

Draft rule determination

Enhancing Distribution Network Planning and Reporting

Proponent

Energy Consumers Australia

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About the AEMC

The AEMC reports to the energy ministers. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the energy ministers.

Acknowledgement of Country

The AEMC acknowledges and shows respect for the Traditional Custodians of the many different lands across Australia on which we live and work. The AEMC office is located on the land of the Gadigal people of the Eora nation. We pay respect to all Elders past and present, and to the enduring connection of Aboriginal and Torres Strait Islander peoples to Country.



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Summary

- 1 The Commission has decided to make a more preferable draft rule in response to a rule change request from Energy Consumers Australia (ECA) in January 2025. The more preferable draft rule would:
 - replace the existing distribution annual planning report with a new longer-term distribution network development plan
 - implement a new framework for distribution network data reporting.
- 2 Our draft rule would improve transparency and consistency of the long term plans that distribution network service providers (DNSPs) prepare for their networks. This would help distribution network users, including consumers, to understand how the distribution network is expected to change in future. They would then be better placed to make informed and efficient investments in Consumer Energy Resources (CER).
- 3 Our draft rule would also improve the availability of consistent data for distribution networks, including on the low voltage network. CER investors and consumer agents would be presented with consistent distribution network data, regardless of where they are in the National Electricity Market (NEM).
- 4 This would assist CER investors to identify potential locations for their investments prior to connection requests. It would also assist consumers, and their agents, to better understand how their network usage would be impacted by any existing local network constraints, such as the potential for rooftop solar exports to be curtailed.
- 5 We have carefully assessed the draft rule against our statutory objectives, leading us to make more preferable solutions in several areas. We have sought to balance regulatory costs with consumer outcomes and market efficiency to drive outcomes that best serve Australian energy consumers in the long term.
- 6 We are seeking feedback on our draft determination and rule by 4 June 2026.

The draft rule would create a framework for transparent and consistent long term distribution network planning

- 7 We identified in the directions paper that the increasing uptake of CER is creating emerging challenges and opportunities for distribution network planning. DNSPs are increasingly managing two way energy flows and demands for new distribution services, while the uptake of home batteries and electric vehicles, along with other CER developments, is creating new opportunities for non-network solutions.
- 8 In this environment, the existing distribution annual planning process is no longer leading to efficient or transparent distribution planning. There is a need for longer term planning by DNSPs that would allow them to proactively identify the parts of their networks likely facing challenges and develop long term plans to address them.
- 9 While many DNSPs do already develop longer term plans, these plans may not be transparently shared. DNSP plans are also not prepared on a consistent basis. For example, they adopt a range of planning horizons from 10 years through to 25 years.
- 10 These issues make it difficult to develop a coherent long term view of distribution plans and trends in the NEM. This creates challenges for providers of non-network options to identify opportunities to offer solutions to DNSPs for removing network constraints. It also makes it more

difficult for distribution service users, such as consumers, and CER investors to make informed investments.

- 11 Another challenge is that the lack of transparency and consistency makes it more difficult for stakeholders to understand how DNSPs' plans relate to plans for the broader energy system, such as the Integrated System Plan (ISP). This creates the risk that the planned state of future distribution networks would not meet the needs of the projected future energy system.
- 12 The draft rule would address these issues by replacing the current distribution annual planning report with the distribution network development plan (DNDP).
- 13 The DNDP would create a standard long term planning process in the National Electricity Rules (NER). It would require DNSPs to:
- prepare a DNDP for their network once every 5 years, in conjunction with their regulatory proposals
 - adopt a 20 year planning horizon
 - develop a number of scenarios for incorporation in the DNDP.
- 14 DNSPs would also be required, to the extent practicable, to adopt inputs, assumptions and scenarios that are consistent with the Australian Energy Market Operator's (AEMO's) inputs, assumptions and scenarios report (IASR). They would also be required to consider other scenarios that are reasonable and appropriate. This would give DNSPs flexibility to deviate from the IASR to account for local factors and lower diversity at the distribution level.
- 15 The DNDP process would facilitate broad and efficient stakeholder consultation on distribution network plans, including with consumers and communities.
- 16 DNSPs would be able to draw on their existing consultation processes for their related regulatory proposals, minimising the potential for inconsistency and the impost of this additional consultation on DNSPs and their stakeholders.

Near to medium term planning transparency would be retained through the annual update

- 17 While the DNDP would improve transparency of DNSPs' longer term plans, we recognise that it would also reduce the frequency of reporting compared to the existing annual process.
- 18 DNDP information on the expected state of distribution networks would be less up to date than the existing annual planning report because there is five years between the publication of each DNDP report.
- 19 Our draft rule would address this information gap by requiring DNSPs to publish an annual update. The annual update would provide transparency about key changes to planning outcomes in the previous year and since the DNDP was published.
- 20 The annual update would also contain specific information that may not be contained in the DNDP - for example, summaries of completed or progressing regulatory investment test for distribution projects.

The AER would be required to publish guidelines for the DNDP and annual update

- 21 While the draft rule would implement a principles based approach for the DNDP, it would also ensure consistency of reporting by requiring the Australian Energy Regulatory (AER) to publish guidelines on forecasting practices and processes. These guidelines would provide more detailed requirements for DNSPs, leading to greater consistency in how they conduct scenario analysis and develop their plans.

- 22 The draft rule would also allow the AER to specify in the guidelines:
- additional information that DNSPs must include in their DNDPs or annual updates, if the AER considers it necessary to align the information with other information that DNSPs provide under the NER
 - an alternative date for the publication of the annual update by DNSPs.
- 23 This additional discretion would allow the AER to promote consistency and minimise duplication between the proposed DNDP and other similar reporting requirements under the NER.

The draft rule would establish a new distribution network data reporting framework

- 24 We identified issues with the availability of distribution network data. In particular, we identified that there is a lack of data for the low voltage distribution network (i.e. below the zone substation). Low voltage network data is becoming more important as CER volumes increase and congestion becomes more relevant.
- 25 This results in poor visibility on the existing state of the low voltage distribution network. It is then difficult for distribution service users, such as consumers, and CER investors to understand the current state of the distribution network, such as network constraints, that may impact their network usage and investments. Fortunately technology such as smart meters, coupled with network monitoring and falling communications costs, provide opportunities to provide distribution network data at a more granular level.
- 26 While DNSPs have begun taking steps to improve the availability of data, each DNSP is adopting its own approach to data publication. This is resulting in a lack of consistency, effectiveness and transparency across the NEM.
- 27 The draft rule would address these issues by creating a new distribution network data reporting framework in the NER. This framework would require DNSPs to report distribution network data in accordance with AER guidelines.
- 28 The AER would be required to prepare the guidelines in accordance with a defined purpose and three overarching principles established in the rules. These would require the AER to consider how its guidelines could improve visibility on the state of distribution networks, the net economic benefit of its guidelines, as well as how confidential and private information can be protected. The AER would also be required to consider existing reporting obligations on DNSPs, to prevent duplication and encourage streamlined reporting.
- 29 This approach would create a flexible data reporting framework that can adapt to changes in technology and regulatory requirements (e.g. the outcomes of the national CER roadmap). It would also minimise implementation costs while leading to standard, consistent data reporting by DNSPs in the NEM.

The Commission has considered stakeholder feedback to the directions paper in making its decision

Stakeholder feedback informed our proposed reforms to the distribution planning process

- 30 We have adopted amended policy positions in response to the feedback we received to the directions that we published in October 2025.
- 31 While stakeholders were broadly supportive of introducing a new long term planning framework into the NER, there was mixed support for retaining the existing planning process.

- 32 Some stakeholders felt the existing distribution annual planning process in the NER was no longer fit for purpose and should be replaced. Other stakeholders considered the existing process should be retained to maintain transparency on the expected state of distribution networks over the medium term.
- 33 We undertook additional targeted consultation with stakeholders to determine if long term and medium term transparency could be provided through a single, long term planning process.
- 34 Our assessment of stakeholder feedback was that long term and medium term transparency could be achieved through the new long term planning framework that was outlined in the directions paper. This would require some minor revisions to the annual update, which has been reflected in the draft determination and draft rule.

We have updated our proposed distribution network data reporting framework in response to stakeholder feedback

- 35 Stakeholders were also broadly supportive of the proposed distribution network data reporting framework. However, some raised concerns that the potential scope of the framework was not clearly defined and overly broad.
- 36 The draft rule would address this by clarifying the purpose of the framework in the NER. This creates a clearer scope for the framework, that the AER would be required to consider when preparing the proposed guidelines.
- 37 We have also proposed amended principles for the AER to follow when preparing the guidelines in response to stakeholder feedback.
- 38 We have adopted three overarching principles for the draft rule that would give effect to both stakeholders' suggestions and the original principles proposed in the directions paper.
- 39 Stakeholders suggested a variety of additional principles in their submissions. We consider that these detailed principles sit within the high level principles that we have adopted.

We assessed our draft rule against five assessment criteria, taking stakeholder feedback into account

- 40 The Commission has considered the National Electricity Objective (NEO)¹ and the issues raised in the rule change request, and assessed the draft rule against five assessment criteria outlined below. We gathered and analysed stakeholder feedback in relation to these criteria.
- 41 The more preferable draft rule would contribute to achieving the NEO by:
- **supporting safety, security and reliability** - our draft rule would support the DNSPs delivering safe, secure and reliable distribution services to end users, such as consumers. It would assist DNSPs to identify efficient investments and non-network opportunities that would maintain and improve the performance of their distribution network.
 - **supporting emissions reduction** - our draft rule would indirectly contribute to emission targets by supporting the effective integration and uptake of CER. Encouraging transparency of the distribution network and longer term planning would assist CER investors and consumers to make informed investments, taking into account relevant considerations such as potential curtailment. DNSPs would also be better placed to identify and address challenges to the

¹ Section 7 of the NEL.

effective integration of CER and assist the uptake of supporting infrastructure, such as electric vehicle (EV) chargers.

- **Improving market efficiency** - our draft rule would improve transparency over the current, historical and expected future state of distribution networks. Non-network providers would be better placed to propose non-network options, while operators in downstream markets (such as community battery providers) would have greater visibility over the state of distribution networks. This would help increase competition, particularly where DNSPs and their affiliates are also present in the same market.
- **addressing implementation considerations** - our draft rule would balance the cost and complexity of implementation through clear roles for stakeholders, transitional arrangements and a clear implementation timeline. It also accounts for the differences in jurisdictional arrangements and would assist in building trust and social licence, by improving transparency and visibility of distribution networks and network plans.
- **adopting principles of good regulatory practice** - our draft rule would be consistent with the broader direction of reform. We have considered the ongoing work under the National CER Roadmap and identified ways to complement and support the potential outcomes of related projects. We have also adopted a principles-based approach to the draft rule, adopting prescription only where necessary, such as for some of the planning requirements.

Our draft rule would be implemented over four years

The distribution network development plan framework would be implemented over four years

- 42 We propose to implement the proposed DNDP framework within four years of a final rule, if made, so that DNSPs would have a long term plan in place by the start of their next regulatory determination.
- 43 In order to achieve this, DNSPs with a regulatory proposal due before 2030 would not need to follow all the proposed requirements for their first DNDP.
- 44 For example, they would not need to include forecasts of metrics underpinning the low voltage networks in their first DNDP.
- 45 At the same time, we do not currently expect that the AER guidelines would be finalised before DNSPs in the Australian Capital Territory, New South Wales and Tasmania are required to submit their first DNDPs.² As such, the draft rule does not require DNSPs in these jurisdictions to adhere to the AER guidelines for their first DNDPs. We therefore anticipate that the first distribution network development plans may be less comprehensive than future plans.
- 46 This approach would provide DNSP stakeholders with transparency benefits sooner than the seven year implementation timeline proposed in our directions paper. This would then support the ongoing uptake of CER by consumers and CER investors, as well as more effective integration of CER into the distribution network.

The distribution network data reporting framework would be implemented over two years

- 47 We continue to propose to implement the distribution network data reporting framework just after two years from publication of the final rule, if made. This would be broadly consistent with our directions paper.
- 48 To enable this timeline, the AER would be required to develop the proposed distribution network

² As noted in section 5, the draft rule would not apply in the Northern Territory.

data reporting guidelines by 1 March 2028. DNSPs would then be required to comply with the guidelines within 6 months, by 1 September 2028.

49 However, the draft rule would allow the AER to make guidelines that do not treat DNSPs the same, reflecting differences in DNSPs capabilities. We therefore expect that there would be transitional arrangements in the first version of the guidelines.

50 The AER would also be required to follow the Rules consultation procedure when preparing the guidelines. As such, there would be draft guidelines available for consideration before the AER finalises the guidelines.

Question 1: Does the draft rule provide appropriate guidance on the application of the 20 year planning horizon?

Does the draft rule provide sufficient guidance on how the 20 year planning horizon is to be applied by DNSPs, including for their low voltage network?

If not, what additional guidance is needed for DNSPs to implement this obligation?

What would be the benefit of including this additional guidance (if any) in the draft rule? As an alternative, would it be preferable for this to be included by the AER in its guidelines (section 2.4)?

Question 2: Is the purpose of the DNDP sufficiently clear?

Is the proposed purpose and role of the DNDP within the broader planning framework sufficiently clear?

If not, what amendments do you consider would improve the clarity of the DNDP's purpose?

Question 3: Have all the implementation considerations for the annual update been identified?

Does the draft rule identify all the critical planning information that would need to be updated annually by DNSPs?

If not, could this information be captured by the AER guidelines published under Clause 5.13.3 of the draft rule?

Should the draft rule also require DNSPs to report in the annual update on changes:

- to planned network projects for the next 5 years since the strategic plan or previous year
- in the likelihood of the scenarios that were considered in the DNSP's strategic plan for the next 5 years?

What would be the benefits of including the above requirement in the draft rule rather than AER guidelines?

Should the draft rule also allow the AER to specify the form of any information or data to be provided in the DNDP and annual update?

Would the proposed reporting dates for the annual update be simple for DNSPs to implement? If not, what is the most suitable alternative date for the annual update?

Question 4: Does the purpose provide appropriate guidance on the scope of the framework?

Does the framework's purpose provide clarity on the different types of data that are intended to be captured in the AER's guidelines (section 3.2)?

If not, what types of data would not be captured by the current framing of the purpose? What would be the benefits of including this data in the framework's purpose or scope?

Question 5: Does the draft rule provide appropriate guidance for the AER when preparing the guidelines?

Do the principles and the framework's purpose capture all the relevant considerations for the AER when it prepares its guidelines? If not, what additional considerations do you consider are missing and what would be the benefits of including them in the draft rule?

Does allowing for additional requirements, such as the publication of data roadmaps, create an overly broad scope for the guidelines?

If so, how could this be addressed? Would additional restrictions for these provisions be sufficient or should they be a separate requirement from the guidelines?

How to make a submission

We encourage you to make a submission

Stakeholders can help shape the solution by participating in the rule change process. Engaging with stakeholders helps us understand the potential impacts of our decisions and contributes to well-informed, high quality rule changes.

How to make a written submission

Due date: Written submissions responding to this draft determination and rule must be lodged with the Commission by 4 June 2026.

How to make a submission: Go to the Commission's website, www.aemc.gov.au, find the "lodge a submission" function under the "Contact Us" tab, and select the project reference code ERC0410.³

Tips for making submissions on rule change requests are available on our website.⁴

Publication: The Commission publishes submissions on its website. However, we will not publish parts of a submission that we agree are confidential, or that we consider inappropriate (for example offensive, defamatory, vexatious or irrelevant content, or content that is likely to infringe intellectual property rights).⁵

Next steps and opportunities for engagement

There are other opportunities for you to engage with us, such as one-on-one discussions or roundtables.

You can also request the Commission to hold a public hearing in relation to this draft rule determination.⁶

Due date: Requests for a hearing must be lodged with the Commission by 30 April 2026.

How to request a hearing: Go to the Commission's website, www.aemc.gov.au, find the "lodge a submission" function under the "Contact Us" tab, and select the project reference code **ERC0410**. Specify in the comment field that you are requesting a hearing rather than making a submission.⁷

For more information, you can contact us

Please contact us with questions or feedback at any stage, noting the project code.

Email: aemc@aemc.gov.au

Telephone: (02) 8296 7800

3 If you are not able to lodge a submission online, please contact us and we will provide instructions for alternative methods to lodge the submission

4 See: <https://www.aemc.gov.au/our-work/changing-energy-rules-unique-process/making-rule-change-request/our-work-3>

5 Further information about publication of submissions and our privacy policy can be found here: <https://www.aemc.gov.au/contact-us/lodge-submission>

6 Section 101(1a) of the NEL.

7 If you are not able to lodge a request online, please contact us and we will provide instructions for alternative methods to lodge the request.

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1 The Commission has made a draft rule to improve distribution planning

The Commission’s draft determination is to make a more preferable draft rule (the draft rule) in response to a rule change request from Energy Consumers Australia (ECA). The draft rule would replace the existing distribution annual planning process with a new long term planning process, the distribution network development plan. A new distribution network data reporting framework would also be introduced to improve the availability and consistency of distribution network data reporting by Distribution Network Service Providers (DNSPs). We are seeking feedback on this draft determination and draft rule.

1.1 Our draft rule would benefit consumers

The National Electricity Market (NEM) is proceeding through a once in a generation transformation from a predominantly fossil-fuelled energy system to one powered by renewable energy. Australian consumers are at the forefront of this transition through record-breaking investment in consumer energy resources (CER).

Effective and transparent distribution network planning is needed to realise the opportunities that this transformation is creating. Effective planning allows DNSPs to select the most cost-effective options to support both traditional services and the integration of CER into their distribution networks. This could be in the form of network enhancements, but also alternatives such as contracting with virtual power-plants that are being enabled by CER. Transparent planning then provides stakeholders with visibility of these expected changes so that they can then make more informed investments.

It is in this context that we have considered the ability of the existing distribution annual planning process to support DNSPs in meeting the needs of consumers during the transition. We have identified two key issues with the current distribution annual planning process during this rule change process:

1. The existing planning process in the rules is unable to address the emerging challenges for long term distribution network planning.
2. The existing process does not provide sufficient visibility of the distribution network, including data for the low voltage network.

Our draft rule would address these issues, leading to improved market efficiency, greater transparency of the state of distribution networks and more consultative distribution network planning (chapter 5). It would also create stronger links between the different elements of the current regulatory framework in the National Electricity Rules (NER), so that it is clearer how the planning framework relates to the economic regulatory framework.

Our draft rule would address these issues by:

- replacing the annual planning process with a distribution network development plan, including an annual update (section 1.1.1)
- implementing a separate framework for distribution network data reporting (section 1.1.2).

1.1.1 Our draft rule would introduce a new distribution network development plan to improve consistency and transparency of long term distribution plans

Long term distribution planning is becoming increasingly complex and less certain than in the past. Demand growth is less linear, and there are more options for managing demand. At the

same time CER is creating greater synergies between distribution and transmission planning, as it can simultaneously displace distribution network augmentation expenditure and reduce demand on transmission networks.

The existing distribution annual planning process in the National Electricity Rules (NER) is no longer optimal for supporting effective, transparent network planning in this environment. For example, it does not help DNSPs to account for the opportunities provided by the increasing uptake of CER when planning their networks. Nor does it provide stakeholders with visibility of DNSPs' long term plans for their networks.

The draft rule would address these issues by replacing the existing annual process with a new planning framework. This new distribution planning process would be centred on the Distribution Network Development Plan (DNDP), published every 5 years, that would:

- **Require DNSPs to plan over a standardised 20-year horizon** for sub-transmission, high voltage and medium voltage networks, with a higher-level application to low voltage asset classes to provide insight into emerging trends without requiring highly granular forecasting.
- **Require DNSPs to undertake scenario-based analysis using the Australian Energy Market Operator's (AEMO's) Inputs, Assumptions and Scenarios Report (IASR)** to manage the uncertainty associated with long term planning. DNSPs would be required to use the IASR as a baseline for their scenario analysis, while allowing justified departures if not practicable. For example, to reflect local conditions and less demand diversity in distribution networks.
- **Have its purpose clearly established in the NER.** This purpose would provide a shared reference point for DNSPs, the Australian Energy Regulator (AER) and stakeholders on what the planning process is intended to achieve, i.e. maximising consumers' long-term interests across a range of future scenarios.
- **Incentivise DNSPs to consult with a broader range of relevant stakeholders when developing their DNDP,** by allowing them to draw on their existing regulatory proposal engagement processes.

Our draft rule would preserve near to medium term transparency by requiring DNSPs to publish an annual update

The draft rule would also require DNSPs to prepare and publish an annual update focused on material changes and recent developments since the publication of the DNDP or the previous annual update. The annual update is intended to preserve near to medium-term transparency that would otherwise be lost with the removal of the Distribution Annual Planning Report (DAPR). As described in section 2.3, DNSPs would be required to include in their annual update, among other things, an overview of regulatory investment test for distribution (RIT-D) projects it has completed or progressed and non-network options it has considered.

The draft rule would require DNSPs to ensure the annual update's content is reported together and can be readily found by stakeholders on their website. However, the draft rule would not prevent DNSPs publishing the annual update information together with other reporting information. Taken together, the DNDP, supported by a targeted annual update, would strengthen long-term distribution network planning while maintaining transparency for stakeholders following the removal of the DAPR.

1.1.2 Our draft rule would introduce a framework to improve the reporting of distribution network data

Consumers and other distribution network users also require greater visibility of the historical, current and near-term state of the distribution network. Without improved visibility consumers and

CER investors are unable to make informed investments. Providers of non-network options are also unable to readily identify potential opportunities to support DNSPs in deferring network expenditure.

The Commission's draft rule would improve visibility of the state of distribution network by amending rule 5.13A of the NER to establish a new distribution network data reporting framework. The framework would require DNSPs to publish data over the historical, current and near-term state of the distribution network in accordance with guidelines prepared by the AER. The draft rule would require the AER to consider three overarching principles when developing these guidelines:

1. the net economic benefit of compliance with the guidelines
2. protection of confidential and personal information
3. data that would otherwise be publicly available.

A clear purpose for the framework would also be established in the NER so that stakeholders, including DNSPs and the AER, have a shared understanding of the framework's intended scope (section 3.1). The purpose would also guide the AER when it prepares the guidelines.

The Commission considers that this approach provides the most effective mechanism to deliver consistent, accessible and up-to-date data, while accommodating differences in DNSP data capabilities and allowing reporting requirements to evolve over time. The draft rule would require the AER to publish the guidelines just over 18 months after the final rule (if made), with DNSPs to comply within a further six months. The AER would also be required to consider if the guidelines require review every five years, and to follow the rules consultation procedures when developing or amending the guidelines.

1.2 Our draft rule was shaped by stakeholder support for improved long term planning of distribution networks and greater access to network data

We published a directions paper in October 2025, which outlined our preliminary direction for the rule change request, reflecting feedback from stakeholders to our consultation paper.

We received 24 submissions from stakeholders to our directions paper. Stakeholders agreed that the current distribution planning process is failing to meet its intended purpose of effective network planning. They also agreed that the current planning process is not adequately revealing information to the market, and that the broader distribution planning framework does not provide a broad range of stakeholders with information on distribution networks' current and near-term state to enable them to make informed investment decisions and contribute to the planning process.

1.2.1 Stakeholders supported a new framework for long term distribution network planning

Stakeholder submissions provided broad support for strengthening long term distribution planning, with most stakeholders agreeing that longer planning horizons would improve alignment, transparency and coordination with the Integrated System Plan.⁸ Submissions consistently acknowledged that extending planning horizons would help address challenges from the increasing uptake of CER and enable more proactive network investment decisions. Many stakeholders, including AEMO, multiple DNSPs, consumer bodies and technology providers,

⁸ Submissions to the directions paper, the [Australian Energy Market Operator \(AEMO\), p 1](#); the [Australian Energy Regulator \(AER\), p 2](#); [AGL Energy \(AGL\), p 1](#); [Energy Consumers Australia \(ECA\), p 1-3](#); [Energy Networks Australia \(ENA\), p 3](#); [Flow Power, p 2](#); [Justice and Equity Centre \(JEC\), p 6](#); [Origin Energy Limited \(Origin\) p 1](#).

supported a move toward a 20-year strategic planning horizon, noting benefits such as improved consistency across jurisdictions, clearer investment signals, and better integration between strategic, operational and data reporting processes.⁹

There was also broad and consistent support for requiring scenario analysis as part of long-term distribution planning. Stakeholders generally agreed that scenario-based planning is an appropriate and necessary response to the uncertainty introduced by longer planning horizons and increasing uptake of CER.¹⁰ Scenario analysis was widely viewed as a practical mechanism to improve the robustness, credibility and usefulness of long-term distribution network plans, particularly where a single forecast would be insufficient to capture plausible future outcomes.¹¹ There was consensus amongst stakeholders that the Commission's proposal to use the IASR as a baseline for scenario analysis would provide a credible and consistent foundation for long-term planning, supporting comparability across DNSPs and alignment with national system planning.¹² At the same time, stakeholders consistently emphasised the importance of flexibility.¹³ DNSPs and other industry participants supported the ability to depart from the IASR where local conditions, more granular data, or specific network characteristics justify alternative assumptions, provided such departures are transparently disclosed and justified. This balance between consistency and local relevance was a recurring theme across submissions and was not contested in stakeholder feedback.

Stakeholders were also broadly supportive of aligning consultation requirements between the proposed planning framework and the existing Chapter 6 regulatory proposal consultation process. Submissions consistently indicate that stakeholders viewed alignment as a pragmatic way to improve engagement during the distribution planning process while avoiding unnecessary duplication and consultation fatigue.¹⁴ Stakeholders also consider that creating broader synergies between the distribution planning and regulatory proposal process would allow DNSPs to draw on existing planning and analytical processes, while also improving alignment of planning with investment incentives and more informed decision making.¹⁵

1.2.2 Stakeholders supported the continued provision of regular, near term information transparency in distribution planning

As part of this rule change, the Commission considered submissions on the role of the DAPR and options for retaining transparency while reducing the burden of unnecessary reporting. Submissions addressed whether the existing DAPR remains fit for purpose, given changes in how stakeholders access and use planning information.

Stakeholders broadly supported the continued provision of regular, near term transparency in distribution reporting. Submissions recognised that annual reporting plays an important role in maintaining visibility of network planning inputs, assumptions and outcomes.¹⁶ However, several stakeholders questioned whether the current DAPR is the most effective mechanism for delivering

9 Submissions to the directions paper [AEMO, p 1.](#); [Ausgrid, p 3.](#); [Clean Energy Council \(CEC\), p 3.](#); [ECA, p 4.](#); [Endeavour Energy, p 2.](#); [SA Power Networks, p 5.](#); [Zepben, p 5.](#)

10 Submissions to the directions paper [AEMO, pp 1-2.](#); [CEC, p 3.](#); [Endeavour Energy, p 2.](#); [ECA, p 5.](#); [ENA, p 3.](#); [JEC, p 6.](#); [Origin, p 2.](#); [SA Power Networks, p 6.](#); [Zepben, p 5.](#)

11 Submissions to the directions paper [AEMO, pp 1-2.](#); [CEC, p 3.](#); [Endeavour Energy, p 2.](#); [ECA, p 5.](#); [ENA, p 3.](#); [JEC, p 6.](#); [Origin, p 2.](#); [SA Power Networks, p 6.](#); [Zepben, p 5.](#)

12 Submissions to the directions paper [AEMO, p 2.](#); [AER, p 2.](#); [Origin, p 2.](#); [Zepben, p 10.](#); [CitiPower, Powercor and United Energy \(CPU\), p 5.](#); [Endeavour Energy, p 2.](#); [TasnNetworks, p 4.](#)

13 Submissions to the directions paper [AEMO, p 2.](#); [AER, p 2.](#); [Ausgrid, p 5.](#); [CPU, p 5.](#); [ECA, p 5.](#); [Endeavour Energy, p 2.](#); [EnergyAustralia pp 3-4.](#); [JEC, p 6.](#); [TasnNetworks, p 4.](#); [Zepben, p 10.](#)

14 Submissions to the directions paper [Ausgrid, p 8.](#); [CEC, p 4.](#); [Endeavour Energy, p 3.](#); [ECA, p 6.](#); [JEC, p 6.](#); [Origin, p 2.](#); [Zepben, p 5.](#)

15 Submissions to the directions paper [Ausgrid p 8](#) and [CEC, p 4.](#)

16 Submissions to the directions paper [AusNet, pp 3-5.](#); [Zepben, p 13.](#); [the Integrated System Plan Consumer panel \(the Panel\), pp 5-7.](#)

this transparency. In particular, submissions noted that many stakeholders now rely more heavily on dynamic and interactive tools, such as opportunity maps and datasets, rather than static reports.¹⁷

Stakeholders who commented on the proposed network data reporting framework were broadly supportive of the Commission’s approach.¹⁸ They agreed with the position set out in the directions paper that requiring DNSPs to report network data in accordance with network data reporting guidelines would improve transparency, standardisation and accessibility of network information.¹⁹ Stakeholders also supported the Commission’s view that the AER is best placed to develop these guidelines.²⁰ They noted that improved data transparency in the near term would facilitate innovation and enable market participants to make more informed investment decisions. However, submissions emphasised that balancing transparency and innovation with the practical considerations of data collection and publication will be critical to the success of the framework.²¹

1.3 Our draft rule complements other reforms to support the integration and coordination of CER as we transition to a more consumer centric system

Our draft rule complements a broader suite of ongoing and recently completed national reforms that collectively improve visibility, accountability, and the use of demand side resources as the energy system transitions to a more consumer-centric model. These include:

- The AEMC’s final rule and determination on improving consideration of demand side factors in the Integrated System Plan (ISP) and AEMO’s demand side factors guideline.²²
- The AEMC’s final rule and determination on including distribution network resilience in the National Electricity Rules.²³
- The AEMC’s final rule and determination on real time data for consumers.²⁴

In addition, there are several processes led by other agencies and market bodies that may have implications for this rule change:

- The National Consumer Energy Resources (CER) Roadmap project, particularly the M3/P5 roles and responsibilities workstream and the M2 data sharing arrangements project.²⁵
- The AER’s low-voltage network visibility project.²⁶
- AEMO’s ongoing work to develop a CER Data Exchange.²⁷

17 Submissions to the directions paper, [SA Power Networks, pp 2-4](#); [Essential Energy, pp 1-2](#); [AusNet, p 1](#); [ECA, pp 8-11](#); [CEC, pp 1-2](#).

18 Submissions to the directions paper [AEMO, pp 1-2](#); [AER, pp 1-2](#); [Ergon Energy Corporation Limited \(Ergon Energy Network\) & Energex Limited \(Energex\), pp 1-2](#); [ECA, pp 1-2](#); [EnergyAustralia, p 1](#); [AGL, pp 1-2](#); [Red Energy and Lumo Energy \(Red and Lumo\), p 1](#); [CEC, pp 1-2](#); [Flow Power, pp 1-2](#); [SA Power Networks pp 2-4](#).

19 Submissions to the directions paper [AEMO, pp 1-2](#); [AER, pp 1-2](#); [Ergon Energy Network & Energex, pp 1-2](#); [ECA, pp 1-2](#); [EnergyAustralia, p 1](#); [AGL, pp 1-2](#); [Red and Lumo, p 1](#); [CEC, pp 1-2](#); [Flow Power, pp 1-2](#); [SA Power Networks pp 2-4](#).

20 Submissions to the directions paper, [AER, p 3](#); [AEMO, pp 1-2](#); [ENA, pp 1-2](#); [CPU, p 2](#).

21 Submissions to the directions paper, [AER, p 3](#); [AEMO, pp 1-2](#); [ENA, pp 1-2](#); [Ergon Energy Network & Energex, pp 1-2](#); [CPU, pp 1-2](#).

22 AEMC, [Improving consideration of demand-side factors in the ISP](#), Final rule determination, 19 December 2024.

23 AEMC, [Including distribution network resilience in the National Electricity Rules](#), Final rule determination, 8 May 2025.

24 AEMC, [Real-time data for consumers](#), Final rule determination, 18 December 2025.

25 Department of Climate Change, Energy, the Environment, and Water, Energy Ministers agree to the National Consumer Energy Resources (CER) Roadmap.

26 AAER) [Network visibility project](#), accessed 20 April 2026.

27 AEMO, [Consumer Energy Resources \(CER\) Data Exchange](#), accessed 23 September 2025.

2 Establishing a requirement in the NER for DNSPs to undertake long term planning

2.1 DNSPs would be required to undertake longer term planning with annual updates

Box 1: Improving the distribution planning process

The Commission considers that the current distribution planning process is no longer fit for purpose in the context of increasing levels of CER and the opportunities that high levels of CER present to delay or reduce network investment requirements. The draft rule would facilitate more effective distribution network planning by replacing the current distribution annual planning process with a requirement for DNSPs to :

- prepare and publish a Distribution Network Development Plan every five years, with a greater focus on longer term planning requirements and scenario analysis than the current planning processes and improved alignment with the Integrated System Plan and regulatory proposals
- publish a less onerous annual update to provide regular and transparent information to stakeholders, including to inform non-network options between DNDPs.

The draft rule also requires the AER to develop planning guidelines that would ensure consistency in how longer term forecasts and scenarios are developed. The AER would also have discretion to prepare guidelines to support a streamlined approach to DNSP reporting requirements.

Together, the Commission considers these amendments would promote the national electricity objective by increasing transparency and consistency in distribution planning, allowing improved stakeholder engagement and input into planning. This, in turn, would support efficient decision making by both DNSPs when planning their networks and distribution service users in respect of investing in consumer and distributed energy resources.

The regulatory planning framework has not kept pace with the changing operating context for DNSPs. As a consequence, we consider that the current distribution annual planning process no longer meets its intended purposes of:

1. **Effective network planning** through the identification of future value-adding network services (e.g. required two-way capacity and congestion mitigation), and by delivering those services in a timely manner and at least cost.
2. **Transparency and information sharing:** by DNSPs providing a broad range of stakeholders with information on their networks' current and near-term state, including about existing system limitations and how such limitations will be addressed, to enable stakeholders to make informed investment decisions and contribute to the planning process.

The draft rule would address these issues by providing a more robust, longer-term planning process. The draft rule replaces the current annual planning process with a DNDP published every 5 years that:

- requires DNSPs to adopt a 20 year planning horizon (section 2.2.2)
- requires DNSPs to plan across a range of scenarios (section 2.2.3)
- embeds a clear purpose for distribution planning in the NER (section 2.2.4)
- strengthens linkages between distribution planning and regulatory proposals and supports stakeholder engagement (section 2.2.5).

By requiring a greater focus on the longer term, the draft rule is intended to ensure that distribution network planning better supports DNSPs to manage long term uncertainty and deliver outcomes that maximise consumers' long term interests. It would also provide stakeholders with greater transparency of the DNSPs' long term plans to enable informed investment decisions. The longer planning horizons and greater transparency would also clarify how DNSPs' plans align with the ISP.

The draft rule would replace the DAPR with a requirement for DNSPs to provide an annual update (section 2.3). It would require DNSPs to report annually on relevant changes since the DNDP was published. This is intended to maintain transparency and information availability between DNDPs, to support stakeholder engagement and investment, particularly in respect of identifying non-network solutions.

Finally, the AER would be required to publish planning guidelines (section 2.4). The guidelines would be required to specify best practice forecasting approaches to help drive consistency between DNSPs. The AER would also be able to adjust the reporting requirements in the DNDP and annual update to avoid duplication and to align and streamline DNSP reporting requirements.

Together, the new DNDP and annual update would strengthen long-term distribution network planning while ensuring regular, consistent and transparent reporting on key network developments over the near to medium term.

The draft rule adopts several elements of ECA's proposed rule that sought to introduce a new Integrated Distribution System Plan (IDSP), including a 20 year planning horizon and requiring scenario analysis for potential future network developments.²⁸ The draft rule addresses ECA's concern that the distribution planning process should be better integrated with the ISP by requiring DNSPs to adopt AEMO's IASR as a baseline for inputs, assumptions and scenarios into the DNDP. The draft rule also requires DNSPs to explain how they have engaged with relevant stakeholders, including distribution service end users, to address concerns that there is currently insufficient engagement with communities.

The Commission's draft determination is that a new DNDP should be developed every five years, with an annual update. This differs from ECA's proposed biennial IDSP. The Commission considers that the draft rule better promotes the NEO in this respect by providing for a rigorous, detailed and engaged planning process while mitigating the associated DNSP and stakeholder costs. These costs would be mitigated through efficiencies and synergies gained by aligning the timing of the DNDP and the regulatory proposal. The DNDP would also have the additional benefit of providing a clearer line of sight between the DNDP and the regulatory proposal, both during the consultation phase and after publication. Chapter 5 provides further detail on why the Commission has made a more preferable rule.

A comparison of the current distribution planning process and DNDP is provided at appendix B.

2.1.1 Current distribution planning arrangements have not kept pace with industry developments

The strong uptake of CER has made distribution network planning more complex. Demand is less predictable, high levels of CER provide more options for meeting energy needs including at peak times, and distribution networks now provide energy export and system services. DNSPs need to consider these impacts and the implications of increased levels of CER across their network over longer timeframes to enable them to identify the most efficient means of both integrating and

28 ECA, [Rule change request, Integrated Distribution System Planning](#), pp 8-13.

enabling efficient use of CER through improved and potentially new approaches to managing demand on their network.

Distribution planning now has greater synergies with transmission planning. Improved utilisation of the distribution network could reduce the need for transmission-connected resources. While improvements have been made to the Integrated System Plan to realise these synergies,²⁹ more can be done to align the processes and ensure the electricity system as a whole is planned consistently and in a way that meets the long term interests of consumers.

DNSPs have previously demonstrated that they do have extensive planning processes in place beyond what is required in the NER, though this also highlighted the very different approaches that they have adopted. While this may be sensible for internal processes given varying local factors that DNSPs must consider, it also makes it difficult for distribution service users to navigate across the NEM. Distribution service users also seem to be unaware of these plans, when available.

Greater transparency of longer-term distribution network plans would benefit distribution service users by allowing them to:

- better engage with longer term distribution network planning across the NEM
- inform their investment decisions in assets such as CER, community batteries and EV charging infrastructure.
- allow them to identify opportunities to maximise the value of their assets, including by providing network support services.

In this context, the Commission has identified a number of interrelated issues with the existing distribution planning framework that limit its effectiveness in promoting efficient outcomes that are in the long term interests of consumers.³⁰

First, the current framework is focused on short to medium term, incremental planning. Although DNSPs must prepare a DAPR with a minimum five-year horizon, this often represents the limit of publicly available information. Stakeholders have little visibility of longer-term network development which would help inform their investment decisions, particularly in areas with rapid CER uptake, or where large loads are planned.

Second, the current arrangements do not adequately manage demand uncertainty. Reliance on a single set of forecasts limits the ability to test network plans across a range of plausible futures, increasing the risk of inefficient or poorly timed investment in an environment of changing technologies, consumer behaviour and policy settings.

Third, integration with broader regulatory and system planning processes is limited. The framework provides limited line of sight between long-term distribution planning, near-term investment decisions and regulatory proposals. Further, there is limited alignment with system-wide planning such as the ISP, despite the potential for increasing synergies between distribution and transmission planning. A lack of consistency and integration could undermine confidence that outcomes from these processes are maximising consumers' long-term interests.

Taken together, these issues mean that the current planning framework in the NER no longer effectively identifies the needs of consumers and the implications for the future power system. Without reform, there is a risk that investment decisions will continue to be made with insufficient

²⁹ For example, [following a rule change in December 2024](#), AEMO must now publish a demand-side factors statement in the ISP to provide a transparent and consolidated explanation of the expected development of the demand-side of the market and the distribution network.

³⁰ See section 2.1 of the [Directions Paper](#) for further discussion of these issues.

regard to long-term consumer and system needs, that non-network options and demand-side participation will not be fully realised, and that stakeholders will lack the information needed to engage effectively in the planning process.

The draft rule would address these issues by requiring:

- DNSPs to conduct longer term planning and scenario analysis as part of the new DNDP (section 2.2)
- DNSPs to publish an annual update (section 2.3)
- the AER to develop planning guidelines (section 2.4)

The NSW's Distribution System Plan Opportunities Report serves a related, but distinct purpose

As noted above, DNSPs have been taking independent action to address the emerging challenges and opportunities created by the increasing uptake of CER. One example of these initiatives is the Distribution System Plan (DSP) Opportunities Report that the three DNSPs in NSW, Ausgrid, Endeavour Energy and Essential Energy have prepared.³¹

The DSP Opportunities Report is designed to complement the ISP and AusEnergy Services Ltd Infrastructure Investments Objectives Report. It adopts a bottom-up planning approach and has four articulated purposes:

1. support state and federal policy development
2. explore the value that can be unlocked through better utilisation of distribution capacity for generation/storage
3. explore the role distribution networks can play in the clean energy transition
4. explore the integration of distribution network opportunities and CER into whole-of-system planning, and consider how the distribution network complements the transmission network.³²

We consider that the DSP Opportunities Report is complementary to the DNDP and would draw on similar planning information and methodologies. As such, we would expect that the NSW DNSPs would be well placed to implement the DNDP and could draw on it when preparing future DSP Opportunities Reports, should they decide to maintain that approach.

At the same time, the DSP Opportunities Report is focused on identifying opportunities on the distribution network in NSW, consistent with its purpose. It is not a standardised report across the NEM, which further highlights the ongoing differences in distribution network visibility across jurisdictions. The DSP Opportunities Reports also does not provide oversight of each NSW DNSP's individual long term plan, given it is a joint report. In comparison, the DNDP would provide oversight of each DNSP's plans to, amongst other considerations, address network constraints and maintain reliability. As such, we consider the DNDP is needed to address separate issues and to create greater transparency across the distribution networks in the NEM.

2.2 Our draft rule would create a new distribution network development plan with a longer-term focus

³¹ Ausgrid, Endeavour Energy and Essential Energy, [NSW Distribution System Plan Opportunities Report](#), accessed 20 April 2026.

³² Ausgrid, Endeavour Energy and Essential Energy, [Distribution System Plan Opportunities Report](#), November 2025, pp 12-13.

Box 2: DNSPs would prepare and publish a distribution network development plan every five years to improve effective network planning and transparency.

Our draft rule would require DNSPs to develop a new distribution network development plan. The DNDP would include existing elements of the DAPR, with some additional requirements to address identified gaps in the planning process. The draft rule includes:

- a requirement for DNSPs to develop and publish a DNDP, with new obligations to report on stakeholder engagement and a streamlined approach to rules-based content requirements (section 2.2.1)
- a requirement for DNSPs to plan their networks over a standardised 20-year horizon (section 2.2.2)
- a requirement for DNSPs to conduct, and present in the DNDP, scenario-based analysis to inform network planning, using the IASR as a baseline and DNSPs disclosing and justifying any deviations (section 2.2.3)
- a clear purpose for the DNDP established in the NER, focused on maximising consumers' long-term interests, that DNSPs must have regard to in developing the DNDP, and the AER must have regard to in developing guidelines (section 2.2.4)
- aligning the DNDP with the regulatory proposal to provide flexibility for DNSPs to leverage existing processes to minimise costs, including to meet new requirements to report on engagement with distribution service end users (section 2.2.5).

Together, these requirements address the gaps identified with the current framework. Specifically, the Commission considers this approach would improve the quality, clarity, consistency and transparency of distribution network planning over a longer term horizon compared to the current distribution planning process. It would also improve alignment between distribution network planning and broader power system planning to promote more efficient outcomes for consumers in a future with increasing electrification and consumer energy resources.

2.2.1 DNSPs would be required to develop a Distribution Network Development Plan every five years

Under the draft rule, DNSPs would be required to develop, submit to the AER and publish a DNDP every five years.³³ The DNDP would include much of the content that is currently required to be included in the DAPR.³⁴ The content requirements would be expanded to include:

- reporting on stakeholder engagement (see below)
- a 20 year planning horizon (section 2.2.2)
- scenario analysis (section 2.2.3).

Existing content requirements would be streamlined and reflect an outcomes-based approach (see below).

DNSPs would be required to report on engagement with stakeholders.

The draft rule introduces a requirement for the DNDP to include a summary of how the DNSP has engaged with distribution service end users and other relevant stakeholders, and how it has taken feedback into account.³⁵ The Commission's expectation is that DNSPs will undertake meaningful engagement on their DNDP to inform effective distribution network planning and identify future

33 Clause 5.13.1 of the draft rule.

34 See schedule 5.8 of the NER.

35 Sch 5.8(e) of the draft rule.

network services that consumers value. Consumers and their agents expect new and emerging services to be provided by DNSPs to facilitate the increasing uptake and use of CER.

DNSPs are currently required under Chapter 6 of the NER to engage with a broad range of stakeholders when developing their regulatory proposals.³⁶ The AER's Better Resets Handbook – Towards consumer-centric network proposals³⁷ reinforces these obligations by setting expectations for high-quality, consumer-centric engagement and incentivising DNSPs to undertake comprehensive consultation through the regulatory assessment process.

Stakeholders indicated support for relying on these existing processes rather than creating new consultation requirements.³⁸ Stakeholders emphasised that using Chapter 6 consultation would reduce duplication, maintain transparency and promote consistency in DNSP engagement practices.³⁹

The Commission agrees that the most effective and least cost way to achieve this would be to provide flexibility for DNSPs to draw on their existing consultation processes for the development of regulatory proposals. The Commission considers that providing flexibility for DNSPs to consult on their DNDP as part of their regulatory proposal development would incentivise greater transparency and earlier engagement with consumers and industry. Stakeholders would gain clearer visibility of how long-term distribution planning informs regulatory proposals, while DNSPs would avoid additional administrative burden associated with parallel consultation requirements. We consider this approach would encourage more meaningful engagement on long-term network planning without materially increasing costs for DNSPs or stakeholders.

The draft rule reflects an outcomes-based approach to determine the detailed requirements of the DNDP

The draft rule amends the current detailed content requirements for the DAPR and instead takes an outcomes-based approach to defining what the DNDP must contain. The Commission considers that an outcomes-based approach better reflects the changing nature of DNSPs' operating environments than detailed, rule-based requirements. The metrics that DNSPs use to inform their network plans have changed over time as higher levels of CER have impacted their networks in different ways from traditional load-based demand. An outcomes-based approach allows DNSPs flexibility to adapt their approach as technologies and network services change, subject to complying with the AER's guidance on best practice forecasting (section 2.4).

For example, the draft rule would require DNSPs to provide forecasts of demand and network utilisation. However, the draft rule would no longer include an exhaustive list of metrics that DNSPs would need to publish as part of these forecasts. For example, the draft rule would no longer explicitly require DNSPs to publish total capacity, firm delivery capacity for summer periods and winter periods, peak load and power factor at time of peak load for their load forecasts for each sub-transmission line and zone substation as currently required by Schedule 5.8(b)(2). Nonetheless, the Commission would expect the DNSPs to include the full suite of metrics that inform the DNDP.

Appendix B provides additional detail on how the current DAPR requirements map to the DNDP under the draft rule.

36 Cl 6.8.2(c1) of the National Electricity Rules.

37 AER, [Better resets handbook - towards consumer-centric network proposals](#), 9 December 2021.

38 Submissions to the directions paper [Ausgrid, p 8](#); [Endeavour Energy, p 3](#); [CEC, p 4](#); [JEC, p 6-7](#).

39 Submissions to the directions paper [Endeavour Energy, p 3](#); [CEC, p 4](#); [Origin, p 2](#); [JEC, p 6-7](#).

2.2.2 DNSPs would be required to adopt a 20 year planning horizon

The Directions Paper outlined the benefits of requiring DNSPs to take a longer term perspective in conducting distribution network planning. The draft rule would facilitate longer term planning and transparency by requiring DNSPs to adopt a 20 year planning horizon when preparing their DNDP, consistent with ECA's rule change request.⁴⁰

Stakeholders expressed broad support for a 20-year planning horizon, noting that it better reflects the long asset lives of distribution infrastructure and supports more forward-looking, strategic planning aligned with the ISP, particularly in a system undergoing rapid change.⁴¹ Several DNSPs supported the longer horizon in principle but emphasised the need for scenario-based analysis (section 2.2.3), flexibility and proportionality, noting that uncertainty increases significantly at more granular network levels.⁴² Others supported a 20-year horizon only if complemented by shorter-term or staged planning outputs, or raised concerns that applying a single long horizon could impose additional costs or reduce forecast credibility for lower-voltage networks without sufficient clarity on purpose and use.⁴³

The Commission considers the benefits of requiring a 20 year horizon for distribution network planning are that it:

1. **Addresses the challenges associated with a high CER future.** A longer planning horizon would provide greater visibility of the impacts of investment decisions for transmission-distribution connection points, sub-transmission lines and zone substations, including how these decisions are impacted by the increasing uptake of CER. A 20 year planning horizon would also improve alignment between distribution network planning and the ISP, providing greater transparency over how DNSPs' longer term plans align with the ISP's predicted future.
2. **Balances implementation cost and complexity for DNSPs.** Similar modelling capabilities are required for both 10-year and 20-year horizons, limiting additional implementation burden.⁴⁴ Analysis and consultation undertaken by the Commission indicates that extending the horizon to 20 years would involve little trade-off in cost or complexity relative to other longer planning horizons. Existing DNSP practices support this finding, with multiple DNSPs already applying a 20-year or longer planning horizon to align infrastructure development with long-term policy goals and market needs.⁴⁵
3. **Enables greater utilisation of CER.** Improved longer-term planning would provide industry participants, consumers and regulators with greater visibility of the planned future direction of each DNSP's distribution network. High-level signalling on potential futures and investment needs, paired with the proposed annual update (section 2.3) and distribution network data reporting framework (chapter 3) would provide greater visibility of the potential for non-network options to address system constraints. Greater visibility would also provide improved information to inform investment decisions in, and use of, CER.

The draft rule would also require DNSPs to adopt a 20 year planning horizon for their low voltage network but without the same level of detail. We understand from our stakeholder feedback that forecasting - and so planning - at this voltage level is highly uncertain and complex, and would provide limited benefits. Nonetheless, the Commission considers that some degree of aggregated

40 Sch 5.8(a) of the draft rule.

41 Submissions to the directions paper, [ECA, pp 1-2 & 5-6](#); [SA Power Networks, pp 5-7](#); [Zepben pp 2-3](#).

42 Submissions to the directions paper, [SA Power Networks, pp 5-7](#); [Ergon Energy Network and Energex, pp 2-3](#).

43 Submissions to the directions paper, [EnergyAustralia, pp 2-3](#); [TasNetworks, pp 2-3](#).

44 Submissions to the directions paper, Zepben, p 5.

45 [The NSW Distribution System Plan Opportunities Report](#), a joint report between Ausgrid, Endeavour and Essential utilised a 20 year planning horizon.

planning information at the low voltage network level is feasible and would be of benefit to stakeholders.

The draft rule would require DNSPs to provide forecasts across a 20 year planning horizon for metrics underpinning planned work for classes of low voltage assets and metrics underpinning related non-network options.⁴⁶ This approach would improve information availability for market participants while avoiding the need for complex, or highly granular, low voltage network forecasting.

The Commission expects that business-as-usual planning practices would continue alongside the new requirements. For example, the Commission expects DNSPs may still want to prepare long term area plans for significant greenfield developments that extend beyond 20 years.

Question 1: Does the draft rule provide appropriate guidance on the application of the 20 year planning horizon?

Does the draft rule provide sufficient guidance on how the 20 year planning horizon is to be applied by DNSPs, including for their low voltage network?

If not, what additional guidance is needed for DNSPs to implement this obligation?

What would be the benefit of including this additional guidance (if any) in the draft rule? As an alternative, would it be preferable for this to be included by the AER in its guidelines (section 2.4)?

The draft rule would require DNSPs to provide detailed forecasts for the first five years of their DNDP

Our draft rule would require DNSPs to provide demand and network utilisation forecasts for the 20 year period from the commencement of their next regulatory control period.⁴⁷

- at the transmission-distribution connection points;
- for sub-transmission lines, and
- for zone substations.

The draft rule would require more detailed demand and network utilisation forecasts, as well as forecast system limitations, for the first five years of the 20 year period (i.e. for their next regulatory control period).⁴⁸ This is consistent with the existing requirements for the distribution annual planning process and the regulatory proposal process. These forecasts would then directly inform the identification of emerging system limitations, including capacity, voltage and thermal constraints. Detailed forecasts would support earlier and clearer identification of network issues that may require augmentation or alternative non network solutions.

Less detailed forecasts would be required for the remaining years of the 20 year planning horizon. Beyond the first five years, uncertainty in demand growth, customer behaviour, technology uptake and policy settings increases, reducing confidence in the accuracy of the forecasts. As discussed below, DNSPs would be required to conduct scenario analysis to address uncertainty of longer term forecasts.

⁴⁶ Sch 5.8(a)(3) of the draft rule.

⁴⁷ Sch 5.8(a) of the draft rule.

⁴⁸ Schedule 5.8 (a) of the draft rule.

The draft rule would similarly require DNSPs to provide detailed forecasts of metrics underpinning planned works for low voltage assets, and metrics underpinning related non-network options for the first five years of the 20 year period.⁴⁹

Overall, this approach focuses detailed forecasting effort where it is most effective in identifying and managing near-term system limitations, while maintaining a clear and proportionate long-term view of demand across the distribution network.

2.2.3 Scenario analysis would be required to address uncertainty

Planning distribution networks over a 20-year horizon involves significant uncertainty, reflecting the pace and scale of change in technology, consumer behaviour, policy settings and the broader energy system. Factors such as electrification, uptake of CER, climate impacts and large new connections mean that a single long-term forecast cannot provide a reliable indicator of anticipated future conditions. The Commission considers it essential that DNSPs adopt a scenario-based planning approach to ensure distribution network development plans remain robust given this uncertainty. Scenario-based planning would require DNSPs to explicitly test their network plans against a range of plausible future pathways, supported by transparent assumptions and inputs.

Our draft rule would require DNSPs to undertake scenario analysis when developing their DNDPs⁵⁰

Stakeholders were broadly supportive of DNSPs adopting scenario analysis as part of their planning approach. Submissions from AEMO, the Clean Energy Council (CEC) and other stakeholders identified scenario analysis as a valuable tool for managing long-term uncertainty, improving forecasting, and supporting more efficient resource allocation and investment decisions.⁵¹ DNSPs, including CitiPower, Powercor and United Energy, and SA Power Networks, also noted that they already apply scenario analysis in their existing planning practices.⁵²

Our draft determination is to require DNSPs to adopt scenario analysis when preparing their DNDPs rather than rely on a single set of forecasts. DNSPs would assess how their planning and decision-making frameworks respond under plausible contingencies, such as lower or higher rates of home battery uptake across their network area. This approach aligns with existing national planning frameworks that support consistent planning outcomes, including the scenario-based framework applied in AEMO's ISP and with the AER's forecasting best practice guidelines for AEMO.

Our draft rule would require DNSPs to adopt AEMO's IASR as the baseline for their DNDPs⁵³

DNSPs, AEMO, CEC and other industry stakeholders supported the use of the IASR as a baseline for developing inputs, assumptions and scenarios, while emphasising the importance of flexibility where local conditions or more accurate data justify departures.⁵⁴ CitiPower & Powercor and United Energy, and Endeavour Energy noted that the IASR provides a sound foundation for planning but may need to be supplemented with local knowledge or more granular information.⁵⁵ AEMO, the AER, CEC, ECA and Origin Energy similarly supported the use of the IASR, while allowing DNSPs to deviate provided that this was transparently disclosed and justified.⁵⁶

49 Schedule 5.8(a)(2) of the draft rule.

50 Clause 5.13.1(d) of the draft rule.

51 Submissions to the directions paper, [AEMO, pp 1-2](#); [CEC, p 3](#); [ENA, p 3](#); [CPU, p 5](#).

52 Submissions to the directions paper, [CPU, p 5](#); [SA Power Networks, pp 6-7](#).

53 Clause 5.13.1(d) of the draft rule.

54 Submissions to the directions paper, [CPU, p 5](#); [SA Power Networks, p 7](#); [Ausgrid, p 5](#); [AEMO, p 2](#); [CEC, p 4](#).

55 Submissions to the directions paper, [CPU, p 5](#); [Endeavour Energy, p 2](#).

The Commission considers the IASR to be a critical input to DNSPs' scenario analysis to ensure consistency across DNSPs when planning their networks and with the ISP, given the greater interdependency between these planning processes.⁵⁷ The Commission also considers flexibility to be necessary to support prudent network planning. The draft rule provides this flexibility by allowing DNSPs to depart from the IASR where it is not practicable to adopt it consistently. However, DNSPs would need to disclose and justify any departure from the IASR to ensure transparency.⁵⁸

The Commission expects that DNSPs would need to draw on their own data and account for localised factors such as climate change impacts, bushfire risk, large connections including data centres, and the growing importance of community resilience. Recent rule changes reinforce the relevance of these considerations. The Commission's final determination to include distribution network resilience in the NER introduced new resilience expenditure factors and additional annual planning requirements to improve transparency, accountability and consumer outcomes during severe weather events.⁵⁹ Incorporating these factors would support DNSPs to accurately inform both their distribution network development plan and regulatory proposals.

2.2.4 The purpose of the distribution network development plan would be established in the NER

Our draft rule would create a clear purpose for the DNDP in the NER to clarify how this new process fits within the broader planning framework. Several stakeholders commented on the purpose of the DNDP, emphasising that it should provide transparency on long term network direction, align distribution planning with the ISP, signal future investment needs to industry, and provide context for regulatory proposals, rather than serving as a static compliance report.⁶⁰

The draft rule would establish the following purpose for the DNDP in the NER:⁶¹

*The purpose of the **Distribution Network Development Plan** is to maximise the long-term interests of consumers across a range of future scenarios.*

The Commission considers that this purpose statement strikes a balance between providing sufficient clarity to guide DNSPs and supporting transparency and coordination. Having a clear purpose in the NER would support consistent implementation of the DNDP and help achieve its intended outcomes, guide the AER in developing its guidelines (section 2.4), and provide a shared reference point for DNSPs, the AER and market participants when engaging through the DNDP process.

Question 2: Is the purpose of the DNDP sufficiently clear?

Is the proposed purpose and role of the DNDP within the broader planning framework sufficiently clear?

If not, what amendments do you consider would improve the clarity of the DNDP's purpose?

56 Submissions to the directions paper, [AEMO, p 2](#); [AER, p 2](#); [CEC, p 4](#); [ECA, p 5](#); [Origin, p 2](#).

57 For example, the ISP must now include a demand-side factors statement to provide a transparent and consolidated explanation of the expected development of the demand-side of the market and the distribution network.

58 Clause 5.13.1(d)(3) of the draft rule.

59 Sch 5.8(j1), (1B) and (m1) of the [Including distribution network resilience in the National Electricity Rules rule change](#).

60 Submissions to the draft determination, [SA Power Networks, p 5](#); [AER, pp 1-2](#); [AEMO, pp 1-2](#); [Ausgrid, p 1](#); [Essential Energy, pp 1-2](#); [ECA, pp 1-2](#); [CPU, pp 1-2](#).

61 Clause 5.13.1(b) of the draft rule.

2.2.5 DNSPs would have flexibility to leverage other processes in developing their DNDP

DNSPs currently undertake extensive engagement for their regulatory proposals, as discussed in section 2.2.1. DNSPs also conduct rigorous analysis and prepare detailed plans and expenditure forecasts for their regulatory proposals. These forecasts typically cover a five, and sometimes ten-year period, to provide evidence to the AER that the DNSP's proposed expenditure is prudent and efficient. The Commission expects that DNSPs would want to draw on their network plans when preparing their regulatory proposals and also leverage the engagement and detailed analysis conducted for their regulatory proposals in developing their network plans.

Our draft rule would facilitate these linkages between the DNDP and regulatory proposal process by requiring DNSPs to submit their DNDP to the AER at the same time they submit their regulatory proposal, every five years.⁶² Aligning these processes provides flexibility for DNSPs to:

- draw on their regulatory proposal processes to provide more detailed forecasts for the first five years of their DNDP
- use their existing consultation process to engage on their distribution network development plans alongside their regulatory proposal

Stakeholders generally supported aligning the DNDP with the regulatory proposal process, noting that this would improve coherence between long-term planning and investment decision-making and provide clearer context for the AER's assessment of proposed expenditure. SA Power Networks considered alignment critical to ensuring DNDPs inform and are informed by regulatory proposals, and to support efficient, whole-of-system outcomes, rather than operating as a standalone document.⁶³ Ausgrid similarly supported alignment, noting that the DNDP would help situate regulatory proposals within a clear long-term vision for network development and evolving system needs.⁶⁴ The AER supported alignment on the basis that it would improve transparency and stakeholder engagement and assist the AER in assessing prudence and efficiency of DNSP proposals, while cautioning that the DNDP should not pre-empt regulatory decisions.⁶⁵

Some stakeholders raised concerns that close alignment between the DNDP and regulatory proposal process could reduce flexibility, create timing mismatches across jurisdictions, or risk conflating long term planning with regulatory decision-making.⁶⁶ The Commission considers that the draft rule appropriately mitigates these concerns by requiring the DNDP to be developed in parallel with DNSPs' regulatory proposals, while providing DNSPs' with the flexibility to determine how best to align the processes. Though the draft rule requires the DNSPs to submit their DNDP to the AER, it is not for the AER's approval. Rather it is in recognition that the DNDP can provide useful context for the DNSP's regulatory proposal and proposed investments.

Overall, the Commission considers a five year DNDP, aligned with the regulatory proposal, would support a streamlined and efficient planning process for DNSPs. This approach would reduce the costs to DNSPs associated with meeting their regulatory obligations. DNSPs would be able to conduct meaningful engagement on long-term network planning without increasing costs for DNSPs or their stakeholders, including consumers. While the Commission expects that DNSPs are already basing their regulatory proposals on their network development plans as part of their usual operations, aligning these processes provides greater transparency for stakeholders on the relationship between network planning and expenditure requests.

62 Clause 5.13.1(a) of the draft rule.

63 Submission to the directions paper, [SA Power Networks, pp 5-6](#).

64 Submission to the directions paper, [Ausgrid, p 1](#).

65 Submission to the directions paper, [AER, pp 1-2](#).

66 Submissions to the directions paper, [EnergyAustralia, pp 2-3](#); [JEC, p 8](#); [TasNetworks, pp 2-3](#).

2.3 Our draft rule would introduce a new annual update

Box 3: DNSPs would be required to publish an annual update to maintain transparency and information sharing

Shifting to a planning report that is published every five years could create a gap in the transparent sharing of information.

Our draft rule addresses this gap by:

- requiring DNSPs to publish an annual update
- specifying the content that the annual update must include
- providing flexibility for DNSPs to develop innovative reporting approaches that enable information to be located where it is most relevant for users.

The Commission considers the annual report balances innovation and reporting efficiency with the ongoing need for clear, accessible, and transparent information for stakeholders.

2.3.1 Requirements under the annual update

Under the draft rule, the existing annual planning process is being replaced. This change removes the need for the DAPR, which previously served as the primary annual vehicle for consolidating and publishing forward-looking planning information. While the new planning process simplifies and modernises planning, it also creates a gap in how planning information is transparently shared on an annual basis.

Stakeholders supported the continued provision of regular information about distribution planning and related processes (e.g. RIT-D projects) within the five year period between DNDPs. Submissions recognised that annual reporting plays an important role in maintaining visibility of network planning inputs, assumptions and outcomes.⁶⁷ However, several stakeholders questioned whether the current DAPR format is the most effective mechanism for delivering this transparency.⁶⁸ In particular, submissions noted that many stakeholders now rely more heavily on dynamic and interactive tools, such as opportunity maps and datasets, rather than static narrative reports. However, stakeholders cautioned that, if information is shifted into separate data channels, it is important that annual reporting continues to provide clear visibility of key planning inputs, assumptions and outcomes, to avoid the loss of essential information currently available through the DAPR.

The Commission continues to consider that the planning framework should require DNSPs to provide a broad range of stakeholders with key information on their network's current and expected near-term state, consistent with ECA's rule change request and stakeholder feedback, and our directions paper. The draft rule would require each DNSP to prepare and publish an annual update by 31 December in the same year they submit their DNDP, so that the DNSPs' first annual update is published at the same time as their revised regulatory proposal. DNSPs would be required to publish the annual update by 31 October in every other year, unless an alternative date is specified in AER guidelines (section 2.4). This would allow DNSPs to publish their annual updates at the same time as their responses to the AER's annual information orders, potentially reducing reporting costs.⁶⁹ The annual update would focus on material changes and recent

67 Submissions to the directions paper [AER p 2](#); [ECA pp 6-7](#); [ENA, pp 2-3](#); [JEC, p 7](#).

68 Submissions to the directions paper [Ausgrid, p 7](#); [AusNet, p 4](#); [Endeavour Energy, p 5](#); [Ergon Energy Network and Energex, p 2](#); [ENA, p 2](#).

69 Clause 5.13.2(b) of the draft rule.

developments since the publication of the DNSP's DNDP or previous annual update, rather than duplicating information already provided elsewhere.

Under the draft rule, the annual update would be required to include, among other things:

- changes to its distribution network, operating environment and assets;
- RIT-D projects it has completed or progressed;
- joint planning with other network service providers
- non-network options that it has considered and any engagement with non-network providers.⁷⁰

This information is intended to ensure stakeholders continue to have access to timely, forward-looking insights on network development, joint planning and investment priorities, notwithstanding the removal of the DAPR.

However, the draft rule would not require the annual update to include changes:

- to planned network projects since the strategic plan or previous year
- in the likelihood of the scenarios that were considered in the DNSP's strategic plan.

This information was proposed in the directions to provide oversight of any changes since the DNDP. We consider that, while this information may still be needed, it would be more effectively implemented through AER guidelines (section 2.4). This approach would allow the AER to consider how best to align the reporting of the planning information with other existing reporting requirements.

Question 3: Have all the implementation considerations for the annual update been identified?

Does the draft rule identify all the critical planning information that would need to be updated annually by DNSPs?

If not, could this information be captured by the AER guidelines published under Clause 5.13.3 of the draft rule?

Should the draft rule also require DNSPs to report in the annual update on changes:

- to planned network projects for the next 5 years since the strategic plan or previous year
- in the likelihood of the scenarios that were considered in the DNSP's strategic plan for the next 5 years?

What would be the benefits of including the above requirement in the draft rule rather than AER guidelines?

Should the draft rule also allow the AER to specify the form of any information or data to be provided in the DNDP and annual update?

Would the proposed reporting dates for the annual update be simple for DNSPs to implement? If not, what is the most suitable alternative date for the annual update?

The draft rule would retain the existing industry engagement obligations for non-network options and

⁷⁰ Clause 5.13.2(a) of the draft rule.

introduce new annual reporting requirements

DNSPs are currently required to undertake industry engagement on non-network options⁷¹ and report on specific issues in respect of non-network options in their DAPR.⁷² While DNSPs would be expected to consult with non-network providers as part of the DNDP, the move to a five-yearly planning cycle would remove the requirements for regular annual consultation.

The Commission anticipates that there will be greater opportunities for non-network options going forward due to the increasing uptake of CER and emerging technologies. As such, the Commission considers it important to maintain an engagement mechanism that supports the identification of non-network options. To address the potential gap in engagement opportunities, the draft rule also introduces a new requirement for DNSPs to report annually as part of their annual update on the engagement they have undertaken with non-network providers.

The requirement for DNSPs to report on their engagement with non-network providers in their annual update is a change from the Directions Paper. The Commission considers this is necessary to require DNSPs to genuinely engage with non-network providers with accountability and transparency in how they have done so.

2.4 The AER would be required to publish planning guidelines

Draft recommendation 1: Requiring the AER to publish planning guidelines

The draft rule would require the AER to develop planning guidelines that:

- must include best practice forecasting guidance
- may specify additional information to be included in the DNDP and annual update if necessary to align the information requirements with other reporting processes
- may specify an alternative publication date for the annual update.

DNSPs would be required to follow the AER planning guidelines, helping create consistency across DNSPs in how scenario analysis is conducted and making it easier for stakeholders to engage. In addition, providing the AER with discretion to add to reporting requirements would provide flexibility to the AER to enable consistent and streamlined reporting for DNSPs, reducing regulatory burden.

The draft rule would require the AER to develop and maintain guidelines to provide additional, binding guidance to DNSPs when preparing the DNDP and annual update.⁷³ The guidelines must include best-practice forecasting guidance to provide clarity and consistency in how DNSPs undertake scenario analysis. The Commission expects that the content of the planning guidelines would be similar to the existing forecasting best practice guidelines that the AER produces to guide AEMO in developing its forecasts for the ISP.⁷⁴ This approach would ensure a level of consistency and transparency of scenario analysis across the NEM (section 2.2.3).

The draft rule would also provide the AER with discretion for the guidelines to specify additional information that the DNDP and annual update must include where necessary to align the information provided with other information that DNSPs must provide under the NER.⁷⁵ This is

71 Clause 5.13.1(f) of the NER.

72 Schedule 5.8 of the NER.

73 Clause 5.13.3 of the draft rule.

74 AER (2020), [forecasting best practice guidelines](#), accessed 16 March 2026.

75 Clause 5.13.3(a) of the draft rule.

intended to allow the AER to promote consistency and minimise duplication between the proposed DNDP and other similar reporting requirements under the NER, such as reporting requirements that form part of DNSPs' regulatory proposals and distribution network data reporting framework (chapter 3). For example, the AER may choose to align the timing of the annual update and/or content with other reporting processes. This approach would allow the AER to maximise synergies between the various reporting requirements and minimise the regulatory burden on DNSPs.

The draft rule gives the AER the flexibility to publish these planning guidelines and guidelines that support distribution network data reporting (chapter 3) as a single document.⁷⁶ This would allow the AER to set common data reporting standards, ensuring data used by DNSPs to support their forecasts and models in the DNDP is consistent with data published under the data reporting obligation. This would allow DNSPs' stakeholders to more readily compare and understand common or related information.

The AER must consider the purpose of the DNDP and follow the Rules consultation procedures when developing or amending the guidelines.⁷⁷ The draft rule also requires the AER to review the guidelines at least once every five years to ensure they remain fit for purpose.⁷⁸

76 Clause 5.13.3(d) of the draft rule.

77 Clause 5.13.3(b) of the draft rule.

78 Clause 5.13.3(c) of the draft rule.

3 Our draft rule would establish a new distribution network data reporting framework

Box 4: Draft determination - Rule 5.13A would be amended to implement a new distribution network data reporting framework

We found in the directions paper that there are issues with the visibility of the distribution network, particularly visibility of available network capacity. While DNSPs had begun independently addressing these issues through the publication of data, there is a material risk that the DNSPs are adopting inconsistent processes, making it difficult to assess information across the NEM.

There are also differences in the level of low voltage network data transparency provided by the DNSPs. Energy consumers may therefore experience different levels of data transparency, depending on the network location. This then inhibits their ability to make informed investments in CER. Similarly, it also makes it more difficult for other stakeholders to make informed connection requests and investments.

We proposed in the directions paper to establish a distribution network data reporting framework ("the framework"). The framework is intended to improve the collection and publication of distribution network data, while maintaining flexibility to adapt to the outcomes of other ongoing projects, such as the national CER roadmap.

Our draft determination is that the framework remains the most effective means for the reporting of appropriate, up to date and consistent data by DNSPs for their stakeholders. The framework would provide the flexibility and transparency required to improve visibility of the distribution network. It would also provide scope for the framework to adapt to changes in stakeholder requirements as the use of the distribution network continues to evolve with the increasing uptake of CER.

There are several elements of the framework that would be established in the NER including:

- the proposed purpose of the framework
- a requirement for DNSPs to follow AER guidelines
- three core principles that the AER would have to consider when producing the guidelines
- a requirement for the AER to produce the guidelines by 1 March 2028, and for DNSPs to adhere to them within 6 months
- a requirement for the AER to review the guidelines at least every 5 years
- a requirement for the AER to follow the rules consultation procedure when developing or amending the proposed guidelines.

We consider that this approach is more preferable than the rule change proposed by ECA. While it is less prescriptive, the greater flexibility in our draft rule would allow it to more effectively integrate with the outcomes of related projects. It would also be more responsive to changes in technology, facilitating improvements in data reporting without requiring further rule changes. The framework would also allow for DNSPs to adopt ECA's proposed network data roadmaps. As such, we consider our draft rule would better promote efficient investment in electricity services for the long term interests of consumers, as required by the NEO, than ECA's proposed approach.

3.1 The distribution network data reporting framework would have its purpose established in the NER

The directions paper proposed a broad scope for the framework. In the absence of a detailed description, this created some uncertainty amongst stakeholders about the types of data that would be captured.

There was also concern amongst some stakeholders, including Citipower, Powercor and United Energy, and Ausgrid on whether the framework would effectively address the issues identified in the directions paper:

- A lack of visibility of distribution networks, including the low voltage network which would hinder consumers, communities and non-network participants from making effective, informed investments in CER.⁷⁹
- An emerging material risk that DNSPs are adopting inconsistent processes making it difficult to assess and compare information across the NEM.⁸⁰

There was further concern that DNSPs' customers and stakeholders could potentially pay for the collection and provision of data that did not benefit them directly, but was of direct commercial benefit to other stakeholders such as aggregators and retailers.⁸¹

Our draft rule would establish a purpose for the framework with a clear nexus between the identified issues and the objective of the guidelines. It would also clarify the types of distribution network data that the framework is intended to capture, while ensuring that the costs of collecting and publishing the data are front of mind (section 3.3).

Given this, we consider that the purpose of the framework is:

To improve visibility on the state of distribution networks, in a way that maximises the benefits to current and prospective network users, including visibility on:

1. *the current state of distribution networks, such as available capacity at zone substations or indicative local network constraints;*
2. *the historical state of distribution networks, such as utilisation or levels of curtailments; and*
3. *the expected state of distribution networks within the next 5 years, such as whether there are known constraints on zone substations and any existing plans to address them.*⁸²

This purpose frames how the AER would design and implement the guidelines, including the types of data that it would seek to incorporate into the guidelines.⁸³ This approach, when combined with the proposed principles (section 3.3), would require the AER to have regard to the benefits and costs of collecting and publishing the data types outlined above.

Question 4: Does the purpose provide appropriate guidance on the scope of the framework?

Does the framework's purpose provide clarity on the different types of data that are intended to be captured in the AER's guidelines (section 3.2)?

If not, what types of data would not be captured by the current framing of the purpose? What

79 Submissions to the directions paper, [CPU, p 6](#).

80 Submissions to the directions paper, [Ausgrid, p 6](#).

81 Submissions to the directions paper, [CPU, p 6](#).

82 Clause 5.13A.1(b) of the draft rule.

83 Clause 5.13A.2(b).

would be the benefits of including this data in the framework’s purpose or scope?

3.2 The guidelines would establish data reporting requirements for DNSPs

We proposed in the directions paper that DNSPs would be required to publish distribution network data in accordance with guidelines that would be published by the AER.⁸⁴

Our draft determination is that the proposed distribution network data reporting guidelines would provide the most effective mechanism for ensuring DNSPs are publishing up to date data in a consistent format that is readily accessible by relevant stakeholders.

We expect that the AER would account for the differences in DNSPs’ data capabilities and access to data when preparing the guidelines.

DNSPs currently have varying levels of data reporting capabilities due to differences in systems, stakeholder requirements, and access to smart meter data. We expect these differences will be less significant in the future as DNSPs invest in IT systems and the smart meter rollout continues.

In the near term, these differences mean that not all DNSPs would be able to provide access to the same level and quality of data. We expect that this would result in some DNSPs requiring more time to fully comply with any more rigorous reporting requirements if included in the proposed AER guidelines. We expect the AER would consider this when preparing the guidelines and that it would choose to implement tiered reporting requirements for the initial transition period, noting that we are proposing to require DNSPs to comply with the guidelines within 6 months of the AER publishing them (section 4.3).⁸⁵

This tiered approach would allow DNSPs to improve their data capabilities in the most effective manner. We expect that after the transition there would be standard reporting requirements for all DNSPs.

We expect that the guidelines would allow the AER to impose additional requirements that it considers are needed, such as requiring DNSPs to produce data roadmaps

Some stakeholders, such as the AER and CEC called for the adoption of data roadmaps.⁸⁶ We consider that data roadmaps would provide an effective mechanism for DNSPs to engage with sophisticated stakeholders on their data needs. However, it is not clear that it would be beneficial for all stakeholders across the distribution networks in the NEM. For example, in areas where there continues to be lower uptake of CER.

Accordingly, we are not proposing to include data roadmaps as a requirement in the framework. However, our draft rule would allow the AER to require DNSPs to prepare and publish a data roadmap.⁸⁷ In doing so, the AER would have to consider the three principles outlined in section 3.3, including whether there are net economic benefits from requiring DNSPs to prepare data roadmaps. The draft rule would also require the AER to have regard to existing reporting requirements, which we anticipate would include initiatives already under way by DNSPs, locational differences between the availability and usefulness of data, and the outcomes of the CER roadmap initiatives. This issue was noted in several submissions.⁸⁸

84 AEMC, [directions paper](#), p27.

85 Clause 5.13A.2(d) of the draft rule.

86 Submissions to the directions paper, [AER, p 3](#); [CEC, p 20](#).

87 Clause 5.13A.2(d) of the draft rule.

We acknowledge that some stakeholders would have preferred more prescriptive requirements, for example, ECA.⁸⁹ This would have resulted in a baseline level of data being published by all DNSPs.

However, we remain of the view that being overly prescriptive in the rules would prevent data reporting obligations from evolving with the needs of end users. Being overly prescriptive in the rules would also hinder innovation in reporting by DNSPs, many of which are currently investing in these capabilities.

Additionally, unnecessary prescription in the rules may require DNSPs to publish data that becomes marginally useful or irrelevant over time, while still incurring a cost to consumers. We consider that the existing issues identified with the current distribution annual planning process and reports should be avoided under the new rule.

3.3 The AER would be required to consider three principles when preparing the guidelines

Our draft determination is that the AER should have sole responsibility for preparing the proposed network data reporting guidelines in accordance with three principles. Our draft rule would require the AER to consider:

1. *the net economic benefit of compliance with the guidelines;*
2. *protection of confidential information and personal information; and*
3. *data that would otherwise be publicly available.*⁹⁰

This is consistent with the approach we proposed in our directions paper. We considered that this approach would allow the AER to make guidelines that support ongoing improvements in network data publication and transparency.

We further proposed in the directions paper a set of principles that the AER would be required to consider when producing the proposed distribution network data reporting guidelines.⁹¹ The proposed principles were intended to acknowledge the costs DNSPs incur collecting and publishing data, so that any data published would be useful and provide a net benefit. The principles were also intended to provide the AER with the flexibility needed to draw on data sets from existing and future processes, such as the AER's existing performance monitoring and reporting and the proposed CER data exchange, without having to duplicate them.

While we have reduced the number of proposed principles, we consider that the above three overarching principles capture the intent of the previously proposed 6 principles. We also consider that the application of a net economic benefit test would allow the AER to consider consumer benefits, DNSP cost of provision (including varying capabilities between DNSPs) and potential use cases.

A comparison of the three principles in the draft rule and the six principles in the directions paper is made in Table 3.1.

88 Submissions to the directions paper, [CEC, p 5](#); [AEMO, p 2](#); [CPU, p 6](#); [Endeavour Energy, p 4](#); [Essential Energy, p 3](#); [Ausgrid, p 6](#).

89 Submissions to the directions paper, [ECA, p 8](#).

90 Clause 5.13A.2(b) of the draft rule.

91 AEMC, [directions paper](#), p. 27.

Table 3.1: Proposed principles for the AER to follow when preparing the guidelines

Version of the principles in the draft rule	Version of the principles in the directions paper
Net economic benefit of compliance with the guidelines.	The consumer benefit of requiring DNSPs to publish particular data types or data sets.
	Whether the consumer benefit is sufficient to offset the cost to DNSPs publishing the data.
	Differences in DNSP data capabilities and how this can be managed (e.g. transition periods for some DNSPs).
	The potential use cases for the data.
Protection of confidential information and personal information.	(Separately specified in the directions paper).
Data that would otherwise be publicly available.	The feasibility of collecting and publishing the data in the proposed format.
Consultation requirements for the AER would be established in the rules (section 3.5).	Feedback provided by stakeholders during the consultation period.

Question 5: Does the draft rule provide appropriate guidance for the AER when preparing the guidelines?

Do the principles and the framework’s purpose capture all the relevant considerations for the AER when it prepares its guidelines? If not, what additional considerations do you consider are missing and what would be the benefits of including them in the draft rule?

Does allowing for additional requirements, such as the publication of data roadmaps, create an overly broad scope for the guidelines?

If so, how could this be addressed? Would additional restrictions for these provisions be sufficient or should they be a separate requirement from the guidelines?

3.4 The AER would be required to consider if the guidelines need to be reviewed at least every 5 years

We proposed in the directions paper to adopt the distribution network data reporting framework as we considered guidelines to be the most effective mechanism for providing appropriate, up to date and consistent data.⁹²

However, in the absence of regular updates and reviews, there is a risk that the guidelines would become outdated, given the rapidly evolving landscape of distribution system operations, data, customer requirements, reporting tools and analytical techniques. The risk is twofold – not only could the guideline fail to meet current information needs, but DNSPs may be forced to allocate scarce resources to compiling information that is no longer required.

Our draft determination is to require the AER to review the guidelines at least every 5 years which would mitigate the above risks, while maintaining the benefits of adopting guidelines and avoiding prescriptive requirements in the NER.⁹³ This would ensure the AER regularly considers whether

92 AEMC, [directions paper](#), p. 28.

93 Clause 5.13A.2(e) of the draft rule.

the guidelines remain fit for purpose on an ongoing basis, without compelling the AER to conduct full reviews inside a 5-year period if they are not needed.

This also provides the AER with flexibility to review and amend the guidelines at any time should it identify a need to do so. For example, a review may be conducted to reflect the outcomes of the national CER roadmap or improve harmonisation with related processes such as the proposed Distribution Network Development Plan (chapter 2) or a regulatory proposal.

3.5 The AER would be required to follow the Rules consultation procedures when it develops or amends the guidelines

One of the principles we proposed in the directions paper (section 3.3) would have required the AER to consider feedback provided by stakeholders during the consultation period. However, we did not specify a consultation period or approach in the directions paper.⁹⁴

Our draft rule would require the AER to follow the Rules consultation procedures in rule 8.9 of the NER, when developing or amending the guidelines. The AER would need to decide whether to follow the standard, expedited or minor consultation procedures, based on the criteria in rule 8.9. The AER would also not need to follow the consultation procedure when it is not proposing any amendments after its initial review (section 3.4).⁹⁵

We consider this approach provides an effective framework for any consultation by the AER on the guidelines. The three different consultation procedures in rule 8.9 would allow the AER to adopt the procedure that is best suited to the extent or types of amendments it is considering to the guidelines. These procedures are also well known and understood by stakeholders. As such, we anticipate adopting the procedures would minimise the costs of consultation for all parties.

We also consider that the creation of the data reporting guidelines does not warrant a bespoke consultation framework. Adopting an existing, standardised framework would further reduce implementation costs while ensuring stakeholders are effectively engaged.

⁹⁴ AEMC, [directions paper](#), p. 28.

⁹⁵ Clause 5.13A.2(b) of the draft rule.

4 Implementation, transitional and consequential arrangements

Box 5: Proposed implementation and transitional arrangements under the draft rule

In the directions paper we proposed to implement our planning framework across seven years and the data reporting framework in two years from a final rule, if made. We have further considered how each of these frameworks can be implemented following stakeholder feedback.

Our draft determination is that the planning framework would be implemented in four years rather than seven. While this is faster than proposed by ECA or our directions paper, we consider that the revised planning process we proposed in chapter 2 would be less complex to implement. However, we also acknowledge that the process cannot be implemented in full by DNSPs with regulatory proposals due before 2030. As such, our draft rule would not require these DNSPs to meet all the proposed obligations for their first DNDP.

In comparison, our draft determination for the data reporting framework is that two years remains an appropriate implementation timeframe. This would allow the AER around 18 months to prepare the proposed data guidelines (chapter 3) and allow DNSPs another 6 months to become compliant.

4.1 DNSPs would be required to develop a DNDP for their next regulatory proposal

Our draft determination is that the DNDP framework would be implemented by each DNSP with their next regulatory proposal. This would ensure each DNSP would have a long term plan in place for their distribution network within four years of a final rule, if made. While this is shorter than the seven year timeline proposed in our directions paper, we consider this shorter timeframe is feasible given the revised policy positions outlined in this draft determination (chapter 2).

However, we also recognise that it would not be feasible for DNSPs with regulatory proposals due before 2030 to follow the entire DNDP process for their first plan. Our draft rule would address this issue by providing that ACT, NSW and Tasmanian DNSPs (due to submit their next regulatory proposals to the AER by 31 January 2028) and Queensland and South Australian DNSPs (due to submit their regulatory proposals to the AER by 31 January 2029) are not required to include forecasts of metrics underpinning their low voltage networks in their initial DNDP.⁹⁶ ACT, NSW and Tasmanian DNSPs would also not be expected to follow the proposed AER planning guidelines for their initial DNDP, given the guidelines would not need to be published until 1 March 2028 (section 4.2).⁹⁷

We expect that this implementation approach would lower the cost of adopting the proposed DNDP framework despite the proposed reduction in implementation time. It is also more likely that there would be less consistency and transparency between the DNDPs in the short term, but this would reduce as the new process became embedded and the proposed AER guidelines were published.

⁹⁶ Clause 11.XXX.3 of the draft rule.

⁹⁷ Clause 11.XXX.3(a) of the draft rule.

4.1.1 The system limitations template would apply to the first DNDPs for ACT, NSW and Tasmanian DNSPs

Our draft rule would remove the system limitations template and replace it with the proposed distribution network planning guidelines (section 2.4). However, these guidelines would not be implemented until after DNSPs in NSW, ACT and Tasmania have prepared their first DNDP (section 4.2). To address this gap the draft rule would require DNSPs in NSW, ACT and Tasmania to continue publishing the relevant parts of their DNDP in accordance with the system limitations template.⁹⁸

4.2 The AER would be required to make the distribution planning guidelines by 1 March 2028

We set out in chapter 2 that the AER would be required to prepare distribution network planning guidelines to create a level of consistency between the DNSPs' planning approach as well as with other regulatory reporting requirements. The draft rule would require the AER to prepare these guidelines by 1 March 2028.⁹⁹ We have proposed this timeline as it would:

- not significantly impact the initial implementation of the DNDP (section 4.1)
- provide the AER with sufficient time to analyse and address any inefficiencies identified between the proposed DNDP and regulatory proposal.

We expect that greater transparency and consistency in long term distribution planning would provide a range of benefits to consumers, their agents and industry stakeholders. It would support the provision of a wider range of non-network options for DNSPs to consider and provide greater visibility of long term distribution network plans (chapter 2 and chapter 3 of the directions paper).

We also recognise that the preparation and maintenance of the proposed data reporting and planning guidelines would create an additional impost for the AER. The proposed timeline would allow the AER to effectively manage its resourcing and work priorities. We expect that this would reduce the overall cost to the AER while supporting the successful implementation of our proposed distribution planning and data reporting frameworks.

4.3 The AER would be required to make the distribution data reporting guidelines by 1 March 2028 and DNSPs would have 6 months to implement them

We set out a proposed implementation timeline for the data reporting framework in our directions paper.¹⁰⁰ We proposed that DNSPs would be required to meet the new data reporting requirements within 2 years, subject to the AER publishing the proposed data reporting guidelines.

Our draft determination is that this timeframe remains appropriate. Our draft rule would provide the AER until 1 March 2028 to produce the guidelines and DNSPs 6 months to implement them.¹⁰¹

We acknowledge that there was an appetite from some stakeholders for faster reform to support the ongoing uptake of CER and investment in supporting infrastructure, such as EV chargers.¹⁰² In comparison, other stakeholders were supportive of longer timeframes to support the

98 Clause 11.XXX.3(a) of the draft rule.

99 Clause 11.XXX.2 of the draft rule.

100 AEMC, [directions paper](#), p. 29.

101 Clauses 11.XXX.2 and 11.XXX.5 of the draft rule.

102 Submissions to the directions paper, [CEC, p 6](#).

implementation of complex reforms to planning and data reporting, as well as the more gradual roll-out of smart metering in rural areas.¹⁰³

We consider that the AER requires time to consult to better understand stakeholder requirements and how to manage the differences in DNSPs' data capabilities (section 3.2). DNSPs also require time to transition their reporting systems from existing requirements for the distribution annual planning process to the guideline's requirements.

As such, we do not consider it would be feasible to implement the proposed data reporting framework faster than 2 years without significant costs to DNSPs as well as risking an early revision to requirements soon after initial implementation. We also do not consider that there would be any benefit from delaying the transition to the proposed framework beyond 2 years. Further delays would prevent the proposed data reporting framework from generating improved visibility of distribution networks and supporting more efficient use of the distribution network by CER investors and other stakeholders.

4.4 The draft rule would facilitate Victorian DNSPs reporting their annual update with their jurisdictional annual plan

We acknowledged in the consultation and directions paper that Victorian DNSPs also have specific jurisdictional planning requirements.¹⁰⁴ Specifically, they are required to annually plan their networks using a five year horizon and report how it plans to meet predicted demand, amongst other things.¹⁰⁵ In practice, this means that Victorian DNSPs would continue preparing an annual plan as well as the Annual Update and five yearly Distribution Network Development Plan.

Given this, we have considered how the proposed annual update would interact with the existing Victorian jurisdictional requirements. Our assessment is that the Victorian DNSPs would be required to report some additional information under the annual update that would not be captured by the jurisdictional requirements. For example, a summary of joint planning outcomes (section 2.3). As such, we expect that the Victorian DNSPs would be able to satisfy the annual update requirements so long as this additional information is reported along with their jurisdictional plan. The draft rule would facilitate this as the annual update provisions are sufficiently flexible to allow Victorian DNSPs to jointly report the annual update with their jurisdictional planning report.

We are interested in understanding stakeholder views on our proposed approach to managing the interactions between the Victorian jurisdictional requirements and the proposed annual update. In particular, whether the annual update is sufficiently flexible to minimise the regulatory burdens on Victorian DNSPs.

4.5 The draft rule includes minor and consequential changes

In updating the distribution planning framework, the draft rule would also remove duplicative definitions in the NER. For example, for relevant terms that are defined in both clause 5.10.2 and Chapter 10 of the NER, the draft rule either:

- removes the definition from Chapter 10, if the term is only used in Part D and schedules 5.4A, 5.8, 5.9 and 5.13 of the NER, or

¹⁰³ Submissions to the directions paper, [Essential Energy, p 3](#).

¹⁰⁴ AEMC, [Consultation paper](#), p 17 and [Directions paper](#), pp 33-34.

¹⁰⁵ [Victorian Electricity Distribution Code of Practice](#), clause 19.4.1.

- removes the definition from clause 5.10.2, if the term is used in other parts of the NER.

The draft rule includes further amendments to account for these changes to the definitions as well as other consequential changes that would result from replacing the DAPR with the new distribution planning framework.

The Commission considers that these minor changes will contribute to the achievement of the NEO by reducing the regulatory burden associated with understanding and complying with the NER, and therefore allowing electricity services to be provided more efficiently.

5 The rule would contribute to the energy objectives

The Commission is satisfied that the draft rule is likely to contribute to the achievement of the NEO and is in the long-term interest of consumers. The proposed rule is consistent with the Commission’s approach in recent draft determinations, where reforms improve information availability, planning and coordination rather than prescribing outcomes. We have applied the legal framework, including through the assessment criteria, to reach our draft conclusion.

5.1 The Commission must act in the long-term interests of energy consumers

The Commission must act in the long-term interest of energy consumers and has an obligation under the NEL to act in a manner that contributes to the NEO. The Commission can only make a rule if it is satisfied that the rule will or is likely to contribute to the achievement of the relevant energy objectives.¹⁰⁶

For this rule change, the relevant energy objective is the NEO:

The NEO is:¹⁰⁷

to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to—

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of the national electricity system; and
- (c) the achievement of targets set by a participating jurisdiction—
 - (i) for reducing Australia’s greenhouse gas emissions; or
 - (ii) that are likely to contribute to reducing Australia’s greenhouse gas emissions.

The [targets statement](#), available on the AEMC website, lists the emissions reduction targets to be considered, as a minimum, in having regard to the NEO.¹⁰⁸

5.2 We have considered whether to make a more preferable rule

The Commission may make a rule that is different, including materially different, to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule is likely to better contribute to the achievement of the NEO.¹⁰⁹

For this rule change, the Commission made a more preferable draft rule. While the draft rule adopts elements of the proposed rule, we have made several amendments and adopted alternative solutions. These changes would lead to a distribution planning framework that is fit for purpose, addresses the identified emerging challenges and is consistent with the broader direction of reform (section 5.2.1). The changes would also create a more flexible and adaptable

106 Section 88(1) of the NEL.

107 Section 7 of the NEL.

108 Section 32A(5) of the NEL.

109 Section 91A of the NEL.

distribution network data reporting framework that is more responsive to changes in stakeholder requirements (section 5.2.2).

5.2.1 Our draft rule best addresses the emerging challenges for distribution network planning

Our draft rule would implement an alternative planning framework, the DNDP (chapter 2), to the proposed IDSP. We consider that the DNDP would be simpler and quicker to implement for DNSPs and the AER. It would create a stronger link between the distribution planning and economic regulatory framework in chapter 6 of the NER. This would reduce the regulatory burden for DNSPs while improving the quality of distribution network planning. In addition, the draft rule would better address the uncertainty created by the increasing uptake of CER than the proposed IDSP.¹¹⁰

Key differences between the DNDP and IDSP include:

- A five yearly planning cycle, allowing for more rigorous planning and meaningful engagement with stakeholders.
- Requiring DNSPs to adopt scenario analysis when preparing their DNDPs, to better address the uncertainty created by the increasing uptake of CER, as well as longer planning horizons.
- A purpose for the DNDP so it is clear to stakeholders how the DNDP fits within the broader planning framework.
- Flexible stakeholder engagement requirements, allowing DNSPs to draw on existing engagement processes while incentivising broader engagement.
- Retaining annual reporting, to maintain transparency of the expected near to medium term state of the distribution network.

The DNDP is consistent with policy option 3 in the directions paper

We have further considered the merits of each of the three policy options that we outlined in the directions paper when preparing our draft determination:

- **Policy option 1** - implement the DNDP to directly address the emerging challenges in distribution network planning, while also reforming the existing distribution annual planning process to improve transparency.
- **Policy option 2** - reform the existing distribution annual planning process to not only improve transparency, but also provide a longer term plan for DNSPs' distribution networks.
- **Policy option 3** - replace the existing distribution annual planning process with the DNDP and annual update, while also improving transparency.

Our assessment is that policy option 3 would best address the emerging challenges for distribution network planning, while retaining transparency. This has been reflected in the DNDP (chapter 2). While we originally indicated a soft preference for policy option 1, we have revised our evaluation following our review of stakeholder submissions and feedback from further targeted consultation.

We have made minor adjustments to the annual update in response to stakeholder feedback. With these adjustments, we now consider that policy option 3 would provide similar levels of transparency to policy option 1. As such, policy option 1 and 3 provide similar benefits. However, policy option 3 is less complex to implement and this would allow the benefits of the DNDP to be realised sooner.

¹¹⁰ A detailed assessment of ECA's proposed rule is set out in appendix A of the [directions paper](#).

In comparison, policy option 2 would be simple to implement and also improve transparency of DNSPs long term plans. However, it would lead to less transparency of the expected near to medium term state of a distribution network, as there would not be a targeted reporting mechanism like the annual update. Policy option 2 would also have maintained the current DAPR and annual planning process, limiting the ability of DNSPs to adopt novel reporting methods and more rigorous planning approaches, or to realise as many synergies with the revenue determination process.

5.2.2 Our draft rule would more effectively address the issues with distribution network data reporting

Our more preferable draft rule would also better address the issues identified with distribution network visibility and data reporting than the proposed rule (chapter 3).¹¹¹ As noted above, it would result in a flexible framework that would be proportional to the identified issues, while ensuring distribution network visibility is improved over time.

Key differences between our draft rule and the proposed rule include:

- creating a clearer delineation between distribution network planning information, including forecasting, and distribution network data
- establishing a clear scope for the data reporting framework, which creates clear guardrails for the framework while providing flexible data publishing requirements
- requiring DNSPs to publish data in accordance with AER guidelines, allowing for less prescription in the rules while maintaining consistency in data reporting between DNSPs
- clarifying the role of the AER in the framework.

These changes mean our draft rule better reflects principles of good regulatory practice and implementation considerations, while delivering the intended improvements to market efficiency (section 5.4).

5.3 We have considered whether to make a draft rule for the Northern Territory

The NER, as amended from time to time, apply in the Northern Territory, subject to modifications set out in regulations made under the Northern Territory legislation adopting the NEL.¹¹² Under those regulations, only certain parts of the NER have been adopted in the Northern Territory.

In developing the draft rule, the Commission has considered how it should apply to the Northern Territory according to the following questions:

- Should the NEO test include the Northern Territory electricity systems? Yes. For this rule change request, the Commission has determined that the reference to the “national electricity system” in the NEO includes the local electricity systems in the Northern Territory and the national electricity system.
- **Should the rule be different in the Northern Territory? The Commission has determined to make a differential rule that disapplies the draft rule for the Northern Territory. The draft rule would not have effect in the Northern Territory and no amendments to the NER as applied in the Northern Territory would be made as a result of the rule. This determination contributes to the achievement of the NEO by avoiding the costs, complexity and ambiguity likely to arise in the Northern Territory regulatory framework if a uniform rule was made.**

¹¹¹ A detailed assessment of the issues is in the [directions paper](#).

¹¹² These regulations under the NT Act are the National Electricity (Northern Territory) (National Uniform Legislation) (Modifications) Regulations 2016.

See Appendix C for more detail on the legal requirements for our decision.

5.4 How we have applied the legal framework to our decision

The Commission must consider how to address the emerging challenges in distribution network planning against the legal framework. The Commission has considered the NEO and the issues raised in the rule change request, and has assessed the more preferable draft rule against the assessment criteria outlined in the consultation paper.¹¹³

We identified the following assessment criteria to assess whether the proposed rule change, no change to the rules (business-as-usual), or other viable, rule-based options are likely to better contribute to achieving the NEO:

- **Safety, security and reliability**
- **Emissions reduction**
- **Principles of market efficiency**
- **Implementation considerations**
- **Principles of good regulatory practice**

These assessment criteria reflect the key potential impacts – costs and benefits – of the rule change request, for impacts within the scope of the NEO. Our reasons for choosing these criteria are set out in section 4.3.2 of the consultation paper.¹¹⁴ We have not changed these criteria as they were supported by stakeholder submissions to the consultation paper.

The Commission has evaluated the impacts of the various policy options against the assessment criteria, taking into account stakeholder submissions to both the consultation and directions papers. The rest of this section explains why the draft rule best promotes the long-term interest of consumers.

5.4.1 Safety, security and reliability

The draft rule would support safety, security and reliability through the implementation of a new distribution planning and data reporting framework that encourages long term planning by DNSPs. This would support DNSPs to:

- improve visibility of their distribution networks, including where system limitations are emerging
- adopt more rigorous forecasting practices, so DNSPs can better account for changing load profiles and increasing CER uptake and future network constraints
- identify the most efficient long term network investments to address identified security and reliability issues
- work with CER investors to better situate and configure their investments to support the distribution network (e.g. through the location of storage near constrained parts of the network).

5.4.2 Supporting emissions reduction

Our draft rule would indirectly contribute to emissions reduction by supporting the transition to a lower-emission energy system. It would create a standardised, transparent long term planning framework for DNSPs. This would assist DNSPs to proactively identify and address challenges to

¹¹³ AEMC, Integrated Distribution System Planning, [Consultation paper](#), 26 June 2025, pp 25-26.

¹¹⁴ AEMC, Integrated Distribution System Planning, [Consultation paper](#), 26 June 2025, pp 25-26.

the effective integration of CER on their networks. Improved planning transparency would also support the rollout of supporting infrastructure for the transition, such as EV charges.

The proposed distribution network data reporting framework would also provide greater transparency over the current and expected near term state of the distribution networks. This would assist stakeholders, including consumers and their agents, to make more informed investments in CER, taking into account relevant considerations such as the potential curtailment of any electricity exports. More efficient investment in, and use of CER, would reduce reliance on alternative sources of generation and support emissions reductions.

5.4.3 Improving market efficiency

Our draft rule would improve the availability of information for DNSPs' stakeholders, including in downstream markets and the market for non-network solutions. This would:

- **Support allocative efficiency** across investment and planning - Non-network providers would be able to identify more targeted non-network options, providing DNSPs with a wider range of high quality solutions. Operators in downstream markets would also be better placed to situate their investments in areas that may benefit the network, or impose reduced costs (e.g. it would be easier for community batteries to be located near constrained sections of distribution networks, improving outcomes for the batteries and network).
- **Reduce information asymmetries and support competition** as operators in downstream markets and providers of non-network solutions would have improved access to information on the current and expected state of the network. Operators in downstream markets would then have similar levels of information to DNSPs, particularly where they may be in direct competition (e.g. the provision of EV charges and community batteries).

5.4.4 Implementation considerations

Our draft rule would balance the cost and complexity of implementation by:

- establishing clear roles for the DNSPs and market bodies in the proposed DNDP and data reporting framework
- incorporating transitional arrangements to support DNSPs as they replace the DAPR with the proposed DNDP
- setting out a clear implementation timeline for the new distribution network planning and data reporting frameworks
- improving trust and social licence by encouraging greater consultation between DNSPs' and their stakeholders during the network planning process.

Our draft rule also accounts for the differences in jurisdictional arrangements, such as the ongoing planning requirements for Victorian DNSPs, through flexible reporting requirements and reliance on public information. The draft rule would assist in building trust and social licence, by improving transparency and visibility of distribution networks and network plans.

5.4.5 Principles of good regulatory practice

We have reflected the principles of good regulatory practice when preparing the draft rule, so that it would:

- **Promote predictability and stability** by creating a framework that is future proof and minimises the need for any future rule changes.

- **Create greater transparency** by establishing clear links between the distribution planning and economic regulatory framework in the NER. Stakeholders would then have greater visibility of how DNSPs proposed expenditure relates to planned investments over the long term.
- **Be consistent with the broader direction of reform** currently being progressed, such as through projects under the national CER roadmap.
- **Promote a principles-based approach** by establishing principles for the planning and data reporting framework in the rules, while reducing the level of prescription. This would make the NER more adaptive to changes in distribution planning and data requirements as the energy system continues to transition and new technology emerges.

A Rule making process

A standard rule change request includes the following stages:

- a proponent submits a rule change request
- the Commission initiates the rule change process by publishing a consultation paper and seeking stakeholder feedback
- stakeholders lodge submissions on the consultation paper and engage through other channels to make their views known to the AEMC project team
- the Commission publishes a draft determination and draft rule (if relevant)
 - stakeholders lodge submissions on the draft determination and engage through other channels to make their views known to the AEMC project team
- the Commission publishes a final determination and final rule (if relevant).

This rule change also included a directions paper before this draft determination to allow for further public consultation on the complex issues raised in the rule change request. The directions paper set out several policy options to test with stakeholders.

You can find more information on the rule change process on our website.¹¹⁵

A.1 Energy Consumers Australia proposed a rule to reform the current distribution planning process in the NER

Energy Consumers Australia (ECA) submitted a rule in January 2025 to make distribution network planning more proactive and transparent. It is concerned that the existing framework is not leading to distribution network planning that is transparent and effectively supports the increasing uptake of consumer energy resources (CER). It requested we make a rule to improve the distribution planning framework in the NER by requiring DNSPs to adopt a long term planning process and publish more data.

A.2 The proposal addressed a lack of information and visibility of distribution networks

ECA submitted its rule change as it is concerned that the current distribution annual planning process does not result in:

- proactive engagement with communities
- adequate consideration of the uptake of CER
- sufficient incorporation of outcomes of the Integrated System Plan (ISP)
- sufficient data to fully inform the ISP process.

Without reform, ECA believes these issues will lead to:

- active communities not contributing to the planning of the local network
- lower utilisation of network assets and greater curtailment of energy generated from CER.

ECA also considers that there is a need for greater transparency of distribution networks and network planning. It considers that the lack of transparency is preventing more rigorous benchmarking and cross-comparisons of distribution network service providers (DNSPs) by the Australian Energy Regulatory (AER) and interested parties. It also considers the lack of

¹¹⁵ See our website for more information on the rule change process: <https://www.aemc.gov.au/our-work/changing-energy-rules>

transparency is preventing consumers, communities and other third parties from making informed investments in CER, to the detriment of the investor and the network.

A.3 It proposed to do so by implementing a new distribution planning and data publication framework

ECA proposed to address these issues by replacing the existing distribution annual planning process with a new biennial Integrated Distribution System Plan (IDSP) process. The IDSP process would require each DNSP to release a planning report every two years, alternating with the ISP. ECA considered that this would allow the IDSPs to both draw on and inform the modelling of the ISP.

ECA also proposed a new data reporting framework that would require DNSPs to produce a Network Data and Insights Roadmap. DNSPs would be required to outline in the roadmap how they will meet the requirements of the IDSP process over an initial seven-year period. For example, how they will develop the capability to collect and utilise more data at greater spatial granularity as proposed by ECA. This would support the transition from the existing planning process to the IDSP while also allowing for greater accountability of DNSPs.

A.4 The process to date

On 26 June 2025, the Commission published a notice advising of the initiation of the rule making process and consultation in respect of the rule change request.¹¹⁶ A consultation paper identifying specific issues for consultation was also published. Submissions closed on 24 July 2025. The Commission received 30 submissions as part of the first round of consultation. Issues raised by stakeholders were discussed and responded to in the directions paper published on 16 October 2025.

Submission for the directions paper closed on 13 November 2025. The Commission received 24 submissions as part of the second round of consultation. The Commission considered all issues raised by stakeholders in submissions. Issues raised in submissions are discussed and responded to throughout this draft rule determination.

¹¹⁶ This notice was published under section 95 of the NEL.

B Comparison of Current DAPR requirements with the DNDP and annual update

Under the current National Electricity Rules (NER), distribution network planning information is primarily disclosed through the distribution annual planning report (DAPR), published annually under rule 5.13.2 and Schedule 5.8. The DAPR combines, within a single document, the requirements set out under table B.1. As identified through this rule change process, the Commission has found that this framework is not well suited to emerging distribution system challenges.

B.1 Treatment of existing DAPR information

The draft rule does not remove categories of information currently required under the DAPR, with the exception of **DER and embedded generation connection requests**. Instead, it reallocates information based on its function and time horizon:

- **Long-term information currently disclosed annually through the DAPR is consolidated in the distribution network development plan (DNDP).** This includes demand forecasts, planning assumptions, identification of network constraints and risks, spatial and network context, and strategic responses, including the role of non-network options and stand-alone power systems (SAPSS).
- **Year-on-year information that provides insight into how the system is evolving is reported through the annual update.** This includes changes to forecasts or constraints, progress on regulatory investment test for distribution (RIT-D) projects, non-network actions undertaken, and other delivery-focused information.

Where information categories appear in both documents, the intent is that the:

- DNDP provides the baseline, and
- annual update reports only changes or developments since the DNDP or previous update.

The Commission's determination is that transparency can be improved, and efficiencies gained, by separating long-term planning from change reporting, rather than combining both in a single annual document.

B.2 New inclusions and expanded elements

The new elements of the draft rule are limited and targeted. These include:

- the introduction of a single DNDP aligned with the five-yearly regulatory cycle
- an explicit long-term (20-year) planning horizon for distribution network planning, and
- explicit scenario analysis, including alignment with the Australian Energy Market Operator's Inputs, Assumptions and Scenarios Report (IASR), to improve coordination with other planning processes and address stakeholder concerns about comparability and transparency.

These changes reflect the Commission's determination that improved long-term visibility and consistency are necessary to better promote efficient investment and enable non-network solutions, while avoiding unnecessary expansion of annual reporting obligations.

B.3 Role of the appendix table

Appendix table B.1 provides:

- an overview of how the existing DAPR requirements have been incorporated into the distribution network planning framework in the draft rule
- a detailed breakdown of the difference in requirements between the DNDP and annual update.

This illustrates that the draft rule would result in a re-organisation and strengthening of existing distribution planning requirements, rather than a material expansion of DNSP obligations, consistent with the Commission’s policy decisions in the draft determination.

Table B.1: Comparison of the current distribution annual planning requirements and the planning requirements in the draft rule

Current planning process requirement (current NER v244)	Requirement’s existing location	Requirement’s location in the draft rule	Requirement’s location based on publication	Notes on treatment under draft rule
Publication of the DAPR	Clause 5.13.2	Removed as a document	Replaced by DNDP and annual update	DAPR would be abolished and content redistributed to either the DNDP or annual update.
Demand forecasts for distribution services	Sch 5.8(b)(2) to (3)	Sch 5.8(a)(1)	DNDP	Expanded to 20-year horizon; no annual repetition
System limitations and constraints (including forecasts)	Sch 5.8(c) to (d2)	Sch 5.8(a)(1), (2) and (7)	DNDP	Strategic identification over long term
Assumptions and methodologies for forecasts	Sch 5.8(a)(4)	Clause 5.13.1(d); Sch 5.8(b)(4)	DNDP	Must align with the IASR and explain variances where made
Description of distribution network, including operating environment and distribution assets	Sch 5.8(a)(1) to (3)	Sch 5.8(b)(1) to (3)	DNDP	Baseline network description
Regional development plan	Sch 5.8(n)	Clause 5.13.1(f)(2)	DNDP	To be published at the same time as DNDP. No longer referred to as a regional development map.
Non-network and demand management planning	Sch 5.8(l)(1)	Clause 5.13.2(a)(1)(iv), (v) and (vii); Sch 5.8(a)(8)	DNDP and annual update	Retained and integrated with long term planning
DER and embedded generation connection requests	Sch 5.8(l)(2) and (3)	N/A	N/A	Removed to avoid duplication with AER performance reporting
Stakeholder	N/A	Sch 5.8(e)	DNDP	New requirement

Current planning process requirement (current NER v244)	Requirement's existing location	Requirement's location in the draft rule	Requirement's location based on publication	Notes on treatment under draft rule
engagement outcomes				
Contact details for planning enquiries	Clause 5.13.2(e)	Rule 5.13.1(f)(1)	DNDP	Published on a DNSP's website following publication of its DNDP
Analysis of changes from previous forecasts	Sch 5.8(a)(5)	Sch 5.8(b)(5)	DNDP	Comparison between successive DNDPs or annual update
Climate and outage risk identification	Added from 1 July 2027 to clause 5.13.1(d)(7) and Sch 5.8(k)(1B) ¹	Sch 5.8(a)(4), (6)	DNDP	Retained and integrated with long term planning
RIT-D projects (status and progress)	Sch 5.8(e)	Clause 5.13.2(a)(1)(ii)	Annual update	Explicit annual reporting requirement
Joint planning undertaken	Sch 5.8(h)	Clause 5.13.2(a)(1)(iii)	Annual update	Activity-based reporting
Non-network options considered / actions taken	Sch 5.8(l)(1)	Clause 5.13.2(a)(1)(iv), (v) and (vii)	Annual update	Action-focused
Engagement with non-network providers	Rule 5.13.1(e)(1) (Industry engagement obligation)	Clause 5.13.4(a)(1)	Annual update	Linked to industry engagement strategy
Severe weather events and outcomes	Added from 1 July 2027 to Sch5.8(j1) ¹	Clause 5.13.2(a)(1)(viii)	Annual update	Performance and outcomes
Resilience expenditure (actual and planned)	Added from 1 July 2027 to Sch5.8(m1) ¹	Clause 5.13.2(a)(1)(ix), Sch 5.8(a)(9)	DNDP and annual update	Planned expenditure and annual reporting of expenditure
IT and communications investments (actual and planned)	Sch 5.8(m)	Clause 5.13.2(a)(1)(x), Sch 5.8(a)(10)	Annual update	Retained and integrated with long term planning
SAPS activities and projects	Sch 5.8(p)	Clause 5.13.2(a)(1)(xi)	Annual update	Retained and unchanged

Source: AEMC using version 244 of the NER

Note: [1] These provisions will be added to the NER on 1 July 2027 by the *National Electricity Amendment (Including distribution network resilience in the National Electricity Rules) Rule 2025*. Schedule 1 of the draft rule would commence on 1 December 2027.

C Legal requirements to make a rule

This appendix sets out the relevant legal requirements under the National Electricity Law (NEL) for the Commission to make a draft rule determination.

C.1 Draft rule determination and draft rule

In accordance with section 99 of the NEL, the Commission has made this more preferable draft rule determination in relation to the rule proposed by Energy Consumers Australia.

The Commission's reasons for making this draft rule determination are set out in chapter 5.

A copy of the more preferable draft rule is attached to and published with this draft determination. Its key features are described in chapter 2 and chapter 3.

C.2 Power to make the rule

The Commission is satisfied that the more preferable draft rule falls within the subject matter about which the Commission may make rules.

The more preferable draft rule falls within section 34 of the NEL as it relates to rules regulating the activities of persons (including Registered participants) participating in the national electricity market or involved in the operation of the national electricity system under section 34(1)(a)(iii).

C.3 Commission's considerations

In assessing the rule change request the Commission considered:

- its powers under the NEL to make the draft rule
- the rule change request
- submissions received during consultation
- stakeholder input received at the public workshops held on 5 November 2025 and 14 August 2025
- the Commission's analysis as to the ways in which the draft rule would or is likely to contribute to the achievement of the National Electricity Objective (NEO)
- the application of the draft rule to the Northern Territory/Western Australia.

There is no relevant Ministerial Council on Energy (MCE) statement of policy principles for this rule change request.¹¹⁷

The Commission may only make a rule that has effect with respect to an adoptive jurisdiction (relevantly, Victoria) if satisfied that the proposed rule is compatible with the proper performance of the Australian Energy Market Operator's (AEMO's) declared network functions in that jurisdiction.¹¹⁸ The more preferable draft electricity rule is compatible with AEMO's declared network functions because they would not affect those functions.

¹¹⁷ Under s. 33 of the NEL and s. 73 of the NGL the AEMC must have regard to any relevant MCE statement of policy principles in making a rule. The MCE is referenced in the AEMC's governing legislation and is a legally enduring body comprising the Federal, State and Territory Ministers responsible for energy.

¹¹⁸ Section [91(8)] of the NEL.

C.4 Making electricity rules in the Northern Territory

As the more preferable draft rule relates to parts of the National Electricity Rules (NER) that apply in the Northern Territory, the Commission is required to assess Northern Territory application issues, described below.

Test for scope of “national electricity system” in the NEO

Under the NT Act, the Commission must regard the reference in the NEO to the “national electricity system” as a reference to whichever of the following the Commission considers appropriate in the circumstances having regard to the nature, scope or operation of the proposed rule:¹¹⁹

1. the national electricity system
2. one or more, or all, of the local electricity systems¹²⁰
3. all of the electricity systems referred to above.

Test for differential rule

Under the NT Act, the Commission may make a differential rule if it is satisfied that, having regard to any relevant MCE statement of policy principles, a differential rule will, or is likely to, better contribute to the achievement of the NEO than a uniform rule.¹²¹ A differential rule is a rule that:

- varies in its term as between:
 - the national electricity systems, and
 - one or more, or all, of the local electricity systems, or
- does not have effect with respect to one or more of those systems

but is not a jurisdictional derogation, participant derogation or rule that has effect with respect to an adoptive jurisdiction for the purpose of s. 91(8) of the NEL.

A uniform rule is a rule that does not vary in its terms between the national electricity system and one or more, or all, of the local electricity systems, and has effect with respect to all of those systems.¹²²

The Commission’s draft determinations in relation to the meaning of the “national electricity system” and whether to make a uniform or differential rule are set out in chapter 5.

C.5 Civil penalty provisions and conduct provisions

The Commission cannot create new civil penalty provisions or conduct provisions. However, it may recommend to the energy ministers’ that new or existing provisions of the NER be classified as civil penalty provisions or conduct provisions.

The NEL sets out a three-tier penalty structure for civil penalty provisions in the NEL and the NER.¹²³ A Decision Matrix and Concepts Table,¹²⁴ approved by energy ministers, provide a decision-making framework that the Commission applies, in consultation with the Australian Energy

119 Clause 14A of Schedule 1 to the NT Act, inserting section 88(2a) into the NEL as it applies in the Northern Territory.

120 These are specified Northern Territory systems, listed in schedule 2 of the NT Act.

121 Clause 14B of Schedule 1 to the NT Act, inserting section 88AA into the NEL as it applies in the Northern Territory.

122 Clause 14 of Schedule 1 to the NT Act, inserting the definitions of “differential Rule” and “uniform Rule” into section 87 of the NEL as it applies in the Northern Territory.

123 Further information is available at <https://www.aemc.gov.au/regulation/energy-rules/civil-penalty-tools>

124 The Decision Matrix and Concepts Table is available at: https://web.archive.org/awa/20210603104757mp_/https://energyministers.gov.au/sites/prod.energycouncil/files/publications/documents/Final%20-%20Civil%20Penalties%20Decision%20Matrix%20and%20Concepts%20Table_Jan%202021.pdf

Regulator (AER), when assessing whether to recommend that provisions of the NER should be classified as civil penalty provisions, and if so, under which tier.

Subject to consulting with the AER, the Commission proposes to make the following civil penalty recommendations to energy ministers in relation to the final rule.

Table C.1: New civil penalty provision recommendations

Rule	Description of rule	Recommendation	Reason
5.13.1(a) and (c)	This draft rule would require DNSPs to submit a plan for the development of their distribution networks to the AER and publish the plans on their websites, in accordance with guidelines published by the AER. Among other things, DNSPs would be required to include 20-year forecasts in their plans and consider a range of scenarios.	Tier 1	<p>Failure to comply with this clause may cause adverse market impacts. For example, it may cause financial harm to other market participants if there is no publicly available information about forecasts and plans for a distribution network.</p> <p>Failure to comply could also cause supply, security and reliability issues. For example, a lack of information could prevent generators and other networks from planning their services appropriately, which could hinder the effective operation of the power system.</p> <p>This clause is similar to other tier 1 civil penalty provisions in the National Electricity Rules relating to network planning, such as:</p> <ul style="list-style-type: none"> • clause 5.12.1(a) and (b) • clause 5.13.1(a)(2) (i.e. the existing

Rule	Description of rule	Recommendation	Reason
			<p>distribution planning process, which the draft rule would replace)</p> <ul style="list-style-type: none"> • clause 5.14.1(a)(1) and (2).
5.13.2	<p>This draft rule would require DNSPs to publish an annual update to the distribution network development plan each year describing relevant planning outcomes since the DNDP or last annual update.</p>	Tier 2	<p>Failure to comply with this clause would not have as significant impacts as failing to comply with clause 5.13.1(a) of the draft rule, which requires DNSPs to publish the more substantial distribution network development plans.</p> <p>We consider a tier 2 civil penalty provision would be appropriate to ensure DNSPs comply with their general reporting obligations.</p>
5.13A.1(a)	<p>This draft rule would require DNSPs to publish distribution network data in accordance with guidelines that the AER would publish under rule 5.13A.2.</p>	Tier 1	<p>Failure to comply with this clause may cause adverse market impacts or consumer harm. For example, a lack of network visibility could cause financial harm to other market participants or consumers by preventing them from successfully investing in electricity services or consumer energy resources.</p> <p>This clause is similar to other tier 1 civil penalty provisions in</p>

Rule	Description of rule	Recommendation	Reason
			the National Electricity Rules relating to network planning, as outlined in the first row above.

The draft rule would amend clause 5.13.1(d), which is currently classified as a tier 1 civil penalty provision. The Commission does not propose to recommend to the energy ministers any changes to the classification of this provision. Clause 5.13.1(d) of the draft rule sets out the required content for the distribution network development plan. A tier 1 civil penalty for this clause would be consistent with our proposal to recommend that clauses 5.13.1(a) and (c) of the draft rule be tier 1 civil penalty provisions.

The Commission proposes to recommend to the energy ministers that the civil penalty classifications for the following provisions are removed (Table C.2). The draft rule would remove the clauses, making the current classifications redundant.

Table C.2: Deleted civil penalty provision recommendations

Rule	Description of the rule	Reason
5.13.1(a)(2)	A DNSP must analyse the expected future operation of its network over the forward planning period (a minimum of 5 years) in accordance with clause 5.13.1	The draft rule would delete this clause as part of the update to a longer-term planning framework
5.13.1(d1)	Each DNSP must prepare forecasts of demand for distribution services covering the forward planning period (a minimum of 5 years).	The draft rule would delete this clause as part of the update to a longer-term planning framework.

Abbreviations and defined terms

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
CEC	Clean Energy Council
CER	Consumer Energy Resources
Commission	See AEMC
CPU	CitiPower, Powercor and United Energy
DAPR	Distribution Annual Planning Report
DER	Distributed Energy Resources
DNDP	Distribution Network Development Plan
DNSP	Distribution Network Service Provider
ECA	Energy Consumers Australia
EV	Electric Vehicles
IASR	Inputs, Assumptions and Scenarios Report
IDSP	Integrated Distribution System Plan
ISP	Integrated System Plan
MCE	Ministerial Council on Energy
NEL	National Electricity Law
NEM	National Electricity Market
NEO	National Electricity Objective
NER	National Electricity Rules
NT Act	<i>National Electricity (Northern Territory) (National Uniform Legislation) Act 2015</i>
Proponent	The individual / organisation who submitted the rule change request to the Commission, see ECA
RIT-D	Regulatory Investment Test for Distribution
SAPS	Stand-alone Power System