

The Hon Penny Sharpe MLC

Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage,
Leader of the Government in the Legislative Council



DOC26/225087

Mr John Cleland
Chief Executive Officer
Essential Energy

By email: [REDACTED]

Dear Mr Cleland *John,*

I write to you regarding variations to licence conditions of NSW Distribution Network Service Providers (DNSPs) with respect to implementing the NSW Emergency Backstop Mechanism, to accommodate timelines for the development of the Consumer Energy Resources (CER) Installer Portal as an enabler of the NSW emergency backstop mechanism.

In December 2025, I advised of a variation to DNSP licence conditions to establish an emergency backstop mechanism to address the increasing risk of Minimum System Load events identified by the Australian Energy Market Operator and the readiness of NSW DNSPs to respond to these events. I appreciate the collaborative effort of the three NSW DNSPs in working with the NSW Department of Climate Change, Energy, the Environment and Water (the Department) in developing and implementing the NSW emergency backstop mechanism and CER Installer Portal.

I can advise that CER Installer Portal timelines have been extended to support required testing and to ensure alignment with stakeholder requirements for a smooth deployment. This reflects the criticality of the CER Installer Portal to the implementation of the emergency backstop mechanism, and I expect DNSPs to utilise it for the purposes of enrolling new systems in the backstop mechanism.

This extension has required an update to licence conditions to ensure that DNSPs do not become non-compliant with conditions for the emergency backstop mechanism that take effect on 30 June 2026. As such, DNSP licence conditions with respect to the NSW emergency backstop mechanism now commence from the launch of the CER Installer Portal. For the avoidance of doubt, the Department will notify DNSPs when the CER Installer Portal is considered launched.

I have attached an updated and approved instrument of variation of licence conditions for Essential Energy. I have separately provided this instrument to the Independent Pricing and Regulatory Tribunal for publication.

I acknowledge and welcome the close engagement of DNSPs with the Department to date on the design and delivery of the CER Installer Portal and request that this continue.

If you have any further questions about this issue, please contact [REDACTED]
Consumer Policy Branch [REDACTED]

Sincerely

[REDACTED]
Penny Sharpe MLC

Minister for Climate Change, Minister for Energy,
Minister for the Environment, Minister for Heritage

12/16/26
Enclosed: revised instrument of variation to Essential Energy licence conditions