

Our Ref: 25011939
Your Ref: ERC0410
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4 June 2026

Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
SYDNEY, NSW, 2000

Dear Ms Collyer,

Re: Enhancing distribution network planning and reporting – draft rule determination 2026

The Australian Energy Regulator (AER) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) draft rule determination on the Enhancing Distribution Network Planning and Reporting (previously the Integrated Distribution System Planning) rule change.¹

Effective long-term strategic planning is essential to facilitate efficient investment as networks evolve and to minimise costs and optimise long-term benefits for consumers. The increasing complexity of planning distribution networks requires a robust, rigorous planning process, based on timely analysis, consultation and data to optimise the utilisation of existing network assets and to strategically invest in the network to meet future demand and limitations.

The AER remains supportive of the rule change as a pathway to improve the ability of distribution network planning to address emerging challenges and to improve availability of low-voltage distribution network information. We consider it would help consumers and other network users understand how networks are likely to change and make more informed decisions about investing in distributed energy resources (DER).

Our submission supports the reasoning in the draft determination and the principles-based design of the draft rule. At the same time, we consider it important, in the interests of transparency and accountability, that certain elements of the current Distribution Annual Planning Report (DAPR) are retained, notwithstanding that they are not expressly reflected in the draft rule. In our view, the absence of a specific reporting requirement from the draft rule does not mean that the underlying information is no longer required, only that it is the role of the AER's guidelines to set out the information requirements. We consider it would be helpful for the AEMC to clarify this in its final determination. In developing the new planning

¹ AEMC, Enhancing distribution network planning & reporting, June 2025.

guidelines, the AER would then consider, and consult on, which DAPR elements should continue to be reflected in the proposed Distribution Network Development Plan (DNNDP) and supporting annual updates.

The identification of network needs and projects to be progressed

The AER is concerned that the proposed rules do not provide a sufficiently clear mechanism for DNSPs to identify network needs and investment options, select the projects the DNSP believes should be progressed, and identify which projects are subject to a regulatory investment test for distribution (RIT-D).

The existing DAPR framework performs an important function in providing discipline and transparency around planned projects. It requires DNSPs to identify reliability and standards-driven needs, assess potential responses, and report on the status of projects being developed to address those needs. This provides a clear line of sight between an identified network limitation or shortfall, the analysis undertaken by the DNSP, and the decision to progress a project, including where a RIT-D is required.

If DNSPs are to undertake a whole-of-network economic assessment and identify a preferred set of projects across both reliability-driven and benefits-driven investments, the framework must do more than require strategic analysis at a high level. It must show how identified needs translate into candidate projects, how those projects are assessed, and which projects the DNSP proposes to progress to maximise net benefits in a manner consistent with integrated system planning and the National Electricity Objective.

For this reason, the AER considers it essential that the new framework retains clear reporting on identified network needs, candidate projects, and the basis on which projects are proposed to progress. The DNNDP should identify the projects the DNSP proposes to undertake, including which projects are expected to proceed to a RIT-D. The annual updates should then report on the status and progress of those projects. Without those elements, the framework risks reducing transparency at the point where stakeholders most need to understand how a DNSP has moved from identifying a need to selecting and progressing an investment response.

Consistent with this, the AER's distribution network planning guidelines would need to do more than set out forecasting principles, consultation requirements and report preparation processes. They would also need to provide guidance on the economic assessment approach DNSPs should apply to identify and justify the projects proposed in the DNNDP, including how that assessment supports decisions about whether and when a RIT-D should be undertaken.

Further, under the current framework, Schedule 5.8(b1)(1)-(4) requires DNSPs to report asset retirements and de-ratings that are expected to result in a system limitation. That information supports early identification of emerging needs and gives stakeholders visibility of issues that may require investment or further assessment. Under the proposed framework, equivalent information is not required in either the DNNDP or the annual updates.

Timing of new reports to align with reset process

The proposed rules align preparation of the DNNDP with submission of a DNSP's revenue proposal. The AER is concerned that this would leave insufficient time for DNSPs to complete any RIT-Ds arising from the DNNDP before lodging their revenue proposals. This creates a risk that proposed expenditure will not yet have been tested through a sufficiently mature economic assessment or supported by robust cost estimates. In turn, that could reduce the quality of revenue proposals or increase reliance on contingent project applications and other later cost recovery processes. To address this, the AER recommends

that the AEMC consider requiring the DNDP to be published a reasonable amount of time before the revenue proposal is due. This would provide more time for necessary RIT-Ds and cost firming to occur before expenditure is proposed to the AER.

Publication of DNSP data

As electricity DNSPs increasingly operate as platforms for energy services, consistent with emerging Distribution System Operator frameworks, provision of data to the market will become more important. DNSPs should, as a general principle, publicly provide data that is useful to stakeholders, except where publication is constrained by security, commercial confidentiality or privacy considerations.

The AER supports the draft rule as a pathway to improve the availability of low-voltage network data. We consider it would increase the amount of useful data collected and published by DNSPs and make it easier for third parties to connect to, and make efficient use of, distribution networks. We also support the requirement for DNSPs to publish data in accordance with a new AER guideline, including the flexibility for the guideline to provide for staged data requirements, variations between DNSPs, and the development of public data plans in consultation with stakeholders.

Thank you for the opportunity to provide our feedback on the draft rule determination. We look forward to continuing to engage with the AEMC on this matter. If you have any questions about this submission, please contact the AER's Transmission Frameworks team at systemplanningregulation@aer.gov.au.

Yours sincerely,



Kami Kaur
Executive General Manager, Network Regulation
Australian Energy Regulator

Sent by email on: 04.06.2026