

Streamlined New Energy Storage Devices Waiver - Communications Statement

On 21 December 2021, the AER finalised the criteria and process for streamlined ring-fencing waivers for community batteries.

This follows publication on the 3 November 2021, of the [Electricity Distribution Ring-fencing Guideline](#) (the guideline) (Version 3).

In our [final explanatory statement](#) we identified a concern that allowing DNSPs to actively engage in the battery market, without appropriate controls, risks the foreclosure of other players. This would not be in the long-term interest of consumers. The AER developed a streamlined waiver process to facilitate certain types of DNSP batteries, especially community - scale batteries, where they supply capacity to others. In order for us to consider a DNSP battery under a streamlined waiver approach, we indicated that cross-subsidisation risk would need to be addressed.

Stakeholders were asked to provide comments on the proposed approach for streamlined battery waivers by 1 December.

The AER received 4 submissions in this process. While there were some objections to the proposed approach, overall stakeholders were supportive that the streamlined waiver flexibly addressed the identified risks.

The AER has decided that its position on the streamlined battery waivers is appropriate. We have provided further clarity on the expected conditions of a streamlined waiver, through a waiver template which we have also released. The AER will actively consider each waiver application to ensure that the criteria are met and monitor on an ongoing basis through the annual compliance process.

We consider that our approach strikes an appropriate balance in allowing DNSPs and third parties to explore the use and benefits of batteries, especially community scale batteries. We will re-examine our approach as needed to respond to future developments.