Submission on Draft National Electricity Amendment
(Enhancing distribution network planning and reporting) Rule 2026

From: Village Power Inc (ABN 26 270 545 450)
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1. Introduction

Village Power welcomes the opportunity to provide feedback on the Draft National Electricity Amendment (Enhancing distribution network planning and reporting) Rule 2026.

We strongly support the direction of the draft rule in improving transparency, strengthening planning processes, and enabling greater consideration of non-network solutions. In particular, the proposed expansion of distribution network data publication and the enhanced Distribution Network Development Plan (DNDP) framework represent important steps toward a more efficient, decentralised energy system.

This submission proposes a targeted enhancement to the draft rule: the introduction of “Community Energy” metrics at the zone substation level.

2. Who is Village Power

Village Power is a community energy group that has been operating since 2017. Village Power is undertaking a Community Energy Program in Alphington and Fairfield, Victoria. The program is a key component of a project funded by the Victorian Neighbour Battery Initiative. In the program 100 households will participate in a virtual Community Energy Zone that will include a 500 kWh/ 200kW community-scale battery. Participants will receive regular reports on the community energy proportion of their overall energy consumption and participate in an energy behaviour change program. Our program will provide a working proof-of-concept for the Community Energy metrics proposed in this submission.

3. Summary of Recommendation

Village Power recommends that:

The Australian Energy Regulator (AER) guidelines under clause 5.13A require Distribution Network Service Providers (DNSPs) to calculate and publish metrics on the extent of energy that is generated and consumed for each zone substation.

We propose the term '**Community Energy**' to represent local energy generation that is consumed locally. It may be captured by batteries for consumption at other times. Local relates to within the same substation supply area.

There are two alternatives for Community Energy metrics:

Community Energy Ratio is the proportion of total energy consumed[1] within a substation supply area that is met by energy generated within that same area over a defined period[2].

Zone Renewable Ratio is the proportion of total metered energy consumed[3] within a zone substation supply area that is generated within that same area over a defined period[4]. This ratio does not account for household consumption of solar energy behind the meter.

Village Power acknowledges that estimating total local generation, including self-consumed generation would require DNSPs to draw on rooftop solar registration data, inverter capacity records, and solar irradiance modelling. We recommend the AER guidelines explicitly permit the use of standardised estimation methodologies (such as those already used by AEMO for distributed PV forecasting).

These metrics should be published annually, with consideration given to additional reporting for peak periods where feasible.

4. Alignment with Draft Rule Objectives

The draft rule seeks to:
- Improve visibility of network capacity and constraints
- Support efficient investment and non-network solutions
- Promote long-term consumer benefits under a range of scenarios.

The proposed Community Energy metrics directly advances these objectives.

While the draft introduces new requirements to publish:
- Available capacity at zone substations
- Network constraints and utilisation
- Forward-looking system limitations.

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[1] This includes self-consumed behind-the-meter supply from a consumer's rooftop PV or home battery.
[2] Energy generated would be based on estimates of totally locally generated energy, including self-consumed energy.
[3] That is metered customer imports from the local network.
[4] Energy generated would represent aggregate feed-in energy flowing into the local network from customers' premises. If this exceeded total metered energy consumed in the network in a measurement period, the Zone Renewable Ratio would exceed 100%.

The draft does not provide a clear measure of how much demand is met locally versus supplied via upstream network flows.

The Community Energy Ratio and/ or Zone Renewable Ratio fills this gap by providing a simple, intuitive indicator of:
- Local energy self-sufficiency
- The functional impact of distributed energy resources (DER)
- The extent to which local generation reduces reliance on shared network infrastructure.

The Community Energy Ratio provides a fuller picture of self-sufficiency as it represents total energy demand and consumption.

5. Benefits for Network Planning and Consumers

5.1 Zone substations and sub-transmission planning
The metric would:
- Improve understanding of net demand on sub-transmission assets
- Highlight areas where local generation is deferring augmentation
- Support more accurate forecasting of load growth and reverse power flows.

5.2 Low voltage network visibility
At the low voltage level, increasing DER penetration is changing demand profiles in ways not fully captured by traditional metrics.

Both the Community Energy Ratio and Renewable Zone Ratio would:
- Reflect the aggregate impact of rooftop solar, batteries, and any local generation
- Help identify areas with high local balancing or emerging constraints
- Complement new requirements to publish overloaded feeders and local constraints.

5.3 Non-network solutions and market development
The draft rule places strong emphasis on non-network options. The proposed metrics would:
- Identify high-value locations for demand response, storage, and community energy projects
- Support engagement with non-network providers
- Improve transparency for community groups and investors.

5.4 Consumer outcomes
Ultimately, improved visibility of local energy dynamics supports:
- More efficient network investment
- Reduced system costs over time
- Greater participation of consumers in the energy transition.

For Village Power's own community battery project, publicly available Community Energy metrics would have allowed Village Power to quantify the project's network value proposition at the outset, improving the business case. Community energy groups and third-party investors currently operate without this data, creating an information asymmetry that disadvantages non-network solutions relative to traditional network augmentation.

6. Implementation Considerations

Village Power considers that either of these metrics can be implemented efficiently within the proposed framework.

6.1 Data availability and calculations

DNSPs already collect the required data to calculate the Zone Renewable Ratio metric, including:
- Zone substation load and energy flows
- Meter flows for all properties.

The Community Energy Ratio would also depend on
- Embedded and distributed generation data (including DER estimates) collected by DNSPs
- Supplemented where necessary by reasonable estimation methodologies.

Village Power recommends energy from a community/network battery be counted toward the Community Energy Ratio as locally generated and consumed energy. This is consistent with the proposed definition and ensures the metric reflects the functional role of shared storage in reducing network flows, regardless of the time between generation and consumption.

6.2 Cost and proportionality

The incremental cost of calculating and publishing these metrics is expected to be low relative to:
- Existing data publication obligations under clause 5.13A
- The potential system and market benefits.

6.3 Confidentiality and privacy

These metrics can be published at an aggregated zone substation level and does not require disclosure of:
- Customer-specific data
- Commercially sensitive information.

6.4 AER guideline flexibility

We recommend that the AER guidelines:
- Define a standard calculation methodologies
- Allow for staged implementation

- Permit the use of estimates where direct measurement is not available
- Align with existing reporting on hosting capacity and network constraints.

7. Conclusion

The introduction of Community Energy metrics is consistent with the National Electricity Objective by improving the visibility of local generation and its contribution to meeting local demand. These metrics support more efficient network investment, reduced long-term consumer costs, and greater participation of consumers in the energy transition, alongside reduction in greenhouse gas emissions from electricity generation.

These metrics:
- Builds directly on the intent of the draft rule
- Supports better planning and non-network solutions
- Enhances transparency for all stakeholders, including community energy groups.

Village Power encourages the inclusion of this requirement within the AER's distribution network data guidelines under clause 5.13A.

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