

Our Ref: 30,933,810
Your Ref: ERC0410
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17 November 2025

Danielle Beinart
Executive General Manager, Networks and Technical
Australian Energy Market Commission
GPO Box 2603
SYDNEY, NSW, 2001

Dear Ms Beinart

**Re: National Electricity Amendment (Integrated distribution system planning)
Rule 2026**

The Australian Energy Regulator (AER) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) Directions Paper on the Integrated Distribution System Planning (IDSP) Rule change proposal.

Effective long-term strategic planning is important to help stakeholders understand and shape the evolution of electricity distribution networks. The planning of distribution networks is becoming more complex as network users continue to connect small-scale consumer energy resources (CER) and distributed energy resources (DER). The timely publication of low voltage network data can help distribution network users, including users installing CER and DER and their agents, to understand how best to connect and interact with distribution networks.

To achieve this, the AER is supportive of the rule change as a pathway improve the ability of distribution network planning to address emerging challenges and to improve availability of low-voltage distribution network information.

Our submission suggests refinements to the proposed IDSP rule change, as presented in the Directions Paper, to support the achievement of improved planning and data outcomes.

Strategic planning

It's important that electricity Distribution Network Service Providers (DNSPs) plan for the evolution of their networks and communicate those plans to their stakeholders. DNSP planning needs in the future will not be the same as they are today and any new planning frameworks should allow for a broad scope of planning activities. DNSPs may plan for a wide range of activities, including capital expenditure, operational expenditure and tariff

structure statements. Plans should include new and emerging activities being undertaken by DNSPs, including the procurement of flexibility services.

We agree with the position of the Directions Paper that there is value in implementing a process to standardise longer term strategic planning for distribution networks. We consider there would be value in the purpose of the strategic plan, or the strategic planning portion of an enhanced Distribution Annual Planning Report (DAPR), being outlined in the rules. This purpose would be used to drive and define all additional direction that the AER may be required to provide in potential future guidelines, or guideline updates. We support the AEMC's proposed approach to direct DNSPs to use the Inputs Assumptions and Scenarios Report (IASR) and Integrated System Plan (ISP) forecasts published by AEMO as a baseline for their own forecasting activities, but to provide flexibility to use their own data where they can demonstrate its applicability and accuracy.

We consider that DAPRs fulfil a critical role in the current and future planning framework for DNSPs. We prefer the implementation of either policy option 1 or policy option 2, ensuring DAPRs are retained in the process.

For all policy options, further consideration should be given to how and whether non-network option proponents could be invited and included in the strategic planning or in the planning portion of DAPRs to ensure there is maximum time for proponents to tender alternative solutions. A longer forecast horizon of either 10 or 20 years would better signal to NEM participants expected market conditions and network developments required, leading to more efficiently sized and timed investments in networks.

Policy option 1 of the Directions Paper proposes that DNSPs submit strategic plans to the AER in support of their 5 yearly capital expenditure proposal as part of a regulatory determination. We suggest that AEMC considers the benefits of alternative timing for the completion of strategic plans, such as completion in the midpoint of a regulatory determination period. Submission with a regulatory proposal creates additional work during a period where DNSPs are at a workload peak. We note that strategic plans should also consider matters beyond capital expenditure, such as operational expenditure (e.g. plans to procure flexibility services), and tariff structure statements.

While strategic plans or the content of an enhanced DAPR may be considered by the AER during future revenue determination processes, there should not be a formal requirement for the strategic plan to be considered during revenue assessments or regulatory investment tests. We are wary of the potential use of longer term forecasts as tools to advocate for specific revenue allocations to fund future projects and plans.

We support longer planning horizons to be associated with these plans, noting the need for flexibility in how these horizons are modelled given the comparative higher uncertainty of distribution network expansion when compared to changes in identified need in transmission infrastructure. Distribution network forecasts may be more complex to determine and liable to change over short timeframes, due to distribution networks having smaller and more numerous connections. There may be value in considering a shorter 10 year timeframe or allowing less certainty for forecasts in excess of 10 years. This need for flexibility should also be considered in placing requirements for scenario analysis on DNSPs, noting that significant sensitivity forecasting and analysis may be a viable alternative to reduce the need to identify and model detailed scenarios and assumptions.

Policy option 3 of the Directions Paper suggests information that is currently included in DAPRs may be collected in future Regulatory Information Instruments that are issued by the AER. If policy option 3 is to be selected, more detail on this proposal would be needed to know whether a Regulatory Information Instrument would be the right method to collect the

data. It may be more appropriate to collect this information through other means, such as being a requirement of the proposed new information guidelines.

We note that there may be additional costs incurred by DNSPs to undertake the planning work required by this rule change. We support the AEMCs intentions to limit complexity and minimise costs incurred by DNSPs that will ultimately be passed on to consumers.

Publication of DNSP data

As electricity DNSPs transition towards being platforms for energy services, in accordance with emerging Distribution System and Market Operator frameworks, provision of data to the market will be key. We envisage a future energy system where DNSPs publicly provide all data that they have that is useful to their stakeholders, except where data cannot be published for security, commercial or personal privacy reasons.

We support the intent of the IDSP Rule change proposal as a pathway to provide the market with low-voltage network data. We consider it will increase the amount of useful data collected and published by DNSPs and make it easier for third parties to connect with and use distribution networks. We are supportive of the proposal in the Directions Paper to require DNSPs to publish data in accordance with a new AER guideline.

We consider that the publishing of DNSP information in accordance with a new AER guideline should also be supported by Data and Insights Roadmaps, as proposed in Energy Consumers Australia's (ECA) rule change proposal¹. A requirement for DNSPs to publish data in accordance with a new AER guideline alone may not be sufficient to ensure that appropriate low voltage network data is made available to the market. It is important that DNSPs should be required to directly consult with prospective users of data and publish plans for the actions they will take to make data available to meet the needs of their customers. These roadmaps may need to be updated regularly, for example every one or two years, to remain applicable for emerging data needs. We note, for instance, that Distribution Network Operators in Great Britain are required to complete Digitalisation Strategies every 2 years and Digitalisation Action Plans every 6 months – showing their understanding of their stakeholders' data needs and actions they will take to provide necessary data.

Data and Insights Roadmaps published by DNSPs would provide an opportunity for prospective data users to talk directly to DNSPs, and for DNSPs to outline the actions they are taking to provide data to the market. While an AER data guideline would provide a baseline level of data to network users, regular Data and Insights Roadmaps would encourage DNSPs to publish more types of data and in more detail in line with individual network data capabilities and user needs. DNSPs are also better placed than the AER to engage directly with current and prospective users of low-voltage network data. While an AER guideline is a vehicle to require minimum data publication by DNSPs, Data and Insights Roadmaps are an opportunity for new data needs to be identified which may be included in future guidelines.

Resourcing and continued engagement

The IDSP Directions Paper proposes several new roles for the AER, including the creation of new guidelines and the consideration of new documents, such as the DNSP's strategic plan, during revenue determinations. We note that to the extent that new obligations are assigned

¹ Integrated Distribution System Planning (electricity) rule change request, Energy Consumers Australia, 22 January 2025, Page 2

to the AER, the AER will require additional resources to undertake them.

The Directions Paper notes that the AEMC plans to work with AEMO and the AER to further develop the draft rule determination. We would welcome this opportunity for further engagement. If you have any questions about the AER's submission please contact Alex Zeller via email at Alex.Zeller@aer.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Jolly'.

Stephanie Jolly
Executive General Manager, Consumers and Markets
Australian Energy Regulator

Sent by email on: 17.11.2025