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21 June 2017

www.aer.gov.au

Mr Wayne Lissner
A/ General Manager Corporate Strategy
SA Power Networks
Via email: Wayne.Lissner@sapowernetworks.com.au

Dear Mr Lissner

Notice of ring-fencing waiver: SA Power Networks - Ring-fencing waiver application - April 2017

The AER issues this notice pursuant to clause 5.3.1 of the AER Electricity Distribution Ring-fencing Guideline, November 2016 (**Guideline**).

By this notice, the AER waives SA Power Networks' obligation to comply with clauses 3.1, 4.2 and 4.4.1(a) of the Guideline from 21 June 2017 until 1 June 2020 for SA Power Networks' temporary generation project. This is on the following conditions:

- that the generation capacity is only utilised for the purpose of avoiding load shedding for NEM operational purposes when there is no alternative generation available
- is only utilised at the direction of AEMO or the South Australian Energy Minister
- is fully funded by the SA Government, who also receives all revenues from the project, and
- SA Power Networks cannot (and will not) advertise or promote other merchant generation services.

SA Power Networks will be expected to comply with the Guideline in all other circumstances, and in all other respects.

Yours sincerely



Chris Pattas
General Manager
Networks