NSW Emergency Backstop Mechanism

Attachment 6 - Endeavour Energy letter request for extension of cost pass through lodgement date

Endeavour Energy

POWER together

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23 February 2026

Kris Funston
Executive General Manager
Australian Energy Regulator (AER)
Sent via email [redacted]

Dear Dr Funston,

Request for extension of time – cost pass through application for the Emergency Backstop Mechanism and Consumer Energy Resources Portal Integration

I am writing to you in relation to the Minister for Energy signing a variation to Endeavour Energy's licence condition on 10 December 2025 to develop Emergency Backstop and Flexible Export capabilities and integrate with the NSW Department of Climate Change, Energy, Environment and Water (DCCEEW) consumer energy resources (CER) portal.

This variation follows a notice issued by AEMO in August 2024 recommending that the NSW and ACT DNSPs implement operationally-effective emergency backstop capabilities. In December 2024, we received a letter from the Minister notifying us of the NSW Government's intention to codify this recommendation through a variation to our licence conditions and requesting that we commence work on implementing these capabilities in advance of these variations.

We consider the signing of the new licence conditions to be the trigger of a service standard change (or regulatory event) for the purposes of the cost pass-through requirements in the National Electricity Rules (NER). Under clause 6.6.1(c) of the NER, Endeavour Energy is required to seek approval from the AER to pass through the positive pass-through amount within 90 business days of the positive change event occurring (i.e., 23 April 2026).

However, given the release of the licence change occurring during a holiday period, ongoing key procurement activities associated with the project and the need to apply appropriate review and rigour to our pass-through event proposal, we request an extension to lodge our positive pass-through event proposal to 30 June 2026.

This additional time would enable Endeavour Energy to submit a pass-through proposal that is aligned with AEMO's revised implementation timeframe (which shifted from Spring 2025 to June 2026). It would also allow for a better understanding of the incremental costs associated with implementing the required capabilities and additional time for further customer and stakeholder engagement on the matter.

We note that the AER may grant an extension under clause 6.6.1(k), if it is satisfied that the difficulty of assessing or quantifying the effect of a pass through is justified. Further to this, it is our understanding that both Essential Energy and Ausgrid have also requested similar extensions. We consider it would reduce the administrative burden on the AER to assess these three related positive pass-through events on an aligned timeline in order to avoid the AER having to bear undue cost or effort.

For these reasons, we believe the conditions of 6.6.1(k) have been met and we would be grateful for the AER's confirmation that the extension is acceptable. Should you have any queries or wish to discuss this request further, please contact me at [redacted]

Yours sincerely

[redacted]

Emma Ringland
Head of Regulation & Investments