

16 September 2025

To: Ms Stephanie Jolly,
Executive General Manager,
Consumer, Policy and Markets Division Australian Energy Regulator

Submission: Ausgrid “Consumer Power Network” trial waiver application

Thank you for the opportunity to provide feedback on the consultation.

The Committee for Sydney is the city’s peak advocacy and urban policy think tank. We work with our 160+ member organisations to produce research and policy recommendations on key agendas for the metropolitan region. Our members include energy companies, utilities, transport and infrastructure constructors and managers, developers and designers of all forms of buildings, local governments, universities, and professional services.

In 2021 the Committee for Sydney’s Climate Resilience Program was established to provide a clear voice that advocates for Greater Sydney’s residents and businesses in the climate transition.

Summary

The Committee for Sydney strongly supports Ausgrid’s proposed Consumer Power Network trial. Sydney’s transition to net zero is urgent, and trials that orchestrate consumer energy resources (CER) and distributed energy resources (DER) are essential to deliver equity, affordability, resilience and energy security, while meeting NSW and NEM objectives.

Our evidence shows:

- (i) Sydney is not on track for 2030/2050 targets under current settings and must accelerate electrification and DER uptake;
- (ii) rooftop solar, batteries, EVs, and flexible demand can materially reduce household bills, improve grid utilisation, and cut emissions; and
- (iii) an urban, spatially coordinated approach (akin to a local or sub regional REZ) can unlock headroom in the distribution network and spread benefits to renters, apartment residents and small businesses who are currently missing out. [\[1\]](#)[\[2\]](#)

The Consumer Power Network model aligns with our 2022 report that sets out a comprehensive pathway to [Decarbonising Sydney \[Ref 1\]](#), and the first recommendation in our 2025 report – [Sydney as a Renewable Energy Zone \[Ref 2\]](#) – to undertake a multi-scale program of **safe regulatory trials**, **spatial energy planning**, and **equitable participation mechanisms** for consumers who cannot host rooftop solar

Why this trial is urgent and aligned to NSW/NEM goals

Sydney accounts for ~38–45% of NSW demand, and electrification of buildings and transport is increasing loads even as rooftop solar reshapes daytime demand; without storage and orchestration, evening peaks and minimum-demand challenges intensify. [2] Our analysis shows Sydney could technically meet up to 75% of annual needs with rooftop PV plus batteries, but the benefits are unevenly distributed today—making **equity-focused trials** the fastest path to fair, affordable decarbonisation. [2]

Homes and businesses can already save materially through electrification and DER; pairing this with community storage, flexible exports and VPPs keeps costs down for **all** customers by improving grid utilisation and deferring augmentation. [1][2] Trials like Ausgrid's Consumer Power Network are precisely the kind of **safe, evidence-generating** steps we recommended to accelerate Sydney's contribution to NSW's net zero and reliability objectives. [2]

Responses to the AER's questions (selected):

3. What potential do you see in the trial to develop new and improved services for consumers?

- **Bill savings and affordability:** Household electrification and EV adoption can reduce typical energy costs for consumers, and community and precinct-scale storage can further enhance equity of access and reduced energy bills by shifting cheap daytime solar to evening peaks. [1]
- **Access for those currently excluded:** In Sydney, renters, apartment dwellers and many small businesses lack rooftops or capital to participate; community batteries, inclusive VPPs and precinct orchestration can extend benefits (including bill credits) to these groups. [2]
- **Power quality and reliability:** Strategically placed storage and managed exports can provide grid balancing, improve power quality and flatten NEM demand, reducing the capital required for traditional network augmentation. [2]
- **Customer-centric digital services:** Only ~25% of Sydney households have smart meters today; the trial can catalyse advanced metering enabled services (near-real-time usage, tariff optimisation, EV charging automation) that “make it easier,” “reduce the price,” and “provide trustworthy information.” [1]

4. Which elements of the trial will generate the most valuable learnings?

- **Local orchestration of CER/DER:** Testing flexible exports, dynamic operating envelopes and neighbourhood/district batteries in mixed-tenure areas (e.g., Mascot–Botany) where renters predominate will yield high-value learnings about equity, technical performance and consumer acceptance. [2]
- **Multi-scale integration:** Coordinating building, precinct, district and metropolitan scales (including VPPs) will show how benefits stack and where governance/market rules need refinement. [2]
- **Consumer engagement models:** Insights from distinct consumer segments (e.g. “Hesitants/Pragmatists/Stewards”) could inform design of communications and default participation settings. [1]

5. How might this trial contribute to future regulatory reforms or industry practices?

- **Evidence for urban “REZ-like” arrangements:** Practical demonstrations of local energy sharing, community batteries and DER orchestration can inform regulatory sandboxes and enduring rules to scale metropolitan renewable energy zones. [2]
- **Tariff and export reform:** Results on flexible exports and equitable tariff structures for C&I and residential participants can guide dynamic export limits and value-sharing mechanisms. [2]

6. Could the spatial energy plan deliver broader benefits or support other trials?

Yes. A metropolitan spatial energy plan would identify **where** rooftop potential, battery siting, substation-centred districts and consumer need (equity, affordability, resilience) intersect—prioritising trials and investments with the highest public value across Sydney’s 33 LGAs. [2] It could increase visibility of storage opportunities, headroom and local energy balances, and coordinate with growth in transport electrification and data centres. [2]

7. If all Ausgrid customers may derive some benefit via shared insights, how could the trial be funded?

Adopt a **blended funding** model consistent with how similar initiatives are progressing in NSW: regulated allowances for innovation, complemented by co-funding from governments and agencies that target public benefits and equity outcomes—e.g., ARENA community battery programs; NSW and Commonwealth battery incentives; and, where applicable, complementary CIS-backed storage when above market size thresholds. [2] This approach recognises that learnings on affordability, resilience, and emissions benefit all customers, while ensuring vulnerable groups receive targeted support.

8. What are your overall views on the proposed recovery of costs of this trial?

We support **ring-fenced, time-limited** cost recovery with clear guardrails: (i) transparent budgets; (ii) equity-weighted benefit tests (e.g., renter and low-income participation targets); and (iii) publication of unit costs and avoided network expenditure. This aligns with our call to **activate trials at multiple scales** to learn quickly while protecting consumers. [\[2\]](#)

9. What are your views on Ausgrid's pathways after the trial? Alternatives?

Expand successful modules to district and metropolitan scales through a spatial plan, focusing first on feeders/substations with documented headroom and high equity need. [\[2\]](#)

10. What other factor(s) should be taken into account when considering success?

- **Equity impacts:** Uptake and benefits for renters, apartment residents, low-income and small business customers relative to baselines. [\[2\]](#)
- **Affordability outcomes:** Verified reductions in average bills and peak exposure for participating and non-participating customers. [\[1\]](#)
- **Grid utilisation:** Increases in export hosting capacity, reductions in peak augmentation needs, and better balancing of minimum/maximum demand. [\[1\]](#)[\[2\]](#)
- **Trust and satisfaction:** Movement of “Hesitants/Pragmatists/Stewards” toward engagement, reflecting the need to “make it easier” and “provide trustworthy information.” [\[1\]](#)

13. What principles and process should guide the dividend delivery mechanism?

- **Equity-first** - targeted eligibility and weighting for households and small businesses without rooftops or capital. [\[2\]](#)
- **Simplicity by default** - automatic enrolment where feasible; easy, plain-language dashboards—because consumers told us to “make it easier.” [\[1\]](#)

14. Views on “no ability to opt out” given the commitment that no one will be worse off?

We support **default participation with robust protections** rather than a strict “no-opt-out” stance. Where network-level orchestration is passive (e.g., flexible export limits) and bill protection applies, default inclusion can maximise equity and learnings; however, consumers should retain **bounded opt-out** or device-level control for specific demand response events, subject to maintaining power quality. This balances social licence (not yet universal) with the need to learn quickly. [\[1\]](#)[\[2\]](#)

16. What information would you want to see if you were a consumer in a pilot area?

- **Your dividend and bill impact:** monthly credits/savings, tariff comparison, and forecast savings. [1]
- **Your contribution:** how your home or building shifted/soaked solar, and local battery utilisation. [2]
- **Control and preferences:** easy settings for EV charging windows, appliance control, and outage notifications. [1]

18. How might the trial support innovations or new markets/services?

- **VPP participation at scale** including households without rooftop PV, charging from low/negative daytime prices. [2]
- **EV smart charging and V2G/V2H pilots** aligned with local solar; early evidence shows resilience value. [2]
- **Industrial/commercial “buildings as batteries”** services that time loads to absorb midday solar. [2]

21. What other benefits or learnings from orchestrating CER and DER?

- **Peak reduction and minimum-demand management** - DER and efficiency can halve peak growth; managed charging raises minimum demand to stabilise the system. [1]
- **Avoided or deferred network capex** where headroom exists and spatial siting is optimised. [2]
- **System resilience** via “islandable” micro-grids enabled by neighbourhood storage. [2]

22. How might any risks be mitigated?

- **Equity risk:** equity-weighted targets and dividends; participation pathways for renters/strata. [2]
- **Social licence:** trusted, plain-English communications tailored to consumer segments; “lead the way” by publishing outcomes. [1]

25. What reporting conditions or other requirements should the AER consider?

Quarterly public reports with:

- **Equity metrics** - participation/savings for renters, strata, low-income and small business customers. [2]
- **Affordability metrics** - average bill deltas, peak-time cost exposure. [1]

- **Consumer sentiment/trust** - movement across the Hesitant/Pragmatist/Steward spectrum; complaints. [\[1\]](#)

Closing position

The Consumer Power Network trial is a **timely and necessary** step to build an **urban energy system that is equitable, affordable, resilient and secure**—and to generate the practical learnings needed to scale across Sydney and beyond.

Please don't hesitate to reach out to discuss our submission in more detail.

Yours sincerely,



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References:

- [1] Committee for Sydney (2022) Decarbonising Sydney - The role of transport, buildings and grid infrastructure on Greater Sydney's path to net zero <https://sydney.org.au/wp-content/uploads/2022/08/Committee-for-Sydney-Decarbonising-Sydney-August-2022.pdf>
- [2] Committee for Sydney (2025) Sydney as a Renewable Energy Zone - A metropolis of energy equity, affordability and abundance (2025) <https://sydney.org.au/wp-content/uploads/2025/06/Committee-for-Sydney-Sydney-as-a-renewable-energy-zone-June-2025.pdf>