Regulatory submission

Submission to the AEMC

ERC0410 - Enhancing Distribution Network Planning and Reporting

Submission on draft rule determination and draft National Electricity Amendment Rule 2026

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1. Introduction

Zepben welcomes the opportunity to respond to the AEMC's draft determination on Enhancing Distribution Network Planning and Reporting.

Zepben supports the objective of improving distribution network planning in a high Consumer Energy Resources (CER) environment. More transparent, consistent and forward-looking distribution planning is important for consumers, DNSPs, market participants, policy makers and technology providers.

However, Zepben considers that the draft rule is more likely to improve strategic planning transparency than to materially unlock investable non-network solutions. In particular, the draft rule does not yet provide sufficient clarity on the practical information that non-network providers, CER investors, community battery developers, EV charging providers and flexible demand providers require to identify, value and develop projects.

The major change proposed by the draft rule is the introduction of a 20-year Distribution Network Development Plan (DNDP). In practice, many DNSPs already undertake long-range planning beyond the current minimum requirements in the National Electricity Rules (NER). For example, in our experience, DNSPs commonly prepare 10 to 12 year forecasts for medium voltage and lower network limitations, and 5 to 10 year views for higher voltage distribution and sub-transmission limitations.

The value of the draft rule therefore does not come only from extending the planning horizon. It comes from whether the rule creates consistent, locational, machine-readable and commercially useful information that can be used by stakeholders outside the DNSP. On that measure, the draft rule requires further refinement.

2. Summary of Zepben's position

Zepben supports the direction of the draft rule, but recommends that the final rule and AER guidelines be strengthened to ensure the reforms deliver practical market benefits.

Our key points are:

1. **The 20-year planning horizon will improve policy and regulatory visibility, but is unlikely by itself to unlock non-network solutions.** Most non-network service providers assess projects over materially shorter investment and return periods, often closer to five years than 20 years.

2. **The final rule should require the AER to specify the form, structure and data schema for DNDP, annual update and distribution network data outputs.** Without a standard template or schema, the draft rule may not reduce the complexity of developing a national view of distribution network opportunities.

3. **Material system limitation data should be actionable.** It should include location, timing, constraint type, magnitude, optional proposed corrective action and deferral value.

4. **Below-zone-substation visibility remains the central gap.** If DNSPs only provide program-level information for the medium voltage and low voltage network, non-network providers will not have sufficient locational information to assess the value of flexible assets deep within the distribution network.

5. **The AER guidelines should be developed around clear commercial use cases.** In its current form, the rule appears more likely to support policy oversight of distribution planning assumptions than the development and deployment of specific generation, storage, EV charging or flexible demand projects.

6. **The AEMC should provide an indicative guideline, template or worked example before the final rule is made, or include additional minimum requirements in the final rule itself.** Stakeholders are being asked to assess the impact of a rule where much of the practical content is deferred to future guidelines. On the basis that stakeholders would have expected the AEMC to have engaged with the AER on the role and shape of the potential guideline.

3. The problem the draft rule is likely to solve

The draft rule is likely to solve three important problems.

3.1 It will improve transparency of long-term DNSP planning assumptions

The DNDP should make it easier for stakeholders to understand how DNSPs expect their networks to change over time. This is useful for policy makers, AEMO, the AER, consumer representatives and other stakeholders seeking to understand whether distribution network planning is aligned with the broader transition pathway.

This is particularly important given the role of CER, electrification, electric vehicles and flexible demand in the future energy system. A more transparent long-term view of distribution network planning assumptions can help test whether the assumptions used in the Integrated System Plan (ISP) are realistic when applied to actual distribution networks.

This is the strongest benefit of the draft rule. It may help avoid a situation where transmission planning assumes distribution networks will enable a highly distributed CER future, while distribution planning assumes transmission-connected resources will solve much of the transition challenge.

3.2 It will improve comparability of long-term planning approaches

The current NER creates a minimum five-year distribution annual planning process. However, DNSPs already undertake longer-term planning using different methods, timeframes and levels of public transparency. The DNDP should improve the consistency of how these longer-term plans are presented.

This is useful. However, consistency in planning narrative is not the same as consistency in actionable data. The final rule should ensure that the DNDP does not become a strategic narrative document only. It should produce structured outputs that can be compared across DNSPs and used by market participants.

3.3 It may improve visibility of the interaction between distribution and transmission planning

A 20-year DNDP that uses AEMO's IASR as a baseline, with justified departures for local conditions, should help stakeholders understand how DNSP forecasts relate to the ISP.

This will assist policy makers and regulators in assessing the balance between a future energy system supported by distributed CER and a future more dependent on large-scale transmission-connected resources.

This benefit is real, but it is primarily a policy and regulatory oversight benefit. It should not be overstated as a direct commercial signal for non-network investment.

4. The problem the draft rule may not solve

4.1 The draft rule may not materially improve non-network solution identification

The draft rule's main change is a 20-year planning process. However, many non-network providers are not making investment decisions over a 20-year horizon. Community batteries, EV charging infrastructure, flexible demand portfolios, orchestration platforms and other non-network solutions often need a nearer-term commercial case.

For these providers, the most important questions are:

- Where is the constraint?
- When is it expected to bind?
- What type of constraint is it?
- What is the magnitude of the constraint?
- If within the actionable planning window, what corrective action is proposed?
- What is the value of deferring or avoiding the network option?
- What response quantity is needed?

A 20-year forecast at a high level of the network does not answer these questions. It may support strategic screening, but it will not reduce project development costs unless it is connected to more detailed, locational and commercially useful data.

4.2 The rule should be anchored to clear commercial use cases

The AEMC should distinguish between strategic planning visibility and information that can support commercial decision-making.

Long-range planning can help identify areas where electrification, CER uptake or asset replacement may create future network needs. However, this information will only support market development if it is connected to clear use cases, such as community battery siting, EV charging infrastructure planning, flexible export services, demand response, VPP development and non-network option procurement.

Without these use cases being reflected in the AER guidelines, there is a risk that DNSPs publish more information, but not information that is useful to the parties the rule is intended to assist.

4.3 The draft rule does not sufficiently address below-zone-substation visibility

The most material gap remains visibility below the zone substation.

This is where many CER and flexible demand opportunities will arise. It is also where constraints can be highly local, time-varying and difficult to infer from zone substation information alone.

If DNSPs are only required to provide program-level forecasts below the zone substation, non-network providers will not have sufficient information to identify where flexible assets can create value. This would limit the commercial benefits of the rule.

This matters because distribution networks represent the majority of network assets by physical extent and regulated asset value. Energy Consumers Australia's rule change request noted that the distribution network regulatory asset base was approximately $90 billion in 2023, compared to approximately $26 billion for transmission networks. If the rule does not provide actionable visibility below the zone substation, it may miss the part of the network where much of the CER value and consumer benefit is likely to arise.

5. Material system limitation data should be actionable

Zepben considers that the final rule should provide clearer guidance on the information DNSPs must publish when identifying a material system limitation.

For non-network providers and CER investors, the value of a system limitation forecast depends on whether it can be translated into a practical opportunity. It is not enough to identify that a constraint may occur. Stakeholders need sufficient information to understand the nature of the need, the potential value of addressing it and the pathway through which a non-network solution could be developed.

Zepben recommends that material system limitation data include, at a minimum:

- location
- timing
- constraint type
- magnitude
- optional - proposed corrective action
- deferral value
- response quantity

This information is important for both consumers and market participants. For example, an EV charging provider, community battery developer or flexible demand aggregator needs to know whether a forecast limitation is relevant to its assets, whether a response is technically feasible, whether the value is material, and whether there is a clear pathway to engage with the DNSP.

Without this information, the DNDP and annual update may improve general transparency but still fail to support efficient non-network solution identification.

6. Need for standardised data templates and machine-readable outputs

The draft rule relies heavily on AER guidelines. Zepben supports an AER guideline-based approach, provided the final rule clearly empowers and requires the AER to specify standardised data formats.

Without a common template or schema, the rule may not reduce the complexity of developing a national view of distribution network opportunities. If each DNSP publishes information in a different structure, naming convention, geographic format or level of detail, market participants will still face high transaction costs when comparing opportunities across the NEM.

This is particularly important for providers operating across multiple networks. A national portfolio developer should not need to manually interpret inconsistent PDF reports, maps and spreadsheets from each DNSP in order to identify potential projects.

Zepben recommends that the AER guidelines require outputs to be:

- machine-readable
- geospatially referenced
- published using a common data schema
- version-controlled
- consistently named across DNSPs
- accompanied by data dictionaries
- linked to asset hierarchy levels, such as transmission-distribution connection point, sub-transmission element, zone substation, feeder, distribution transformer or other appropriate planning zone
- published through stable URLs or APIs where practicable

The AER should also be empowered to specify the form, structure and data schema for information provided in the DNDP and annual update, not only the separate distribution network data framework.

Ofgem's LTDS reforms could be considered as an international reference case here in terms of how they standardised sharing network capacity information.

7. Below-zone-substation information must be sufficiently locational

Zepben supports a proportionate approach to below-zone-substation reporting. It may not be practical or appropriate to require every low voltage asset to be forecast and published at the same level of granularity over a 20-year period.

However, the final rule should ensure that below-zone-substation information is sufficiently locational to support non-network opportunity identification. This is particularly important for CER hosting capacity, flexible export services, community batteries, EV charging and flexible demand.

Appropriate aggregation may be necessary to manage privacy, confidentiality, data quality and cost issues. However, aggregation should not be so broad that it removes the ability for stakeholders to identify where network value may exist.

For example, where asset-level publication is not appropriate, DNSPs could publish information at a feeder, distribution transformer group, planning zone, constraint zone or other defined local network area. The key requirement should be that the information remains useful for identifying potential non-network opportunities.

8. Response to the AEMC's consultation questions

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

Not yet.

Zepben supports the principle of a 20-year planning horizon for strategic distribution planning. However, the final rule should provide clearer guidance on how the 20-year horizon applies at different network levels.

The AER guidelines can provide detailed methodology, but the final rule should include the principle that the 20-year horizon must not reduce the usefulness of near-term planning information.

The commission should note that the modelling techniques you use to produce a 20-year forecast are different from the techniques you would use to generate a detailed 5-year view of local qualified network opportunities. This is important when you consider the investments in network planning capability this rule change will drive.

For example, forecast uncertainty increases as you forecast further forward, to the point where it does not make sense to forecast with the complexity and cost of timeseries power flow techniques, however you need these techniques to apply within the actionable planning time period of 5 years and below.

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

Partially.

The proposed purpose of maximising the long-term interests of consumers across a range of future scenarios is appropriate but too broad to guide practical implementation.

The purpose should make clear that the DNDP is intended to:

- improve transparency of future distribution network needs
- support efficient network and non-network investment
- reveal where CER, storage, EV charging and flexible demand can provide value
- support alignment between distribution planning, regulatory proposals and the ISP

- provide actionable information on material system limitations, including location, timing, constraint type, magnitude, proposed corrective action, deferral value, response quantity and procurement pathway

Without this clarification, there is a risk that the DNDP becomes primarily a strategic planning document rather than a tool that supports actionable investment decisions.

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

No.

The annual update will be critical because the DNDP is only published every five years. For non-network providers, CER investors and consumer agents, annual information is likely to be more useful than a static five-yearly strategic plan.

The final rule should require the annual update to report on changes in the next five years to:

- planned network projects
- forecast constraints
- non-network opportunities
- scenario likelihood

These four categories would make the annual update more useful to market participants without turning it into a full annual re-run of the DNDP.

Zepben supports the draft question asking whether the AER should be able to specify the form of any information or data provided in the DNDP and annual update. The answer should be yes. This is necessary to ensure consistent, machine-readable and useful outputs across DNSPs.

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

Partially.

The purpose appropriately refers to the current, historical and expected state of distribution networks. However, the final rule should provide clearer guidance that the data framework is intended to support practical use cases, including:

- CER connection and investment decisions
- flexible export service planning
- community battery siting
- EV charging infrastructure planning
- flexible demand and VPP service development

- non-network option identification and procurement
- customer and consumer agent understanding of local network constraints
- policy and regulatory assessment of distribution network utilisation

The rule should also clarify that data on the expected state of distribution networks should be sufficiently specific to support the commercial use cases the framework is intended to enable.

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

Not sufficiently.

The AER is being given a significant role in determining the practical effect of the rule. The final rule should provide stronger guidance to ensure the AER guidelines deliver consistent and useful outputs.

In particular, the AER should be required to consider:

- whether the data is actionable for non-network providers and CER investors
- whether the data is sufficiently locational to support investment decisions
- whether the data can be compared across DNSPs
- whether the data is machine-readable
- whether material system limitation data includes location, timing, constraint type, magnitude, optional proposed corrective action and deferral value.
- whether publication timeframes are aligned with investment and procurement cycles
- whether the data supports the commercial use cases the framework is intended to enable

Zepben does not consider that allowing the AER to require data roadmaps is too broad, provided the purpose is clear. Data roadmaps are useful if they create accountability for progressive improvements in data collection, use and publication. However, they should not become a substitute for near-term minimum reporting requirements.

9. Implementation timetable

Zepben is concerned that the proposed AER guideline timetable is long relative to the practical implementation period for DNSPs.

The AER is expected to develop the relevant guidelines by 1 March 2028, with DNSPs then required to comply with the distribution network data reporting guidelines six months later. This means stakeholders cannot yet assess the practical effect of the rule, because the most important details are deferred to future guidelines.

Zepben recommends that the AEMC either:

- include more minimum content and data format requirements in the final rule; or
- work with the AER before the final determination to publish an indicative guideline, data schema or worked example.

This would allow stakeholders to assess the likely practical impact of the rule before it is finalised.

The current approach risks creating a framework where the rule establishes the obligation, but the market must wait several years to understand whether the obligation will produce useful data.

10. Recommended amendments

Zepben recommends that the AEMC amend the final rule to:

1. Require the AER to specify the form, structure and data schema for DNDP, annual update and distribution network data outputs.
2. Require material system limitation data to include location, timing, constraint type, magnitude, proposed corrective action, deferral value, response quantity and procurement pathway.
3. Ensure below-zone-substation information is sufficiently locational to support non-network opportunity identification, while allowing appropriate aggregation where privacy, confidentiality or data quality issues arise.
4. Require annual updates to identify changes to planned network projects, constraints, non-network opportunities and scenario likelihood for the next five years.
5. Require the AER guidelines to consider the commercial use cases that the data is intended to support.
6. Publish an indicative guideline, template or worked example before the final rule is made, or include additional minimum requirements in the final rule itself.

11. Conclusion

Zepben supports the AEMC's objective of improving distribution network planning and reporting. The draft rule is a positive step toward more transparent and consistent long-term distribution planning.

However, the draft rule should not be assessed only by whether it creates a 20-year planning document. It should be assessed by whether it gives consumers, CER investors, non-network providers, regulators and policy makers better information than they have today.

In its current form, the draft rule is strongest as a strategic planning and policy oversight reform. It is less clear that it will unlock commercially investable non-network solutions.

To deliver that outcome, the final rule and AER guidelines must require consistent, locational, machine-readable and actionable information. This should include material system limitation data covering location, timing, constraint type, magnitude, proposed corrective action, deferral value, response quantity and procurement pathway.

The guidelines should also be developed around clear commercial use cases, including CER investment, community battery siting, EV charging infrastructure planning, flexible demand, VPP development and non-network option procurement.

Without these improvements, there is a risk that the reform increases the volume of planning information published, but does not materially reduce the complexity or cost of developing non-network solutions across the NEM.