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Draft rule determination – Enhancing Distribution Network Planning and Reporting

Endeavour Energy appreciates the opportunity to provide this response to the Australian Energy Market Commission's (**AEMC**) Enhancing Distribution Network Planning and Reporting draft rule determination (**draft determination**) which seeks to facilitate enhanced Distribution Network Service Provider (**DNSP**) planning and data reporting by:

- requiring DNSPs to adopt a new distribution network planning process, replacing the existing Distribution Annual Planning Report (**DAPR**) with a new Distribution Network Development Plan (**DNDP**); and
- implementing a new principles-based framework for distribution network data reporting.

Pleasingly, we note that the AEMC's draft determination adopts several of the recommendations provided in our earlier submissions on this topic (including our submission responding to the Consultation Paper in July 2025, and our submission on the Directions Paper in November 2025).

We acknowledge the overall intent of the review to enhance distribution network planning and improve data transparency, sharing and use. Effective distribution network planning is integral to supporting the energy transition as it guides investment decisions that enable Consumer Energy Resources (**CER**) to be efficiently integrated into the grid, and we agree that network data transparency and collaborative planning processes are key to achieving this as they help ensure network capacity is efficiently utilised and enabling investment is delivered on time and at least cost. We, with our peer NSW DNSPs, demonstrated the importance of bottom-up, DNSP-driven strategic planning in publishing the Distribution System Plan Opportunities Report[1] in 2025, an approach that supported a comprehensive, whole-of-system perspective by integrating both distribution and transmission planning, allowing for co-optimisation and ultimately delivering the best possible outcomes for consumers.

Notwithstanding the intent of the rule change, we are concerned that, as currently framed, the current draft determination risks the reforms not meeting the intended objectives. Distribution planning is increasingly being undertaken under conditions of significant uncertainty, including the pace and location of electrification, CER adoption, flexible demand participation and large load growth. In this context, the DNDP should support adaptive pathway planning and staged investment decision making, rather than creating an implied expectation of deterministic long-term forecasts. In many cases, preserving future

[1] Available online at https://www.nsw-dnsp.com.au.

network optionality and flexibility will be as important as identifying a single preferred augmentation pathway.

Development of the DNDP and jurisdictional arrangements

For the DNDP to be meaningful, it should be formally recognised as an artefact to which the AER must have regard in the five-year regulatory determination process

We support the alignment of the proposed DNDP with the five-yearly regulatory determination process. Leveraging this existing cadence will provide stakeholders greater clarity on how the proposed expenditure in the DNSP's regulatory proposal contributes to the DNSP's long-term vision for the network and meeting the future needs of customers. It will also enable meaningful stakeholder engagement without contributing to engagement fatigue.

We note that the implementation of the proposed DNDP, if undertaken in an uncoordinated manner alongside other reporting obligations (including jurisdictional obligations such as the proposed NSW System Plan, detailed further below), may give rise to the risk of overlapping reports produced under significant time pressure, the creation of multiple datasets that are then relied upon by industry participants as sources of truth, and inefficiencies that could place significant pressure on scarce resources. From an operational perspective, we are also cognisant that the extent of work required will depend on the level and magnitude of changes within the reporting period compared against the original DNDP.

Given this context, absent a clear link to the five-year regulatory determination process, we are concerned that the true value of the DNDP may not be realised, and that the reporting requirements may be perceived as compliance obligations, rather than an opportunity to improve delivery outcomes. However, we acknowledge from our recent discussions with the AEMC the understanding that, if artefacts (such as the DNDP) are provided to the AER in the context of the five-year regulatory determination process, the AER is required to have regard to those artefacts in making its regulatory determination. Accordingly, to avoid confusion, we request that the AEMC clarify the position in its final determination.

We also note that the modelling approach in a DNSP's regulatory proposal (including the inputs, assumptions and scenarios relied upon) is likely to be consistent with the DNDP. We understand from discussions with the AEMC that the intent of the rule change is not to require DNSPs to submit a revised DNDP in circumstances where the AER may take a different view regarding the modelling in the regulatory proposal. We would be grateful if the AEMC could clarify this position in its final determination.

Greater flexibility should be provided in how DNSPs undertake scenario modelling

We are encouraged by the intent expressed in the draft determination to provide flexibility for DNSPs to justify deviations from the Australian Energy Market Operator's (**AEMO**) Inputs, Assumptions and Scenarios Report (**IASR**). However, we are concerned that the draft rule itself requires DNSPs, to the extent practicable, to use the IASR as a baseline for the scenario analysis. We consider that more appropriate framing would require DNSPs to use the ISAR as a baseline where it would be reasonable to do so (rather than to the extent practicable). Our concerns are twofold:

- first, as this rolled-up state view is built upon CSIRO postcode models (for which we have no visibility), applying it would create the unintended consequence of giving rise to unnecessary work and errors in down-casting to make it usable at the distribution network level. We consider that DNSPs should have access to this component data and retain greater flexibility in when and how to utilise the IASR, especially where site-specific insights offer more robust forecasts and may have a significant impact on future outcomes (noting, for example, that we are working through capacity reservation issues in the context of customers that have significant load requirements), or if there is merit for DNSPs to coordinate regionally on inputs, assumptions and scenarios. In light of this, a reasonable test (rather than a "where practicable") test would seem more appropriate; and

- second, future distribution network planning will increasingly rely on dynamic operating models, including flexible exports and imports, CER orchestration, non-network solutions and flexible

connection arrangements. The final framework should ensure that DNSPs retain flexibility to incorporate these evolving operational models into scenario development and network planning assumptions, rather than defaulting toward traditional augmentation-led planning approaches.

Unlocking the benefits of a 20-year plan through electrification planning requires DNSP visibility of gas network connection and volume data

We note that the proposed 20-year horizon will cover a period of substantial changes in Australia's energy system and, importantly, its fuel sources. Attaining legislated targets of net zero by 2050 requires a significant transition away from gas and liquid fuels to end-use electrification, and a managed transition to enable long-term network planning objectives.

We are actively seeking to better understand the network impacts of electrification as customers transition away from gas (including, for example, through initiatives such as Electrify 2515). However, as there is a lack of visibility in current residential gas connections and volumes, we consider that there should be a directive for this information to be shared. For the DNDP to enable the outcomes sought from this regulatory reform, granular and location specific data on gas connections and volumes current and forecast must be made available for DNSPs to develop a robust, accurate and meaningful long-term plan. Failing to do so will mean that all planning uplifts are servicing only a subset of future electrical demand and perpetuating significant gaps. We therefore would encourage the AEMC to consider referencing the need for such a directive in its final determination.

Network data reporting framework and guidelines

Transparency in balancing competing pressures between principles, especially in relation to the provision of low voltage data

We support the intent of a new distribution network data reporting framework to improve the consistency, effectiveness and transparency of data across the NEM, and are supportive of the three guiding principles. However, we seek clarity on how the AER will balance the principles, particularly those relating to the net economic benefit of compliance with the guidelines, and the protection of confidential information and personal information.

Relevantly, we note the following:

- long-term forecasts of data will inherently suffer from declining accuracy due to the complexity and uncertainty at such granular levels. The short-term currency of low voltage data suggests that forecasts beyond 10 years are unlikely to deliver utility for users; and
- we consider that the requirements of the *Security of Critical Infrastructure Act* 2018 (SOCI Act) should be front of mind when considering guidelines relevant to the second principle, particularly in relation to the provision of data at more granular network levels.

We recognise that the AEMC has undertaken significant consultation with stakeholders in its consideration of this rule change. Given the importance of the principles in the context of the network data reporting framework and guidelines, we would request that, in the final determination, the AEMC provide guidance as to the focus areas and relative weightings of these principles that the AER might consider in developing its guidelines on the provision of low voltage data. We would also welcome the AER providing transparency regarding how the priorities (particularly the two identified above) have been considered and appropriately balanced in the formulation of the guidelines.

Transitional arrangements should be included as a principle in the network data guidelines

We agree that the AER need to account for transitional arrangements for DNSPs to comply with the reporting requirements. However, we consider that the current principles do not adequately accommodate differences in DNSP data capabilities and, therefore, the transitional arrangements that may be required for particular DNSPs to comply with the reporting requirements. Accordingly, we consider that a fourth principle should be included to account for transitional arrangements that may be required to enable each DNSP to comply with the guidelines.

Transitional and jurisdictional specific arrangements

The new framework should be introduced in a coordinated manner alongside jurisdiction-specific planning requirements

The NSW Government is currently progressing recommendations from the NSW Transmission Planning Review, including the recommendation to operationalise a new biennial NSW System Plan that aims to consolidate and coordinate long term planning of strategic network projects across NSW. While there are synergies between the DNDP and NSW System Plan, we are concerned that misaligned timing and duplicative data requests will add pressure to planning resources and directly compete with system planning and connection outcomes. In turn, this may give rise to risks pertaining to:

- quality, with overlapping reports potentially resulting in multiple sources of "truth"; and
- the ability to realise the value sought from the DNDP, with limited planning resources prioritising compliance deliverables at the expense of deeper technical work that enables safe connections and efficient augmentation decisions.

As the DNDP is to be part of the material that DNSPs submit to the AER in the context of the five-year regulatory determination process, the AEMC might consider including in the final rule an expectation that the AER also consider the impact of reporting obligations beyond the NER, including jurisdiction-specific requirements. Doing so would help to minimise duplication, promote consistency and obtain greater value from regulatory obligations.

More broadly, the future distribution planning environment is increasingly moving toward coordinated precinct and corridor-based planning approaches, particularly where large loads, storage, renewable generation and flexible demand are emerging in common geographic areas. We would be supportive of a final framework that recognised the importance of integrated transmission and distribution planning approaches that enable shared infrastructure solutions and coordinated long-term investment outcomes to benefit consumers, as we and our peer NSW distribution networks articulated in the 2025 Distribution System Plan Opportunities Report.[2]

Additional transitional arrangements should be provided for DNSPs in NSW, ACT and Tasmania

We understand from our recent discussion with the AEMC that, given the timing of the five-year regulatory determination cycle (requiring DNSPs in NSW, ACT and Tasmania to provide their Regulatory Proposal to the AER in January 2028), it is intended that these DNSPs not be required to publish a DAPR in December 2027. Noting that the NSW DNSPs will also have to provide major inputs into the NSW System Plan in 2027, and recognising that the preparation of the first DNDP will require more resources and uplift to be able to deliver the DNDP and achieve the intended outcomes of the rule change, we would respectfully request that the AEMC's final determination expressly confirm that NSW DNSPs will not be required to publish a DAPR in December 2027. This would enable DNSPs to focus their scarce resources on meeting the requirements of the NSW System Plan, the requirements of the first DNDP and the broader requirements of the Regulatory Proposal.

Query raised in meeting of 2 June 2026

Finally, we note your request raised in our discussion of 2 June for our views on whether clause 5.13.1(d)(4) of the draft rule adequately captures the full range of assets, non-network options, and other factors that are likely to have a material impact on our network plans. We understand that the clause (as drafted) reflects existing requirements for the DAPR (clause 5.13.1 (c) of the NER), but has been updated to reflect non-network options, with the intent being to ensure the drafting is sufficiently broad and future-proofed.

[2] See in particular pages 41-42 for details on Local Energy Precincts and a case study on the Illawarra REZ.

We acknowledge and welcome the AEMC's desire to recognise the transition towards a two-sided system and the rapidly increasing number of consumer-side assets and activities influencing network operation and performance. While the drafting is directionally appropriate, we note that the "assets and non-network options" framing reflects a more traditional approach to augex deferral, and may not be broad enough to capture the interventions that are being developed to serve the needs of customers in the foreseeable future.

We recommend that the AEMC consider replacing the phrase "assets and non-network options" with the phrase "all network and non-network options and enabling capabilities", where "enabling capabilities" is intended to cover both technology platforms and commercial mechanisms (such as tariff instruments and flexibility procurement). This drafting would be more technology and platform neutral, enabling the rule to keep pace with the evolution of Distribution System Operator (**DSO**) services, operational technology and market mechanisms.

By way of illustration, this broader framing would allow the contemplation of the following aspects (which may be difficult to class as either assets or non-network options):

- *DSO transition technology* – platforms such as Distributed Electricity Resource Management Systems (DERMS), active network management and market orchestration tools will become core functionality for networks, particularly in relation to planning and operations, but may not be classified as either assets or non-network options. This technology might also contemplate a degree of behind the meter coordination to enable better amplification of coordinated individual impact;

- *Tarriff and pricing mechanisms* – export tariffs, time-of-use structures and similar pricing mechanisms have a role to play in shaping network utilisation, but are not captured under the current framing of "assets and non-network options"; and

- *Enabling infrastructure* – noting that technology such as advanced metering infrastructure and sensor networks are increasingly becoming a prerequisite for non-network solutions to function.

We would be pleased to discuss any aspect raised in our submission with you. If that would assist, please contact Shirley Dang, Principal Policy Advisor, via email at Shirley.Dang@endeavourenergy.com.au.

Yours sincerely

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