

NSW Emergency Backstop Mechanism

Summary of Licence Condition Amendments

June 2026



Attachment A: Summary of licence condition amendments

Electricity distribution and transmission licences in New South Wales are issued by the Minister for Energy under the Electricity Supply Act 1995 (NSW). Under the Act, the Minister for Energy may impose additional conditions on licensees.

A summary of the licence condition amendments imposed by the Minister to require Essential Energy to implement the EBM and additional obligations to integrate Essential Energy's systems with the NSW CER portal developed by NSW DCCEEW are set out in the tables below. Essential Energy's amended distribution licence is available on IPART's website with the new licence conditions set out in Appendix C (EBM) and Appendix D (NSW CER portal).¹

The summary below was prepared based on the December 2025 version of our licence conditions. This summary should be read in conjunction with the further change in the licence conditions made in June 2026 to the implementation timeframes (and received by Essential Energy on the 24th of June just prior to the submission of this Cost pass Through Application). Rather than specifying specific dates, the final licence conditions mandate that most requirements commence at a 'Launch Date' or a specified number of days after the Launch Date. The Launch Date will be communicated by the NSW Government to Essential Energy via written notice and will be a date that occurs after the NSW Government's completion of the CER Installer Portal. At this stage we do not expect the change in implementation date to materially impact Essential Energy's costs, however, we will keep the AER updated if this assessment changes as the revised implementation date becomes clearer.

Table 1: Summary of EBM licence condition obligations

REQUIREMENT TYPE	CONNECTIONS UP TO 200KW	CONNECTIONS EQUAL TO OR GREATER THAN 200KW	REFERENCE
Solar curtailment operation and connection agreements	From 30 June 2026, Essential Energy must not approve a connection application for a new solar generating system or altered connection unless the system has the capability for Essential Energy to remotely interrupt or curtail electricity exports and generation from that solar generating system. The solar generating system must be able to communicate with Essential Energy's utility server via a CSIP-AUS compliant communication channel	From 30 June 2026, Essential Energy must not approve a connection application for a new solar generating system or altered connection unless the system has the capability for Essential Energy to remotely interrupt or curtail electricity exports and generation from that solar generating system. The solar generating system must be able to community with Essential Energy's systems to remotely interrupt or curtail electricity exports and generation	Condition C.1.1
	From 1 October 2026, Essential Energy must not approve a connection application for a new or altered solar generating system, unless Essential Energy will, at the time of connection establishment or alteration, be capable of remotely interrupting or curtailing solar exports and generation from new or upgraded connections when required to		Condition C.1.2

¹ Available at: [Distributor Licence – Essential Energy - December 2025 | IPART](#)

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REQUIREMENT TYPE	CONNECTIONS UP TO 200KW	CONNECTIONS EQUAL TO OR GREATER THAN 200KW	REFERENCE
	From 1 January 2027, Essential Energy must be capable of remotely interrupting or curtailing solar exports and generation from new or upgraded connections when required to		Condition C.1.3
	Exemptions to these requirements apply to: - Connections with solar generating systems less than or equal to 30kW, where the system connect practically be connected to Essential Energy's utility server, and a static export limit is in place - New or replacement solar generating systems in an embedded network - Like-for-like replacement of an existing inverter under a manufacturer warranty - Relocating an existing inverter within the same site	Exemptions to these requirements apply to: - Solar generating systems which are otherwise controlled by via means authorised by AEMO - New or replacement solar generating systems in an embedded network - Like-for-like replacement of an existing inverter under a manufacturer warranty - Relocating an existing inverter within the same site	Condition C.1.4, C.1.5 and C.1.6 ²
	From 30 June 2026, Essential Energy must: - Maintain and operate a utility server that is CSIP-AUS compliant - Implement and maintain the technical capability to offer flexible export limits for new and upgraded solar generating systems	N/A	Condition C.1.7 and C.5
	Essential Energy must not remotely interrupt or curtail solar exports and/or generation from a relevant solar generating system except: - Through the use of flexible export limits - In response to a MSL event as notified by AEMO - As directed by AEMO or another lawfully authorised person - In carrying out testing, or - Any other matter agreed in writing with the applicable customer		Condition C.1.8

² The specific requirements that are exempt differs somewhat between these different types of connections.

REQUIREMENT TYPE	CONNECTIONS UP TO 200KW	CONNECTIONS EQUAL TO OR GREATER THAN 200KW	REFERENCE
	Essential Energy must include terms in the Connection Agreement, Connection Contract, Connection Offer, Negotiated Connection Contract, or Model Standing Offer for the new or upgraded solar generating system that allow Essential Energy: - To be remote interrupt or curtail the solar exports or generation in the relevant circumstances - To implement a static export limit if the solar generating system cannot connect or ceases to connect to Essential Energy's utility server - To dynamically increase and/or decrease the export limit where the customer has opted in to a flexible export limit arrangement	Essential Energy must include terms in the Connection Agreement, Connection Contract, Connection Offer, Negotiated Connection Contract, or Model Standing Offer for the new or upgraded solar generating system that allow Essential Energy: To be remote interrupt or curtail the solar exports or generation in the relevant circumstances	Condition C.2
Customer communications	- Must notify customers of testing at least 48h in advance where expected cumulative curtailment of more than 60min in a 48h period - Must notify affected customers (using their preferred method of communication) after a MSL event or other direction where cumulative curtailment of more than 120min in a 48h period occurred - Must publish a notice on its website where curtailment occurs from a MSL event, other direction or testing		Condition C.3
Additional operational demand measures	- Must maintain control over a level of additional operational demand capacity sufficient to deliver the forecast level of response required by AEMO under a MSL event - Must consult with AEMO annually to determine the additional operational demand capacity that is sufficient		Condition C.4
Testing, monitoring & reporting	- Must prepare procedures that set out the process it will follow for regular testing of solar generating systems - Must undertake a minimum of one and not more than four tests annually of each solar generating system - Must report annually (plus in response to any ad hoc requests) to the Minister of Energy and AEMO on the number, aggregate capacity and compliance of new and upgraded emergency backstop enabled solar generating systems - Must report after each event to the Minister of Energy and AEMO on the performance and effectiveness of the solar curtailment		Condition C.6 and C.7

Table 2: Summary of NSW CER portal licence conditions

REQUIREMENT	REFERENCE
Following the development of the portal by NSW DCCEEW, Essential Energy: - Must integrate its relevant digital platforms, applications and supporting systems with the portal as soon as reasonably practicable - Must thereafter maintain this integration to the portal and supply relevant information associated with the portal to AEMO, IPART and NSW DCCEEW	Condition D.1

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