

Enhancing distribution network planning and reporting

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About the Justice and Equity Centre

The Justice and Equity Centre is a leading, independent law and policy centre. Established in 1982 as the Public Interest Advocacy Centre (PIAC), we work with people and communities who are marginalised and facing disadvantage.

The Centre tackles injustice and inequality through:

- legal advice and representation, specialising in test cases and strategic casework;
- research, analysis and policy development; and
- advocacy for systems change to deliver social justice.

Energy and Water Justice

Our Energy and Water Justice work improves regulation and policy so all people can access the sustainable, dependable and affordable energy and water they need. We ensure consumer protections improve equity and limit disadvantage and support communities to play a meaningful role in decision-making. We help to accelerate a transition away from fossil fuels that also improves outcomes for people. We work collaboratively with community and consumer groups across the country, and our work receives input from a community-based reference group whose members include:

- Affiliated Residential Park Residents Association NSW;
- Anglicare;
- Combined Pensioners and Superannuants Association of NSW;
- Energy and Water Ombudsman NSW;
- Ethnic Communities Council NSW;
- Financial Counsellors Association of NSW;
- NSW Council of Social Service;
- Physical Disability Council of NSW;
- St Vincent de Paul Society of NSW;
- Salvation Army;
- Tenants Union NSW; and
- The Sydney Alliance.

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Contents

Recommendations.....2

Acronyms list3

1. Introduction4

2. Plan for what works across scenarios, not just within them4

3. Strengthen DNDP assessment of demand-side options5

4. Adopt a disclosure-first approach to network data.....7

5. Continued engagement7

Appendix A: Response to consultation questions8

Recommendations

Recommendation 1

That the AEMC clarify that DNSPs should plan and prioritise investments that deliver the greatest value across a range of scenarios, with scenario analysis focused on identifying “least-regrets” options rather than optimising for individual scenarios or seeking to account for every plausible future.

Recommendation 2

That the AEMC require DNDPs to include a comprehensive assessment of demand-side opportunities that evaluates system-wide value and constraints, rather than relying on the DSF alone.

Recommendation 3

That the AEMC adopt a disclosure-first approach to network data disclosure, requiring DNSPs to share data by default unless there is a material cost or demonstrated unacceptable impact justifying a decision to withhold.

Acronyms list

Acronym	Full name
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
CER	Consumer Energy Resources
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DNDP	Distribution Network Development Plan
DNSP	Distribution Network Service Provider
DSF	Demand Side Factors
EV	Electric Vehicle
EWCAP	Energy and Water Consumers' Advocacy Program
IASR	Inputs, Assumptions, and Scenarios Report
ISP	Integrated System Plan

1. Introduction

The Justice and Equity Centre (JEC) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) Enhancing distribution network planning and reporting draft determination (the Draft).

Network transparency and effective distribution planning is essential to delivering reliable services and efficiently integrating consumer energy resources (CER) into the grid. However, planning frameworks must not treat distribution networks as proxies for demand-side interests. Doing so risks entrenching assumptions and undermining the scope to deliver better outcomes for consumers.

Networks should not be in a position to manage the uncertainty they face by shifting unnecessary costs onto consumers. Current approaches often assume that consumers are willing to bear these costs. Instead, consumers must be meaningfully involved in decision-making about how risks and costs are managed. This is a fundamental trade-off which only consumers themselves can inform.

We support the Draft's focus on improving and standardising reporting requirements. Clearer and more consistent network data would improve transparency, accessibility and accountability in decision-making.

Distribution Network Development Plans (DNDPs) should also support better coordination across the energy system. Over time, planning processes—especially the Integrated System Plan (ISP) and distribution planning—should be better aligned. This would help ensure supply- and demand-side solutions are considered together, rather than in separate processes that can lead to duplication, inefficiencies, and higher costs for consumers.

In our view, the key role of DNDPs is to provide greater transparency and certainty about how distribution networks should develop. This helps industry participants, regulators, and consumers understand future needs, identify valuable network services, and deliver those services in a timely and cost-effective way for consumers.

2. Plan for what works across scenarios, not just within them

We support the use of scenario analysis to help manage planning uncertainty, but this requires greater direction as to the role of scenarios and how they should be used. The Draft focuses on identifying “plausible future pathways” without explaining how DNSPs should assess and apply those scenarios when preparing network development plans.

Without clearer guidance, distribution network service providers (DNSPs) are left to make their own judgments about the likelihood of different scenarios, with the potential for an incentive to prioritise some scenarios over others. In any case, the proposed approach would create inconsistency and reduce the value of scenario analysis as a planning tool. As AEMO notes in its 2025 Inputs, Assumptions, and Scenarios Report (IASR), scenarios are not intended “to explore

uncertainties in the transition that are equally likely”. For planning processes that inform investment decisions, understanding the relative likelihood of scenarios is therefore important.

The purpose of assessing likelihood is not to favour one scenario over another. Rather, it is to help identify the most efficient investments that deliver benefits across a range of plausible futures. Scenario analysis should therefore focus on finding robust and flexible investments, rather than optimising for any particular (or every possible) network future.

In practice, this means scenario analysis should first reduce uncertainty by identifying common needs and priorities across scenarios, and only then consider how investments perform within individual scenarios. This approach is more likely to promote the long-term interests of consumers because it supports “least-regrets” investments that remain valuable under different future conditions.

The primary role of scenario analysis in the DNDP should not be to stress test the network. Because IASR scenarios largely reflect different rates of decarbonisation, scenarios outside the central case are better understood as testing the limits of possible outcomes than representing likely future states. While this approach may be appropriate for transmission planning through the ISP, it is less suited to distribution network planning, where assets and investment decisions are more interconnected and responsive to local conditions.

Requiring DNSPs to plan for every possible operating condition risks diverting resources away from investments that deliver the greatest value to consumers. The DNDP will be most effective if it helps identify investments which appropriately minimise risk and perform consistently across scenarios, rather than attempting to optimise investment to eliminate future uncertainty in all scenarios.

Put simply, scenario analysis in the DNDP should be used to identify the investments that matter in most futures, not to test readiness for any/every conceivable one.

Recommendation 1

That the AEMC clarify that DNSPs should plan and prioritise investments that deliver the greatest value across a range of scenarios, with scenario analysis focused on identifying “least-regrets” options rather than optimising for individual scenarios or seeking to account for every plausible future.

3. Strengthen DNDP assessment of demand-side options

We support the Draft’s focus on efficiently integrating and coordinating demand-side resources through the DNDP. We particularly welcome the emphasis on giving greater regard to non-network options and demand-side participation.

However, the Draft relies on the IASR and its demand-side factors (DSF) statement to address this gap. These are not adequate for the intended purpose. The DSF is not a comprehensive assessment of demand-side opportunities, nor is it intended to serve this purpose.

The Draft states that the DSF “provides a transparent and consolidated explanation of the expected development of the demand side of the market and the distribution network”. In contrast, AEMO describes the DSF as providing information about opportunities for distribution network development that support the efficient operation of the power system¹.

In practice, the DSF does not assess demand-side opportunities holistically. Instead, it focuses on where additional capacity can be unlocked in distribution networks. Such analysis is important, and may support virtual power plants, electrification, or demand management. But it does not consider whether this additional capacity delivers value to the system or to consumers or how efficiently it does so.

For example, unlocking more capacity in distribution networks may:

- Exacerbate or create constraints in the transmission network, or
- coincide with periods of low or negative wholesale prices.

In these cases, the additional capacity may provide little or no net benefit. DNDPs should therefore not assume that every additional kilowatt of capacity is inherently valuable.

The DSF is therefore better understood as identifying trade-offs between investment in transmission and distribution. It is not an assessment of demand-side opportunities. It is critical that the Commission not assume it is, for the purpose of DNDPs.

A more complete assessment is needed to inform DNDPs. This assessment should:

- consider upstream constraints and system-wide impacts, and
- evaluate the market value of demand-side options, not just their technical potential.

This could be achieved by strengthening requirements to assess demand-side opportunities, including better integration with emerging tools such as the demand-side statement of opportunities or CSIRO’s FlexCost analysis.

Without this, there is a risk that DNDPs will favour network expansion where investment in demand-side solutions—which avoid network augmentation costs—would deliver better outcomes for consumers.

Recommendation 2

That the AEMC require DNDPs to include a comprehensive assessment of demand-side opportunities that evaluates system-wide value and constraints, rather than relying on the DSF alone.

¹ See AEMO [Appendix A9. Demand Side Factors Statement](#), p. 6

4. Adopt a disclosure-first approach to network data

Network data must be accessible and provide adequate information to the market for stakeholders to make informed investment and regulatory decisions and take a meaningful part in planning. Current arrangements are not achieving this and need to be improved.

We support giving the AER responsibility to develop network data reporting guidelines, but the proposed principles do not adequately reflect this intention. Data disclosure must be the default.

The draft rule starts from the assumption that data should only be disclosed where there is a net economic benefit. This approach is ineffective, building in weaknesses which will undermine the intent. Data should be shared unless there is a material cost or demonstrated reason for not doing so.

A default of disclosure would reduce information gaps, improve transparency, and support effective competition in the energy market.

This issue is increasingly urgent as reforms consider relaxing ring-fencing rules for services such as kerbside EV charging, distribution-connected batteries, and local energy precincts. Without reliable, accessible network data, new entrants will be at a disadvantage and effective competition in these services will be undermined.

Network businesses may have a role in providing these services. However, that role should be justified on grounds that it delivers the best outcomes for consumers and does not impede fair and effective competition with non-network providers.

This requires taking a disclosure-first approach to network data.

Recommendation 3

That the AEMC adopt a disclosure-first approach to network data disclosure, requiring DNSPs to share data by default unless there is a material cost or demonstrated unacceptable impact justifying a decision to withhold.

5. Continued engagement

We welcome the opportunity to meet with the AEMC project team and other stakeholders to discuss these issues in more depth. Please contact Jan Kucic-Riker at jkucicriker@jec.org.au regarding any further inquiries.

Appendix A: Response to consultation questions

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

The draft rule should provide additional guidance on how DNSPs apply the 20-year planning horizon, including for low voltage networks.

In our view, it is more reasonable for DNSPs to depart from the IASR in the short term than in the long term, where system-wide coordination becomes more important.

The Commission should be clearer about how planning expectations differ over time. In particular, it should specify:

- how the factors DNSPs must consider differ between the 5-year and 20-year planning horizons, and
- whether different standards apply to the quality, accuracy and certainty of data across these timeframes.

Clearer guidance would improve consistency in planning and make it easier for stakeholders to understand and engage with DNSP forecasts.

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

The proposed purpose and role of the DNDP would benefit from greater clarity, particularly regarding its role in scenario planning. The Commission or the AER could provide additional guidance on how scenario analysis should be applied in practice.

In particular, the rule should clarify whether networks are expected to optimise investments within individual scenarios or across multiple scenarios.

We consider the latter approach preferable. scenario analysis should first reduce uncertainty by identifying common needs and priorities across scenarios, and only then consider how investments perform within individual scenarios.

This approach is more likely to promote the long-term interests of consumers because it supports “least-regrets” investments that remain valuable under different future conditions.

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

We strongly support requiring DNSPs to report annually on changes in the likelihood of the scenarios used in their 5-year strategic plans.

Regular updates are essential to keep planning aligned with real-world developments.

This is particularly important given the pace of the energy transition. Technology is evolving quickly, and assumptions about the global and domestic economy can change rapidly. Scenario likelihoods can shift over short periods, and planning should reflect this.

Requiring annual updates would improve transparency, help stakeholders understand changing risks and uncertainties, and support better decision-making.

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

Yes. The framework's purpose provides a clear basis for the types of data the AER should capture in its guidelines, and we support this approach.

However, the framework should go further in how it defines network utilisation. Current measures tend to focus on peak demand, which does not reflect how distribution networks are increasingly used.

In particular, the guidelines should capture two-way power flows, including exports from consumer energy resources, as well as imports. This would provide a more accurate picture of network performance and constraints.

For further detail, please see our submission to the AER's [Network Performance Reporting review](#).

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

No. The draft rule does not provide appropriate guidance to the AER when preparing the guidelines.

In particular, it places too much weight on demonstrating a net economic benefit from disclosing data. This sets the wrong starting point.

The default should be the opposite: network data should be shared unless there is a material cost or a clear reason not to do so.

A disclosure-first approach would reduce information gaps, improve transparency, and support more effective competition in the energy market.