



# **Connection Pricing Methodology**

Effective from 1 April 2026

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## 1. Introduction – what this methodology means for you

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When you apply for a new electricity connection, or request a change to an existing one, Scanpower may need to build new network assets or upgrade parts of the existing network to safely and reliably supply your connection.

This Connection Pricing Methodology explains how Scanpower determines connection charges. It is intended to help customers, developers, and their advisers understand:

- how we identify the least-cost technical solution for a connection;
- how costs are allocated where network capacity is shared with other customers; and
- how charges are treated where future users may benefit from new network extensions.

Our approach to connection pricing is designed to be:

- Fair and cost-reflective – customers pay for costs driven by their connection decisions;
- Transparent – charges are broken into clear, standard components; and
- Consistent – similar connections are treated in similar ways over time.

Every connection is different. Where options exist, we will discuss them with you so you understand the implications for cost, timing, flexibility, and network capability before you decide how to proceed.

## 2. Purpose and status of this methodology

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This methodology sets out how Scanpower determines and reconciles connection charges for load connections, in accordance with the Electricity Industry Participation Code (the *Code*), including the requirements introduced in Part 6B.

It is Scanpower's umbrella connection pricing methodology and covers:

- enhancement cost allocation using a relevant minimum scheme;
- network capacity costing using posted capacity rates;
- pioneer scheme pricing for qualifying extensions; and
- standardised connection charge reconciliation.

This methodology is published on Scanpower's website and applies to relevant connection applications received from the effective date.

If there is any inconsistency between this methodology and the Code, the Code prevails.

This methodology is intended to give effect to the objectives of Part 6B of the Code by promoting cost-reflective pricing, reducing cross-subsidisation, enabling efficient network investment, and providing transparency and predictability for customers.

### **3. Scope, application dates, and exclusions**

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#### **3.1 Scope – load connections**

This methodology applies to connection applications for load, including:

- new connections;
- upgrades to existing connections; and
- changes to or from flexible connections.

Where an application includes both load and distributed generation, Part 6B requirements are applied first to the load component, with appropriate modifications applied to the connection as a whole.

#### **3.2 Application dates**

- Part 6B does not apply to connection applications received before 1 April 2026.
- For applications received on or after 1 April 2026, the new requirements apply, including mandatory application of posted capacity rates from the dates specified in the Code.

#### **3.3 Exclusions and specific carve-outs**

Part 6B does not apply to:

- connections to secondary networks;
- pioneer scheme pricing for real estate developments; or
- large connection contracts (as defined in the EDB Input Methodologies), except for reconciliation requirements.

Scanpower will not refuse a connection, alter the scope of works, or structure a connection offer for the purpose of avoiding compliance with the mandatory connection pricing methodologies in Part 6B of the Code.

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## 4. Key definitions and interpretation

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Key concepts include:

- **Minimum scheme:** the least-cost technically acceptable solution that meets Scanpower's connection and operational standards.
- **Relevant minimum scheme:** the minimum scheme, or a minimum flexible scheme where requested and reasonably provided at lower cost.
- **Connection works:** extensions or network capacity upgrades.
- **Posted capacity rate:** a published average cost per unit of shared network capacity by network tier and costing zone.

This methodology should be read as a whole and in conjunction with supporting schedules and appendices.

## 5. Governance and pricing principles

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Scanpower's connection pricing decisions are guided by the following principles:

- Cost causation: customers pay for costs driven by their connection.
- Transparency: charges are structured so customers can understand how they are built up.
- Consistency: similar connections are priced using the same rules and assumptions.
- Avoidance of cross-subsidy: clear separation between:
  - connection-specific costs;
  - shared network capacity costs; and
  - cost sharing over time through pioneer schemes.

Clear separation of roles supports consistent, transparent, and defensible connection pricing decisions:

### *Network / Engineering*

Responsible for defining technically acceptable connection solutions, preparing cost estimates, and confirming the classification of assets, network tiers, and costing zones.

### *Commercial / Pricing*

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Responsible for applying this methodology, maintaining posted capacity rates, administering pioneer schemes, and preparing connection charge reconciliations.

### *Governance*

Responsible for approving this methodology, posted capacity rates, and any material updates, and for providing oversight of compliance with the Code.

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## **6. Mandatory Element 1 – Enhancement cost allocation and relevant minimum scheme**

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### **6.1 What this means in practice**

For every connection, Scanpower first identifies the least-cost technically acceptable solution required to safely and reliably supply the connection. This is referred to as the relevant minimum scheme.

Using a minimum scheme ensures:

- customers are not charged for unnecessary upgrades; and
- existing customers are not required to subsidise individual connection choices.

### **6.2 How the minimum scheme is determined**

Scanpower:

1. identifies technically acceptable solutions that meet our standards and security requirements;
2. determines the lowest-cost option; and
3. considers whether a flexible connection can reasonably be provided at lower cost, where requested.

Where a flexible connection forms part of the relevant minimum scheme, charges are based on the agreed operational assumptions, including any limits on import, export, or curtailment.

### **6.3 Enhancements above the minimum scheme**

For the purposes of cost allocation, Scanpower distinguishes between:

- Customer-selected enhancements: Enhancements requested by the connection applicant above the relevant minimum scheme and agreed in writing. The costs of these enhancements are allocated to the connection applicant.

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- Distributor-selected enhancements: Enhancements selected by Scanpower for wider network benefit or future optionality. These costs are not allocated to the connection applicant unless otherwise permitted and expressly agreed under the Code.

This distinction ensures that customers pay only for costs driven by their connection decisions and are not required to fund broader network investments.

Where customers undertake or fund agreed works that form part of the relevant minimum scheme and meet Scanpower's standards, those works are excluded from connection charges to the extent agreed.

## **7. Mandatory Element 2 – Network capacity costing and posted capacity rates**

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### **7.1 Why capacity costs apply**

Some connections increase demand on shared parts of the network over time. Rather than charging customers only when major assets are built, Scanpower allocates shared network capacity costs progressively using published posted capacity rates.

This approach promotes fairness, transparency, and long-term network planning.

### **7.2 Network tiers and costing zones**

Scanpower publishes posted capacity rates by:

- network tier (LV mains, distribution substations, feeders, zone substations, sub-transmission); and
- costing zone (urban and rural).

### **7.3 How capacity costs are applied**

For each connection, Scanpower:

- identifies applicable tiers and zones;
- applies reasonable capacity demand assumptions; and
- calculates capacity costs using the published rates.

Where capacity assumptions materially affect outcomes, we may request additional information and will consider updated information before charges are finalised. Capacity costing applies only to shared network capacity and is not used to recover the cost of dedicated, connection-specific assets.

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## **8. Mandatory Element 3 – Pioneer schemes / extensions and rebates**

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### **8.1 In simple terms**

Where a customer funds a network extension that others may later use, a pioneer scheme helps reduce first-mover disadvantage by requiring later users to contribute and enabling rebates to be paid over time.

### **8.2 When pioneer schemes apply**

Pioneer schemes apply only where:

- Code thresholds are met;
- it is feasible that other parties may later connect or benefit; and
- the customer has not opted out.

Not all extensions qualify. Scanpower applies a documented feasibility test — including a specific rural spur assessment — to ensure decisions are consistent, fair, and auditable.

Customers may agree to opt out of a pioneer scheme where permitted by the Code.

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## **9. Mandatory Element 4 – Connection charge reconciliation**

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### **9.1 Transparency and information**

On request, Scanpower will provide a connection charge reconciliation that identifies:

- connection works costs;
- network capacity costs (where applied);
- incremental revenue estimates; and
- the resulting net incremental cost and network contribution.

Reconciliations are provided within 10 working days of request unless otherwise agreed.

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## **10. Quotation validity, changes, and withdrawn applications**

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Connection quotations remain valid for the period stated in the offer.

Where acceptance occurs after expiry, Scanpower may update pricing to reflect material changes in costs, scope, planning assumptions, network conditions, or published rates.

If a connection application is withdrawn or does not proceed, Scanpower may recover reasonable costs already incurred, such as investigation, design, or external contractor costs. These are identified separately from connection charges.

## **11. Review, clarification, and dispute resolution**

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Scanpower aims to resolve connection pricing questions early and informally wherever possible.

A connection applicant may request clarification or review of any connection pricing decision, including the application of the relevant minimum scheme, posted capacity rates, pioneer scheme treatment, or reconciliation information.

Scanpower's internal review and escalation pathway is:

1. Initial clarification through Scanpower's Connections Team
2. Technical review of engineering assumptions (where required)
3. Commercial review of pricing application
4. Executive review where matters remain unresolved

Scanpower will acknowledge a review request within 5 working days and aim to provide a substantive response within 10 working days, unless additional technical assessment is required.

Where a matter cannot be resolved through this process, disputes relating to mandatory pricing methodologies may be addressed through the Code dispute resolution processes.

## **12. Publication and updates**

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Scanpower publishes:

- this Connection Pricing Methodology;
- posted capacity rates; and
- any posted connection charges or schedules.

Material changes are version-controlled, approved, and published with an effective date.

## **Appendices**

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Appendices A–D form part of this methodology and include definitions, posted capacity rates, pioneer scheme details, and reconciliation formats. They should be read together with this document.

## **Closing assurance**

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This methodology is intended to support clear, fair, and consistent pricing outcomes while enabling constructive conversations with customers about how connection options affect cost and network outcomes.

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## **Appendix A – Definitions and Interpretations**

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This Appendix forms part of the Scanpower New Connection Pricing Methodology. Unless the context requires otherwise, capitalised terms have the meanings set out below or, where stated, the meanings given in the Electricity Industry Participation Code 2010 (Code).

### **ADMD (After Diversity Maximum Demand)**

An estimate of the maximum demand expected from a connection or group of connections after accounting for diversity of usage, expressed in kVA.

### **Capacity (Shared Network Capacity)**

The portion of network capability that is shared between multiple customers and sized to accommodate aggregate demand over time, excluding connection-specific assets.

### **Connection Works**

Works required to connect a customer to the network, including network extensions and capacity upgrades, but excluding customer-owned assets beyond the point of supply.

### **Connection-Specific Assets**

Assets installed solely to serve an individual customer connection and not intended to provide shared capacity to other customers.

### **Costing Zone**

A geographic classification (urban or rural) used for the purpose of applying posted capacity rates.

### **Flexible Connection**

A connection where agreed limits apply to the customer's import, export, or operational profile in order to reduce network costs, in accordance with the Code.

### **Minimum Scheme**

The least-cost technically acceptable solution that meets Scanpower's network standards and security requirements for supplying a connection.

### **Relevant Minimum Scheme**

The minimum scheme, or a minimum flexible scheme where requested and reasonably provided at lower cost, determined in accordance with Part 6B of the Code.

**Network Extension**

An extension of the existing distribution network beyond its current capacity or geographic reach to enable a new or upgraded connection.

**Pioneer Customer**

The initial customer who funds a qualifying network extension that may later be used by other customers.

**Pioneer Scheme**

A pricing and rebate mechanism applied to qualifying network extensions to allow later-connecting customers to contribute to costs and to reduce first-mover disadvantage, in accordance with Part 6B of the Code.

**Posted Capacity Rate**

A published average cost per unit (kVA) of shared network capacity, by network tier and costing zone, calculated in accordance with the Code.

**Recovery Period**

The period over which a pioneer customer may receive rebates from subsequent connections, commencing from asset commissioning.

**Shared Network Capacity**

Network assets sized to serve more than one customer over time, excluding connection-specific assets.

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## Appendix B – Posted Capacity Rates Effective from 1 April 2026

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### Cost per kVA of Capacity by Asset Tier

Asset Tier	Urban	Rural
LV Mains	\$278.92	\$160.47
Distribution Substation	\$482.64	\$545.94
HV Feeder	\$883.26	\$883.26
Zone Substation	\$0.00	\$0.00
Sub-transmission System	\$0.00	\$0.00

Scanpower does not currently have any zone substations or sub-transmission system assets, hence the zero-rated capacity cost recoveries for these asset tiers at this time.

### LV Mains – ADMD (kVA) by Connection Type

Description	Urban	Rural
Residential	2.50	2.50
Non-residential / General Connections	0.9 of connected / assessed capacity	0.9 of connected / assessed capacity

### Distribution Substation – ADMD (kVA) by Connection Type

Description	Urban	Rural
Residential	2.50	2.50
Non-residential / General Connections	0.9 of connected / assessed capacity	0.9 of connected / assessed capacity

### High Voltage Feeder – ADMD (kVA) by Connection Type

Description	Urban	Rural
Residential	1.00	1.00
Non-residential / General Connections	0.3 of connected / assessed capacity	0.3 of connected / assessed capacity

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## Appendix C – Pioneer Schemes and Network Extensions Methodology

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This Appendix forms part of the Scanpower New Connection Pricing Methodology and sets out how Scanpower establishes, applies, and administers pioneer schemes and extension pricing in accordance with Part 6B of the Electricity Industry Participation Code 2010 (Code). This Appendix should be read together with the main body of this document.

### C1. Purpose

The purpose of this Appendix is to:

- reduce first-mover disadvantage where customers fund network extensions;
- ensure later beneficiaries contribute a fair share of costs;
- apply pioneer schemes consistently, transparently, and in a manner that is auditable and compliant with the Code; and
- clearly distinguish between pioneer schemes and other connection pricing mechanisms.

### C2. When pioneer schemes apply

A pioneer scheme may be established where all of the following conditions are met:

- a customer (the pioneer customer) requires a network extension or augmentation that is not required to meet existing network obligations;
- the works are sized to accommodate reasonably foreseeable future connections, not solely the pioneer customer;
- Scanpower considers it likely that subsequent customers will connect to, or benefit from, the extended assets within the defined recovery period; and
- Scanpower determines that applying a pioneer scheme is necessary to ensure pricing outcomes are fair and reasonable under Part 6B of the Code.

Pioneer schemes will not be applied where:

- the extension is sized solely for the pioneer customer;
- future connections are speculative or unlikely; or
- alternative pricing mechanisms (such as capacity-based charges or standard contributions) more appropriately allocate costs.

### **C3. Pioneer works and cost scope**

#### **C3.1 Eligible works**

Pioneer schemes may apply to the following categories of works:

- new lines, cables, substations, or transformers required to extend the network;
- upsizing of assets to accommodate future demand;
- protection, switching, or control equipment directly associated with the extension; and
- directly attributable design, consenting, project management, and commissioning costs.

#### **C3.2 Excluded costs**

The following costs will not be included within a pioneer scheme:

- assets required solely to meet Scanpower's statutory obligations;
- replacement or renewal of existing assets unrelated to the extension;
- costs recovered through other regulated charges; and
- operational expenditure incurred after commissioning.

### **C4. Cost allocation and initial contribution**

The pioneer customer will be required to fund:

- the full cost of the extension works at the time of connection; less
- any portion of costs that Scanpower determines should be immediately socialised in accordance with the main methodology.

The proportion of costs eligible for later recovery through the pioneer scheme will be determined by:

- the ratio of pioneer customer demand to total designed capacity;
- the expected number and size of future connections; and
- network planning assumptions documented at the time the scheme is established.

### **C5. Recovery period and subsequent connections**

#### **C5.1 Recovery period**

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Each pioneer scheme will have a defined recovery period, typically up to 10 years, unless a shorter period is justified by network or development characteristics. The recovery period will commence from the date the pioneer assets are commissioned.

### **C5.2 Contributions from later customers**

Where a subsequent customer connects during the recovery period and benefits from the pioneer assets:

- Scanpower will calculate a fair contribution based on the incremental benefit received;
- the contribution will be consistent with the assumptions used when establishing the pioneer scheme; and
- contributions will be collected prior to, or at the time of, connection.

Recovered amounts will be refunded to the pioneer customer on a pro-rata basis, net of any administrative adjustments permitted under the Code.

### **C6. Treatment at end of recovery period**

At the conclusion of the recovery period:

- any unrecovered portion of pioneer scheme costs will be deemed non-recoverable;
- ownership of the assets will vest fully with Scanpower; and
- no further refunds will be payable to the pioneer customer.

This approach provides certainty to both pioneer and subsequent customers and limits open-ended recovery risk.

### **C7. Governance, documentation, and audit**

For each pioneer scheme, Scanpower will maintain documentation including:

- scope of works and asset description;
- cost breakdown and allocation methodology;
- recovery period and assumptions regarding future connections; and
- records of subsequent customer contributions and refunds.

All pioneer schemes will be:

- approved in accordance with Scanpower's delegated authority framework;
- subject to internal review and audit; and
- made available for regulatory review upon request.

### **C8. Distinction from network extensions without pioneer schemes**

Where a network extension does not meet the criteria for a pioneer scheme:

- costs will be allocated strictly in accordance with the standard new connection pricing methodology; and
- no subsequent recovery or refund mechanism will apply.

This distinction ensures pricing clarity and avoids unintended cross-subsidisation.

### **C9. Review and updates**

This Appendix will be reviewed:

- following material changes to the Code or regulatory guidance; or
- where operational experience indicates that amendments are required to maintain fairness, transparency, or compliance

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## Appendix D – Connection Charge Reconciliation Pro Forma

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### Customer and Connection Details

Item	Description
Customer name	
ICP / Connection identifier	
Connection type	
Location	
Application date	
Quotation reference	

### Connection Work Costings

Cost Component	Amount (\$)
Design and investigation	
Dedicated assets	
Network extension works	
Civil / trenching works	
Project management	
<b>Total connection works cost</b>	

### Network Capacity Costs

Network Tier	Costing Zone	ADMD kVA	Posted Rate	Total
LV Mains				
Distribution Substation				
HV Feeder				

Zone Substation				
Subtransmission				

**Pioneer Scheme Assessment (if applicable)**

Item	Description
Pioneer Scheme Applied?	
Qualifying Extension Cost	
Recovery Period	
Pioneer Contribution Retained	
Amount Eligible for Future Rebate	

**Incremental Revenue Assessment**

Item	Amount
Estimated Incremental Revenue	
Period Assessed	
Net Present Value of Future Revenue	

**Summary of Charges**

Item	Amount
Total Connection Works	
Total Capacity	
Less Incremental Revenue	
<b>Net Connection Charge Payable</b>	