

13 November 2025

Submitted online to <http://www.aemc.gov.au/>

Locked Bag 14051
Melbourne City Mail Centre
Victoria 8001 Australia
T: 1300 360 795
www.ausnetservices.com.au

AusNet Submission to AEMC Directions Paper – Integrated Distribution System Planning (IDSP) Rule Change (ERC0410)

AusNet welcomes the opportunity to respond to the AEMC's Directions Paper on Integrated Distribution System Planning (**IDSP**). As a Victorian distributor committed to enabling the energy transition and delivering value to customers, we support efforts to improve planning transparency and coordination. In doing so we have sought to reduce duplication of effort while supporting a whole of system approach to network planning in the NEM.

Low Voltage network data sharing requirements

AusNet operates one of the most mature Advanced Metering Infrastructure (**AMI**) networks in Australia, acquiring and providing granular, near real-time data on customer usage and voltage levels. It is a strategic intent for us to use this data to monitor low voltage (**LV**) network performance, enabling us to plan network upgrades at optimal times and minimise impacts to customers' supply. Additionally, we aim to provide timely and transparent data to customers to support informed decision-making, including to help identify optimal locations for community battery investments or EV charging infrastructure.

Through investments in such network mapping tools as the [GridView portal](#), we have provided stakeholders – including installers, aggregators, and customers – with data to illustrate where CER can connect without triggering network constraints. These maps go well beyond zone substation-level data and include feeder-level and, in most cases, transformer-level granularity.¹ We continue to invest in LV network modelling and analytics to assess network behaviour under various CER penetration scenarios. These tools are used internally for planning and their outputs and insights are increasingly shared with stakeholders through innovation trials and external submissions.

We apply the following principles to direct how we manage LV-related data sharing via our portal such that customers and other stakeholders can access useful network information reliably and easily:

- Continuously gather customer feedback and use it to guide data-sharing enhancements.
- Establish a dedicated data portal advisory group (GridView Improvement Group) to further strengthen our focus on data-sharing improvements.
- Prioritise a tailored approach that responds directly to customer needs as we believe that is more efficient and cost-effective than undertaking broad planning process reforms. Ongoing engagement through stakeholder sessions helps us better understand customer use cases and ensures we are providing the right data to support informed decision-making.

We acknowledge that LV network visibility is an evolving area. We recommend the Commission recognise and build upon existing and emerging distributor initiatives to define requirements. Many of these initiatives already provide some of the increased transparency and insight the Directions Paper seeks to achieve.

Long-term distribution network planning

We agree that the current Distribution Annual Planning Report (**DAPR**) framework should be reviewed and refined to replace it with something better suited to current and emerging customer and community needs.

The energy system is transitioning, as the electricity system decarbonises and also expands to support the electrification of gas and transport. This task will require integrated planning and significant investment in new capacity. However, the pace of the change and the degree to which customers will actively participate is uncertain. This uncertainty particularly impacts LV parts of the network which benefit less from demand diversity

¹ This level of granularity is not provided where it may be possible to identify individual customers.

and where step changes in technologies, government policies (such as battery subsidies) and consumer preferences can significantly impact planning outcomes. This is overlaid with the ongoing challenge of supporting more renewables and protecting customer services and choice.

There is value in distributors developing strategic plans which cover the period of the energy transition, to provide clarity over the 'end state' for distribution networks. This will include required capacity in LV networks post-electrification under various scenarios. We expect this will be useful for engaged customers, communities, policy makers and regulators.

One fundamental challenge that needs to be resolved to make the reforms meaningful is the disconnect between the level of service and investment that customers are conveying in their engagement with networks and the investment that is supported by the current regulatory framework and, ultimately, the National Electricity Objective. This is illustrated by parts of the Australian Energy Regulator's Draft Decision on AusNet's price review for the 2026-31 regulatory period, including:

- Reliability – many sources of evidence (from large scale surveys to deep engagement with small customer groups) indicated strong support and willingness to pay for improvements in regional reliability across our network. Electrification will make this more important as customers become dependent on a single source of energy. However the current regulatory framework only supports investment to improve reliability where it passes a cost benefit analysis, which is challenging in more remote areas where costs can be high and customer density (and therefore benefits) low.
- Sub-transmission investment to unlock large scale renewables – also known as D-REZs, our regulatory proposal included investment to unlock existing connections pipelines of large-scale generation in areas of our distribution network with strong renewable resources. This had customer support as a way to maximise the value of existing distribution network assets. However, in the Draft Decision the AER noted that *"The regulatory determination process is not an appropriate forum for changes to the established connections framework to be made, as this would involve a broader discussion on potential rule changes for distribution integrated system planning and renewable energy zones in the NEM"*.

Undertaking engagement to inform a strategic plan where key aspects ultimately are unfunded and cannot be delivered, will add to customer frustration and disappointment and challenge industry reputation and ultimately social licence. While, in some cases, policy solutions to meet the customer objectives may be forthcoming, distributors will need a clear objective for their strategic plan, which may need to be jurisdiction based and broader than the NEO. We encourage the AEMC to consider this issue as, although the AEMC operates in the context of the NEO, it is incumbent on various industry bodies to consider in a practical sense how to make reforms that make the most sense to customers and best facilitate outcomes that matter to them.

Options proposed by the AEMC

We support policy option 3 set out in the Directions Paper. This will replace the DAPR with a new strategic planning report and streamlined summaries or high level overviews of some elements within the DAPR. The new strategic report will have a 20-year planning horizon and will be reported every 5 years, with annual updates relating to RIT-D projects, joint planning activities and any key changes to information included in the strategic plan. This will also include new data transparency obligations.

We do not support options 1 and 2 as we believe neither option will deliver sufficient value to customers due to:

- Significant additional/duplicative effort for little customer benefit
- Increased complexity and potential misalignment with existing frameworks
- Risk of restrictive adherence to current DAPR practices preventing the necessary bottom-up reworking of its objectives and value proposition

Concerns regarding the AEMC's preferred policy option 1, which the directions paper notes as a soft preference for the AEMC, are further detailed below:

Additional Workload and Regulatory Burden

The proposed strategic planning process would require AusNet to develop and maintain a second, long-term planning document with scenario analysis, stakeholder engagement, and alignment with AER guidelines. This represents a substantial increase in workload, including:

- Duplication of planning efforts already undertaken internally and through the DAPR.
- Increased compliance and reporting obligations without a review of the effort and utility of the current DAPR. We believe that there may be inclusions in the current DAPR which are no longer offering value for customers and stakeholders and should therefore be considered for removal or refinement.

AusNet has practical concerns that these new reforms and corresponding activities will compound existing obligations and divert resources from more impactful initiatives. It is increasingly difficult to retain and expand planning and engineering capabilities and we strongly support efficient allocation of these resources towards initiatives that deliver maximum value for customers.

Uncertain Benefits and Lack of Justification

The Directions Paper outlines potential benefits of 20-year strategic planning down to the LV parts of the network, but we assert that some of these remain theoretical and unquantified. For AusNet, key concerns in relation to the actual value of implementing the proposed reforms include:

- The forecasting uncertainty inherent in 20-year planning horizons, which may reduce the reliability of insights, particularly as they relate to the LV parts of the network. Step changes in technology options and government policies can significantly impact development of the LV network.
- The limited applicability of ISP-aligned scenarios to distribution-level planning, particularly in areas with high CER penetration and localised network constraints.

We expect that the AEMC will provide greater clarity on the contents, benefits and limitations of the 20 year strategic plan in the next stage of the consultation process. It is imperative that the AEMC does not seek – and stakeholders do not expect – a false level of precision for 20 year plans, especially as they relate to LV networks. The value in a 20 year horizon will be in identifying the investment task and capacity needed to accommodate full electrification rather than detailed information on the location and timing of specific network constraints.

Existing Framework and Policy Option 2

AusNet believes the existing DAPR framework which has been in place for over a decade is due for a reassessment of its content, value, and scope as set out within chapter 5 of the National Electricity Rules. While the DAPR was intended for the transparent reporting of network limitations, investment needs, and non-network options, it has become a large, effort intensive, and unwieldy regulatory reporting mechanism. Many of the information provision requirements are likely to be of limited value to allow customers to make informed decisions. For example, the network constraints and limitations published in the annual report has been superseded by the more real-time information offered via the interactive portals.

As highlighted in the Directions Paper, it does not sufficiently account for the impact from the transition to a high CER system and the ability to deliver near real time data via interactive digital portals necessitates a reassessment of this framework. While policy option 2 proposes a revision, we do not believe it goes far enough. It is our view that the DAPR obligations and framework needs to be replaced rather than tweaked.

We have seen how customers value access to information that is more current and accessible via digital portals rather than relying on an annual report. Additionally, we already undertake voluntary publication of insights, including CER hosting capacity and LV network visibility. Engagement with stakeholders through regulatory proposals, area plans, and innovation programs also serve as opportunity to share network information.

We suggest that a new framework is developed to replace the DAPR, one that is designed from the ground up to deliver network planning information that is targeted and responsive to current and emerging stakeholder requirements. The new framework will leverage longer term (20 year) planning undertaken by DNSPs for the for the High (HV) and Medium Voltage (MV) parts of the network and include Low Voltage (LV) network data which looks at a 5-to-10-year horizon (as anything beyond that is very difficult to accurately forecast) within the LV

network. The new framework must also consult and present clear direction for DNSPs in how we might better align with the AEMO ISP strategic planning scenarios.

Funding required to implement reforms

The proposed IDSP requirements will impose significant new cost on distributors. These may include the implementation of new forecasting tools and technologies and additional engineering capabilities. Cost recovery must be considered by the AEMC when formulating its Draft Rule and Determination. The Victorian distribution final determinations for the 2026-31 regulatory period will be made by 30 April 2026. While this rule change process is not expected to be completed until June 2026, AusNet will include the incremental costs to deliver the options set out in the Directions Paper in its Revised Revenue Proposal on 1 December 2025.

AusNet's preferred approach

AusNet recommends that the AEMC proceed with policy option 3, focused on replacing the existing DAPR framework with a new arrangement that establishes:

1. A longer planning horizon (e.g. 20 years for HV/MV, 10 Years for LV).
2. Practical alignment with AEMO ISP processes and scenario while avoiding overly prescriptive scenario analysis unless clearly beneficial and feasible.
3. Flexible data reporting aligned with AER guidelines.
4. Streamlined stakeholder engagement processes.
5. Alignment with regional (Victorian) regulatory frameworks to avoid duplication and conflict.
6. A transition plan that allows for a smooth shift from the current DAPR to the new framework, in sync with the regulatory pricing reset periods.

Summary

AusNet is committed to enabling the energy transition for its customers and communities. We understand that the traditional planning approaches are no longer fit for purpose and accordingly AusNet supports planning reforms that deliver clear benefits to customers and improve coordination across the energy system.

It is our considered view that policy options 1 and 2 — as currently detailed in the directions paper, represent a significant regulatory imposition with uncertain customer benefits. Option 2, while offering a more graduated solution, risks ignoring the opportunity to approach this matter from a completely fresh perspective without being held back by current DAPR conventions.

We believe that Option 3 will offer more value to customers while addressing the concerns raised by the ECA in their rule change proposal. Option 3 would provide us with the opportunity to replace the DAPR with a more efficient, targeted, and useful strategic planning and reporting framework that is better suited to support the energy transition and enhances the value delivered from the significant work undertaken by the DNSPs in complying with their strategic planning and data provision obligations.

We urge the AEMC to continue its valuable work on this topic and further consult with us and the other distributors operating in the NEM to adopt a tailored, pragmatic and cost-effective reporting framework to replace the DAPR and better support the energy transition for all NEM customers.

Sincerely,



Nick Cimdins
Senior Manager, Energy Transition Policy
AusNet