Ergon Energy Network Connection Policy changes from 1 July 2025

From 1 July 2025 there will be changes to the way we assess and manage requests to connect to our network. These changes are aligned with the commencement of the 2025-30 Regulatory Control Period and the new Connection Policy approved by the Australian Energy Regulator (AER).

This fact sheet provides a summary of the changes to the Ergon Energy Network Connection Policy, which include updates to terminology, capital contributions unit rates and an explanation of when static zero export limits may apply to micro Distributed Energy Resource (DER) connections.

Why is Ergon Energy Network changing its Connection Policy?

Every five years, Ergon Energy Network reviews and updates its Connection Policy. The Connection Policy sets out the nature of connection services offered by Ergon Energy Network and the method for determining if a connection charge may be payable for the provision of a connection service under Chapter 5A of the National Electricity Rules (the Rules).

Our new Connection Policy, recently approved by the AER, will apply for the duration of the five-year Regulatory Control Period from 1 July 2025 to 30 June 2030.

What are the changes to the Connection Policy?

Amendments have been made to Ergon Energy Network's Connection Policy to ensure that it remains consistent with the Rules, the AER's *Framework and Approach decision for classification of services*[1] and the AER's *Connection Charge Guidelines*.[2]

We have also modified and simplified document content, formatting and terminology so that the Connection Policy is more user-friendly and sufficiently flexible to manage the increasing growth in connections, including growing volumes of DER and new technologies.

While the Connection Policy for 2025-30 is largely consistent with the current 2020-25 Connection Policy, key changes are set out below.

Renaming of customer connection classifications

- Customer connection classifications have been renamed from **small and major** customer connections to **small and large** customer connections. This change is intended to better reflect the types of connections required by our customers and align with Ergon Energy Network's connection process.
- It is a change in terminology only. The definitions of small and large (formerly major) customer connections remain unchanged.

Inclusion of the circumstances in which Ergon Energy Network may specify a static zero export limit for a micro DER connection

- The Connection Policy includes changes to reflect the new requirement for distributors to set out the circumstances in which they may specify a static zero export limit in a connection offer for a micro DER connection. A static zero export limit is where a customer is prevented from exporting electricity to the network at any time.
- This change is as a result of the Australian Energy Market Commission's (AEMC's) *Access, pricing and incentive arrangements for DER* rule change[3] and is consistent with the AER's *Connection Charge Guidelines*.
- Our policy on when Ergon Energy Network will impose a static zero export limit is available on our website.

[1] AER, Framework and approach, Ergon Energy Regulatory control period commencing 1 July 2025, July 2023.
[2] AER, Connection charge guidelines for electricity customers under chapter 5A of the National Electricity Rules, October 2024.
[3] AEMC, National Electricity Amendment (Access, pricing and incentive arrangements for distributed energy resources) Rule 2021, 12 August 2021.

Changes to terminology to account for the Integrating Energy Storage Systems into the NEM rule change

- Changes to terminology used in the Connection Policy were required to ensure consistency with amendments to the Rules resulting from the AEMC's Integrating Energy Storage Systems into the NEM rule change4 and corresponding changes to the AER's Connection Charge Guidelines.
- The rule change introduced new terminology for distributed energy resources to account for bidirectional energy flows, including energy storage systems (e.g. batteries) and hybrid facilities (i.e. a mix of technology types, such as storage and renewable generation, e.g. solar or wind).
- The changes are to terminology only and do not alter the meaning of the Connection Policy or impact connecting customers or other stakeholders with respect to determining charges for connection services.
- Key terminology changes include the following:
    - *distribution connected bidirectional unit* is a new term used to refer to a bidirectional unit connected within a distribution system and not having direct access to the transmission network.
    - *distribution connected generating unit* replaces *embedded generating unit* and refers to a generating unit connected within a distribution system and not having direct access to the transmission network
    - *distribution connected unit* is a new term used to refer collectively to distribution connected generating units and distribution connected bidirectional units
    - *distribution connected unit operator* is a person who owns, controls or operates a distribution connected unit
    - *micro resource operator* replaces and extends *micro embedded generator*, largely used in Chapter 5A of the Rules. In general terms, it refers to customers who operate, or propose to operate, a distribution connected unit for which a micro DER connection is appropriate
    - *non-registered DER provider* replaces *non-registered embedded generator* and refers to a distribution connected unit operator that is neither a micro resource operator nor a Registered Participant
    - *micro DER connection* replaces *micro embedded generator connection* and means a connection between a distribution connected unit and a distribution network of the kind contemplated by Australian Standard AS 4777 (Grid connection of energy systems via inverters).

The glossary in the Connection Policy has been updated to include the new terms and their definitions.

Updated unit rates used to calculate upstream network augmentation capital contributions

- The unit rates used to calculate if a customer is required to make a capital contribution towards the cost of augmenting the shared network5 have been updated to reflect the current costs of providing augmentation services in regional Queensland.
- A capital contribution may be payable for network augmentation if the incremental cost of augmenting the network (determined using AER approved unit rates) exceeds the expected revenue from the connection.
- Capital contributions for network augmentation (other than a network extension beyond the standard service line) are not applicable for customers connected at low voltage where the maximum demand at the connection point:
    - 100 amps per phase for urban premises,
    - 80 amps per phase for rural premises, or
    - 10 kVA (approx. 40 amps) on SWER lines.

  The network augmentation threshold does not apply to real estate developers and non-registered DER providers.

  The current unit rates and the unit rates that will apply from 1 July 2025 are set out on the following page.

[4] AEMC, National Electricity Amendment (Integrating energy storage systems into the NEM) Rule 2021, 2 December 2021.

[5] Work to enlarge the distribution system or to increase its capacity to transmit or distribute electricity.

Table 1: Ergon Energy Network ICSN unit rate changes

Voltage Level	Residential		Non-Residential	
	2020-25	2025-30	2020-25	2025-30
Sub-transmission	$111	$687	$69	$436
High Voltage	$779	$3,236	$486	$2,054
Low Voltage	$1,484	$4,487	$926	$2,847

The requirement to pay a capital contribution will be specific to a particular connection and will vary depending on the type of connection and the connection services required, the cost of augmentation works needed for that connection and the expected revenue that Ergon Energy Network will recover from the customer through network charges.

Removal of details of basic connection offers

- Ergon Energy Network is required to provide basic connection offers for connection services where supply is available and minimal, or no augmentation is required. This includes most small customer connections, micro DER connections that meet capacity and export specifications and certain unmetered supply connections. Model standing offers for the provision of basic connection services must be approved by the AER.
- Because the range of model standing offers for basic connection services may change (subject to AER approval), Ergon Energy Network has removed this detail from our Connection Policy (which is fixed for the five-year period and cannot be amended).
- Current information on the model standing offers approved by the AER for provision of basic connection services is maintained from our website.

Updates to thresholds

- *The prepayment threshold for large customer* connections has been updated to $6,942 ($2024-25) and will be escalated annually with CPI.
- The pioneer scheme refund threshold has also been updated to $1,388 ($2024-25) and will be escalated annually with CPI.

Transitional arrangements

From 1 July 2025, all connection applications that are received or updated will be assessed and managed in accordance with the new Connection Policy for 2025-30.

Connection offers made after 1 July 2025, including revised or lapsed offers, will be made in accordance with the new Connection Policy.

If you have a connection application under way and are not sure how the new Connection Policy will impact your connection offer, please contact Ergon Energy Network using the contact details below.

Further information

Ergon Energy Network's Connection Policy for 2025-30 is available from our website.

Ergon Energy Network's Alternative Control Services prices list for 2025-30[6] is available from our website.

Our website also provides useful information on establishing a new small or large customer connection (including a renewable energy source such as solar or wind) or making changes to an existing connection.

Alternatively, you can contact us our Connections Team at qldconnections@energyq.com.au

[6] Includes prices for connection services that are customer specific and / or customer requested, such as temporary connections, de-energisation, re-energisation and supply abolishment.