



Ref: 20220520MC:NL

20 May 2022

Dr Kris Funston
Executive General Manager, Network Regulation
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Email: AERresets2024-29@aer.gov.au

Dear Kris

Submission on the framework and approach preliminary positions paper

Essential Energy welcomes the opportunity to provide a submission to the Australian Energy Regulator (AER) on the Framework and Approach (F&A) preliminary positions paper for the 2024–29 period for Essential Energy, Ausgrid, Endeavour Energy, Evoenergy, Power and Water Corporation, and TasNetworks distribution and transmission businesses.

We agree with the AER that the F&A approach is being prepared at a time of significant energy market and distribution network transition. It is therefore crucial, that in the establishment of F&A's for 2024-29, the AER maintains a strong and pragmatic focus on positive customer outcomes that distribution businesses can deliver in the performance of their service offerings.

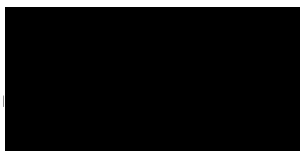
In **Attachment 1** we offer our comments on each aspect of F&A addressed in the AER's preliminary positions paper namely, service classification, control mechanisms, incentive schemes, depreciation and dual function assets. **Attachment 2** contains a clean copy of Essential Energy's proposed service classification table with any changes, subsequent to earlier consultations with the AER, highlighted.

Essential Energy largely agrees with the AER's preliminary positions and have provided input to clarify our position on service classification areas that are still under active consideration:

- Export services – are now implicitly included within Service Classifications and are symmetrical with consumption services
- Facilitation services for battery leasing – should be included in standard control.

If you have any queries in relation to this submission, please contact our Network Regulation Manager, Mary-Clare Crowley on [REDACTED]

Yours sincerely



Natalie Lindsay
Head of Regulatory Affairs

Feedback on proposed approaches discussed in F&A preliminary position paper

Summary

Table 1: Overview of Essential Energy's responses

Issue	Comment
Service classification	
SAPS	<p>Essential Energy support the proposed change to the description of SAPS services that are standard control services to include “regulated SAPS”. No objection to removal of listing of temporary SAPS for works to fix damage to the network.</p> <p>Suggest the need to also include simple fault rectification for the generation service of 3rd party owned SAPS</p>
Battery leasing	<p>Essential Energy considers that the leasing of excess battery capacity is similar to that of leasing other distribution assets (subject to shared asset guideline) already grouped under unregulated services, and should not need to be separately specified.</p> <p>However, Essential Energy considers that the cost of facilitation work associated with battery leasing should be able to be recovered, regardless of whether or not the battery is a shared asset. This means that there may be a need to modify or broaden the Common distribution services classification “activities related to ‘shared asset facilitation’ of distributor assets” to allow for this, or consider whether this would be covered by other existing common distribution service definitions.</p>
System support	Essential Energy supports the inclusion of system support services within common distribution services, including the provision of support to AEMO for market verification, compliance and forecasting for DER.
Export services	<p>Support proposal that export services are considered to be a part of the common distribution service ‘planning, design, repair, maintenance, construction and operation of the distribution network’, and that there is no need to separately list export services.</p> <p>Essential Energy do not consider that it is necessary to provide a definition of basic and additional export services for the purposes of service classification, noting that this definition is only relevant to the design of export tariffs, and these will differ by network.</p> <p>The existing connections process adequately addresses the provision of all common distribution services including export services, and circumstances where additional export capacity is sought.</p>
RERT services	<p>Agree that administration of the provision of RERT services could be covered by the existing common distribution service grouping “shared asset facilitation”, and that provision of services would be subject to the Shared Asset Guideline.</p> <p>Recommend the addition of a new group within Unregulated services, ‘Billable system support services’, so that these services are captured – even if they are unclassified. This grouping can also reflect other emerging system support services that NSW distributors may be well placed to operate.</p>

Issue	Comment
Embedded network (last resort services)	Essential Energy is not seeking classification of these services.
Private asset faults	Classification already addressed for NSW distributors. No further comment.
Rectification works payment arrangements	Essential Energy agrees that the additional description is not required.
Metering services – types 5 and 6 legacy meters	Essential Energy is not seeking a change to the current classification of these services.
Connection services	Classification already addressed for NSW distributors. No further comment.
Control mechanisms	No change to existing control mechanisms proposed.
Incentive schemes	Proposed application of incentive schemes is supported.
Depreciation	Essential Energy supports the proposed forecast depreciation approach to establish the RAB.
Dual function assets	Not applicable to Essential Energy.

Service classification issues

There are important new service classification issues to be addressed for the 2024–29 period. Essential Energy’s comments on each of the service classification issues raised in the preliminary positions paper are provided below.

SAPS

Essential Energy agrees to the AER’s proposed change to the description of SAPS services that are standard control services to “regulated SAPS” in order to align with the National Electricity Rules (NER).

In addition, we agree that it is not necessary to explicitly classify the use of temporary SAPS after an emergency as part of works to fix damage to the network. As noted by the AER, temporary SAPS may validly be deployed in response to an emergency event.

We do, however, call out the need for a footnote under ‘rectification of simple customer faults’ within the common distribution service, so that this service can also include simple customer fault rectification on the generation service of non-distributor-led SAPS.

Battery leasing

Leasing of excess battery capacity: This is an emerging service and various distributors are undertaking significant development work via the ring fencing guideline. We suggest that the leasing of any excess network battery capacity should ideally be treated in a similar manner to how additional uses of distribution assets are already treated, i.e. already included as an unregulated service and subject to the shared asset guideline. The use of the ring fencing guideline and waivers should be secondary to the service classification.

Facilitation services for battery leasing: Essential Energy considers that the cost of facilitation work associated with battery leasing should be able to be recovered, regardless of whether or not the battery is a shared asset. So, to answer the question posed by the AER in the preliminary positions paper:

1. *Should costs for the facilitation work to provide the unregulated battery leasing service be recovered from customers as a standard control service, if the full cost of the assets used to deliver those services are not part of the RAB?*

Yes, Essential Energy consider that the cost for facilitation work should be able to be recovered from customers as a standard control service where the full cost of the assets used to deliver those services are not part of the RAB. It may be efficient to enter into a battery leasing arrangement as part of the provision of standard control services (non-network solution), and hence it should be possible to recover the facilitation costs associated with procuring this service.

This means that there may be a need to modify or broaden the Common distribution services classification “activities related to ‘shared asset facilitation’ of distributor assets” to allow for this, or consider whether this would be covered by other existing common distribution service definitions.

System support

Essential Energy supports the inclusion of system support services within common distribution services, including the provision of support to AEMO for market verification, compliance and forecasting for DER.

Export services

Consistent with our previously expressed positions on the classification of export services (including to the AEMC’s rule change on access, pricing and incentive arrangements for distributed energy resources (ERC0311)), Essential Energy supports the AER’s proposal that export services are considered to be a part of the common distribution service, and that there is no need to separately list export services.

Essential Energy offer the following answers to the questions posed by the AER in relation to export services, which supports the position that export services are an assumed part of the common distribution service ‘planning, design, repair, maintenance, construction and operation of the distribution network’.

1. *Are export services simply part of a distributor’s normal network planning and operation?*

We agree. The clear intention is the ERC0311 rule changes is that export services form a ‘normal’ part of network planning and operation and this is reflected in the obligation on distribution networks to provide export services as part of common distribution services.

2. *Is there a need for export services to be recognised as a stand-alone activity within the common distribution service?*

We do not agree. Recognition of export services as a stand-alone activity is not required, as provision of two-way electricity flows on the electricity network will be provided as an integrated service. Not explicitly recognising export services under the F&A process would be consistent with demand services also not explicitly being directly referred to.

3. *Given that the NER does not provide any definitions of “basic and additional export services”, what is the precise scope of these services?*

Essential Energy do not consider that it is necessary to provide a definition of basic and additional export services for the purposes of service classification, noting that this definition is only relevant to the design of export tariffs.

For clarity, Essential Energy note that the level of export services to be provided as part of common distribution services is a dynamic and emerging one.

The intention is that the efficient level of export services will be determined using the existing regulatory framework relating to network planning, investment and incentive arrangements. This must include an understanding of customer expectations about levels of export services and willingness to pay for export services.

We note that aspects of how these processes will apply in terms of determining efficient export services levels is still under consideration in separate processes, including the AER’s development of customer export curtailment value (CECV) methodology, connection charge guideline, and review of STPIS to incorporate export services.

4. *How will customers request these export services (will it form part of the existing connections process or is it negotiated outside of that process)?*

The existing connections process adequately addresses the provision of all common distribution services including export services. In circumstances where additional export capacity is sought, this would be undertaken via standard or negotiated connection services. Capital contributions and pioneer schemes would operate in the same manner for export services as they do for consumption service, and would be set out in our Connections Policy.

5. *What is the nature of the investment required to deliver “additional” export services? How does it differ from the nature of investment required to deliver “basic” export services?”*

As noted above, standard control export services will be provided at levels that accord with efficient investment levels, and this will differ across networks depending on their individual circumstances (including DER penetration levels and network characteristics). Provision of additional export capacity or services would be above the efficient level. The nature of investment will be network and area specific.

6. *How do distributors intend to approach customer requests for export-related services that fall outside of the scope of the common distribution service?*

See comments above relating the provision of standard or negotiated connection services.

RERT services

Essential Energy agrees that administration of the provision of RERT services could be covered by the existing common distribution service grouping “shared asset facilitation”, and that provision of services would be subject to the Shared Asset Guideline.

Similar to the rental of distribution assets being unclassified and subject to the Shared Asset Guideline, we suggest that for clarity a new grouping of ‘Billable System Support Services’ is also included in the ‘Unclassified Services’ section. As well as covering RERT services, this would also provide the added benefit of capturing other similar future emerging billable system support activities such as procured demand response services for Renewable Energy Zones (REZ), as referenced in the May 2022 [Energy Corporation of NSW - Draft Network Authorisation Guideline](#).

Rectification works payment arrangements

Essential Energy agrees that the additional description is not required.

Metering services – types 5 and 6 legacy meters

Essential Energy is not seeking a change to the current classification of these services.

Control mechanisms

No change to existing control mechanisms proposed.

Continued application of the pricing approach for quoted alternative control services is supported.

Incentive schemes

The application of the all the proposed incentive schemes (CESS, EBSS, STPIS, DMIS) is supported. We note possible amendments to incentive schemes arising from the current review of incentive schemes. We would seek to ensure that sufficient time is made available to reflect the outcomes in our regulatory proposal.

Essential Energy is proposing a Customer Service Incentive Scheme that will replace the call answering parameter in the STPIS (that is, the incentive to answer fault line telephone calls within 30 seconds). We are co-designing this with customers and the final proposed design will be included in our Draft Proposal.

Depreciation

The AER intends to apply forecast depreciation to establish the RAB at the commencement of the 2029-34 regulatory control period. Essential Energy supports this application and in conjunction with the CESS, it will maintain an incentive to seek capital expenditure efficiencies.

Dual function assets

Not applicable to Essential Energy.

Proposed service classification of NSW distribution services 2024–29¹

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
Common distribution services—use of the distribution network for the conveyance/flow of electricity (including services relating to network integrity)			
Common distribution services	<p>The suite of activities that includes, but is not limited, to the following:</p> <ul style="list-style-type: none"> • the planning, design, repair, maintenance, construction and operation of the distribution network • the relocation of assets that form part of the distribution network, but not relocations requested by a third party (including a customer) • works to fix damage to the network² and recoverable works to fix damage caused by a customer or third party • support for another network during an emergency event • procurement and provision of network demand management activities for distribution purposes • activities related to 'shared asset facilitation' of distributor assets • training internal staff, accredited service providers (ASPs) and contractors undertaking direct control services • rectification of simple customer fault relating to a life support customer or other critical health and safety issues the distributor is able to address • rectification of simple customer faults where³: 	Standard control	Standard control

¹ The examples and activities listed in the 'Further description' column are not intended to be an exhaustive list and some distributors may not offer all activities listed. Rather the examples provide a sufficient indication of the types of activities captured by the service.

² May include the provision of temporary stand-alone power systems to restore supply.

³ Includes simple customer fault rectification on the generation service of 3rd party owned SAPS

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> .1. the need for rectification work is discovered in the course of the provision of distribution services .2. the work performed is the minimum required to restore safe supply .3. the work can be performed in less than thirty minutes and does not normally require a second visit • ongoing inspection of private electrical works (not part of the shared network) required under legislation for safety reasons • bulk supply point metering – activities relating to monitoring the flow of electricity through the distribution network. • work related to a regulated stand-alone power system (SAPS) deployment, operation (fault and emergency) and maintenance and customer conversion activities. 		
System Support Services	<p>A suite of system support services that includes:</p> <ul style="list-style-type: none"> • support to AEMO for market verification, compliance and forecasting for DER • support to AEMO during contingency events (e.g. lack of reserve (LOR) and minimum system load (MSL), including increases and/or decreases in dynamic network operating envelopes, direct load and/or generation shedding and under/over frequency protection • locational system strength services provided to transmission network service providers (TNSP) in support of system stability • local market support services, such as establishing 'Local Use of System' (LUOS) arrangements for communities 		Standard control
Network ancillary services—customer and third party initiated services related to the common distribution service			
Design related services	Activities includes:	Alternative control	Alternative control

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> provision of design information, design consultation, design rechecking services in relation to connection and relocation works provided contestably work of an administrative nature relating to work performed by Level 1 and Level 3 ASPs, including processing work the provision of engineering consulting (related to the shared distribution network). 		
Contestable network commissioning and decommissioning	The commissioning and decommissioning of network equipment associated with ASP Level 1 contestable works. Includes equipment checks, tests and activities associated with setting or resetting network protection systems and the updating of engineering systems.	Alternative control	Alternative control
Access permits, oversight and facilitation	<p>Activities include:</p> <ul style="list-style-type: none"> a distributor issuing access permits or clearances to work to a person authorised to work on or near distribution systems including high and low voltage. a distributor issuing confined space entry permits and associated safe entry equipment to a person authorised to enter a confined space. a distributor providing access to switch rooms, substations and the like to a non-LNSP party who is accompanied and supervised by a distributor's staff member. May also include a distributor providing safe entry equipment (fall-arrest) to enter difficult access areas. specialist services (which may involve design related activities and oversight/inspections of works) where the design or construction is non-standard, technically complex or environmentally sensitive and any enquiries related to distributor assets. facilitation of generator connection and operation of the network. 	Alternative control	Alternative control

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> • facilitation of activities within clearances of distributor's assets, including physical and electrical isolation of assets. 		
Notices of arrangement and completion notices	<ul style="list-style-type: none"> • Work of an administrative nature where a local council requires evidence in writing from the distributor that all necessary arrangements have been made to supply electricity to a development. This includes: site visits as necessary, receiving and checking subdivision plans and 88 B instruments, copying subdivision plans, checking and recording easement details, assessing supply availability, liaising with developers if errors or changes are required and preparing notifications of arrangement. • Provision of a completion notice (other than a notice of arrangement). This applies where the distributor is requested to provide documentation confirming progress of work. Usually associated with discharging contractual arrangements (e.g. progress payments) to meet contractual undertakings. 	Alternative control	Alternative control
Network related property services	<p>Activities include:</p> <ul style="list-style-type: none"> • Network related property tenure services such as property tenure services related to providing advice on or obtaining: deeds of agreement, deeds of indemnity, leases, easements or other property tenure in relation to property rights associated with connection or relocation. • Conveyancing inquiry services relating to the provision of property conveyancing information at the request of a customer. 	Alternative control	Alternative control
Site establishment services	<p>Activities include, but not limited to:</p> <ul style="list-style-type: none"> • Site establishment, including liaising with the Australian Energy Market Operator (AEMO) or market participants for the purpose of establishing NMIs in market systems, for new premises or for any existing premises for which AEMO requires a new NMI and for validation of and updating network load data. This includes processing and assessing requests for a permanently unmetred supply device. 	Alternative control	Alternative control

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> • Site alteration, updating and maintaining national metering identifier (NMI) and associated data in market systems. • NMI extinction, processing a request by the customer or their agent for permanent disconnection and the extinction of a NMI in market systems. • Confirming or correcting metering or network billing information in market business to business or network billing systems, due to insufficient or incorrect information received from retailers or metering providers. 		
Network safety services	<p>Examples include:</p> <ul style="list-style-type: none"> • provision of traffic control services by the distributor or third party where required • fitting of tiger tails, and aerial markers • high load escort • Third party request for de-energising wires for safe approach 	Alternative Control	Alternative control
Rectification works to maintain network safety	<p>Activities include issues identified by the distributor and work involved in managing and resolving pre-summer bush fire inspection customer vegetation defects or aerial mains where the customer has failed to do so.</p> <p>Includes managing payment arrangements for vulnerable customers unable to carryout rectification works themselves not limited to pre-summer bush fire inspections</p>	Alternative Control	Alternative control
Services provided in relation to a Retailer of Last Resort (ROLR) event	<p>The distributors may be required to perform a number of services as a distributor when a ROLR event occurs. For example:</p> <ul style="list-style-type: none"> • Preparing lists of affected sites and reconciling data with AEMO listings, arranging estimate reads for the date of the ROLR event, preparing final invoices and miscellaneous charges for affected customers, extracting customer data, providing it to the ROLR and handling subsequent enquiries. 	Alternative control	Alternative control

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
Customer requested network outage or rescheduling of a planned Interruption	<p>Examples include:</p> <ul style="list-style-type: none"> where the customer requests to move a distributor planned interruption and agrees to fund the additional cost of performing this distribution service outside of normal business hours customer initiated network outage (e.g. to allow customer and/or contractor to perform maintenance on the customers assets, work close or for safe approach) 	Alternative Control	Alternative control
Attendance at customers' premises to perform a statutory right where access is prevented.	A follow up attendance at a customer's premises to perform a statutory right where access was prevented or declined by the customer on the initial visit. This includes the costs of arranging, and the provision of, a security escort or police escort (where the cost is passed through to the distributor).	Alternative control	Alternative control
Provision of training to third parties for network related access	Training services provided to third parties that result in a set of learning outcomes that are required to obtain a distribution network access authorisation specific to a distributor's network. Such learning outcomes may include those necessary to demonstrate competency in the distributor's electrical safety rules, to hold an access authority on the distributor's network and to carry out switching on the distributor's network. Examples of training might include high voltage training, protection training or working near power lines training.	Alternative Control	Alternative control
Security lights	<p>Provision, installation, operation, and maintenance of equipment mounted on distribution equipment used for security services, e.g. nightwatchman lights.</p> <p>Note: excludes connection services</p>	Alternative control	Alternative control
Authorisation of ASPs	Includes annual authorisation of individual employees and sub-contractors of ASPs and additional authorisations at request of ASP and other administrative services performed by the distributor relating to work performed by an ASP.	Alternative control	Alternative control
Authorisation and approval of third party service providers' design, work and materials	Activities include:		Alternative control

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
	<ul style="list-style-type: none"> authorisation or re-authorisation of individual employees and subcontractors of third party service providers and additional authorisations at the request of the third party service providers (excludes training services) acceptance of third party designs and works assessing an application from a third party to consider approval of alternative material and equipment items that are not specified in the distributor's approved materials list. 		
Customer initiated or triggered network asset relocations/rearrangements	Relocation of assets that form part of the distribution network in circumstances where the relocation was initiated by a third party (including a customer) or triggered by a customer's non-compliance with network safety or security standards (such as network encroachments).	Alternative Control	Alternative control
Termination of cable at zone substation – distributor required performance	<p>The termination of cable at zone substations and first joint out, where:</p> <ul style="list-style-type: none"> a work health and safety assessment determines that an ASP should not be given the required access to the zone substation; and the connection is fully dedicated to the specific customer connecting. 	Alternative Control	Alternative control
Sale of approved materials or equipment	Includes the sale of approved materials/equipment to third parties for connection assets that are gifted back to the DNSP to become part of the shared distribution network.	Alternative Control	Alternative control
Customer requested provision of electricity network data	Data requests by customers or third parties including requests for the provision of electricity network data or consumption data outside of legislative obligations.	Alternative Control	Alternative control
Third party funded network alterations or other improvements	Alterations or other improvements to the shared distribution network to enable third party infrastructure (e.g. NBN Co telecommunications assets) to be installed on the shared distribution network. This does not relate to upstream distribution network augmentation.		Alternative control

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
Inspection and auditing services	<p>Activities include:</p> <ul style="list-style-type: none"> inspection and reinspection by a distributor, of gifted assets or assets that have been installed or relocated by a third party investigation, review and implementation of remedial actions that may lead to corrective and disciplinary action of a third-party service provider due to unsafe practices or substandard workmanship. Customer or third-party requested inspection of privately owned low voltage or high voltage network infrastructure (i.e. privately owned distribution infrastructure before the meter) auditing and inspection of a third-party service provider's work practices in the field re-test at a customer's installation, where the installation fails the initial test and cannot be connected. 	Alternative Control	Alternative control
Metering services – activities relating to the measurement of electricity supplied to and from customers through the distribution system (excluding network meters)			
Type 1 to 4 metering services	Type 1 to 4 customer metering installations and supporting services are competitively available.	Unclassified	Unclassified
Type 7 metering services	Administration and management of type 7 metering installations in accordance with the NER and jurisdictional requirements. Includes the processing and delivery of calculated metering data for unmetered loads, and the population and maintenance of load tables, inventory tables and on/off tables.	Standard control	Standard control
Other metering services (Type 5 to 6 metering installations and legacy meters)	<p>Activities include:</p> <p>Recovery of the capital cost of type 5 and 6 metering equipment installed prior to 1 December 2017</p> <p>Meter maintenance covers works to inspect, test, alter, maintain and repair.</p>	Alternative control	Alternative control

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
	<p>Meter reading refers to quarterly or other regular reading of metering installations including field visits and remotely read meters.</p> <p>works to re-seal a type 5 or 6 meter due to customer or third party action (e.g. by having electrical work done on site)</p> <p>change distributor load control relay channel on request that is not a part of the initial load control installation, nor part of standard asset maintenance or replacement.</p> <p>The processing and delivery of metering data for type 5 and 6 metering installations</p>		
Special meter reading and testing (legacy meters)	<p>Special meter reading and testing services include:</p> <ul style="list-style-type: none"> • Special meter reading for type 5 and 6 meters including move in and move out meter reading (type 5 and 6 meters) • Type 5 meter final read on removed type 5 metering equipment • Special meter test (for type 5 and 6 meters) 	Alternative control	Alternative control
Emergency maintenance metering equipment not owned by the distributor (contestable meters)	<ul style="list-style-type: none"> • Customer or third party request to restore power to customer's premises due to metering equipment not owned by the distributor. 	Alternative control	Alternative control
Meter recovery and disposal – type 5 and 6 (legacy meters)	<p>Activities include the removal and disposal of a type 5 or 6 metering installation:</p> <ul style="list-style-type: none"> • at the request of the customer or their agent, where a permanent disconnection has been requested where it has not been removed and disposed of by the incoming metering provider. 	Alternative Control	Alternative control
Distributor arranged outage for purposes of replacing meter	<ul style="list-style-type: none"> • At the request of a retailer or metering coordinator provide notification to affected customers and facilitate the disconnection/reconnection of customer metering installations where a retailer planned interruption cannot be conducted. 	Alternative Control	Alternative control
Connection services—services relating to the electrical or physical connection of a customer to the network			

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
Basic connection services	<p>Means a <i>connection service</i>⁴ related to a <i>connection</i> (or a proposed <i>connection</i>) between a <i>distribution system</i> and a <i>retail customer's</i> premises (excluding a non-registered <i>embedded generator's</i> premises) in the following circumstances:</p> <p>(a) either:</p> <p>(1) the <i>retail customer</i> is typical of a significant class of <i>retail customers</i> who have sought, or are likely to seek, the service; or</p> <p>(2) the <i>retail customer</i> is, or proposes to become, a <i>micro embedded generator</i>; and</p> <p>(b) the provision of the service involves minimal or no <i>augmentation</i> of the <i>distribution network</i>; and</p> <p>(c) a <i>model standing offer</i> has been approved by the AER for providing that service as a <i>basic connection service</i>.</p>	N/A	<p>A. Unregulated (customer initiated)</p> <p>B. Standard control and unregulated where undertaken by customer with contribution from DNSP</p>
Standard connection services	Means a connection service (other than a basic connection service) for a particular class (or sub-class) of connection applicant and for which a model standing offer has been approved by the AER	N/A	<p>A. Unregulated (customer initiated)</p> <p>B. Alternative control (e.g. Not contestable for safety/risk reasons)</p> <p>C. Standard control and unregulated where undertaken by customer with contribution from DNSP</p> <p>D. Standard control (where undertaken by DNSP)</p>
Non-basic negotiated connection	Means a connection service (other than a basic connection service) for which a DNSP provides a connection offer for a negotiated connection contract.	N/A	<p>A. Unregulated (customer initiated)</p> <p>B. Alternative control (e.g. Not contestable for safety/risk reasons)</p>

⁴ Italics denotes definitions in Chapter 5A of the NER.

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
			C. Standard control and unregulated where undertaken by customer with contribution from DNSP D. Standard control (where undertaken by DNSP)
Connection management services	Works initiated by a customer or retailer which are specific to the connection point. This includes, but is not limited to: <ul style="list-style-type: none"> • Connection application related services • Connection point management services • Where, a work health, safety, cyber or network security assessment determines that an ASP should not be given the required access, the termination of a cable (including communication cables such as fibre optic) at substations and switching stations along with the first joint out (where the connection is fully dedicated to the specific customer connecting). 	Alternative control	Alternative control
Enhanced connection services ⁵	<ul style="list-style-type: none"> • Provision of connection services above minimum requirements – customer requests increase in reliability or quality of supply beyond the standard, and/or above minimum regulatory requirements (e.g. reserve feeder).⁶ 	Alternative control	Premise connections: Unregulated Extension and augmentations: Alternative control
Public lighting			
Public lighting	Includes the provision, construction, operation and maintenance of public lighting and emerging public lighting technology.	Alternative control	Alternative control

⁵ Applies to both NER chapter 5 and 5A connections

⁶ Applies to both NER chapter 5 and 5A connections

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
Unregulated distribution services			
Distribution asset rental	Includes: Rental of distribution assets to third parties (e.g. office space rental, pole and duct rental for hanging telecommunication wires etc.).	Not classified	Not classified
Billable system support services	Includes: Services procured to support the operation of the network (e.g. reserve emergency reliability trader services procured by AEMO, demand response services in relation to Renewable Energy Zones ⁷ , etc.)		Not classified
Contestable metering support roles	Includes metering coordinator (except where the distributor is the initial metering coordinator), metering data provider and metering provider for meters installed or replaced after 1 December 2017.	Not classified	Not classified
Provision of training to third parties for non-network related access	Training programs provided to third parties which are not ASPs or contractors.	Not classified	Not classified
Type 5 and 6 meter data management to other electricity distributors	The provision of type 5 and 6 meter data management to other electricity distributors.	Not classified	Not classified
Non-distribution services – Although this table relates to distribution services, we have included the below non-distribution services provided by Essential Energy for clarity.			
Generation assets	Non-standard control generation assets. E.g. Mullumbimby and Oaky Hydro	Non-distribution service	Non-distribution service
Water	Broken Hill	Non-distribution service	Non-distribution service

⁷ [Energy Corporation of NSW - Draft Network Authorisation Guideline, May 2022](#)

Service grouping	Further description	Current Classification 2019–24	Proposed classification 2024–29
Services provided in regional and remote locations into the contestable market, under a set of self-imposed controls – applies to Essential Energy only⁸			
Provider of last resort services	<p>All services allowed for under the NSW ASP Scheme including:</p> <ul style="list-style-type: none"> • Level 1 customer connection services including both overhead and underground, and including related network extensions or augmentations • Level 2 services such as disconnect and reconnect, work on underground service conductors, and work on overhead service conductors; and • Level 3 design services for both overhead and underground network electricity assets. • Customer initiated private asset relocations; • Connections negotiated under Chapter 5 or 5a of the NER; and • Inspection, maintenance (including fault and emergency) and testing of customer assets including HV assets (this is for standard distribution and sub-transmission type assets and excludes emerging technology assets such as PV, batteries, etc.). 	Alternative Control	Alternative Control

⁸ Provider of last resort services, provided under a set of controls to ensure that the provision of contestable services does not impinge on existing competition. See AER, Essential Energy Draft Decision 2019-24, Attachment 12, Classification of services – November 2018. pp. 12-15.