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24 June 2026

David Monk
Director, Network Expenditure
Australian Energy Regulator
Level 11, 1 King William Street
Adelaide SA 5000

Dear David

Ausgrid submits this cost pass through application under clause 6.6.1(a) of the National Electricity Rules (**NER**), seeking to recover additional costs incurred in response to the recent variation of our distribution network services provider (**DNSP**) licence conditions to enable the implementation of the NSW solar emergency backstop mechanism.

Rooftop solar is beneficial in numerous ways, including because of its contribution towards federal and state emission targets. However, high solar output combined with low load can cause grid instability and blackouts.[1] To mitigate the risks of these events happening, NSW DNSPs are being required to implement a mechanism to enable temporary reductions or pauses of solar exports, called the 'NSW solar emergency backstop mechanism'.

On 10 December 2025, the Minister for Energy varied Ausgrid's DNSP licence conditions. The varied conditions require Ausgrid to take actions and develop capabilities to give effect to the NSW solar emergency backstop mechanism.

Our application explains why the variation of Ausgrid's licence conditions meets the definition of a service standard event and qualifies as a positive change event under clause 6.6.1 of NER. Our application also outlines the costs that we have incurred to comply with the varied licence conditions, which exceed Ausgrid's materiality threshold. Further, the application describes the governance and operational frameworks that we have employed to ensure that our costs are prudent and efficient.

If you wish to discuss this application, please contact Shannon Moffitt, Regulatory Strategy Manager, on [redacted] or at [redacted].

Regards,

[redacted]

Marc England
Chief Executive Officer
Ausgrid

[1] NSW Government, 'New measures to manage rooftop solar exports during grid emergencies' (accessed 24 June 2026).



Wired for good.