

Ref: JC:SN20260428

28 April 2026

Clare Savage
Chief Executive Officer
Australian Energy Regulator

Email: [REDACTED]

Dear Clare

Ring-fencing Annual Compliance Report – 1 January to 31 December 2025

In accordance with the AER's *Ring-fencing Guideline – Electricity Distribution Version 4* (the Guideline), I am pleased to submit Essential Energy's Ring-fencing Annual Compliance Report (the Compliance Report) for the period 1 January to 31 December 2025 (the reporting period). The independent assessment of the Compliance Report by KPMG and the 2025 Sovereign Hills Battery Annual Compliance Report are also attached.

The Compliance Report contains the measures Essential Energy has undertaken to achieve compliance with the Guideline, the details of any breaches of the Guideline, other services provided, and details of transactions with affiliated entities.

Essential Energy is reporting no new breaches of its ring-fencing obligations for the reporting period.

The 2025 Sovereign Hills Battery Annual Compliance Report is provided as a separate report, as required under the conditions of the waiver granted for that initiative. This report has also been considered by KPMG as part of the annual ring-fencing compliance review.

The Compliance Report has been prepared with due care and diligence and in accordance with the requirements of the Guideline. To the best of my knowledge, the contents of the Compliance Report are true and accurate.

If you or your officers require any additional information, please contact me on [REDACTED] or via email at [REDACTED] or our Head of Regulatory Affairs, Hilary Priest, on [REDACTED].

Yours sincerely,

[REDACTED]

John Cleland
Chief Executive Officer