

AEMC

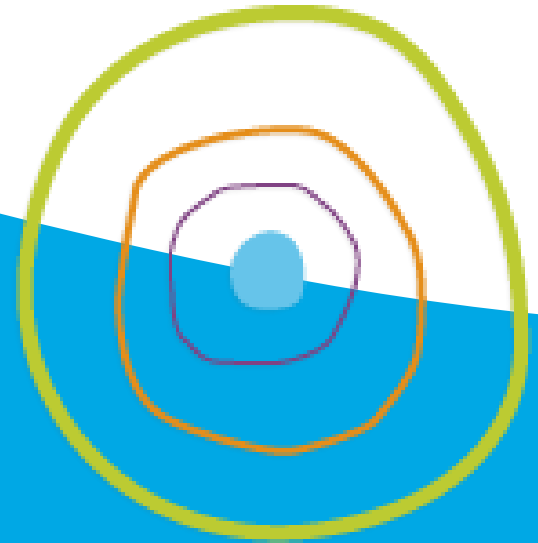
Public Forum

# Integrated Distribution System Planning

14 August 2025

# ACKNOWLEDGEMENT OF COUNTRY

*The AEMC acknowledges and shows respect for the traditional custodians of the many different lands across Australia on which we all live and work. We pay respect to all Elders past and present and the continuing connection of Aboriginal and Torres Strait Islander peoples to Country. The AEMC office is located on the land traditionally owned by the Gadigal people of the Eora nation.*



Introductory remarks

AEMC

**Rainer Korte**  
**Commissioner**

# CONSENT TO USE OF PERSONAL INFORMATION

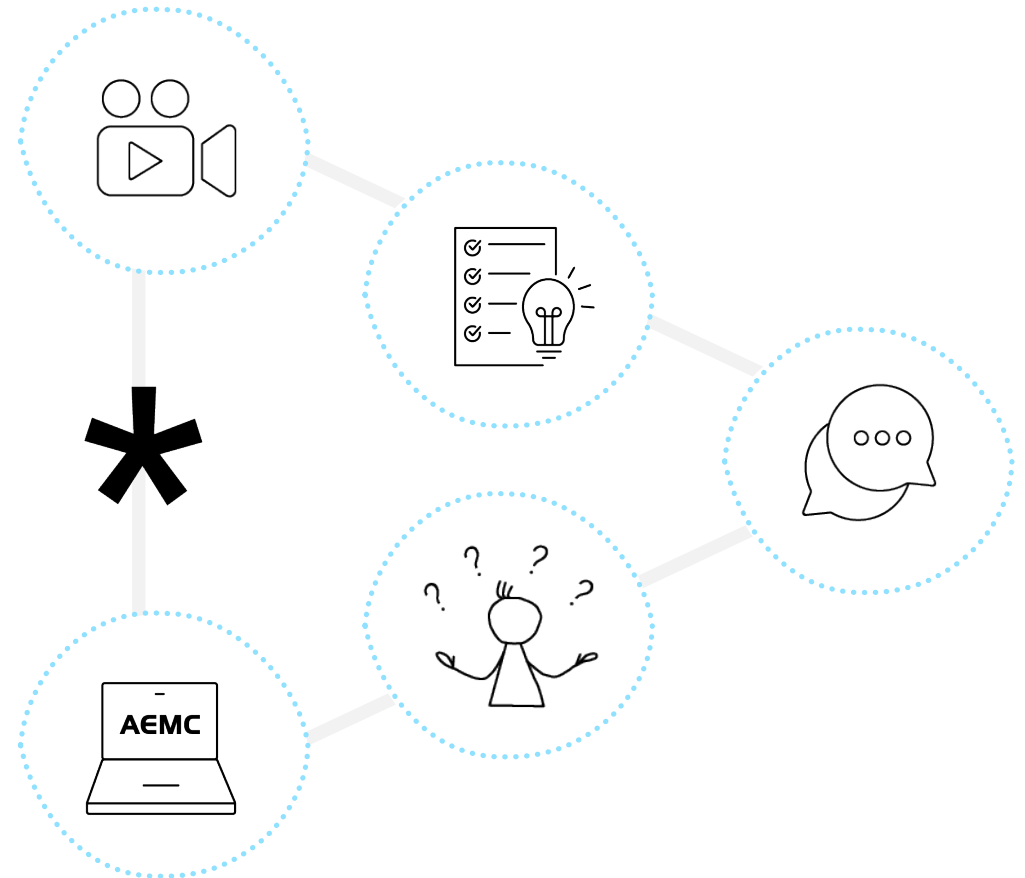


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This may include **publishing a recording or transcript of the workshop, including your questions or comments.** We will not publish any participant questions or comments that we consider inappropriate, including offensive or defamatory language.

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*We may publish a transcript or recording of this workshop, which may include your questions or comments*



# COMPETITION PROTOCOL



The AEMC is committed to complying with the **Competition and Consumer Act 2010**. Breaching the Act can lead to serious penalties (including large financial penalties and imprisonment for key individuals involved).

By participating in this forum, each attendee agrees to adhere to this protocol. The agenda does not include anything that could contravene this protocol.

We will keep minutes of the forum, including details of attendees and the below *competition health warning*:

Attendees at this forum must not enter into any discussion, activity or conduct that may infringe, on their part or on the part of other attendees, any applicable competition laws. For example, attendees must not discuss, communicate or exchange any commercially sensitive information, including information relating to prices, marketing and advertising strategy, costs and revenues, terms and conditions with third parties, terms of supply or access.

**Each attendee** must independently and unilaterally decide their commercial positions and approach for the matters in this forum and whether, and on what terms, to engage with any customers or suppliers.

All attendees understand that any competitively sensitive matters must be subject to legal review before any commitment or agreement can be given.

Attendees must **not** discuss in any communications (including emails and verbal conversations), or reach or give effect to any agreement or understanding which relates to:

- **pricing** for products or services that any attendee supplies or will supply, or the terms for supply (including discounts, rebates, price methodologies etc)
- **targeting (or not targeting) customers** of a particular kind or in a particular area
- **tender processes** and whether (or how) they will participate
- any decision by attendees:
  - about the purchase or supply of any products or services that other attendees also buy or sell
  - to not engage with persons or the terms upon which they will engage with such persons (i.e. boycotting)
  - to deny any person's access to any products, services or inputs they require
- **sharing competitively sensitive information** such as non-publicly available pricing or strategic information including details of customers, suppliers (or terms on which they do business), volumes, future capacity etc
- **breaching confidentiality obligations** that attendees owes to third parties

If anything arises during the forum that could risk contravening any competition laws, attendees should:

- object immediately, ask for the discussion to be stopped and ensure the minutes record this
- raise concerns about anything that occurred with their legal counsel immediately afterwards

1 Welcome and housekeeping

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2 Presentation on the rule change request and  
overview of feedback

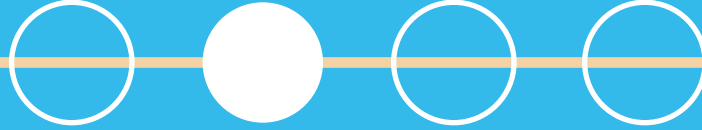
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3 Q&A session

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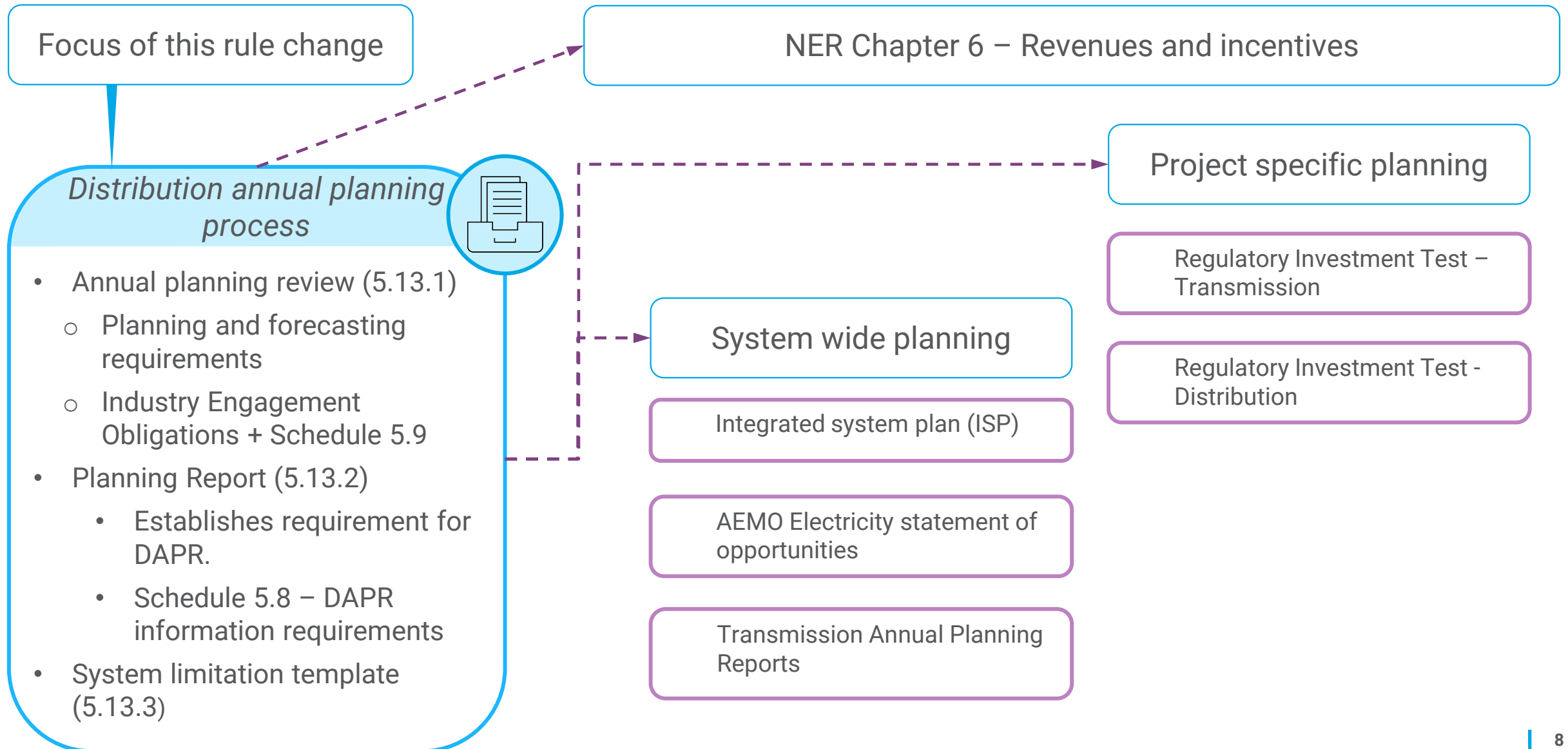
4 Wrap-up and closing remarks

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# Current situation, issues and solutions

# Current planning framework





# Issues identified in the rule change request

## Issues with the planning process

1. The uptake of CER is not sufficiently accounted for in the distribution annual planning process.
2. The distribution annual planning process does not incentivise improved network utilisation.
3. The distribution annual planning process is not coordinated with the Integrated System Plan (ISP)

## Other issues

4. Networks are not visible to third parties and end users

# The rule change request highlights that the planning process does not sufficiently account for the uptake of CER

- The rule change request raised concerns that Distribution Network Service Providers are not sufficiently considering uptake of CER.
- It attributes this to the planning process:
  - having a planning horizon that is too short (five years) to support strategic planning
  - not requiring sufficient use of available data to support localised planning
  - inadequate stakeholder engagement

# The rule change request highlights the planning process does not incentivise improved network utilisation

- This is related to the issue of CER uptake.
- Rule change raised concerns that network utilisation is no longer about one way energy flows, but two way flows.
- Proponent concerned that this is not being considered as:
  - DNSPs have an incentive to invest in network capacity
  - Existing utilisation metrics are less relevant with two energy flows
  - Lack of a standardised approach for assessing network hosting capacity

# The proponent considers the planning process is not coordinated with the ISP

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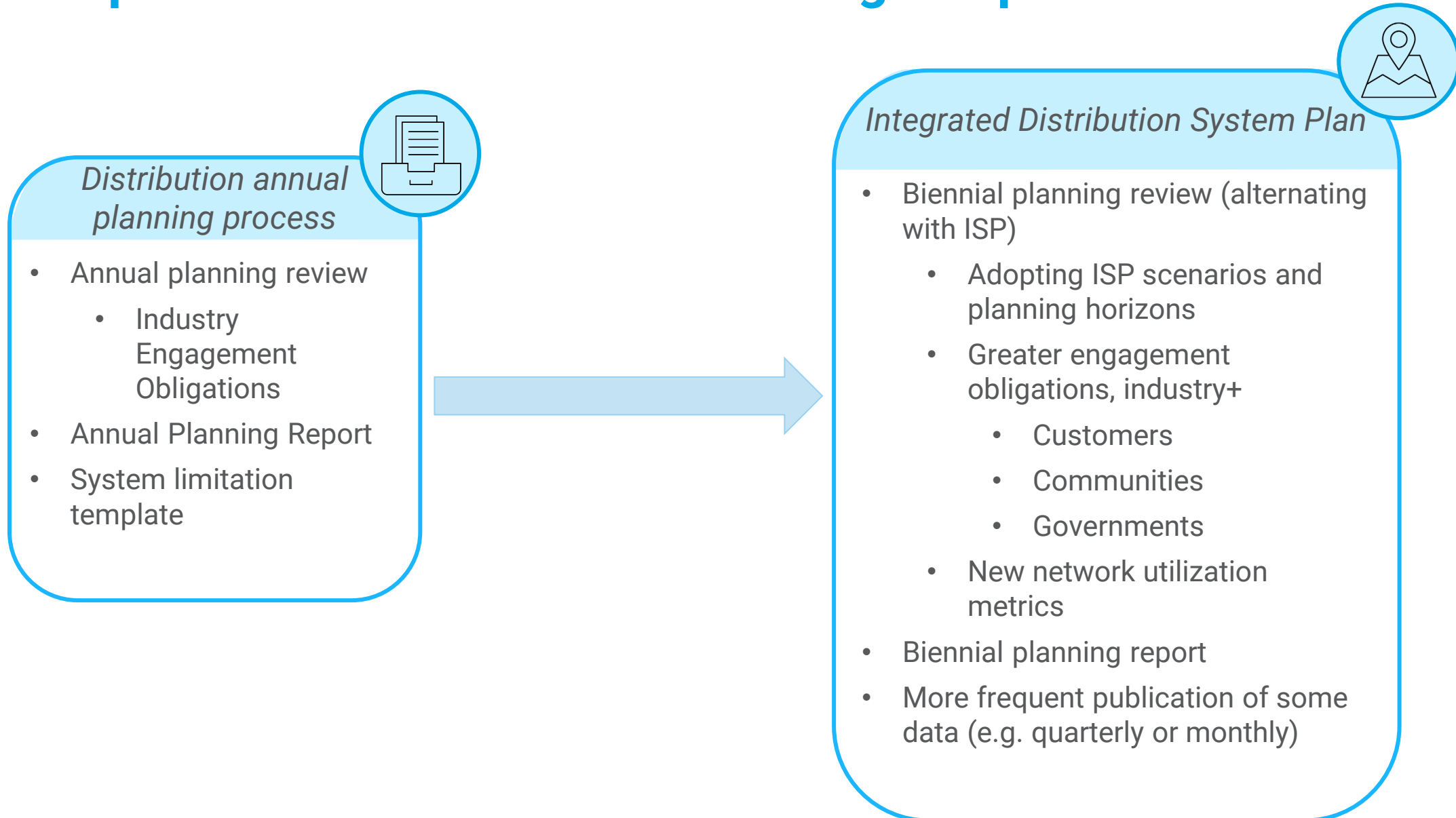
- The rule change request raised concerns that the future distribution system may fail to meet the assumptions of the ISP
- Potential reasons raised included the ISP:
  - not being a whole-of-system plan, (transmission focused)
  - and distribution planning process having different planning frequencies, inputs and horizons
  - and annual distribution plans not required to compare similar inputs or undertake consistency checks

# ECA considers Networks are not visible to third parties and end users

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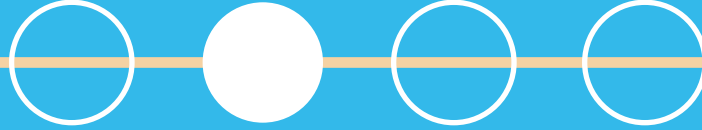
- The rule change request raised concerns that distribution networks are not sufficiently visible.
- The proponent considers this prevents:
  - Consumers and non-network participants from making informed CER investments
  - Reviewing and benchmarking of DNSPs' assessments of their network capacity
  - Consumers and communities engaging in the planning process

# Proposed solution in the rule change request



## Proposed implementation plan for the solution

- The rule change request proposed requiring each DNSP prepare a Network Data and Insights Roadmap
- Roadmap would require DNSPs by July 2027 to:
  - outline if they meet the IDSP requirements
  - set out how they will meet all the IDSP requirements in 7 years
  - publish all the existing data they have inline with the IDSP process.
- AER would also be required to undertake further benchmarking of DNSPs
- AER or AEMO required to create guidelines to standardise IDSP process.



# What we heard in submissions



## Issue 1: Distribution annual planning process does not sufficiently account for the uptake of CER.

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### **1. Broad consensus that the current distribution annual planning process does not adequately account for rapidly evolving distribution networks.**

- Responses were divided on whether the current minimum five-year planning horizon is sufficient.
- Respondents believe that the current distribution planning process does not make sufficient use of data.
- The majority of respondents who expressed an opinion on the issue of network utilisation believe that the current distribution planning process has limitations that need to be addressed to improve network utilisation.
- Responses were divided on the level of stakeholder engagement that should be prescribed in the rules.

### **2. We are evaluating how the distribution planning process can account for uptake of CER.**

- We are drawing on stakeholder feedback to assess the purpose of the planning process as part of the broader NER framework, for example:
  - To what extent is it to encourage strategic planning by DNSPs?
  - How does this align with revenue reset process in Chapter 6?
  - To what extent is it to facilitate development of non-network solutions?
  - Does it need to achieve both purposes?
- This will guide how we propose to improve the planning process.
- Strategic planning may not require the same level of certainty as enabling non-network solutions.

## Issue 2: distribution annual planning reviews are not coordinated with the Integrated System Plan.

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### **1. Broad consensus that there is a need for better coordination between the Distribution annual planning process and the Integrated System Plan.**

- Respondents highlighted various issues, including the need for more transparency and granularity in the Distribution Annual Planning process, the importance of considering local factors in network planning, and the potential benefits of integrating distribution network planning with the Integrated System Plan to reduce forecast risk and align investment signals.
- Several submissions noted there are other processes that may address some of the coordination issues. They are concerned this rule change may duplicate existing work.
  - For example, AEMO highlighted that it is developing Demand Side Factors Information Guidelines to establish and drive a consistent approach for collecting information from the DNSPs.

### **2. We are assessing how changes to the distribution planning process could improve inputs to the ISP**

- We are considering what change, if any, is needed in the distribution planning process.
- Considerations include:
  - Should DNSPs be required to adopt assumptions and scenarios from AEMO's Inputs, Assumptions and Scenarios?
  - Do DNSPs need to be compelled to collect sufficient data to meaningfully contribute to the ISP?
  - To what extent can AEMO address these concerns through existing processes e.g. its Demand Side Factors Information Guidelines?
  - Would any of the issues be more comprehensively addressed through another process?

## Issue 3: distribution networks and their annual plans are not sufficiently transparent.

### 1. Broad consensus that consumers and third parties lack sufficient network information to make informed CER investments

- Most respondents agree that a lack of network information is hindering the ability of consumers and third parties to make informed CER investment.
- Respondents were divided on whether a lack of transparency in how DNSPs assess and make network capacity data available is an issue.
- Respondents were divided on the level of information consumers and communities need to be engaged in distribution planning.

### 2. We are considering how both distribution networks and their planning process can be more transparent

- We acknowledge lots of existing and ongoing work in network visibility.
- Currently considering how transparency and data publication best fits within the planning process.
- We are also considering how any potential solutions align with the National CER Roadmap. For example, the use case data mapped for the M3/P5 – Redefine roles for market and power system operations and M2 - National Consumer Energy Resources (CER) Roadmap - Data Sharing Arrangements reform priorities can overlap with planning data considered in this rule change.
- We are also considering how best to improve transparency whilst protecting customer privacy.

## Proposed solution – ECAs Integrated distribution system plan

**Broad consensus from industry to improve the distribution planning process, highlighting the need for more granular data and modelling to better inform distribution planning. Industry also support greater transparency and data sharing, and the development of new guidelines and templates to improve network planning.**

1. Respondents are divided on the ECAs proposal for a biennial IDSP. Most responses support the proposal or its intent, citing the potential for improved distribution planning and coordination with the ISP. Some stakeholders express concerns or do not support the proposal, highlighting potential duplication with existing reforms, additional costs, and limited benefits.
2. Most respondents supported collecting more granular data at the low voltage level to improve distribution planning. DNSPs and EnergyAustralia expressed concerns about costs, duplication of existing reforms, and the need for a cost-benefit analysis.
3. Respondents are generally supportive of improving CER forecasts and data sharing to enhance visibility of network constraints and improve distribution planning.
4. Respondents provided various views on the proposal for more extensive and formalised consultation processes. Overall, stakeholders emphasised the need for effective and efficient consultation processes that balance the needs of various stakeholders.
5. Respondents are divided on the proposal for a network data insights roadmap, with some supporting its development of a Network Data Insights Roadmap and others expressing concerns or suggesting alternative approaches.
6. Respondents were generally supportive of templates and guidelines, highlighting several key issues, including the need for standardisation and transparency in network planning, the importance of considering the specific operating environments of DNSPs, and the potential benefits of improved data collection and publication.

## Proposed solution – ECAs Integrated distribution system plan

**We are considering whether the distribution planning process needs to be completely replaced or if it can be amended to remain relevant in a high CER environment.**

1. Proposed IDSP process would result in the complete replacement of the distribution planning process.
2. We are considering if this is the best approach to improve distribution planning in the Australian context.
3. Relevant factors include:
  - What are the alternative approaches that could be adopted?
  - Would any alternatives better address the issues raised?
  - Do any alternative solutions more closely align with the National Electricity Objectives?
  - Are there any alternative approaches that would be less costly to implement or result in a greater net benefit for consumers?
4. Your feedback is informing how we approach each of these questions.
5. We will also test our proposed solutions in a directions paper before preparing a draft determination.

# Q&A

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**October 2025**

Directions paper  
published



**November 2025**

Written submissions to  
directions paper due



**March 2026**

Draft determination  
and rule published

Concluding remarks

