

13 November 2025

Anna Collyer  
Chair  
Australian Energy Market Commission  
Level 15, 60 Castlereagh Street  
Sydney NSW 2000

Dear Ms Collyer,

**Integrated Distribution System Planning Directions Paper (ERC-0410)**

The Australian Energy Market Operator (AEMO) welcomes the opportunity to comment on the Integrated Distribution System Planning Directions Paper, which examines a rule change request from Energy Consumers Australia.

AEMO recognises the critical role that distribution networks will play in achieving a least-cost transition of the energy sector, particularly in delivering effective and timely integration of consumer energy resources (CER) and distributed energy resources (DER).

AEMO, in its system and market operator and system planner role, would like to make the following points regarding the proposals outlined in the directions paper.

**1. AEMO supports the proposal that Distribution Network Service Providers (DNSPs) be required to undertake strategic planning of their networks in a way that is efficient and appropriate for a high and increasing CER environment.**

AEMO supports the proposed purpose of the strategic planning process and considers it aligned with the *Redefine roles for market and power systems operations (M3/P5)* workstream<sup>1</sup> under the CER Roadmap. This workstream is clarifying and formalising the roles, expectations and accountabilities of DNSPs, together with progressing the establishment of Distribution System Operators (DSOs). Under this framework, DSOs are expected to undertake forward-looking scenario analyses, long-term assessment of electrification and CER/DER deployment, distribution system loading and power flow impacts. Planning proposed to be undertaken by future DSOs would also encompass locationally granular forecasting across the distribution system, as well as collaboration between AEMO and TNSPs to analyse upstream issues and opportunities and to identify and publish emerging constraints and/or opportunities on the network.

The proposed strategic planning process is consistent with these expectations and would promote a structured, transparent, and system-wide approach to long-term planning.

In addition, AEMO notes that the proposed 20-year planning horizon and requirement for scenario analysis are appropriate and should enable stronger alignment between distribution network planning and AEMO's Integrated System Plan (ISP). This supports an integrated whole-of-system view where downstream CER and electrification trends can inform upstream transmission network planning. The process should explicitly

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<sup>1</sup> [National Consumer Energy Resources \(CER\) Roadmap - Redefine roles for market and power system operations – M3/P5 - Department of Climate Change, Energy, Environment and Water](#)

encourage DNSPs/DSOs to collaborate with AEMO and TNSPs to identify shared issues and opportunities, including those related to hosting capacity, system strength, and procurement.

**2. AEMO supports the proposal to require DNSPs to adopt AEMO’s IASR as baseline inputs for the strategic planning process and but also provide flexibility for DNSPs to use alternative inputs in circumstances where they better reflect local conditions.**

Inputs, assumptions and scenarios that are used for the ISP will be at a more aggregated level than that which may be useful and accurate for use in planning individual distribution networks. Effective local network planning may require the consideration of local factors that would not be relevant or appropriate to consider at the national planning level but could be justifiably considered as part of local investment decisions.

In terms of the degree of flexibility that DNSPs should have with regard to inputs, assumptions and scenarios, AEMO agrees that DNSPs should be required to identify and explain in their strategic plan when the data used has deviated from that in the IASR.

**3. AEMO supports the proposal that DNSPs be required to publish network data in accordance with a new set of guidelines published by the AER.**

AEMO supports the AEMC’s proposal to establish separate reporting requirements for distribution network data and agrees that the proposed principles provide an appropriate basis to develop the associated guidelines. The principles strike a good balance between being high-level and flexible, while ensuring that data collection and publication deliver value to consumers and remain proportionate to cost and capability.

In AEMO’s view, the proposed approach should be sufficiently flexible to enable new data collection and sharing arrangements envisaged under the *Data sharing arrangements (M2)* workstream<sup>2</sup> of the CER Roadmap to be embedded into the guidelines. The focus on consumer benefit, proportionality, feasibility, and stakeholder engagement provides an effective foundation for consistent and evolving data practices across DNSPs.

AEMO suggests that, in applying these principles, the following should be considered:

- Maintaining close alignment with National CER Roadmap data initiatives to ensure coherence and avoid duplication,
- Supporting iterative improvement over time, recognising that DNSP capability and data maturity will differ, and
- Emphasising transparency and usability of published data so that it meaningfully supports planning, forecasting, and market operation functions.

These considerations should help to ensure that the guidelines support national consistency, interoperability and efficient data sharing across the energy system.

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<sup>2</sup> [National Consumer Energy Resources \(CER\) Roadmap - Data Sharing Arrangements – M2 - Department of Climate Change, Energy, Environment and Water](#)

#### **4. AEMO supports the AEMC's decision to not pursue changes to the provision of distribution network data to inform the Integrated System Plan**

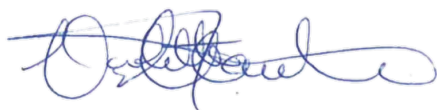
AEMO is currently implementing the recent rule change *Improving consideration of demand-side factors in the ISP*<sup>3</sup> which will result in more information and analysis in the ISP about the assumptions for the uptake and coordination of demand-side factors.

On 22 October 2025, AEMO published draft Demand Side Factors Information Guidelines<sup>4</sup> to standardise how information about demand side factors will be collected from DNSPs for application in the 2028 ISP and beyond.

The data requirements for DNSPs outlined in AEMO's draft Demand Side Factors Information Guidelines should be taken into account as part of the proposal in the directions paper to require DNSPs to publish distribution network data in accordance with a set of new guidelines developed by the AER. Any further guidelines that are developed should encourage efficient data provision that can cater to multiple use cases while minimising costs to DNSPs.

If you would like to discuss this matter further, please contact Hannah Heath, Group Manager – Strategic Market Reform ([hannah.heath@aemo.com.au](mailto:hannah.heath@aemo.com.au)).

Yours sincerely,



Violette Mouchaileh

**Executive General Manager – Policy and Corporate Affairs**

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<sup>3</sup> <https://www.aemc.gov.au/rule-changes/improving-consideration-demand-side-factors-isp>

<sup>4</sup> <https://www.aemo.com.au/consultations/current-and-closed-consultations/2025-demand-side-factors-information-guidelines-consultation>