

6/05/2026

Ms Stephanie Bashir
Principal
Nexa Advisory
PO Box 550
South Melbourne VIC 3205

Support for Proposed Rule Change – Enhancing Competition in Distributed Energy Resources

Dear Ms Bashir,

Yarra Energy Foundation (YEF) welcomes the opportunity to provide support for Nexa Advisory's proposed rule change, *Protecting Consumers by Enhancing Competition in Distributed/Consumer Energy Resources and Services in the NEM*. We support the intent of this rule change to strengthen consumer protections and preserve effective competition as distributed energy resources (DER), consumer energy resources (CER) and consumer energy markets continue to expand.

YEF is a non-profit organisation with a mission to accelerate the transition to cleaner energy. Founded in 2010 by Yarra City Council, YEF is now an independent non-profit working on community energy projects across Victoria and Australia. Our expertise lies in community energy projects that create local value, in particular neighbourhood-scale battery projects and home electrification programs.

We support the proposal's focus on reinforcing ring-fencing arrangements to ensure competitive neutrality remains between regulated network businesses and third-party providers. We believe that the proposed changes would:

- Provide greater certainty and confidence for third-party and non-network providers seeking to invest in CER and DER solutions.
- Accelerate the development of markets for third-party network support solutions.
- Encourage greater collaboration between networks and third parties providing CER and DER solutions.
- Maintain transparency and accountability in the application of ring-fencing obligations as new market opportunities emerge and develop.
- Strengthen safeguards against cross-subsidisation and preferential treatment of DNSP-affiliated businesses.

YEF believes that strong and effective safeguards are necessary to support the continued development of competitive markets for CER and DER services. In our view, enabling third-party and non-network solutions to compete on a level playing field is critical to supporting innovation, promoting efficiency, delivering optimal outcomes for consumers, and accelerating the energy transition.

We recognise that Distribution Network Service Providers (DNSPs) play an important and constructive role in supporting the energy transition. YEF supports an approach that maintains an appropriate level of flexibility for DNSPs to contribute to innovation and public-interest outcomes, while ensuring that such participation is subject to clear, transparent and robust safeguards. We believe that the measures proposed in this rule change are an important step in preserving this balance.

YEF supports the proposed rule change to strengthen the regulatory framework governing DNSP participation in competitive markets and believes that it will help ensure that consumer interests remain central to the energy transition.

We would welcome the opportunity to engage further as this proposal is considered.

Sincerely,

A handwritten signature in dark ink, appearing to read 'DK', followed by a long horizontal flourish.

Dean Kline
CEO, Yarra Energy Foundation