2	Cost Allocation Method	Compliant	Version 4 and Version 5	Compliant	None noted for the current period.
2.4.1	4.1	Functional Separation -not to discriminate	Compliant	Version 4 and Version 5	Compliant	None noted for the current period.
2.4.2	4.2	Functional Separation - Information handling	Compliant	Version 4 and Version 5	Compliant	None noted for the current period.
2.4.3	4.3(a)	Functional Separation Staff Separation	Compliant	Version 4 and Version 5	Compliant	None noted for the current period.
2.4.4	4.4.1	Service Providers	Compliant	Version 4 and Version 5	Compliant	None noted for the current period.
The whole report 1.2	6.2.1/6.2.2	Compliance Reporting Requirements	Compliant	Version 4 and Version 5	Compliant	None noted for the current period.
4	6.3	Breaches of Guideline	Compliant	Version 4 and Version 5	Compliant	None noted for the current period.
Appendix B	6.2.1(b)(v) – (b) (ix)	Connection applications data	Compliant	Version 5	Partially compliant	Refer PwC independent assurance report.

Appendix A – Ring-fencing Framework Control Mapping

The following controls are in place to ensure compliance with the relevant version of the Guideline as in force for calendar year 2025.

Clause	Guideline Requirement	Controls (P-Preventative D-Detective C-Corrective)	Assessment
3.1	A TNSP must be a legal entity.	<p>Company Registration (P) (D)</p> <p>ASIC Company Registration confirms the legal separation of entities in the Transgrid Group. Company registration is reviewed and monitored by the Company Secretary (CoSec). CoSec advises Compliance team when there are any changes to ASIC registration.</p>	Compliant
3.1 (b) 3.1 (f)	<p>A TNSP may provide transmission services but must not provide 'Other Services'.</p> <p>A TNSP can apply for a waiver of the obligations in Clause 3.1.</p>	<p>Waivers Application and Waiver Register (P)</p> <p>Waiver application process is coordinated by the Compliance team. Two waivers have been granted by the AER for 'Other Services'. Refer to Section 3 above. No further services have been identified requiring waivers.</p>	Compliant
3.1 (c)	Notwithstanding any other provision of this Guideline, a TNSP must not enter into new agreement or agree to a material variation to an existing agreement where such new or varied agreement grants another legal entity the right to use any energy storage device which is owned, operated or controlled by the TNSP, unless it is for the sole purpose of providing that TNSP with network support services.	<p>Document Execution Request (DER) (P)</p> <p>A formalised DER process has been established and is consistently applied to identify circumstances where new or varied agreements may infringe Guideline requirements.</p> <p>The DER process includes Legal review on any new contractual agreements to explore if any regulatory issues, including Ring-fencing, emerge which must be considered and evaluated before the new services agreement can be executed.</p> <p>Procurement Framework and ibuy Process (P) (D)</p> <p>The Procurement Framework applies to all procurement activities undertaken by the Transgrid Group. The ibuy process includes embedded controls in sourcing goods and services for providing relevant business activities.</p> <p>The above two processes will identify if new agreements are entered into that allow another legal entity to use any storage device owned and operated by Transgrid.</p>	Compliant
3.1 (e)	<p>Clause 3.1(b) does not prevent a TNSP:</p> <p>i. subject to clause 3.1(c), granting another legal entity the right to use assets of the TNSP, where those assets are also used by the TNSP to provide transmission services or (if authorised in accordance with the waiver process set out in clause 5 of this Guideline) other services, but only where doing so does not materially prejudice the provision of prescribed transmission services by the TNSP;</p> <p>ii. providing corporate services (such as general administration, accounting, payroll, human</p>	<p>Contractual Arrangements between Transgrid, Lumea and other entities (P)</p> <p>Transgrid has the following agreements in place which meet Ring-fencing requirements of the provision of services between Transgrid and its related electricity service provider:</p> <ul style="list-style-type: none"> • Management Services Agreement (MSA), • Construction Operations and Maintenance Agreement (COMA), • Project Services Agreement (per project basis), • Other Lease and/or Contractual Arrangements. 	Compliant

Clause	Guideline Requirement	Controls (P-Preventative D-Detective C-Corrective)	Assessment
	<p>resources, legal or regulatory, or information technology support services) to a related electricity service provider or other legal entity</p> <p>iii. providing electricity information to another legal entity where doing so is not prohibited by 4.1(c)(iv) or 4.2</p> <p>iv. providing assistance to the extent necessary to respond to an event (such as an emergency) that is beyond a reasonable Network Service Provider's control; and</p> <p>v. providing any other services authorised in accordance with the waiver process set out in clause 5 of this Guideline.</p>		
3.2.1	<p>A TNSP must establish and maintain appropriate internal accounting procedures to ensure that it can demonstrate the extent and nature of transactions between TNSP and its affiliated entities.</p> <p>The AER may include a requirement in a regulatory information instrument for a TNSP to:</p> <p>i. provide its internal accounting procedures to the AER; and / or</p> <p>ii. report on transactions between the TNSP and its affiliated entities</p>	<p>Financial Records Review (D)</p> <p>Financial reports are prepared and reviewed on a regular basis by finance managers and any discrepancies are subject to investigation.</p> <p>The financial performance of Transgrid and its related electricity service provider are separately prepared and presented to Executive Management each month for review.</p> <p>Regulatory Account Statements and Audits (P) (D) (C)</p> <p>Transgrid maintains separate financial reports for Transgrid and each trust. These financial reports are reviewed by management on a monthly basis. Annual financial accounts are independently audited. Among the accounts, the transactions between Transgrid and related electricity service provider are reconciled and audited.</p> <p>Annual Regulatory Information Instrument RII/RIO reports to AER (P) (D) (C)</p> <p>The AER requires Transgrid to annually prepare, provide and maintain a broad range of financial and non-financial information including RII/RIO. Transgrid maintains multiple level of verifications before submitting these respective /RIO reports to AER including;</p> <ul style="list-style-type: none"> • Certification by respective General Managers and Executive General Managers, and • Annual review by independent auditor with auditor's assessment report 	Compliant

Clause	Guideline Requirement	Controls (P-Preventative D-Detective C-Corrective)	Assessment
3.2.2	A TNSP must maintain compliance with the AER approved Cost Allocation Methodology	<p>Cost Allocation Methodology (CAM) (P)</p> <p>Transgrid has applied the AER approved CAM and allocated costs between Transgrid and Lumea in accordance with relevant costs categories as per the CAM. Costing methodologies in the CAM are embedded into Transgrid financial systems.</p> <p>Regular financial reports are prepared from internal financial systems. These reports are reviewed by the Finance function to ensure the correct application of relevant cost categories. This control ensures ongoing compliance with the approved CAM.</p> <p>Regulatory Account Statements and Audits (P) (D) (C)</p> <p>Transgrid has maintained separated financial accounts for Transgrid and Lumea. Financial reports are reviewed at the management level on a monthly basis. Furthermore, the annual financial report is assessed by an independent audit firm for the audit opinion on the financial records. Among the accounts, the transactions between Transgrid and related electricity service provider are reconciled and reviewed.</p>	Compliant
4.1	<p>A TNSP must not discriminate (directly or indirectly) between a related electricity service provider and a competitor in connection with the provision of prescribed or negotiated transmission services by the TNSP, treating the related electricity service provider as if it were not a RESP:</p> <p>i. in like circumstances, deal or offer to deal with a Lumea and a competitor (or potential competitor) of the related electricity service provider on substantially the same terms and conditions</p> <p>ii. in like circumstances, provide substantially the same quality, reliability and timeliness of service to a Lumea and a competitor (or potential competitor) of the related electricity service provider</p> <p>iii. subject to 4.2.2 (b), not disclose to Lumea information that Transgrid has obtained through its dealings with a competitor, where disclosure would provide an advantage to Lumea</p>	<p>Policies, Procedures, Guidance and Training are in place to continuously improve the awareness of healthy competition in the market (P)</p> <p>Ring-fencing requirements are communicated to all staff via the following training courses:</p> <ul style="list-style-type: none"> • Ring-fencing and Competition Law • Security Awareness at Transgrid <p>All the new starters are required to complete the mandatory induction training modules with two courses above as per the <i>Corporate Induction and Mandatory Training Manual</i> and then annual refresher training of these courses is mandatory in each subsequent year.</p> <p>Furthermore, an advanced training sessions on Ring-fencing and Competition Law were conducted for a focused group of staff engaged in sales, bidding and procurement activities in both Transgrid and Lumea businesses.</p> <p>Updated version of the General Conditions of Contract (GCOC) template (P)</p> <p>The updated <i>General Conditions of Contract</i> (GCOC) template contains Ring-fencing compliance requirements which are mandatory for identified procurement categories of service providers where the supply chain life cycle is initiated after the Guideline came into effect. Relevant service providers are informed of the Ring-</p>	Compliant

Clause	Guideline Requirement	Controls (P-Preventative D-Detective C-Corrective)	Assessment
		<p>fencing conditions in the contract before they agree to accept their contract with Transgrid. Service providers are provided the address of Transgrid’s Ring-fencing mailbox enabling reporting of any compliance-related matters.</p> <p>Statement of affiliated entities at each Board & Board Committee meeting (P) CoSec maintains a comprehensive listing of <i>Standing Notice of Interests</i> held by Board members. This listing is presented in each Board and Board Committee meeting, confirmed by members and documented as such in the meeting minutes.</p> <p>Connection Process Protocol (P) This protocol applies to the development of network connections from initial informal queries through to the Offer to Connect to the customer in order to ensure information acquired or generated as the NSW/ACT jurisdictional planner or developer and operator of the regulated transmission network, is kept confidential unless explicit informed consent of the customer is obtained prior to Lumea or other Transgrid related entities engage in contestable or unregulated network services.</p>	
4.2.1	<p>Subject to this Clause 4.2, a TNSP must:</p> <ul style="list-style-type: none"> a) keep ring-fenced information confidential; and b) only use ring-fenced information for the purpose for which it was acquired or generated 	<p>IT restriction on ring-fenced information access (P) Ring-fenced information handling requirements are addressed in Transgrid’s <i>Information Classification and Handling Standard</i> and in the <i>Connection Process Protocol</i>. Ring-fenced information is required to be classified as “Sensitive – internal” which is not accessible by external parties including Lumea.</p> <p>The disclosure of ring-fenced information outside the respective business unit must be approved by the Information/Data owner/custodian. The <i>Ring-fencing Framework – Appendix C Information Guide</i> briefly outlines the formal response process of ring-fenced information request.</p> <p>Security of information is maintained through specific access controls that prevent Lumea staff from viewing ring-fenced documents and prevent the sharing of ring-fenced information between Transgrid and Lumea.</p> <p>Policies, Procedures, Guidance and Training are placed to continuously improve the awareness of information security (P) Ring-fencing requirements have been communicated to all staff via the following training courses:</p> <ul style="list-style-type: none"> • Ring-fencing and Competition Law • Security Awareness at Transgrid 	Compliant

Clause	Guideline Requirement	Controls (P-Preventative D-Detective C-Corrective)	Assessment
		<p>All the new starters are required to complete the mandatory induction training modules with two courses above as per the <i>Corporate Induction and Mandatory Training Manual</i>. The annual refresher training of these courses is mandatory for all staff in each subsequent year to ensure all staff are well informed and aware of information protection and handling requirements.</p> <p>Furthermore, an advanced training session on Competition Law was conducted for an identified group of staff engaged in sales, bidding and procurement activities.</p> <p>IT restrictions and User Access Review (P) (D) (C)</p> <p>Transgrid's IT controls are centralised and designed to prevent the unauthorised access to ring-fenced information:</p> <ul style="list-style-type: none"> (i) IT access controls / system separations restrict access to ring-fenced information, (ii) All staff system access reviewed by managers as part of a structured <i>User Access Review process</i>, (iii) Transmission between non-contestable and contestable parts of the business is controlled and monitored. 	
4.2.2	<p>A TNSP must not disclose ring-fenced information to any person, including a related electricity service provider, unless the circumstances permitted in the Guideline such as:</p> <ul style="list-style-type: none"> (a) has first obtained the explicit informed consent of the relevant customer, or prospective customer (b) the disclosure is required by, or for the purpose of complying with any law (c) the disclosure is necessary to enable the Transgrid to provide transmission services or (if authorised in accordance with the waiver process set out in clause 5 of the Guideline) other services (d) the information has been requested by or on behalf of a customer, or potential customer, of another legal entity, and the disclosure is necessary to enable the legal entity to provide its transmission services, 	<p>Connection Process Protocol (P)</p> <p>This protocol applies to the development of network connections from initial informal queries through to the Offer to Connect to the customer in order to ensure information acquired or generated as the NSW/ACT jurisdictional planner or developer and operator of the regulated transmission network is kept confidential not disclosed to Lumea or other Transgrid related entities without explicit informed consent of the relevant customer.</p> <p>Ring-fencing Framework (P)</p> <p>This Framework provides guidance to the business in understanding how compliance with the Ring-fencing Guideline is to be achieved, including how to safeguard ring-fenced information.</p> <p>Staff Movement Guide (P)</p> <p>Business rules around staff movement between the contestable and non-contestable parts of the business are in place. The <i>Appendix D: Staff Movement Information Guide</i> in the Ring-fencing Framework provides the controls required to manage ring-fenced information when staff move between Transgrid and Lumea. It is a requirement to obtain prior approvals from relevant senior management when requesting to retain access to systems and data, such as emails or shared drive.</p>	Compliant

Clause	Guideline Requirement	Controls (P-Preventative D-Detective C-Corrective)	Assessment
	<p>contestable electricity services or other service</p> <p>(e) the disclosure is solely for the purpose of providing assistance to the extent necessary to respond to an event (such as an emergency) that is beyond a Transgrid’s reasonable control</p> <p>(f) the disclosure is solely for the purposes of research by a legal entity other than a related electricity service provider of the TNSP</p> <p>(g) a related electricity service provider of the TNSP has requested the disclosure and the TNSP complies with clause 4.2.3 in relation to that ring-fenced information; or</p> <p>(h) another legal entity, other than a related electricity service provider of the TNSP, has requested the disclosure.</p>	<p>Policies, Procedures, Guidance and Training are placed to continuously improve the awareness of information security (P)</p> <p>Ring-fencing requirements have been and continue to be communicated to all staff via the following training courses:</p> <ul style="list-style-type: none"> • Ring-fencing and Competition Law • Security Awareness at Transgrid <p>All new starters are required to complete the mandatory induction training modules with two courses above as per the <i>Corporate Induction and Mandatory Training Manual</i> and then annual refresher training is mandatory in subsequent years.</p> <p>Information/Access Separation (P)</p> <p>Specific access controls prevent Lumea staff from viewing ring-fenced documents and prevent the sharing of ring-fenced information between Transgrid and Lumea.</p> <p>IT restriction on ring-fenced information access (P)</p> <p>The method by which ring-fenced information is managed, was incorporated into Transgrid’s <i>Information Classification and Handling Standard</i>. Ring-fenced information is classified as “Sensitive – internal” which is not accessible by external parties.</p> <p>The release of ring-fenced information must be reviewed and approved by the Information/Data owner. The <i>Ring-fencing Framework – Appendix C Information Guide</i> outlines the formal assessment and response process of ring-fenced information request.</p>	
4.2.3	<p>A TNSP must disclose the ring-fenced information to its RESP, or any other legal entities (i.e., competitors in market) on an equal basis.</p> <p>The disclosed ring-fenced information is required to be available in the “Information register” on Transgrid’s public website.</p>	<p>Information Sharing Protocol (P)</p> <p>Transgrid has established an <i>Information Sharing Protocol</i> for ring-fenced information sharing with other parties including Lumea and any other external entities. The revised <i>Information Sharing Protocol</i> and the <i>Information Sharing Register</i> is published on Transgrid’s official website as required. This Protocol is designed to ensure that:</p> <ul style="list-style-type: none"> • Ring-fenced information is disclosed appropriately, and used for the purpose which it was requested or generated, • Ring-fenced information is provided on an equal basis, • Information register is recorded and updated on a timely manner on a regular basis whenever ring-fenced information is shared. 	Compliant

Clause	Guideline Requirement	Controls (P-Preventative D-Detective C-Corrective)	Assessment
4.2.4 (a & b)	<p>A TNSP must establish, maintain and keep a register of all related electricity service providers and other legal entities who provide contestable electricity services but who are not affiliated entities of the TNSP, who request access to ring-fenced information.</p> <p>This register must be publicly available. The register is required to be updated and monitored on a regular basis.</p> <p>The information in the register must include sufficient details enabling the other legal entities to make an informed decision about whether to request that kind of information from the TNSP.</p>	<p>Information Sharing Protocol (P)</p> <p>Transgrid has established an <i>Information Sharing Protocol</i> for information sharing with other parties including Lumea and any other external entities. The <i>Information Sharing Protocol</i> is published on Transgrid's official website as required. This protocol is designed to ensure that:</p> <ul style="list-style-type: none"> • Ring-fenced information is disclosed appropriately, and used for the purpose which it was requested or generated • Ring-fenced information is provided on an equal basis, • <i>Information register</i> is recorded and updated on a timely basis on a regular basis whenever ring-fenced information is shared, <p>Transgrid has not received formal information sharing request during the reporting period.</p>	Compliant
4.3	<p>A TNSP must ensure its marketing staff cannot work both for prescribed services and contestable services.</p>	<p>Functional Separation of Prescribed and Contestable Services (P), (D)</p> <p>Prescribed transmission services are required minimal marketing services.</p> <p>Staff involved in the Transgrid Group advertising and promotional activities are not involved in sales provision or business development of contestable activities of Lumea.</p>	Compliant
4.4	<p>A TNSP must ensure that its service providers, enabling and assisting prescribed transmission services or negotiated transmission services to comply with the Ring-fencing obligations.</p> <p>TNSP must not directly or indirectly encouraged or incentivised service providers to breach the obligations.</p>	<p>Policies, Procedures, Guidance and Training are placed to continuously improve the awareness of healthy competition in the market (P)</p> <p>Ring-fencing requirements are communicated to all staff via the following training courses:</p> <ul style="list-style-type: none"> • Ring-fencing and Competition Law • Security Awareness at Transgrid • Code of Ethics and Conduct <p>All the new starters are required to complete the mandatory induction training modules with three courses above as per the <i>Corporate Induction and Mandatory Training Manual</i> and then annual refresher training of these courses is mandatory in each subsequent year.</p>	Compliant

Clause	Guideline Requirement	Controls (P-Preventative D-Detective C-Corrective)	Assessment
		<p>General Conditions of Contract (GCOC) template (P)</p> <p>The updated <i>General Conditions of Contract</i> (GCOC) template contains Ring-fencing requirements which are mandatory for identified procurement categories. They are informed of the Ring-fencing conditions in the contract before they agree to accept their contract with Transgrid.</p> <p>Service providers are provided with the address of Transgrid's Ring-fencing mailbox enabling reporting any compliance breach directly to the mailbox and not to the Transgrid employee with whom they deal with under the contract.</p>	
5.7	A TNSP must establish, maintain and keep a register of all waivers (including any variation of a waiver) granted to the TNSP by the AER under Clause 5 of this Guideline, and must make the register publicly available on its website.	<p>Waiver Register (P)</p> <p>Transgrid has established and maintains a waiver register which is publicly available on our website.</p>	Compliant
6.1	A TNSP must establish and maintain appropriate internal procedures to ensure it complies with its obligations under Clause 6A.21.1 of the NER.	<p>Ring-fencing Framework (P)</p> <p>The Ring-fencing Framework was refreshed in September 2025 and provides guidance to the business in understanding how compliance with the Guideline is to be achieved. It sets out the key procedures, policies and controls which ensure compliance with the Ring-fencing requirements across the Transgrid Group.</p>	Compliant
6.2.1	A TNSP must prepare an annual Ring-fencing compliance report each calendar year accompanied by an assessment of compliance with the Guideline by a suitably qualified independent authority in accordance with this Clause 6.2.1.	<p>Annual Ring-fencing Compliance Report (P)</p> <p>Transgrid has completed this annual compliance report, which is accompanied by an independent compliance assessment by PwC, to meet this obligation.</p>	Compliant
6.2.2	A TNSP must submit its annual compliance report to the AER within four months of the end of the calendar year to which the compliance report relates.	<p>Action Reminder setup in CAMMS/Riskconnect (P)</p> <p>A recurring compliance action has been established in CAMMS (GRC system) to track completion of this reporting requirement.</p>	Compliant
6.3	A TNSP must notify the AER in writing within 15 business days of becoming aware of a breach of its obligations under this Guideline, except for a breach of Clause 6.2.2 or this Clause 6.3 of this Guideline.	<p>Communication Tool established (P)</p> <p>Transgrid maintains a dedicated ring-fencing email address that allows both internal and external communication of ring-fencing related matters. The Ring-fencing mailbox is maintained and monitored by Transgrid's Compliance team to address any queries, escalations and potential breaches reported by internal and external parties.</p>	Compliant

Clause	Guideline Requirement	Controls (P-Preventative D-Detective C-Corrective)	Assessment
		<p>Transgrid maintains other channels for reporting incidents including those associated with Ring-fencing obligations, which includes organisation-wide access to CAMMS/Riskconnect. Compliance incidents workflow in CAMMS/Riskconnect automatically alert the Compliance team who will triage, review and assess incidents and report breaches, within the prescribed timeframes where required.</p>	
6.4	<p>The AER may, at any time, require a TNSP to provide a written response to a complaint or concern the AER raises with the TNSP about its compliance with this Guideline, including where the AER has previously required the TNSP to provide one or more written responses to the relevant complaint or concern.</p>	<p>Communication Tool established (P) The Ring-fencing mailbox is maintained and monitored by Transgrid's Compliance team to address queries and escalations from both internal and external parties including regulators.</p>	Compliant

Appendix B – Connection Applications Data

Connection Applications Data for Calendar Year (CY) 2025 reported in accordance with clause 6.2(b)(v) - (ix) of the Guideline is provided in the following table:

Clause	Reporting Requirements	Statistics	Supporting Commentary
6.2.1(b)(v)	Total number of connection applications received in CY 2025	36	Transgrid considers that the date a connection application is “received” is informed by clause 5.3.4A definition of an application for connection — that is, when the Connection Applicant has submitted an application containing all the information as set out in clause 5.3.4(b). Accordingly, Transgrid considers that a Connection Application is received once it meets the 5.3.4(b) completeness threshold and has reported accordingly. This means the receipt date may differ from when the proponent first started uploading the information or when files initially appeared in the system.
6.2.1(b)(vi)	Proportion of the total number of connection applications received in CY 2025: Contestable services solely provided by Lumea	3%	Based on connection applications received in 2025, one of these connection applicants contracted Lumea to solely provide contestable services, at the time of connection application submission.
6.2.1(b)(vii)	Proportion of the total number of connection applications received in CY 2025 - Contestable services provided by non-Lumea party	3%	Based on connection applications received in 2025, one of these connection applicants contracted a non-Lumea party to provide contestable services at the time of connection application submission.
6.2.1(b)(viii)	Average Time taken (in business days) for connections commissioned in CY 2025 between initial receipt of the connection application and the commissioning of the connection: Contestable services provided by Lumea	1291 days	Transgrid relied on available documentation which provided an approximate date of initial receipt of the connection application and used the 1st of that month as a conservative estimate to calculate the average time taken between initial receipt of the connection application and the commissioning of the connection (taken as full operation release date). In conclusion, the reported metric represents the maximum average time taken between initial receipt of the connection applications and connections commissioned for the period ended 31 December 2025.
6.2.1(b)(ix)	Average Time taken (in business days) for connections commissioned in CY 2025 between initial receipt of the connection application and the commissioning of the connection: Contestable services provided by non-Lumea	822 days	Transgrid relied on available documentation which provided an approximate date of initial receipt of the connection application and used the 1st of that month as a conservative estimate to calculate the average time taken between initial receipt of the connection application and the commissioning of the connection (taken as full operation release date). In conclusion, the reported metric represents the maximum average time taken between initial receipt of the connection applications and connections commissioned for the period ended 31 December 2025.