Australian Government | AUSTRALIAN ENERGY REGULATOR | Australian Government | Energy Innovation Toolkit

Consultation notice

AGL and Endeavour Energy FlexTogether sandbox trial waiver application

17 November 2026

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1 Introduction

The Australian Energy Regulator (AER) established the Energy Innovation Toolkit (also referred to as 'regulatory sandboxing') in 2022. The toolkit helps energy innovators and startups navigate complex regulatory frameworks, and it enables the trial of new products and services that aim to deliver greater choice and cheaper energy options for consumers.

The Energy Innovation Toolkit framework facilitates trials of innovative projects in part by giving the AER the power to issue trial waivers. A trial waiver temporarily exempts an innovator from having to comply with specific rules that present regulatory barriers to allowing an innovative trial project to proceed. As part of its consideration of trials, the AER may publicly consult on proposals it receives.

AGL and Endeavour Energy (the trial proponents) lodged an application through the Energy Innovation Toolkit on 20 August 2026. A copy of the application is included with this consultation notice at Attachment A.

1.1 Proposed trial

AGL and Endeavour Energy seek trial waivers from the National Electricity Rules (NER) as part of their joint 'FlexTogether' initiative. The initiative aims to test the use of AGL's customers' consumer energy resources (CER), including batteries and electric vehicles, as well as shifting energy consumption away from peak times, to provide flexibility services that help address local distribution network issues in a more dynamic and responsive way than is currently possible under existing regulatory frameworks.

AGL and Endeavour Energy consider that currently the NER (clauses 8.6.1(b)(1), 8.6.1(b)(2), and 6.17.1) restricts the type of targeted data sharing and collaboration between distribution network service provider (DNSP) and retailer they are seeking to undertake within the trial.

The FlexTogether initiative will be delivered in 2 stages:

1. an exploratory stage to **identify** suitable trial locations and available flexible resources (matching AGL's CER-owning customers to the specific flexibility needs of the Endeavour Energy network) and undertake an initial assessment of where flexibility services could be a viable alternative to network augmentation
2. a trial phase to **test** procurement and delivery of the identified flexibility services.

The proponents identify that CER flexibility services, when coordinated, can support the electricity system through demand response, ancillary services, grid stability and market participation.

AGL and Endeavour Energy have also indicated their intention to disseminate learnings, develop a commercial model and scale the project to involve other DNSPs, electricity retailers and aggregators following completion of the above first 2 stages.

A full copy of the FlexTogether application is included at Attachment A.

1.2 Purpose of consultation

It is a requirement under clause 8.16.3 of the NER that the AER carry out public consultation in relation to a proposed trial waiver, unless the AER is satisfied that the proposed waiver is unlikely to have an impact on other registered participants, or is unlikely to have a direct impact on retail customers other than those who provide explicit informed consent to participate in the trial project.

Issues or concerns raised through consultation may inform the final design of the trial waiver, including conditions, reporting requirements or other obligations.

The AER's sandboxing assessment will be limited to the requested waivers from the electricity regulatory framework. The proponents remain responsible for identifying and complying with any other applicable regulatory approvals or processes.

With this consultation notice, the AER now seeks stakeholder views on whether the trial waiver application meets the innovative trial principles and any other matters the AER should consider.

1.3 Confidential information

To facilitate an informed and transparent consultative process, we prefer all submissions to be publicly available. The AER will treat all submissions as public documents unless otherwise requested. For further information on the AER's use and disclosure of information provided to it, see the AER Information Policy.

Parties wishing to provide a submission that contains confidential information are requested to:

- clearly identify the information that is the subject of the confidentiality claim and provide reasons for the claim
- provide a separate, non-confidential version of the submission in a form suitable for publication.

1.4 Next steps

Email questions and submissions to regulatorysandbox@aer.gov.au by Friday 22 January 2027. After consultation closes, the AER will consider the submissions and may seek further information from the proponents. The AER will then make and publish its decision. Depending on this outcome, the AER will provide details on the final waiver as outlined in clause 4.8 of the Trial Projects Guidelines.

2 Overview

The National Electricity Rules (NER) contain requirements governing the confidentiality, disclosure and use of certain information, including network and customer data. The *Ring-fencing guideline (electricity distribution)* also regulates the disclosure of ring-fenced information and differential access to that information.

Retail customers can enter into contracts with their retailers that allow for customers to provide electricity or ancillary services through the National Electricity Market and be rewarded with feed-in tariffs or other payments or discounts through their retail bill. This trial will test the role customers with CER may play in providing flexibility services to DNSPs in addition to electricity services markets. The proponents state that this approach could provide additional value to participating customers and may reduce network costs if flexibility services can efficiently defer or avoid network augmentation.

2.1 Purpose of trial

The purpose of the trial is to test how targeted data sharing and coordination between AGL and Endeavour Energy can identify and mobilise customer flexibility to meet specific distribution network needs and assess whether those services could provide a viable alternative to traditional network expenditure. It is intended to bridge what AGL and Endeavour Energy have identified as a current disconnect between the CER capability and network needs (such as managing peak and minimum demand, voltage issues and local network congestion). The trial will also test the effectiveness of publishing more granular data on aggregated network needs, which will allow other potential providers of flexibility services to make use of the data in their own product design.

AGL and Endeavour Energy have requested trial waivers on the basis that aspects of the proposed confidential data sharing between them are not permitted under the existing NER arrangements. Endeavour Energy has also requested trial waivers from ring-fencing provisions to allow DNSP–retailer collaboration within the trial and publication of confidential network information. Further detail on the proposed information sharing and collaboration, and the trial waivers sought, is set out in the trial application in Attachment A.

The trial will assess the technical and operational feasibility of delivering these services, customer participation and the value delivered to participating customers.

The proponents envisage a later ‘scale up’ stage to apply trial learnings, develop a commercial model and expand participation to other DNSPs, retailers and aggregators, including in other jurisdictions. This stage is not the focus of the current application. A new application would be needed if further trial waivers are required.

2.2 Summary of requested trial waivers

AGL and Endeavour Energy have requested waivers to allow data sharing between AGL and Endeavour Energy. They have also requested waivers from ring-fencing obligations to allow DNSP–retailer collaboration within the trial.

AGL and Endeavour Energy have requested waivers from NER confidentiality provisions in relation to their proposed data sharing. Endeavour Energy has also requested waivers from

ring-fencing obligations in relation to the proposed DNSP-retailer collaboration for a period of 18 months:

- **Clause 8.6.1(b)(1) – Confidentiality:** A Registered Participant… must not disclose confidential information to any person except permitted by the Rules.
- **Clause 8.6.1(b)(2) – Confidentiality:** A Registered Participant… must only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Rules.
- **Clause 6.17.1 – Compliance with Distribution Ring-fencing Guidelines:** All Distribution Network Service Providers must comply with the Distribution Ring-Fencing Guidelines prepared in accordance with clause 6.17.2. Specifically, the proponents seek waivers from the following provisions of the Distribution Ring-fencing Guidelines:
  - 4.1 Obligation not to discriminate
  - 4.3.1 Protection of ring-fenced information
  - 4.3.2 Disclosure of information
  - 4.3.3 Sharing of information
  - 4.3.5 No waiver.

3 Questions for consultation

The AER seeks comments on all aspects of the trial waivers application, including on how the application addresses the innovative trial principles and if the trial project is likely to contribute to the achievement of the National Energy Objectives.

In addition, the AER is particularly interested in stakeholder views on the specific elements included in the following questions. Stakeholder views will inform the AER's assessment of the application.

3.1 Contribution to regulatory and industry knowledge

AGL and Endeavour Energy state that the outcomes of the trial will provide valuable insights to help inform the proposed design and implementation of future regulatory frameworks related to the provision of network flexibility services, and that the trial evidence will explore the impact of regulatory settings on how networks are incentivised to procure flexibility services. For example, through alternative total expenditure (totex) style approaches or changes to regulatory investment test thresholds.

The AER notes various work and reforms underway that may be related to the proposed trial:

- The importance of CER data visibility and sharing in supporting the energy transition is a key focus of the National CER Roadmap.[1,2]
- Market bodies are working to develop and update frameworks, including for the procurement and use of flexibility services to address network and power system needs:
  - The AEMC's Electricity Network Regulation Review.[3,4] Package 2 of this review specifically explores the potential adoption of a totex approach (opex and capex together as total expenditure).
  - The AER's June 2026 *Future of network regulation information paper*, which notes the importance of coordinating CER.[5]
  - The AEMC's July 2026 rule change on Enhancing distribution network planning and reporting.[6] This rule change amended the distribution network planning and reporting arrangements to improve the transparency, consistency and coordination of distribution network planning and data reporting. The AER must publish

1 DCCEEW, Redefining roles for market power systems operations (M3/P5) final report, Department of Climate Change, Energy, the Environment and Water, 16 December 2025.

2 DCCEEW, Data sharing arrangements to inform planning and enable future markets (M2) final report, Department of Climate Change, Energy, the Environment and Water, 16 December 2025.

3 AEMC, Electricity Network Regulation Review – Package 1, Australian Energy Market Commission.

4 AEMC, Electricity Network Regulation Review - Package 2, Australian Energy Market Commission.

5 AER, Information paper - Future of network regulation – 2026, Australian Energy Regulatory, 19 June 2026.

6 AEMC, https://www.aemc.gov.au/rule-changes/enhancing-distribution-network-planning-reporting, Australian Energy Market Commission, completed 16 July 2026.

guidelines on planning and reporting by 1 March 2028 and DNSPs must comply with the guidelines by 1 September 2028.

Question 1: What are the potential learnings from this trial, and how could they be used?

3.2 Trial benefits

AGL and Endeavour Energy note that the trial will have benefits for participating CER owners as well as for all consumers through greater network efficiency and potentially lower system costs.

The trial will also assess the value of network flexibility services to Endeavour Energy and whether AGL has sufficient resources in suitable locations to deliver those services on a commercially viable basis.

AGL and Endeavour Energy state 'the trial focuses on testing technical and operational feasibility and customer take-up over establishing a fully commercial service model.' However, they also note that AGL's customers that are chosen to participate in the trial will receive payments if any services are procured from AGL in the trial stage. Endeavour Energy expects the payments to be eligible for and reported under the Demand Management Incentive Scheme (DMIS). The AER notes that any request by Endeavour Energy to use the DMIS would be subject to the standard DMIS application and AER assessment processes.

Question 2: How should the benefits to AGL's customers be measured and reported on?

Question 3: What information on the types of products that AGL and Endeavour Energy develop or deploy would be useful to other businesses as part of the learnings from the trial that could be shared publicly?

3.3 Trial risks

Consumer protection measures

The AER considers that appropriate consumer protections will be an important part of any trial waiver granted. Under clause 4.4 of the *Trial Projects Guidelines*, standard conditions require proponents to obtain explicit informed consent from participating retail customers, allow customers to opt out at any time and for any reason, and provide access to a dispute resolution process, unless otherwise agreed by the AER. The AER may also impose additional consumer protection measures as conditions of a trial waiver.

AGL and Endeavour Energy propose to invite eligible AGL customers based on technical and locational criteria. The proponents state that invitations will comply with applicable consumer protection, privacy, marketing and data governance requirements, and that participating customers will provide informed consent where required. They also propose that registered hardship and life support customers will not be eligible for active participation in the trial.

The proponents propose to develop a customer engagement and communications plan covering eligibility criteria, potential benefits, data-sharing arrangements, customer

protections and the terms and conditions of participation. They also propose mechanisms for participants to provide feedback and to remain informed of their rights and obligations throughout the trial.

The proponents propose that, where AGL provides a significant incentive for installing CER, some participating customers may be subject to minimum participation periods. A customer who leaves the trial early may be required to repay part of that incentive. This differs from the standard condition under clause 4.4 of the *Trial Projects Guidelines* that participating retail customers be able to opt out at any time and for any reason, unless otherwise agreed by the AER.

The AER is interested in whether these arrangements, together with the standard trial waiver conditions, adequately address potential consumer risks. This includes risks associated with the use and sharing of customer information and the orchestration of customers' CER within agreed parameters.

Contestability concerns

The proponents propose to undertake the trial jointly and plan to engage with other businesses in a further 'scale up' period once the trial has finished. The application also notes that Endeavour Energy will publish its data on aggregated network needs.

The AER notes AGL is a large retailer with a well-developed customer base and retail products.

The AER's *Ring-fencing guidelines (electricity distribution)* provide a regulatory framework that promotes the development of competitive markets. They do this by promoting a level playing field for third-party providers in new and existing markets for contestable services. We note the proponents have requested some ring-fencing discrimination provisions be waived, and we are interested in how any adverse effects could be managed.

We are also interested in views on the format of the trial and the dissemination of learnings to other businesses, including smaller retailers.

Question 4: What consumer risks could arise from the proposed trial and are the proposed protections sufficient to manage them? What additional protections or conditions, if any, should the AER consider?

Question 5: What impacts could the trial have on competition in relevant markets, including if the trial arrangements were scaled up? How could any adverse impacts be managed?

3.4 Additional considerations

Access to data

AGL and Endeavour Energy state that the trial requires more granular and timely network information than is currently publicly available. In particular, they consider publicly available distribution annual planning report[7] and system limitation template data too aggregated and infrequent to support operational dispatch or the trial's near real-time data requirements.

The proponents propose to share 2 types of information for the trial:

- **customer-specific network information**, including National Metering Identifiers (NMIs) associated with constrained network assets, which Endeavour Energy would share bilaterally with AGL to identify eligible customers and dispatch demand response at the relevant location and time
- **aggregated network need signals**, including the forecast network flexibility requirement at zone substation or feeder-cluster level, including timing, scale and duration, which would be published for other market participants during the trial.

Energy data, metering data and NMI standing data are subject to confidentiality requirements under clause 7.15.1 of the NER. The NER also contains exceptions permitting access to, disclosure or use of certain information in specified circumstances, including under clauses 7.15.5 and 8.6.2. The AER seeks views on whether existing exceptions in the NER cover some or all of the proposed data sharing and use, and consequently whether the requested NER confidentiality waivers are necessary or could be more narrowly framed.

Reporting and information sharing

AGL and Endeavour Energy propose sharing trial insights, challenges, outcomes and lessons learnt through existing industry forums, working groups and stakeholder engagement. They also propose to consider publishing high-level findings and holding mid-project and end-of-project knowledge-sharing forums.

The proponents also propose a project governance structure that includes a project steering committee, with an open invitation for an AER representative to attend meetings as an observer.

Question 6: Does the application provide sufficient detail on the datasets to be shared or published, their granularity and source, who would disclose and receive them, and their intended uses? If not, what further detail should the proponents provide?

Question 7: What learnings from this trial would be useful for other market participants? What information on network needs would help other market participants identify opportunities for orchestrated CER and flexibility services on behalf of their customers, and how should this information be made available?

[7] AER, Distribution Annual Planning Report Template, Australian Energy Regulator.

Question 8: Do existing provisions of the NER, including clauses 7.15.5 and 8.6.2, permit any of the data sharing or use proposed by the trial? If so, which aspects, if any, would still require a waiver from the NER confidentiality provisions?

Question 9: Are there other regulatory barriers that the application has not identified and would need to be addressed for the trial to proceed?

3.5 Exit strategy

Sandboxing trial waivers are intended to be time-limited and transitional for a maximum of 5 years with a possible 1-year extension.

The AGL and Endeavour Energy proposed trial is expected to be completed in 2 stages run over a total of 18 months.

- Stage 1 – Exploratory stage: 6 months.
- Stage 2 – Trial stage: 12 months.

At the conclusion of the trial, the proponents state AGL customers that participated in the trial will return to their pre-existing retail arrangements or equivalent. All pre-existing commitments made to customers in the trial will be honoured.

Question 10: Do you have any feedback on the duration and exit arrangements proposed?

Endeavour Energy
ABN 11 247 365 823
T 131 003
Level 40-42, 8 Parramatta Square
10 Darcy Street
Parramatta NSW 2150
PO Box 811, Seven Hills NSW 1730

19 August 2026

Clare Savage, Chair
Australian Energy Regulator

Copy to: regulatorysandbox@aer.gov.au

Dear Clare

AER's Regulatory Sandboxing Mechanism: "Flex Together"

AGL and Endeavour Energy are pleased to submit this collaborative application to trial a new initiative, "Flex Together", through the AER's Regulatory Sandboxing Mechanism. We recognise the importance of being able to test and learn from innovative approaches in controlled environments and appreciate the support of the AER's Sandbox team for the guidance they have provided since our first interactions last year.

Flex Together seeks to unlock customer benefits arising from a stable, efficient network and accelerate the targeted installation and coordination of consumer energy resources (**CER**). It aims to address known challenges in the existing Regulatory Investment Test for Distribution (**RIT-D**) framework – which has delivered very few successful non-network projects that lead to network deferral. The toolkit available to network planners is not co-optimised with available CER and its potential support to networks so it is important alternative approaches are developed.

Addressing these issues requires stronger collaboration between distributors (such as Endeavour Energy) and energy retailers (such as AGL), within the guardrails of the existing competition framework, to understand how to mitigate increasing energy costs for consumers. In addition, while other trials have done compelling work to understand the technical requirements of flexibility services, Flex Together will focus on the viability of the multi-sided marketplace required to unlock value for customers, networks and aggregators. Accordingly, Flex Together considers how network utilisation might be optimised, and consumer expenditure might be mitigated, through a controlled, scalable pilot that enables market-driven solutions to be tested as alternatives to network augmentation.

Flex Together has been developed to apply the controlled sandbox environment to consider potential solutions to the following (as yet unsolved) challenges facing the energy transition:

- as customer electrification accelerates, distribution networks are forecasting localised constraints (including peak and minimum demand) and voltage issues;
- while distribution networks are often unable to identify or coordinate available CER assets, CER asset owners also lack visibility of constraints and service opportunities;
- this limits the ability to target flexibility services in a way that provides efficient customer outcomes.

Flex Together seeks to enable practical delivery of flexibility services and enhance industry understanding of how consumer-facing products can be designed to address constraints and longer-term system challenges, with a view to reducing network costs while rewarding participating consumers.

Flex Together envisages an exploratory phase to identify suitable trial locations, a trial phase to test delivery of flexibility services, and a subsequent "scale up" stage to disseminate learnings, develop an appropriate commercial model and scale the project to involve other distributors, retailers and aggregators. The intent of the "scale up" stage would be:

- to enable the delivery of flexibility services in other jurisdictions, promoting competition and customer choice in the market;
- to ensure flexibility services frameworks developed are fit for purpose and supported by industry; and
- to build on the insights and experiences obtained during prior stages to consider the benefit of exploring a "totex" model, ultimately encouraging a "flexibility first" mindset that prioritises the procurement of flexibility services above network augmentation by removing the different regulatory treatments of capex and opex.

While our initial application focusses on the first necessary step, ultimately, our Flex Together journey seeks to test the viability of "flexibility services". In effect, we are seeking to demonstrate how customer-led orchestration can work in practice, linking together network and market services to deliver real value for customers through increasing network utilisation.

If this first step is approved by the AER and is undertaken through the sandbox, it will help us to consider how we might do our part to help achieve the following four key objectives of the energy transition:

- promote the adoption of Consumer Energy Resources (CER) in locations that reduce costs for all customers;
- enable equitable CER access, such that no customer is left behind;
- benefit customers through orchestrating CER assets to maximise wholesale and network value; and
- scale flexibility through identifying efficient network incentives.

Ultimately, when delivered, Flex Together will respect customers' choices and allow for greater utilisation of the network at a lower cost, and in a way that returns more benefit to consumers.

Our hope is that Flex Together signposts a new way of collaboration that demonstrates customer-centred innovation has an important role to play in our shared energy future. We look forward to engaging further with the AER, customers and broader stakeholders on the outcomes sought to be achieved through Flex Together.

If you wish to discuss our submission further, please contact [redacted], Head of Regulation & Investments, via email at [redacted]

Yours sincerely

[redacted]

Francoise Merit
Chief Financial Officer

AER Sandbox Proposal

Please select the type of submission

- ☐ IES Enquiry
- ☒ Trial Waiver Application
- ☐ Trial Rule Change Application

Please provide a title for your submission

Flex Together – our shared energy future

Organisation Partner 1

Please provide the ABN of the organisation seeking the waiver

11 247 365 823 (Endeavour Energy)

Please provide the ACN of the organisation seeking the waiver (if it has one)

Organisation Partner 1

Endeavour Energy

Provide information about the type of organisation applying for a trial waiver (i.e. whether the applicant is a private limited company, trust, or joint venture etc.)

Endeavour Energy manages the electricity distribution network servicing 2.8 million people in homes and businesses in Australia's fastest growing regions. These include Sydney's Greater West (which is growing 40 percent faster than Sydney, with rapid population growth and more than $50 billion of infrastructure such as Australia's first new city in 100 years, and a new international airport) to the Blue Mountains, the Southern Highlands, the Illawarra and South Coast of NSW.

Endeavour Energy is leading Australia's energy industry in integrating traditional and renewable energy sources to deliver a smarter, cleaner, affordable and more reliable energy system, with clear commitments and pathways to creating sustainable value for customers and communities.

Endeavour Energy is 50.4 percent owned by an Australian-led consortium of long-term investors in the private sector operating the network under a 99-year lease. The private sector consortium comprises of funds and clients managed by Australia's Macquarie Asset Management, Canada's British Columbia Investment Management Corporation and Qatar Investment Authority.

The remaining 49.6 percent is held by the State of NSW via a corporation constituted under the Electricity Retained Interest Corporations Act 2015.

Organisation Partner 1 Business Address

Level 40-42, 8 Parramatta Square,
10 Darcy Street,
Parramatta, NSW 2150

Contact Details

Organisation Partner 1 website

www.endeavourenergy.com.au

Name of contact

[redacted]

Contact person's role

Head of Regulation and Investments

Contact telephone number

[redacted]

Contact email address

[redacted]

General Information

Previous Engagement

Has the applicant previously engaged with the Energy Innovation Toolkit on this matter?

- ☐ No
- ☒ Yes

Has the applicant previously engaged with the AER or ESC regarding a trial waiver?

- ☒ AER
- ☐ ESC
- ☐ No

Applicant Licence and Exemptions

Does the applicant hold any licences or exemptions to hold a licence to operate in the electricity and/or gas industry?

- ☐ No
- ☒ Yes

If no, is the applicant intending to register? Provide details of the registration or inquiries made. If the applicant is not intending to register with the Australian Energy Market Operator, please provide a reason

Endeavour Energy (the applicant) has been issued a Distributor's licence under the *Electricity Supply Act 1995* (NSW), effective on 14 June 2017 and subsequently varied on 5 February 2019, 23 September 2022, 7 September 2023, 16 June 2025, 10 December 2025 and 19 June 2026.

This project will be delivered in collaboration with AGL, noting that AGL and its holdings have been issued multiple retail and generation licences. These include:

- AGL Sales Pty Ltd (ACN 090 538 337) was granted an Electricity Retail licence (C/22/16808) on 31 October 2017

- AGL Energy Ltd, was granted an electricity generation and sale (C19/33237) for the Loy Yang A Power station and was last varied on 28 April 2020

- AGL Power Generation (Victoria) Pty Ltd – Electricity Generation Licence (EG_02/2001) for the Somerton Power station on 10 August 2005

- AGL Hydro Partnership was granted an electricity generation and sale licence (C/22/20225) on 18 December 1997

If yes, which categories?

☐ Select all
☒ Market Customer
☐ Market Small Generation Aggregator
☐ Demand Response Service Provider
☒ Market Generator

Parent Licences and Exemptions

Does the applicant's parent company or company group hold any licences or exemptions from having to hold a licence to operate in the electricity and/or gas industry?

☐ No
☒ Yes

If yes, is it a licence, an exemption or both licence(s) and exemption(s)?

☒ Licence
☐ Exemption
☐ Both

Please select the licence(s) held

☐ Select all
☒ Electricity retail licence (AGL Energy)
☒ Electricity distribution licence (Endeavour Energy)
☐ Electricity transmission licence
☐ Gas retail licence
☐ Gas distribution licence
☐ Gas transmission licence

~~**Please select the exemption(s) held**~~

~~☐ Select all~~
~~☐ Electricity retail exemption~~
~~☐ Electricity distribution exemption~~
~~☐ Electricity transmission exemption~~
~~☐ Gas retail exemption~~
~~☐ Generation exemption~~

Previous Licence Suspensions and Cancellations

Has the applicant or the parent company previously held a licence that has been suspended or cancelled?

☒ No
☐ Yes

If yes, please provide details

Not applicable

Has the applicant, any directors of the applicant, any related body corporate, or any person with significant managerial responsibility or influence on the applicant been involved in any material breaches of obligations regulated by the commission or any other regulator?

☐ No
☒ Yes

If yes, please provide details

AGL

Certain entities in AGL are party to various legal actions and claims which have arisen in the ordinary course of business. Any liabilities arising from such legal actions and claims are not expected to have a material adverse effect on AGL which would impact our ability to perform the services required under this application. AGL does disclose material breaches in its Annual Reports under "Other required disclosures". Our Annual Reports can be accessed here: Annual Reports | Investors | About AGL

Endeavour Energy

In June 2022, Endeavour Energy entered into a court enforceable undertaking in relation to breaches of certain life support provisions of the National Energy Retail Rules; this undertaking ceased in December 2023 following the completion of required remediation and rectification activities.

Is the applicant, any directors of the applicant, any related body corporate, or any person with significant managerial responsibility under investigation in relation to its regulatory obligations?

☒ No
☐ Yes

If yes, please provide details

Not applicable

Organisation Partner 2

Please note, if your partner organisations are subcontractors or other agents, only the 'coordinating entity' needs to submit the application. As part of the application, the AER or ESC may require copies of the relevant agreements between the organisations.

Where waivers are required for multiple entities, each partner must submit a waiver. As part of the application process, the AER or ESC may need evidence that the joint application has

authority to bind the coordinating entity as well as the partners for which the joint waivers will be provided.

Victoria requires a diagram of the corporate and organisational structure, which must identify the partner organisation/s in the diagram. You can upload the diagram with your application.

Are you submitting a trial waiver application on behalf of a third-party, or is the applicant proposing its innovation to be delivered in partnership with other organisation(s)?

☐ No
☒ Yes

Organisation Partner 2 details

Please provide the ABN of the organisation seeking the waiver

74 115 061 375

Please provide the ACN of the organisation seeking the waiver (if it has one)

Organisation Partner 2 name

AGL ENERGY LIMITED (t/a AGL)

Provide information about the type of organisation applying for a trial waiver (i.e. whether the applicant is a private limited company, trust, or joint venture etc.)

Proudly Australian for more than 187 years, AGL supplies 4.56 million energy and other essential services to residential, small and large businesses and wholesale customers. AGL is committed to providing our customers with simple, fair and accessible services as they decarbonise and electrify the way they live, move and work.

AGL operates Australia's largest private electricity generation portfolio, comprising coal and gas-fired generation, renewable energy sources such as wind, hydro and solar, and batteries and other firming and storage technology. We are building on our history as one of Australia's leading private investors in the construction of renewable energy projects, to be a leader in the transition to a lower emissions and smart energy future in line with the goals of our Climate Transition Action Plan.

https://www.agl.com.au/content/dam/digital/agl/documents/about-agl/company-docs/250813-climate-transitionaction-plan-2025-final.pdf

An overview of AGL's vast experience and performance is available through the release of its Annual Report. The FY25 Annual Report can be accessed through the link below: https://www.agl.com.au/content/dam/digital/agl/documents/about-agl/who-we-are/our-company/250813-2-agl-energy-limited-annual-report-2025.pdf

AGL manages its business in three key operating segments:

- **Customer Markets** comprises the Consumer and Large Business customer portfolios responsible for the retailing of electricity, gas, broadband/mobile/voice, solar and energy efficiency products and services to residential, small and large

business customers. Customer Markets sources its energy from Integrated Energy at transfer prices that reflect wholesale energy costs in each state, along with energy provided by rooftop solar. Customer Markets also includes sales, marketing, brand, AGL's customer contact and call centre operations, and AGL's electrification and innovation growth areas.

- **Integrated Energy** operates AGL's power generation portfolio and other key assets, including coal, gas, wind and hydro generation facilities, grid-scale batteries, natural gas storage facilities, and development projects. Integrated Energy runs a large trading operation that manages price risk associated with procuring electricity and gas for AGL's customers, manages AGL's obligations in relation to renewable energy schemes, and controls the dispatch of AGL's owned and contracted generation assets, gas offtake agreements and associated portfolio of energy hedging products.
- **Investments** comprises AGL's interests in the ActewAGL Retail Partnership, Tilt Renewables, and other investments.

AGL and its subsidiaries are registered participants in the NEM across 7 categories including demand response; scheduled and non-scheduled generator markets and non-markets; integrated resource provider and market customer. AGL also operates under electricity retail licences and gas retail licences in Western Australia, within contestable markets.

Organisation Partner 2 Business Address

Level 24, 200 George St,
Sydney NSW 2000

Contact Details

Organisation Partner 2 website

www.agl.com.au

Name of contact

[redacted]

Contact person's role

General Manager - Policy & Regulation

Contact telephone number

[redacted]

Contact email address

[redacted]

Project Description

Overview

Please provide a description of the applicant's project, including if the innovation is a product, service, new business model or other

FlexTogether, a joint AGL and Endeavour Energy initiative, seeks to unlock customer benefits from a stable, efficient network and accelerate the targeted installation and coordination of consumer energy resources (CER).

Distribution networks are forecasting localised constraints, including peak and minimum demand, and voltage issues, as customer electrification accelerates. Networks are often unable to identify or coordinate available assets, while asset owners lack visibility of constraints and service opportunities. This limits the ability to target flexibility services in a way that provides efficient outcomes.

FlexTogether seeks to address this through targeted data sharing and DNSP-retailer collaboration to enable practical delivery of flexibility services and enhance industry understanding of how customer products can be designed to address constraints and longer-term system challenges, aiming to reduce network costs while rewarding participating consumers.

Delivery occurs in two core project stages: an exploratory stage to identify a suitable trial location, and a trial phase to test delivery of flexibility services. A subsequent Scale Up stage is envisioned but is not the focus of this application; however, brief details have been set out below to provide context.

Exploratory stage

Endeavour Energy will identify network locations with forecast or emerging constraints at feeder, distribution or zone substation level. A key focus is addressing the barrier of matching these needs with available CER and assessing feasibility and cost.

This stage will set eligibility criteria to identify where flexibility services can be effectively provided and seek to overlay these with data on available resources. This stage tests development of a flexibility service as a viable alternative to traditional network investment, involving:

- Identification of an eligible set of NMIs connected to network assets experiencing a defined need
- Provision of high-level information on the service requirement, including:
    - direction of response
    - indicative scale, timing and duration
    - value of service

The network's customer and need signal is then combined with AGL's existing customer and retailer data, including asset characteristics, tariff structures and participation in programs such as VPPs or demand response.

Endeavour Energy will use this information to:

- Assess resources available to address the network need
- Evaluate expected activation costs
- Undertake cost benefit and feasibility assessments

AGL will use this information to:

- Identify customers who are both capable and appropriately located to participate
- Assess whether the service can be delivered on a commercially viable basis

The outcome is defined trial locations and participant cohorts aligned to specific network needs, with an initial assessment of whether a flexibility service is a viable non-network alternative. This supports improved utilisation of CER and contributes to the longer-term development of market-based flexibility services.

Trial stage

The trial phase will demonstrate delivery of a flexibility service using the identified cohort of customers. Endeavour Energy will define and communicate the service parameters and AGL will engage customers and coordinate CER to respond to these signals.

Participation is expected to leverage AGL's existing customer programs and incentives, which provide value to customers for enabling coordination of their CER.

Data use in the trial phase supports communication and validation of the service, including:

- Network service signals and requirements provided by Endeavour Energy
- Trial response data from AGL, including:
    - NMI-level metering data
    - Asset-level performance data
    - Telemetry or other data required to validate outcomes
    - Activation costs
- Customer and retailer data to support interpretation of results, including tariff context and program participation.

Customer data sharing occurs within existing privacy and regulatory frameworks. The trial will generate evidence on CER capability to meet distribution network needs, including insights on reliability, participation and operational feasibility and what data will be most relevant for the Scale Up stage.

The trial focuses on testing technical and operational feasibility and customer take-up over establishing a fully commercial service model. However where a clear commercial opportunity below the RIT-D threshold is identified at this stage, this will proceed to procurement with payment from Endeavour Energy to AGL which will be passed on to AGL customers to test the provision of services. We expect that these payments would be eligible for and reported under the Demand Management Incentive Scheme.

Scale Up stage

Following the conclusion of the trial, the next phase will disseminate learnings, develop a commercial model and scale the project to involve other DNSPs, electricity retailers and aggregators. This will seek to enable the delivery of flexibility services in other jurisdictions, promoting competition and customer choice in the market, and ensuring flexibility services frameworks developed are fit for purpose and supported by industry.

This "Scale Up" stage would also build on the insights and experiences obtained during prior stages to consider the benefit of exploring a "totex" model, removing the different treatments

of capex and opex and encouraging a “flexibility first” mindset that prioritises the procurement of flexibility services above network augmentation.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please place the applicant's confidential information below

Not applicable

What are the aims, objectives and success criteria for the applicants' project?

FlexTogether aims to demonstrate how targeted data sharing and coordinated DNSP–retailer collaboration can enable CER to deliver measurable network services. The project is designed to bridge the disconnect between customer capability and network needs by linking network constraint information with customer and asset-level data to procure and deliver flexibility services in practice.

Specifically, the project seeks to:

- Unlock the value of CER by testing how DNSPs can procure flexibility services from competitive market participants, expanding their non-network planning toolkit for a CER-rich future;
- Improve alignment between network needs, customer capability and market signals through enhanced data visibility and coordination;
- Generate robust, evidence-based insights to inform scalable, market-wide approaches to flexibility services; and
- Explore how alternative regulatory incentive models could better support the procurement of flexibility services as viable non-network alternatives.

To achieve these aims, FlexTogether will:

1. **Demonstrate targeted identification and mobilisation of flexible resources**
    - Link network constraints with customer and asset data to identify most capable cohorts and potential sites
    - Validate the feasibility of translating network needs (location, timing, duration, direction) into actionable service requirements.
2. **Deliver and validate flexibility services in a real-world trial (through the procurement of flexibility services by Endeavour Energy from AGL for this trial)**
    - Orchestrate CER assets to respond to defined network service signals and test the reliability, responsiveness and operational feasibility of delivering services.
    - Demonstrate improved network efficiency and potential for lower system-wide costs over time.
3. **Establish a data-driven understanding of performance and value**
    - Collect and assess network, customer and asset-level data to evaluate whether delivered responses align with network requirements;
    - Understand the value that CER flexibility services can deliver as a practical and commercially viable non-network alternative at the distribution level.

- Develop a framework that is intended to be replicable and scalable for use as standard in future flexibility service procurements.

4. **Identify pathways for scalable implementation**
   - Develop a repeatable approach to targeting, procuring and delivering flexibility services including options for marketplace development;
   - Identify regulatory, operational and commercial enablers and barriers to scaling beyond the trial.
5. **Consumer benefits from utilisation of flexible resource**
   - Incentives or added value will be offered to consumers who allow their assets to be orchestrated, supporting network performance by managing solar export constraints and reducing peak demand.
6. **Explore regulatory incentive models to enable scale**
   - Assess how current regulatory settings influence the procurement of flexibility services, using trial evidence to examine the potential role of alternative incentive models (e.g. Total expenditure / TOTEX-style approaches)
   - Develop practical options for aligning network incentives with efficient outcomes, informed by trial insights.

The success of FlexTogether will be demonstrated through the following outcomes:

1. **Demonstration of deliverable network services**
   - Demonstration of customer CER responding to a defined network need through retailer or aggregator coordination and/or orchestration of a portfolio of participating customers;
   - Verified delivery of flexibility aligned to specified location, timing and performance requirements.
2. **Validated operational feasibility**
   - Evidence that DNSPs can define service requirements in a form that retailers can operationalise and that retailers can reliably orchestrate customer assets to meet those requirements.
3. **Data-driven performance insights**
   - Demonstrated alignment (or misalignment) between expected and actual customer and asset response including robust dataset enabling evaluation of network impacts
4. **Customer participation and engagement**
   - Measurable participation of eligible customers in programs and evidence that customers respond to incentives and can derive value from participation.
5. **Improved transparency and coordination**
   - Demonstrated improvement in visibility between network planning information and customer/asset data
   - Analysis of how enhanced data sharing enables more efficient targeting of flexibility services.
6. **Scalable and replicable model**
   - A defined blueprint for scaling the FlexTogether model across additional locations, retailers and DNSPs including options for marketplace development;

7. **Evidence to inform evolution of regulatory incentive models** • Evidence on how existing incentive structures (including capex/opex treatment and RIT-D thresholds) impact the viability and scale of flexibility services. • An evidence-based assessment of alternative incentive approaches and their potential to support efficient network and consumer outcomes.	
☐	**Please tick this box if any information the applicant has provided above is confidential**

Waiver Frameworks

Please select if the applicant is seeking a waiver from the National framework, Victorian framework or both

- ☐ Select all
- ☒ National Energy Framework
- ☐ Victorian Energy Framework
- ☐ **Please tick this box if any information the applicant has provided above is confidential**

Please select which law(s) and/or rule(s) the applicant is seeking a waiver from

- ☐ Select all
- ☐ National Electricity Law (NEL)
- ☐ National Gas Law (NGL)
- ☐ National Energy Retail Law (NERL)
- ☒ National Electricity Rules (NER)
- ☐ **Please tick this box if any information the applicant has provided above is confidential**

Please select which law(s) and/or rule(s) the applicant is seeking a waiver from

- ☐ ~~Select all~~
- ☐ ~~Electricity Industry Act 2000 (Vic)~~
- ☐ ~~Gas Industry Act 2001 (Vic)~~
- ☐ ~~Essential Services Commission Act 2001 (Vic)~~
- ☐ ~~Order in Council that applies to Victoria's energy framework~~
- ☐ ~~Commission Code of Practice~~
- ☐ ~~Commission Guideline~~
- ☐ ~~Other~~
- ☐ **Please tick this box if any information the applicant has provided above is confidential**

Please identify the particular provision(s) the applicant is seeking a waiver from

NER

- ***Clause 8.6.1(b)(1) – Confidentiality*** *(non-disclosure agreement)*
  "A Registered Participant… must not disclose confidential information to any person except permitted by the Rules"
  - The disclosure of ring-fenced network need data, confidential forecasts and NMI batches by Endeavour Energy to AGL, and the publication of more granular or frequent network need signals than currently required under clauses 5.13.2-5.13.3, are not permitted by the Rules. **A waiver is therefore sought to authorise these project disclosures for the duration of the project.**

- ***Clause 8.6.1(b)(2) – Confidentiality*** *(purpose use restriction)*
  "A Registered Participant… must only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Rules"
  - The exchange of confidential network data and customer data for project purposes is not a Rules-permitted purpose. **The waiver would therefore be sought to establish all project data flows as a permitted purpose, allowing AGL to use the information received.**

- ***Clause 6.17.1 - Compliance with Distribution Ring-fencing Guidelines***
  "All Distribution Network Service Providers must comply with the Distribution Ring-Fencing Guidelines prepared in accordance with clause 6.17.2."
    - A waiver is sought from this obligation to the extent that compliance with the following provisions of the AER's Electricity Distribution Ring-fencing Guidelines would prevent FlexTogether's data sharing arrangements.

Ringfencing guidelines sought to be waived under NER Clause 6.17.1

- ***4.1 Obligation not to discriminate***
  "(a) For the purposes of this clause 4.1:
  (i) a related electricity service provider includes a customer, or potential customer, of the related electricity service provider or of the DNSP;"
    - To the extent that bilateral sharing of ring-fenced information from Endeavour Energy to AGL constitutes differential treatment in favour of a related service provider, a waiver from clause 4.1 as applied through 6.17.1 is sought for the duration of the project.

- ***4.3.1 Protection of ring-fenced information***
  "Subject to this clause 4.3, a DNSP must: (a) keep ring-fenced information confidential; and (b) only use ringfenced information for the purpose for which is was acquired or generated."
    - Network operational data, confidential capacity and voltage forecasts and individual NMIs attributed to specific constrained network assets are ringfenced under clause 1.4. Using and disclosing this information for the purpose of a commercial flexibility project goes beyond the purpose for which it was acquired. A waiver is sought to permit Endeavour Energy to use and disclose ring-fenced information for FlexTogether purposes.

- ***4.3.2 Disclosure of information***
  "A DNSP must not disclose ring-fenced information to any person, including a related electricity service provider, unless: ... (h) a related electricity service provider of the DNSP has requested the disclosure and the DNSP complies with clause 4.3.3 in relation to that ring-fenced information;"
    - A waiver is sought to permit Endeavour Energy to disclose ring-fenced information to AGL for project purposes, subject to additional confidentiality and access conditions.

- ***4.3.3 Sharing of information*** *(equal access obligation)*
  "Where a DNSP shares ring-fenced information with a related electricity service provider... the DNSP must provide access to that ringfencing information (including the derived information) to other legal entities on an equal basis"
    - Aggregated network need signals are published to all market participants, satisfying the equal access obligations for that data. Where ring-fenced information is customer specific (including NMI data attributed to constrained assets) equal access cannot be provided by reasons of confidentiality obligations in clause 7.15.1(a) of the NER and the Privacy Act 1988 (Cth.). A waiver is sought from clause 4.3.3 to the extent it applies to customer-specific trial data that is incapable of equal disclosure.

- ***4.3.5 No Waiver***
  "A DNSP cannot apply for a waiver of the obligations set out in this clause 4.3."

☐	**Please tick this box if any information the applicant has provided above is confidential**

Purpose and Assets

Why is the trial waiver required to conduct the trial project?

FlexTogether requires coordinated data sharing between Endeavour Energy and AGL to enable targeted demand-side flexibility services that defer or avoid network augmentation at identified constrained assets. It requires waivers for two data types with different sharing mechanisms:

- Customer-specific data exchanged bilaterally from Endeavour Energy to AGL; and
- Aggregated network need signals published to all market participants.

Why is data sharing required

Endeavour Energy holds confidential capacity and voltage forecasts and network need signals at LV distributor level identifying where and when network constraints will arise. Customer specific data (e.g. individual NMIs attributed to specific distribution substations, MV feeders and zone substations for which AGL is the FRMP) will be shared bilaterally so AGL can:

- identify customers who can provide required flexibility,
- recruit trial participants
- dispatch demand response at the correct location and time.

This data is customer specific and cannot be shared with or published to other market participants. Publicly available DAPR and system limitation template data are too aggregated and infrequent to support operational dispatch or meet the trial's specific, near real-time data requirement.

Aggregated network need signals (the forecast flexibility requirement at zone substation or feeder-cluster level, including timing, MW and duration) are published to all market participants. This enables any retailer with customers in the relevant area to respond, satisfies the ringfencing equal access obligations for non-customer-specific data and aligns with the intent of NER clauses 5.13.2-5.13.3.

Why a waiver from NER clause 6.17.1 is required

Clause 4.3.1 of the ringfencing guidelines requires Endeavour Energy to use ring-fenced information only for the purpose for which it was acquired and clause 4.3.2 prohibits disclosure without a permitted exemption. Aggregated network need signals will be published under clause 4.3.2(i) and do not require a waiver. For customer-specific NMI data, the exemption in clause 4.3.2(d) (disclosure necessary to enable the retailer to serve its customers) provides a partial pathway but does not cover all FlexTogether data flows across the project lifecycle.

Clause 4.3.3's equal access obligation is satisfied for aggregated data through market-wide publication. It cannot be satisfied for customer specific NMI data, which is confidential under clause 7.15.1(a) of the NER and constitutes personal information under APP 6.1 of the Privacy Act 1988 (Cth). Publication of this information would breach the secondary use prohibition with no available exception. A waiver from clause 6.17.1, and therefore clauses 4.1 and 4.3.1-4.3.3 of the Guideline, is required to enable bilateral sharing of customer-specific project data from Endeavour Energy to AGL without triggering equal access obligations that would not be legally permissible for that data type.

Why a waiver from clauses 8.6.1(b)(1) and (2) is required
Bilateral disclosures and the publication of more granular or frequent network need signals than currently required under clauses 5.13.2-5.13.3 are not Rules-contemplated purposes under clause 8.6.1(b)(1). A waiver is required to give both parties a lawful basis to disclose and use the information exchanged within FlexTogether.

Additional consent and confidentiality considerations – no waiver required
All data flows involving personal information require explicit, purpose-specific customer consent prior to disclosure under APP 6.1 of the Privacy Act 1988 (Cth) and NER clause 8.14(b). Parties receiving confidential information must be notified of their confidentiality obligations before disclosure under NER clause 8.6.3. Aggregated and de-identified project outcomes will be published under clause 8.6.2(k). No waiver of these confidentiality or consent obligations is sought.

The inherent risk associated with these waiver requests is low because the information exchange is limited to a defined trial purpose, a limited participant cohort and a clearly specified set of network and customer data required to identify, recruit and coordinate flexibility service providers. We note that the waiver does not permit unrestricted disclosure of information to third parties or broader commercial use of the data. AGL and Endeavour Energy will implement contractual and governance controls that limit use of exchanged information solely to FlexTogether activities. Both parties intend to warrant that information received under the trial will not be used for any purpose unrelated to the trial, will not be disclosed to any other person except where required by law, and will be subject to existing privacy, confidentiality, information security and regulatory obligations. These controls ensure the waiver facilitates the minimum information sharing necessary to test the trial while maintaining appropriate protections against misuse or inappropriate disclosure.

For completeness, we note that the trial will not permit direct control of network assets by external parties and will maintain appropriate segregation between enterprise IT systems, customer data environments and operational technology systems. Any CER orchestration activities will continue to operate through established retailer platforms and customer consent arrangements, ensuring that cyber security risks are managed in a manner consistent with existing operational practices and regulatory obligations.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please describe if the applicant's project will include the installation of new infrastructure or assets

FlexTogether is not envisaged to involve the installation of any new network infrastructure or assets at the trial stage but will require a level of investment in data-sharing and operational-technology integration.

FlexTogether will involve utilisation of AGL owned and AGL customer assets, which will provide flexibility services to Endeavour Energy. The aim is to use the existing retailer Innovation Flexibility Toolkit so that the project can execute in a nimble manner, with low installation requirements.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Markets and Locations

Please describe the applicant's intended audience/customer. How many and what type of consumers or participants will be involved? How does the applicant intend to recruit them?

Target customers:
Of the 1.2 million customers in the Endeavour Energy network area, AGL services approximately 315,000 electricity customers, including a mix of residential, small-to-medium enterprises, commercial and industrial customers.

Currently, 65% of AGL's residential customer base are 'traditional consumers' - those without access to CER (e.g. renters, multi-dwelling or community housing residents, and households facing affordability barriers). The remaining 35% are 'prosumers', customers who have adopted technologies such as solar, EVs, and/or batteries and are familiar with optimising their energy use and generation.

The diversity of residential, commercial and industrial customers, combined with rapid growth in Western Sydney, creates an opportunity to grow CER asset penetration across 'traditional' and 'prosumer' segments. FlexTogether will provide tailored solutions across all stages of the electrification journey, from building trust in new technologies to optimising asset value. To ensure speed in launching this trial, we plan to leverage existing customers who are already enrolled in AGL products and who can be offered enhanced incentives. These include, but are not limited to, the following categories:

Load Demand Shifting Solutions
AGL's demand shifting initiatives are designed to incentivise energy consumption during periods of high renewable generation and/or lower grid demand. By encouraging these modified usage patterns, AGL products contribute to a more balanced load profile and relieve grid infrastructure during peak periods:

- AGL EV (Electric Vehicle) Plan: A specialised energy plan for EV owners that provides lower rates for charging overnight (12am–6am), reducing grid stress during traditional peak hours.
- AGL 3 For Free Plan: This offering allows customers to access complimentary energy during midday hours (10am–1pm), actively shifting usage from peak to off-peak periods.
- AGL Peak Energy Rewards: A targeted rewards initiative that does not require CER, encouraging customers to decrease energy consumption during critical peak events. The program engages a broad customer base through simple channels such as text-based notifications, directly lowering demand when the grid is most vulnerable.
- Commercial & Industrial Demand Response: Offers incentives to encourage large businesses to temporarily reduce their energy consumption during periods of high grid demand.

AGL intends to use a control group of customers within the Endeavour Energy network to serve as a baseline for comparison between participating and non-participating customers under similar network conditions.

Flexible Supply Solutions

AGL's flexible supply solutions leverage stored energy and customer-owned distributed resources to deliver targeted support to the grid. These products provide enhanced flexibility and empower end users to be active participants in energy management:

- Virtual Power Plant (VPP): As one of Australia's largest VPPs, AGL orchestrates CER assets to manage load efficiently across residential/ business premises and the wider grid.
- AGL Battery Rewards Plan: Financially incentivises households equipped with batteries to export stored energy during evening peak periods (5pm–9pm).
- AGL Controlled Load Hot Water: Electric hot water systems are dynamically scheduled to operate when renewable output is high and grid demand is low, transforming thousands of heaters into a flexible, grid-balancing resource.
- AGL's Vehicle-to-Grid Trial: Enables EVs to operate as mobile batteries, allowing customers to charge their EVs when renewable energy is abundant and export surplus power back to the grid during peak demand.

Community Initiatives

AGL's community-focused programs aggregate distributed energy resources to provide scalable, localised grid support. FlexTogether intends to explore these initiatives to expand access to renewable energy and reinforce reliability at the community level:

- AGL Community Power: Aggregates distributed energy resources into a substantial community-scale asset, increasing accessibility to renewable energy and facilitating local grid support for low-income households.
- Community Battery Projects: Designs, builds, and operates shared battery systems serving social housing, apartments, and small businesses. The batteries absorb surplus solar energy during daylight and discharge during peak times, promoting grid stability and reducing network costs.

Customer recruitment for the trial will be in accordance with AGL's customer privacy, marketing, and data governance policies, as well as applicable consumer protection laws. Eligible customers will be identified based on pre-defined technical and geographic criteria and will be invited to participate through compliant communication channels. Participants will be asked to provide informed consent prior to enrolment where required, and all data will be managed according to the Privacy Act 1988 (Cth) and other relevant regulatory obligations.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Which market/s will the project operate in?

- ☐ Select all
- ☐ National
- ☐ ACT
- ☒ NSW
- ☐ NT
- ☐ QLD
- ☐ SA
- ☐ TAS
- ☐ VIC
- ☐ WA
- ☐ **Please tick this box if any information the applicant has provided above is confidential**

Please indicate the location/s of the applicant's intended customers, if applicable. More than one may be selected.

☐ Select all
☐ National
☒ Metro
☒ Outer Metro
☒ Regional
☒ Rural
☐ Other
☐ **Please tick this box if any information the applicant has provided above is confidential**

Please describe the location/s of the customers or participants

Endeavour Energy's network service area covers 24,980 square kilometres and connects over 1.2 million customers and small to medium businesses located in urban and developing rural areas, commercial customers in large urban areas, medical precincts and manufacturing and industrial customers who have specific needs for a safe and reliable supply. We also provide high voltage support directly to very large businesses.

Significant development areas such as the Western Parkland City, the Western Sydney International (Nancy-Bird Walton) Airport and its surrounding aerotropolis and housing communities, will also be connected to Endeavour Energy's distribution network, with an additional 725,000 dwellings projected in Western Sydney by 2036.

As potential early candidates for a trial location, Endeavour Energy has identified that the distribution network will require augmentation or potential improved network utilisation in several locations across Sydney (including Box Hill and Catherine Park) and the Illawarra (including Calderwood and Dapto) to resolve identified constraints on the distribution network. Smaller distribution network reinforcements have also been identified; these may be considered suitable candidates for the trial, where visibility of these network constraints could be provided to market participants to signal flexibility service investment opportunities.

Trial locations are expected to be selected to test the applicability of the FlexTogether model across different conditions. Location selection will be informed by the confluence of clearly defined network needs and the presence of sufficient CER availability for delivering flexibility services, ensuring each site provides a meaningful test of service delivery. This approach is intended to ensure the trial captures a diverse but targeted set of scenarios, supporting robust insights on scalability and broader application.

The selection of a trial location will require further consideration of the immediacy of the identified network risk and the potential implications if the performance of the flexibility services is not delivered to the full extent. Possible controls that could be considered to mitigate this risk in the design of the trial could include, but are not limited to:

- Payment on performance;
- Requirements to procure flexible services above the required capacity, but only paying for what is delivered; and
- Shared risk arrangements or pass through of risk and consequences.

☐	**Please tick this box if any information the applicant has provided above is confidential**

State whether the applicant's customers whose aggregate consumption at a supply point is or is likely to be:

- ☒ Less than 40 MWh (small residential and/or business owners)
- ☒ 40 MWh to 160 MWh (medium customers)
- ☒ More than 160 MWh in a year (large customers)
- ☐ 1,000GJ or less (residential and small business customers)
- ☐ More than 1,000GJ (medium and large customers)
- ☐ Unsure
- ☐ **Please tick this box if any information the applicant has provided above is confidential**

Project Progress

What is the proposed duration of the trial project (in months or years)?

The trial is expected to be in phases, run over multiple years with Endeavour Energy and AGL.

The trial has been designed to allow other DNSPs and retailers to participate, and subject to interest, the trial may extend for an additional year to allow wider collaboration.

- Phase 1 – Exploratory stage which encompasses data sharing, location nomination and flexibility services between Endeavour Energy and AGL: **6 months**
- Phase 2 – Trial stage: **12 months**
- Phase 3 - Scale Up stage with other DNSP and retailers: **12 months+**

☐	**Please tick this box if any information the applicant has provided above is confidential**

Which stages of the innovation project has the applicant already completed?

- ☐ Select All
- ☐ Pre-feasibility
- ☒ Market Research
- ☒ Consultation
- ☐ Financing
- ☐ Planning or development approval
- ☒ Product Development
- ☐ Project output has already commenced
- ☐ **Please tick this box if any information the applicant has provided above is confidential**

Has the applicant previously engaged with any of the following entities about the innovation?

- ☐ Select All
- ☐ Have not previously engaged with any agencies about this innovation
- ☒ Australian Energy Regulator (AER)
- ☐ Australian Energy Market Operator (AEMO)
- ☒ Australian Energy Market Commission (AEMC)

☐ Australian Renewable Energy Agency (ARENA)
☐ Essential Services Commission
☐ Other federal or state agency
☐ **Please tick this box if any information the applicant has provided above is confidential**

Project Funding

Has the applicant received funding or financing from a third party?

☒ No
☐ Yes
☐ **Please tick this box if any information the applicant has provided above is confidential**

If yes, what sources have approved financial support?

☐ ~~Select All~~
☐ ~~No funding~~
☐ ~~Received funding from ARENA~~
☐ ~~Received funding from another Government agency~~
☐ ~~Private funding / financing~~
☐ ~~Other~~
☐ ~~**Please tick this box if any information the applicant has provided above is confidential**~~

Project Stage

When does the applicant plan to launch its innovation?

☒ Less than 6 months
☐ 6-12 months
☐ 12+ months
☐ Unsure
☐ **Please tick this box if any information the applicant has provided above is confidential**

Please provide a description of how the trial project will be monitored, reported on and evaluated, including how learnings will be shared

Project Governance

To support the implementation and ongoing management of the project a dedicated Project Office and governance structure will be established for the duration of the project. The Project Office will be responsible for monitoring the progress of the trial against the agreed plan, scope and objectives, allocation of capital and resources across project workstreams, completion of project and knowledge sharing deliverables and reporting to the Project Steering Committee.

The FlexTogether Project Steering Committee will comprise equal representation from the project participants, with equal voting rights, and will oversee the delivery of the project, provide strategic direction and provide decision authority over matters escalated to the Steering Committee by the Project Office. A representative from the AER will have an open invitation to Steering Committee meetings in an observer capacity.

A proposed governance structure for the project has been attached in support of this application. The PMO will establish Terms of Reference for the steering committee and working groups to establish clear roles and responsibilities across all governance layers, including decision rights. This delivery approach has been implemented successfully in the context of other cross-organisational collaborative CER projects that have involved multiple actors including DNSP and electricity retailers.

Knowledge sharing
A key objective of the project will be the development of the foundation framework under which retailers, aggregators and network service providers will work together to deliver tangible benefits to consumers, such as improved service reliability. The project partners are committed to sharing knowledge and insights generated through FlexTogether to support broader industry learning and inform the future development of flexibility services. Competition, consumer outcomes and customer experience will remain central considerations throughout the design, delivery and evaluation of the project. The participants are therefore committed to knowledge sharing and ensuring that competition and customer experience are at the centre of any design principle of the project.
Where appropriate, the project team will leverage existing industry forums working groups and stakeholder engagement opportunities to share project insights, challenges, outcomes and lessons learned with regulators, consumer representatives, retailers, aggregators, DNSPs and other interested market participants. The project partners will also consider publishing high level findings and may hold mid-project and end-of-project knowledge sharing forums, to provide interested stakeholders with visibility of project progress, key learnings and recommendations for future implementation.
The knowledge-sharing approach will support the project's objective of generating evidence-based insights that can inform future regulatory frameworks, market development and the broader adoption of flexibility services across the energy sector.

☐ **Please tick this box if any information the applicant has provided above is confidential**

Eligibility criteria

As part of the application, please describe how the trial project will address the following requirements.

If you have any supporting documents for this section, you will have the ability to upload these at the end of the application. Please ensure these documents are clearly labelled.

Consumer impacts

Please provide a description and identification of the benefits to consumers from the trial project, and how these benefits will be measured

Consumer benefits range from:

- Incentives or added value will be offered to consumers who allow their CER assets to be orchestrated, supporting network performance by managing solar export constraints and reducing peak demand.
- Improved return on investment of individual households with CER.
- Improved public investment in the Federal Government Cheaper Home Battery Rebate.
- Social housing tenants that live within Community Housing Providers through the implementation of AGL Community Power.
- Upfront incentives could be provided to consumers to encourage the deployment of CER assets (e.g. solar, batteries, EV chargers), helping to reduce the initial cost of purchase and installation.

All consumers, including those not actively participating in the trial, are expected to benefit through improved network efficiency and potentially lower system-wide costs over time. By demonstrating how targeted data sharing enables CER to be directed to specific network constraints, the project is expected to reduce or defer the need for traditional network augmentation and improve utilisation of existing assets. These outcomes support lower long-run network expenditure, which is expected to flow through to reduced electricity costs for all customers. The trial will also provide evidence on how coordinated, market-based delivery of flexibility services can enhance competition and innovation in service provision, further contributing to efficient pricing outcomes.

Customers actively participating in the trial will continue to benefit from access to additional value streams, including incentives and rewards associated with flexibility services.

Measurement of Benefits:

- **CER Uptake**: Track the number and type of CER assets (solar, batteries, EV chargers) deployed by participants, comparing pre- and post-trial figures to quantify adoption driven by incentives.
- **Orchestration Participation**: Measure the proportion of CER assets enrolled in orchestration programs and monitor response rates during events (e.g. peak reduction or export constraint management).
- **Network Impact**: Use network data to assess changes in peak demand, solar export issues, and overall load profiles in the trial area.
- **Enablement of Distribution System Operator functions relating to network planning:** including improvement in network utilisation, network stability and system security.
- **Customer Value**: Evaluate customer bill savings and incentive payouts. The value derived from flexibility services in orchestrating customers' CER will be shared back

	equitably with customers. Pre- and post-trial customer surveys can also be used to assess perceived value and trust in orchestration and/or co-ordination. • **System-Wide Benefit**: Model broader consumer benefit through avoided network upgrades, improved stability, and reduced wholesale market costs - which support lower long-term costs for all customers.
☐	**Please tick this box if any information the applicant has provided above is confidential**

Please provide a description of how the needs and requirements of any customers experiencing vulnerability will be supported

Note: Where the trial project may affect customers experiencing vulnerability, applicants are expected to consult with relevant organisations that represent customers prior to submitting the application and explain the outcomes of that consultation in the application.

Eligibility criteria will be established by the project partners to determine the minimum requirements for customers to participate in the project and any associated conditions associated with participation for the duration of the project.

Establishing eligibility criteria will play a critical role in safeguarding vulnerable customers by establishing clear guidelines that determine who qualifies for the project trial initially, and when the project is delivered at scale. By implementing these criteria, the Project partners can identify customers that are vulnerable, or are at risk of being vulnerable, ensuring that they receive the necessary support and resources tailored to their unique needs. This proactive approach not only protects vulnerable customers from potential harm but also fosters an environment of trust.

Conditions of participation may include, but is not limited to:

- AS4777: compliant CER inverters;
- Up-to-date registration of CER in AEMO's DER register;
- CER meet minimum communications protocols and requirements (i.e. connection to a stable internet connection capable of sending and receiving control signals); and
- Agreement to enable the retailer / aggregator to remotely control the behaviour of CER within agreed parameters (i.e. ramp up / ramp down).

To ensure that FlexTogether operates within appropriate risk tolerances, registered hardship and life support equipment customers will not be eligible for active participation in the project during the trial period. However, a key objective of the project is to understand how all customers may be able to receive the benefit of CER orchestration and flexibility services through lower total energy costs.

A customer engagement and communications plan will be developed and implemented to support the trial. The plan will provide clear, accessible and publicly available information through AGL and / or Endeavour Energy's websites and other communication channels, enabling prospective participants (customers) to understand the eligibility criteria, potential benefits, data-sharing arrangements, customer protections and the terms and conditions of participation.

The communication plan will also outline how participants and wider stakeholders will be kept informed throughout the trial. This will include regular project updates, mechanisms for participants to provide feedback, and processes to ensure customers remain aware of their rights and obligations. Customer feedback and lessons learned through engagement

activities will be used to inform ongoing project delivery and contribute to the evaluation of consumer outcomes. Consistent with the project's knowledge sharing objectives, high level trial insights, outcomes and learnings will also be made publicly available, where appropriate, to support industry understanding of consumer participation in flexibility services and CER orchestration.	
☐	**Please tick this box if any information the applicant has provided above is confidential**

Please provide a description of how consumer protections will be maintained through the trial project

The National Energy Customer Framework (NECF), which includes the National Electricity Rules (NER) and National Energy Retail Rules (NERR) and Australian Consumer Law, have established clear consumer rights and protections for energy project and services. The Project will not seek a waiver from NER or NERR, that would compromise established consumer protection safeguards. AGL and Endeavour Energy acknowledge that extending consumer protection for CER is one of the national reform priorities in the National CER roadmap, being led by the CER taskforce in collaboration with the AER. This project intends to support discussion on the ongoing evaluation of existing consumer protections covered in existing electricity and consumer protection laws and inform the development of any future consumer protection obligations and requirements for new energy products and services. Should customer concerns arise during the project the consumer protection will be maintained in accordance with the applicable rules and laws in Australia, including a dispute resolution mechanism, as set out in the NERR and AGL and Endeavour Energy respective complaints handling procedures (and available on the parties' respective websites).	
☐	**Please tick this box if any information the applicant has provided above is confidential**

Please provide a description of how customer privacy will be maintained, including how customer information will be collected, used, managed and disclosed

AGL and Endeavour Energy are committed to handling personal information and credit-related information in accordance with their obligations under the Privacy Act 1988 (Cth). **AGL** AGL collects information to support its interactions with its customers, employees, contractors and shareholders and has established processes to manage and control the data collected. Information collected may be shared with authorised representatives and accredited third parties under the Consumer Data Right (CDR) regime. Further information on the CDR and how it is managed by AGL is provided in AGL's Consumer Data Rights Policy (see attachment). Further details on the information collected by AGL, how it is used and maintained, is provided in AGL's Privacy policy. This also includes established processes to raise privacy enquiries and complaints with AGL and escalation to the regional Energy and Water Ombudsman and Australian Privacy Commissioner.	

This includes both energy market and metering data (e.g. NEM, MSATS and metering information), which is subject to existing protections under the National Electricity Law (NEL) and National Electricity Rules (NER), as well as other customer and asset-related information not captured within these frameworks (e.g. DER register information and customer product or service participation).

https://www.agl.com.au/privacy-policy

Endeavour Energy
Endeavour Energy is committed to protecting the privacy of its customers, business contacts and employees. When Endeavour Energy collects and handles personal information, it does so in accordance with Australian privacy laws. These laws protect the privacy of personal information it holds on customers, employees (other than information that forms part of an employee record) and other individuals with whom it deals with.
Endeavour Energy is bound by the Australian Privacy Principles (APPs) set out in the Privacy Act 1988 (Cth), which govern how organisations handle personal information. Further information on the data and information that is collected by Endeavour Energy, how it is used and disposed of, is provided in its Privacy Policy, available here:
https://www.endeavourenergy.com.au/privacy-and-disclaimer

For the purposes of this trial, no confidential customer information will be shared between AGL and Endeavour Energy beyond information that each party already lawfully holds as part of its existing relationship with the customer and its respective operational obligations. Data sharing will be limited to the minimum information necessary to support trial activities and will be managed in accordance with applicable privacy, confidentiality and regulatory requirements.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Risk management

Please provide a description of the risk management plan for the proposed trial project

Further to the measures outlined earlier in this submission in relation to supporting vulnerable customers, and the maintenance of consumer protections and consumer privacy, the risk management plan will be developed on a phase-specific basis to identify the risks arising from the substantive nature of the project, as well as the delivery of the project itself, and controls that have been designed and implemented to mitigate those inherent risks to an appropriate level. It will be a "live" project document that will be a key artefact in the ongoing governance of the project.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please provide a description of the risks for other market participants and how these will be mitigated

Not applicable. The project does not propose to impact the function of the existing market and there will not be an impact on market participants or services currently provided within the market.
☐ **Please tick this box if any information the applicant has provided above is confidential**

Please provide a description of the processes in place to monitor and respond to potential risk events

A proposed project governance structure has been developed in support of this submission. In addition to the risk management plan, a project risk and issue register will also be established to monitor and report project risks and issues. The Project Steering Committee will be responsible for maintaining oversight of the delivery of the project and will meet on a monthly cadence. A review of the risk management plan and risk and issues log will be a standing meeting agenda item. Any new risk or change in risk status identified by the project team will be highlighted for discussion with the steering committee.
☐ **Please tick this box if any information the applicant has provided above is confidential**

Does the applicant expect there to be any risks to the safety, reliability or security of electricity, supply of energy and/or gas as a result of your project?

☒ No
☐ Yes
☐ **Please tick this box if any information the applicant has provided above is confidential**

If no, why not?

The trial will not impede Endeavour Energy's role in managing the network. The project location at the trial stage will be selected with consideration of existing network constraints and potential implications should the flexibility services not perform as expected. To manage the risk of impacts to customer energy supply or quality, the project team will determine if there is a need for further contingencies or controls to manage customer supply and the security of the network.
☐ **Please tick this box if any information the applicant has provided above is confidential**

If yes, please explain what these risks are and how those risks will be avoided or mitigated

Not applicable
☐ **Please tick this box if any information the applicant has provided above is confidential**

Please provide a description of any consultation undertaken with Australian Energy Market Operator, Energy Safe Victoria or any other relevant bodies regarding the proposed trial project and the risk management plan

The project will not have an impact on the operation of the electricity market and will be located within NSW. Should the project scale to other locations, key stakeholders and regulators (such as Energy Safe Victoria, if applicable) will be engaged as required.	
☐	**Please tick this box if any information the applicant has provided above is confidential**

Operational capability

Please provide evidence of the organisation's operational, technical and financial ability to carry out the proposed trial project

AGL

AGL is a leading integrated energy across the Australian energy sector. Our operational, technical, and financial capabilities are evidenced by our scale, experience, and performance as detailed in our 2025 Annual Report.

Operational Capability: AGL operates the largest electricity generation portfolio within the NEM of any ASX-listed company. This includes coal, gas, wind, hydro, solar, batteries, and gas storage assets. We serve 4.5 million customer services across energy and telecommunications, representing approximately 25% of households in the NEM. We have demonstrated our ability to manage large-scale transitions, including the accelerated closure of coal assets and the safe closure of Liddell Power Station in 2023. Our fleet availability (Equivalent Availability Factor) reached 85.8% in FY24, reflecting high operational reliability.

Technical Capability: AGL is building strong technical capability to support the orchestration of distributed energy resources and deliver demand flexibility across the energy system. As of FY24, AGL had 1.25 GW of decentralised assets under orchestration and has set a target of reaching 1.6 GW by FY27. AGL is involved in several demand flexibility and orchestration trials, including electric hot water system orchestration and business demand response programs. These initiatives are integrated into AGL's growing VPP, which incorporates distributed assets such as batteries, hot water units, and other customer-owned technologies. AGL also progressed 800 MW of grid-scale batteries and expanded its renewable and firming development pipeline to 6.2 GW.

Financial Capability: AGL's financial strength underpins our ability to deliver trial projects and ongoing innovation, as demonstrated by the following metrics reported in the 2024 Annual Report:

- Statutory profit after tax: $711 million
- Underlying net profit after tax: $812 million
- Underlying EBITDA: $2,216 million
- Total assets: $15,661 million (as at 30 June 2024)
- Total equity: $5,431 million (as at 30 June 2024)
- Investment grade credit rating: Baa2 (Moody's)
- Interest cover: 9.1 times
- Funds from operations to net debt: 71.9%
- Operating free cash flow: $1,736 million

Endeavour Energy

Endeavour Energy is a highly experienced Australian energy network operator with core capabilities in the design, construction, commissioning, operation, and management of electrical network infrastructure. As one of the largest distribution network service providers in Australia, Endeavour Energy connects over 2.8 million people (c. 45% of Sydney's total population) across Sydney's Greater West, the Blue Mountains, Southern Highlands, the Illawarra and South Coast with safe, reliable and resilient electricity through a network with total system demand of 3,800 MVA (~12% of the demand of the National Energy Market).

Endeavour Energy has an AER Regulated Asset Base of c.$7.8 billion and is among the best performing networks in Australia in terms of reliability, capital investment, and operating cost productivity. Endeavour Energy asset base comprises over 62,000 kms of sub-transmission HV and LV lines, 33,000 substations and 430,000 poles.

To support its network, Endeavour Energy's 600-strong field crew is located across 4 major logistics centres and 17 field service centres throughout the network, and are responsible for construction, routine maintenance and responding to emergencies, including outside Endeavour Energy's franchise area in support of other network operators following major incidents.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Exit strategy

Please provide a description of the trial project closure process and how trial project participants will revert to their pre-existing supply arrangements or move onto suitable alternative arrangements that comply with all relevant regulatory requirements after closure of the trial project (exit strategy)

Exit strategy: A description of the trial closure process and how participating retail customers will revert to their pre-existing supply arrangements after closure of the trial project

As the project is being established as a trial project, customers recruited into the trial will return to their pre-existing retail arrangements, or equivalent, at the conclusion of the trial with all pre-existing commitments made to customers in the trial will be honoured. Should a customer opt to leave the trial, they will also return to their pre-existing retail arrangements (see details below for further considerations should a customer elect to opt out mid-trial).

☐	**Please tick this box if any information the applicant has provided above is confidential**

Consumer protection

Please provide a description how it is proposed that trial project participants will provide their explicit informed consent and how this will be recorded. If it is intended that explicit informed consent will not be obtained, the applicant must explain why this should not be required

There are no changes or reduction to consumer protections proposed as part of FlexTogether. The Project Partners anticipate that majority of trial participants will be participants in existing CER orchestration programs such as AGL's VPP and have given their explicit informed consent (EIC) to join these programs. If additional participants need to be recruited, they will provide their EIC via existing processes which include agreeing to the terms and conditions of these programs on application/request to join. If the trial materially changes conditions that customers agreed to, AGL will seek new EIC from customers via our existing processes including but not limited to providing clear terms and conditions to customers and seeking customers' EIC via phone, or digital acceptance.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please provide a description of how it is proposed that trial project participants can raise a dispute in relation to the proposed trial project and the proposed internal and external processes and procedures in place to resolve disputes

AGL and Endeavour Energy have established compliant handling and dispute resolution procedures, including an escalation process to the Ombudsman in the relevant jurisdiction. As part of the project implementation, FAQs and briefing notes will be provided to the customer solutions team, to enable the team to investigate and resolve concerns in the first instance. If customers are not satisfied with the outcome with the investigation, customers have the right to contact the Energy & Water Ombudsman NSW (EWON), at any time for independent advice and assistance. Details of AGL and Endeavour Energy's respective complaints process are provided on the respective websites, including links to EWON. https://www.agl.com.au/help-support/contact-us/complaints?cidi=AGL%7CB1001851 https://www.endeavourenergy.com.au/your-energy/our-services/how-to-make-an-enquiry-or-complaint

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please provide a description of what consultation the applicant has undertaken with the Energy and Water Ombudsman (Victoria) in relation to dispute resolution processes

Not applicable (the project location will be in NSW, limited to Endeavour Energy's operating area).

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please provide a description of how it is proposed that trial project participants can opt out of the proposed trial project or, if it is proposed that trial project participants should not be

able to opt out of the trial project (or that there should be restrictions on the circumstances in which trial project participants can opt out), the reasons why this should be the case

The EIC used to engage and recruit customers to participate in the project will include any conditions of participation and ongoing obligation for the duration of the project. The circumstances under which the customer may choose to opt-out of the trial, once the EIC has been provided and / or the trial has commenced, will depend on the nature of the trial and customer agreement. If AGL (or another electricity retailer or aggregator) has provided the customer with substantial incentives to deploy CER, there will likely be a minimum term that is required for them to participate in the trial. If the customer chooses to opt out of the trial, they may be required to pay back a pro rata portion of the incentive for the remaining duration of the contract term. Customers who are part of AGL's existing programs are required to meet the terms and conditions of these programs. Customers can opt out of the programs at any time.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Disconnections

Where the proposed trial project directly involves the supply or sale of electricity or gas to small customers, please provide a description of the proponent's proposed processes in relation to disconnection

The project will not require the disconnection of any customer, and will not impact any existing processes or customer rights in relation to disconnection.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Development of regulatory experience

How does the proponent consider the trial project contributes to the development of regulatory and industry experience?

The current regulatory framework must continue to evolve to maximise the value and integration of CER resources within the energy system. The outcomes of this trial project will provide valuable insights to help inform the proposed design and implementation of future regulatory frameworks, or changes to existing regulations, that govern the provision of flexibility services, to ensure that there are appropriate incentives established that facilitate and promote the consideration of non-network solutions, in place of network augmentation expenditure, where a lower overall cost can be achieved for customers. ***AGL and Endeavour Energy*** commit to publishing trial insights and learnings to support broader industry understanding of the value arising from this initiative, and to inform regulatory and market development.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Consultation with other regulators

Consultation with regulators and market bodies may include the Australian Energy Market Operator, Energy Safe Victoria, or any other relevant bodies regarding the trial project and the proposed risk management plan

Has the applicant engaged with the jurisdictional safety regulator on the project and the proposed risk management plan?

- ☒ No
- ☐ Yes
- ☐ **Please tick this box if any information the applicant has provided above is confidential**

If no, why not?

The project is still in the early stages of development (scoping). Should any network or customer safety risk be identified, the Project partners will engage with the safety regulator to discuss the identified risk and proposed controls.
☐ **Please tick this box if any information the applicant has provided above is confidential**

If yes, does the applicant require a licence, registration, authorisation, exemption or other form of approval and did the applicant receive one from them?

Not applicable
☐ **Please tick this box if any information the applicant has provided above is confidential**

Confidential Information

The commission must consider whether the extent and nature of any confidential information may impair the commission's ability to provide public transparency in relation to the conduct and outcomes of trial projects. Provide any comments you consider relevant to this assessment

The high-level outcomes of the project are not considered to be confidential or sensitive in nature and will be shared with industry, in the interest of knowledge sharing and development of Flexibility Service capabilities, enabling consumers choices in CER and the supporting the $2.3bn Federal Government investment in home batteries. A key design principle and outcome of the project is to improve the data sharing between DNSP, electricity retailers and aggregators. No confidential information included in support of this submission has been identified.
☐ **Please tick this box if any information the applicant has provided above is confidential**

The AER must consider whether the extent and nature of any confidential information may impair the AER's ability to provide public transparency in relation to the conduct and

outcomes of trial projects. Provide any comments you consider relevant to this assessment

The Project Partners are committed to providing transparency throughout the course of the project with the long-term ambition of encouraging the participation of other DNSPs and retailers in the interest of competition and delivering the best outcome for all energy consumers. To that end, confidential information will be limited to information that is protected under legislation (e.g. Privacy Act) or deemed to be commercial in confidence (e.g. details of bi-lateral contracts or commercial pricing strategies).

☐	**Please tick this box if any information the applicant has provided above is confidential**

Does the proponent consider the extent and nature of the confidential information may impair the appropriate development of regulatory and industry experience arising from the trial project? Provide an explanation to support your response.

No, as per above, the project partners are committed to sharing the outcomes of the project in the interest of contributing to regulatory and industry knowledge.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Innovative Trial Principles

As part of your application, please explain how your project will address the following innovative trial principles. While your project does not need to satisfy all the principles, the AER do take them into account in determining whether a trial project is "genuinely innovative" in connection with granting a trial waiver.

Please note that you need to respond to each question explaining whether your trial project does or does not apply to the corresponding principle.

Please explain whether the trial project is focused on developing new or materially improved approaches to the use or supply of, or demand for, energy

Significant effort and resources have been invested across the energy industry to demonstrate the technical viability of CER orchestration. This project will contribute to the evidence base to demonstrate the commercial viability of VPPs and flexibility services when delivered at scale and the flow-on benefits to reduce capital expenditure on networks.

The project introduces an improved approach by linking localised network constraint information with customer and asset-level data, allowing flexibility services to be identified, targeted and delivered in response to specific network requirements – and the assessment of non-network options. This represents a shift from traditional approaches to a more granular, location-specific model that aligns energy supply and demand at the distribution network level informed of asset availability, capability and activation costs.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please explain whether the trial project is likely to contribute to the achievement of the national electricity objectives, national gas objectives or the national retail objectives

The National Electricity Objective as stated in the NEL (clause 7 (a)-(c)) is:
"to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity with respect to:

a) price, quality, safety, reliability and security of supply of electricity; and
b) the reliability, safety and security of the national electricity system; and
c) the achievement of targets set by a participating jurisdiction:
    (i) for reducing Australia's greenhouse gas emissions; or
    (ii) that are likely to contribute to reducing Australia's greenhouse gas emissions."

The National Energy Retail Objective (NERO)
The National Energy Retail Objective as stated in the National Energy Retail Law (NERL) (Division 3, clause 13 (a)-(b)) is:
"to promote efficient investment in, and efficient operation and use of, energy services for the long-term interests of consumers of energy with respect to:

a) price, quality, safety, reliability and security of supply of energy; and
d) the achievement of targets set by a participating jurisdiction—

(i) for reducing Australia's greenhouse gas emissions; or
(ii) that are likely to contribute to reducing Australia's greenhouse gas emissions."

The proposed project will directly contribute to the achievement of objectives (a) and (b) of the NEO and objective (a) of the NERO, by enabling the procurement and delivery of flexibility services to defer or avoid network investment.

When aggregated and orchestrated within a VPP, flexibility services can play an important role in supporting the safety, reliability and security of the electricity system through:

- **Demand Response**: Aggregators can manage and adjust the electricity demand from CER and controllable loads enrolled within a VPP in real-time. By reducing or shifting demand during peak periods or conversely increasing demand (or storage or energy) during low demand periods.
- **Ancillary Services**: VPPs can provide ancillary services such as frequency regulation, voltage support, and spinning reserves to provide a rapid response to maintain the balance between supply and demand, during unexpected events or networks disturbances.
- **Grid Stability**: By offering flexibility services, VPPs can mitigate the variability associated with renewable energy generation, and provide a pathway to achieve decarbonisation targets, managing the contingent risk to electricity system. DER Orchestration trials, such as Project Symphony have surmised that system costs (passed onto market participants and consumers, such as Minimum Demand Services (MDS) and Load Following Ancillary Services (LFAS) can be substantially reduced, by establishing appropriate authority to control the behaviour of CER.
- **Market Participation:** VPPs can participate in energy markets, providing flexibility services that can lead to more efficient energy distribution and pricing, and enabling CER owners to maximise the value return of their assets. VPP capacity may also be capable of direct participation in the wholesale market. AGL is currently working with AEMO on the implementation of the Integrating Price Responsive Resources in the NEM rule change. Successful integration of these resources will be a critical first step to improvements in CER/DER visibility for central dispatch. We note this has been a key focus of the Commonwealth independent panel NEM wholesale market settings review.

In addition to the above, the proposed project will support objectives (c) of the NEO and (b) of the NERO, supporting the continued adoption of renewable energy, by removing barriers to unlock the full stack of value and contributing to decarbonisation targets.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please explain whether the trial project is able to demonstrate a reasonable prospect of giving rise to materially improved services and outcomes for consumers of energy

The national CER Roadmap states that well-integrated CER presents an opportunity to support a least cost, faster energy transition, system reliability and reduction in consumers' energy bills.

When delivered at scale, high penetrations of CER can reduce the need for network upgrades and grid scale generation and storage, which will ultimately result in lower bills for energy

consumers, increased flexibility to meet network and system needs and reduced grid scale investment.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please explain whether the trial project maintains adequate consumer protections, including whether the trial project may involve risks to consumers and (if so), how those risks might be mitigated

The project operators will manage/mitigate risk to trial participants by providing clear and transparent information about the objectives, benefits and FAQs of the trial, and AGL will seek an EIC of participants to participate in the trial where required. We will also monitor the progress of the trial and, where we identify any risks or degradation of service to customers, actively mitigate and remediate these as necessary. Trial participants will be provided a contact support channel to escalate any issues.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please explain whether the trial project is unable to proceed under the existing regulatory framework

In the absence of the trial rule waiver, existing regulatory arrangements would limit the parties' ability to share and use customer and network data in a sufficiently flexible and timely way to identify and evaluate flexibility opportunities. This would constrain the parties' ability to explore, develop and implement a range of flexibility services, including assessing resource suitability for specific network constraints and evaluating expected performance and costs.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please explain whether the trial project has moved beyond research and development stages but is not yet established, or of sufficient maturity, size or otherwise commercially ready, to attract investment

The trial has not commenced beyond early-stage collaborative discussions and framing, in full compliance with competition law and regulatory obligations. AGL has existing CER products and an operating VPP in market that it will look to utilise.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please explain whether the trial project may negatively impact the Australian Energy Market Operator's operation of the national electricity system and national electricity market and, if there are impacts, how those impacts can be mitigated

The trial project is not expected to negatively impact on the operation or functionality of the national electricity market.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please explain whether the trial project may impact on competition in a competitive sector of the national electricity and/or gas markets

Although the trial involves bilateral engagement of flexibility services for the period of the trial phase of the project, it is expected to ultimately expand competitive services by supporting the development of a market for competitive procurement of flexibility services by networks. The trial project is not expected to negatively impact on competition in the national electricity market. Endeavour Energy as the regulated DNSP remains in ultimate control of procurement decisions during the trial period. A key long-term goal of this trial project will be the broad engagement and invitation to other DNSPs and retailers to participate in FlexTogether, once the initial phase has been completed. A successful trial will expand competition between network and non-network solutions to network constraints. The participation of other DNSPs and electricity retailers will improve overall competition and choice for customers, and will also ensure that any proposed changes to regulations or the design and establishment of flexibility service frameworks is supported by market participants.

☐	**Please tick this box if any information the applicant has provided above is confidential**

The National Energy Regulations stipulate the following additional principles:

Please explain whether the trial project is able to be trialled and evaluated

A hypothesis to be tested in the trial is that improved asset utilisation and planned network augmentation can be avoided or deferred through the procurement and delivery of flexibility services enabled by AGL's customer portfolio capabilities. The deferment of this expenditure can be evaluated against the cost to acquire flexibility services and associated incentive payments within the trial period.

☐	**Please tick this box if any information the applicant has provided above is confidential**

Please explain whether there is potential for the trial project to be successfully expanded

This trial has strong potential for expansion, both within Endeavour Energy's network through the inclusion of other retailers, and as a framework for similar initiatives with other DNSP (noting early indications from other DNSPs of interest in testing flexibility services).

Creating meaningful opportunities for other parties to participate will support industry-wide learning, promote competition and customer choice, and help ensure that any flexibility services frameworks developed are fit for purpose and supported by industry.	
☐	**Please tick this box if any information the applicant has provided above is confidential**

Please explain whether the trial project will provide for public sharing of knowledge, information and data resulting from the trial project

AGL and Endeavour Energy will share general insights and learnings from the trial project to support broader industry understanding. Any shared data will be aggregated and anonymised to ensure individuals cannot be identified; consistent with applicable legislation, no personal information will be disclosed by either AGL or Endeavour Energy. Storage and access to data relating to the trial project will be designed to meet relevant legislative requirements, enabling AGL and Endeavour Energy to contribute to public knowledge while maintaining strict compliance with applicable privacy obligations.	
☐	**Please tick this box if any information the applicant has provided above is confidential**

Supporting Files

Optional supporting material file

- AGL's Consumer Data Right Policy
- Project Governance Structure - attached

Email message

Diagram of corporate structure (required)

- AGL corporate Governance Statement
- Endeavour Energy's corporate ownership is set out online here: Corporate information | Endeavour Energy

Diagram of organisational structure (required)

- AGL leadership team
- Endeavour Energy structure

Risk Management Plan (required)

AEMO registration

Financial Resources (required)

Technical Capacity (required)

Statutory declaration (required)

Dispute resolution Scheme (required)

- AGL Complaints and Dispute Resolution Policy
- Endeavour Energy Complaints Policy

The applicant must declare that all information provided in this application for the issue of a trial waiver is true and correct and must be verified by a statutory declaration. The statutory declaration must be made by the applicant (where the applicant is an individual) or a director of the applicant (where the applicant is a corporation) and must be made in accordance with the requirements of the Oaths and Affirmations Act 2018 (Vic). An example of a statutory declaration form can be found here. Information for authorised witnesses can be found here



Flex Together

Supporting documents for AER Sandbox application

20th August 2026

A collaboration by AGL & Endeavour Energy

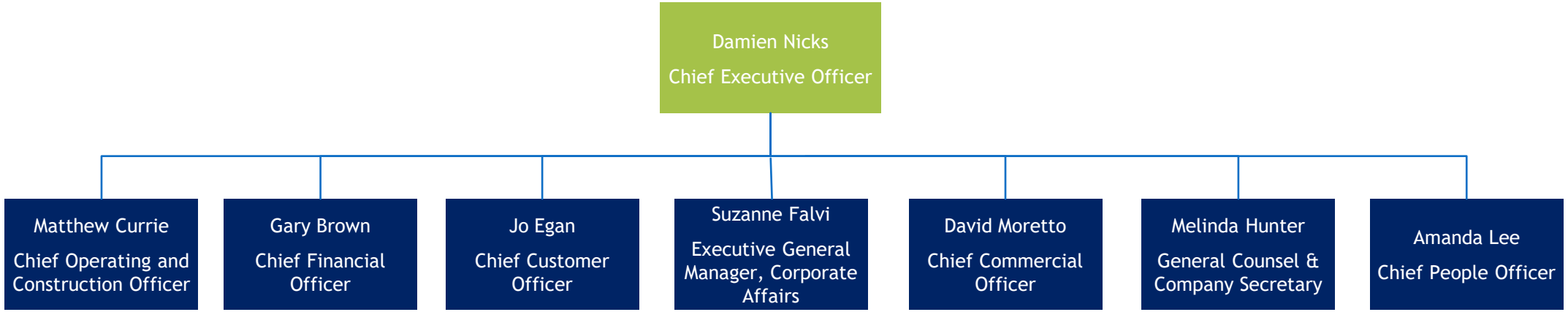
Organisational structure

AGL Energy Limited

Board of Directors

- Miles George — Non-Executive Director & Chair
- Damien Nicks — Managing Director
- Mark Bloom — Non-Executive Director
- Graham Cockroft — Non-Executive Director
- Christine Holman — Non-Executive Director
- Professor John Pollaers OAM — Non-Executive Director
- Elizabeth (Betsy) Donaghey — Non-Executive Director
- Vanessa (Fernandes) Sullivan — Non-Executive Director
- Mark Twidell — Non-Executive Director

Executive leadership team



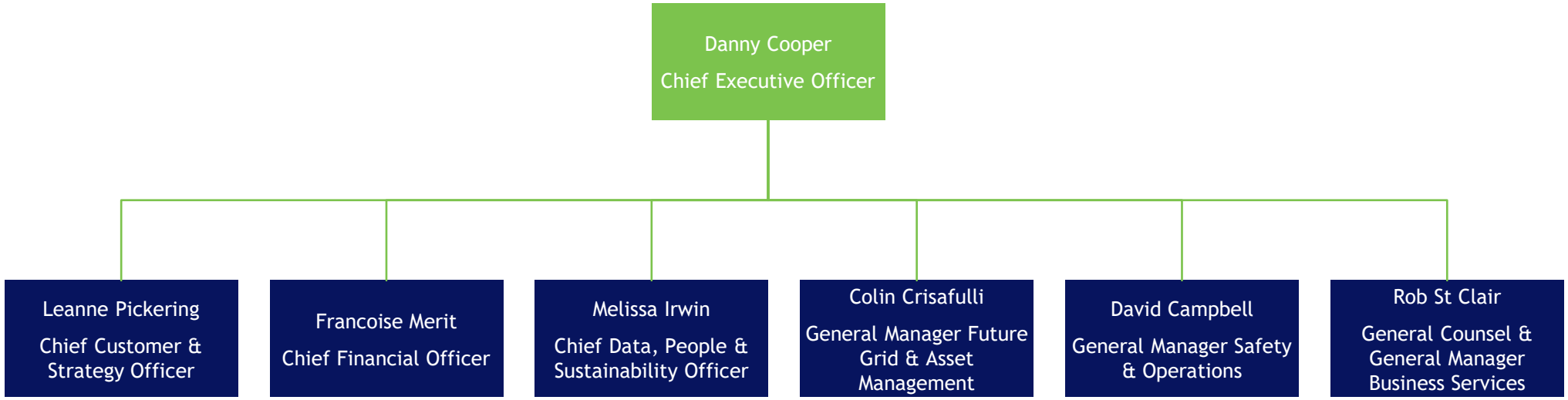
Organisational structure

Endeavour Energy

Board of Directors

Cheryl Bart AO Independent Chair	Tessa Fitzpatrick Director	Darren Ch'ng Director	David Bartholomew Director	Claudia Bels Director	Jordan Anderson Director	Dr Marlene Kanga AO Director

Executive leadership team



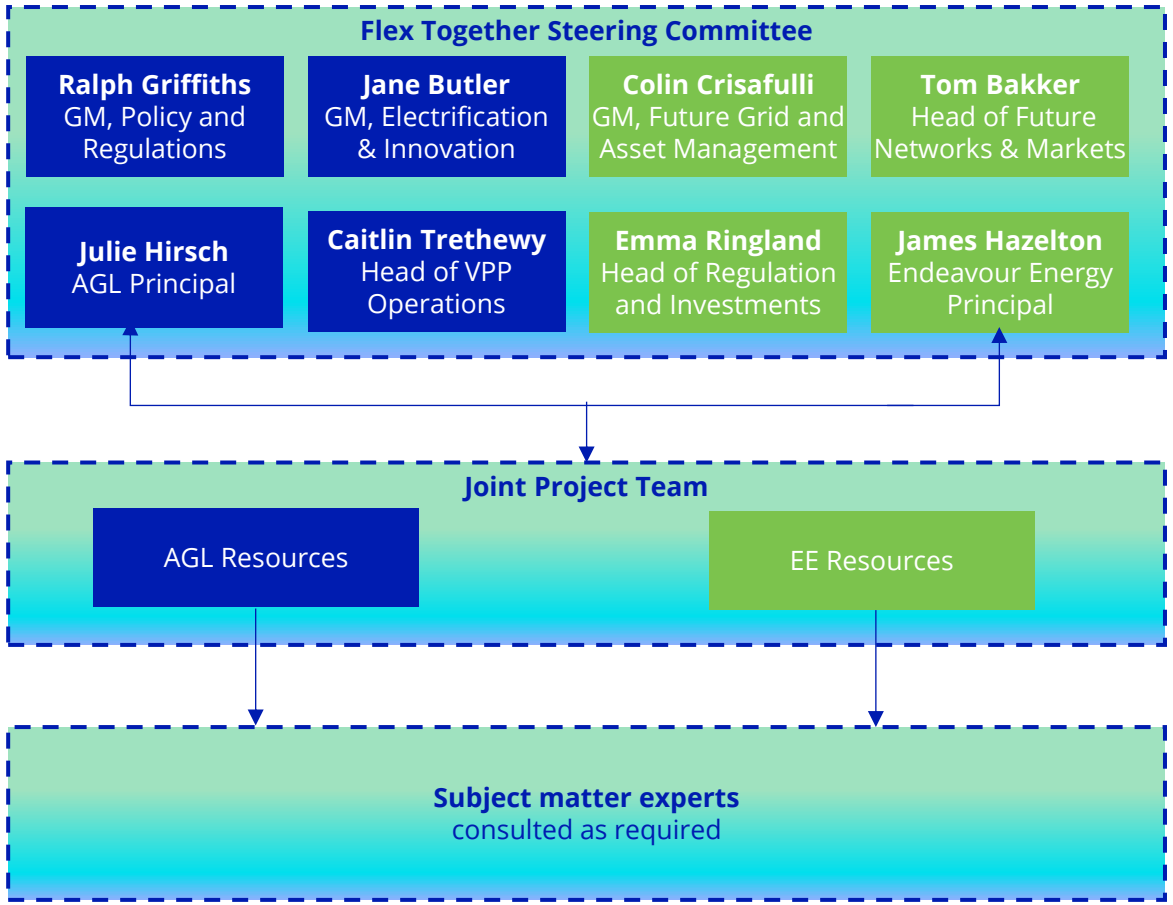
Flex Together - Governance structure

Steering Co

The Steering Committee will monitor the delivery of the Project and provide strategic guidance and decisions necessary to ensure that the Project meets its intended objectives and timeframes.

Joint project team

The Core Project Team consists of senior leadership representatives and relevant subject matter experts from AGL and Endeavour Energy, who will be responsible for the day-to-day delivery of project activities.



Flex Together

Creating a shared energy future