ELECTRICITY NETWORK REGULATION REVIEW PUBLIC FORUM

AUSTRALIAN ENERGY MARKET COMMISSION

Summary and What Was Said report

August 2026

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KEY THEMES EXECUTIVE SUMMARY

The Australian Energy Market Commission (AEMC) convened a public forum on Tuesday 18 August 2026 as part of the Electricity Network Regulation Review (ENRR). MosaicLab was engaged to design and facilitate the session, which combined in-person and online participation. A total of 188 participants took part over the course of the day, comprising 91 in-person attendees and 97 online attendees.

The Review comprises two packages of work operating on distinct timeframes. Package one considers the classification and ring-fencing of network services, with findings aiming to be completed by December 2026. Package two considers the framework governing network revenue determinations, the incentives applied to network businesses, and the allocation of risk between networks and consumers, with this stream of work extending to the end of 2027.

The morning session addressed package one and included presentations from the AEMC, as well as presentations from Energy Networks Australia (ENA) and Nexa Advisory on their respective rule change requests. The afternoon session addressed package two. Across both sessions, participants provided feedback on six problem statements for each package (12 in total), through structured small group discussion. The afternoon session also included a feedback session on 10 issues identified for package two.

This document synthesises the outputs generated through that process into core themes, for the purpose of informing the AEMC's ongoing consideration of both packages. Consistent with the intent of an executive synthesis, we have not reproduced questions submitted for speakers during the presentation and panel sessions; these are set out in full in the appendix.

PARTICIPATION IN THE PUBLIC FORUM

(See the full breakdown of participants numbers and data response on page 22 of this report.)

Attendees represented a broad cross-section of the sector, including regulators and policy makers, network businesses, advisors and consultants, peak bodies, investors and researchers, retailers and generators, market participants, and consumer and community advocates.

At the start of the day, participants shared a range of hopes for the forum, covering a core set of themes as follows:

Hear the breadth of stakeholder views

- *"Hear others' views and perspectives on review matters."*
- *"Learn more from everyone's perspectives."*
- *"Understand differing views across the sector."*
- *"Good transparent debate that allows views to be shared."*

Understanding the review itself - scope and direction

- *"Better understanding of the review."*
- *"A sense of the regulatory direction on competition."*
- *"A clear understanding of what the problem statement is and what rule change can best address it."*
- *"Understanding of both packages."*

Make sure the consumer voice isn't lost

- *"To make absolutely sure that the CONSUMER is front and centre in this discussion, not just tokenism."*
- *"Confidence that consumers have a voice in this process (not looking good if only 4% are consumer reps)."*

Find common ground

- *"Broad consensus if exists."*
- *"Consensus on the problems we're trying to solve for."*
- *"Understanding of shared goals across the cohorts."*

Contribute, not just listen

- *"Share views with the AEMC and other attendees."*
- *"Influencing regulatory positions."*
- *"Greater insight, opportunity to provide my input."*

SUMMARY REPORT THEMES AND ATTRIBUTION OF COMMENTS

Themes presented in this summary have been derived from verbatim participant contributions recorded in real time during the forum's facilitated small group sessions. Where a cohort attribution is provided beneath a quotation, this reflects the stakeholder cohort(s) recorded against that specific contribution in the underlying dataset.

It should be noted that a proportion of contributions in the source data were not accompanied by a cohort tag, and in several instances a single contribution is attributed jointly to more than one cohort, reflecting the composition of a mixed discussion table rather than the view of a single respondent.

OVERALL REFLECTIONS FROM PARTICIPANTS ATTENDING THE FORUM

To close the public forum on 18 August 2026, participants individually reflected on the day via GroupMap (an online data capture tool), recording a response under three prompts: something they liked, something they wished for, and something they wondered about.

Participants recorded 150 individual reflections: 62 likes, 60 wishes and 28 wonders. The themes from the reflections will be used to help shape future forums – please refer to the full reflections on page 69.

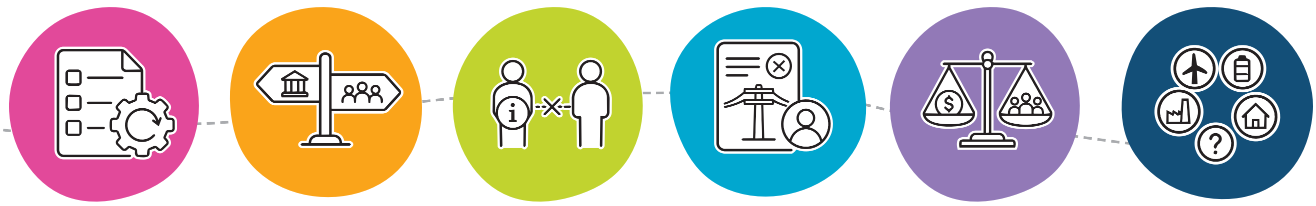
PACKAGE ONE

THE CLASSIFICATION AND RING-FENCING OF NETWORK SERVICES

EMERGING THEMES ON DRAFT PROBLEM STATEMENT FEEDBACK

(Refer to page 37 for full transcripts of feedback)

Participants considered six problem statements relating to service classification and ring-fencing:



1. Service classification lacks flexibility to adapt to emerging services.

2. More guidance is needed to clarify the boundaries between regulated and contestable markets.

3. Information asymmetries can make it difficult for market participants to compete.

4. Connection and facility access processes can affect entry into contestable markets.

5. Cost allocation & shared assets processes may not support optimal consumer outcomes.

6. The networks' growing "system operator" role has no clear obligations in the Rules.

For each, this summary identifies areas of convergence, areas of divergence or tension and gaps identified by participants.

GAPS IDENTIFIED ACROSS THE SIX DRAFT STATEMENTS

Independent of the individual problem statements, three themes recurred consistently across the small group discussions when participants were asked what was missing from the framing as a whole:

- A view that the ***economic regulatory framework*** itself, rather than any single element of it, may no longer be fit for purpose, with the capital expenditure (capex) bias identified as being absent from all six statements.
- A view that ***decarbonisation and the emissions reduction objective*** are inadequately reflected and were not considered in the original design of the current framework.
- A view that a ***consumer-centric lens*** should function as an organising principle applied across all six statements, rather than as a discrete, standalone consideration.

A further, more structural observation was that the six statements are each framed around risks that networks may pose to consumers, rather than around the conditions required for networks to deliver for consumers.

PROBLEM STATEMENT ONE

SERVICE CLASSIFICATION LACKS FLEXIBILITY FOR EMERGING SERVICES

CONVERGING

A majority of contributions supported the underlying premise that the current classification framework, designed around a one-way flow of energy, has not kept pace with a system increasingly characterised by two-way flows and distributed energy resources. The tension between providing investment certainty and accommodating technological change was widely acknowledged as the central design trade-off.

"Service classification was made for a one-way flow whereas now we have two-way flow and increasing complexity, so service classification needs to be reconsidered - is it still fit for purpose."

DIVERGING

A minority view contested the framing of the problem itself. Some participants argued that classification should remain deliberately inflexible in order to preserve investment certainty, and that any flexibility required, is about how networks support emerging services. Others went further, contending that no evidence had been presented to demonstrate that flexibility is required at all, given that existing waiver mechanisms already provide a release valve.

"Flexibility question should not be on service classification but how networks are required to enable emerging services. Service classification should be inflexible to provide certainty."

"There is no evidence to support flexibility is needed in service classification. There is clear divergent views."

Looking at what has happened previously and more broadly, in other jurisdictions, was also raised in support of reform, with reference to the United Kingdom's regulatory approach as a model for embedding an innovation-first mindset.

"Ofgem started this 16 years ago, and did 'RIIO' where one of the I's stand for Innovation. Mandated a flexibility first approach."

GAPS IDENTIFIED

Participants noted that the statement, as drafted, omits electrification, decarbonisation and climate resilience as drivers of the need for change, and does not explicitly name the capital expenditure (capex) raised elsewhere during the day. The distinction between urban and regional contexts, and the treatment of asset lifecycles, were also identified as absent from the statement.

PROBLEM STATEMENT TWO

MORE GUIDANCE IS NEEDED TO CLARIFY THE BOUNDARIES BETWEEN REGULATED AND CONTESTABLE MARKETS

CONVERGING

There was broad support for the proposition that clearer guidance is required. Participants agreed that ambiguity in this area creates uncertainty for both network businesses and prospective competitive providers.

DIVERGING

The most significant point of contention concerned the underlying purpose of any such guidance. Several participants argued that the statement conflates two distinct objectives, namely achieving the best outcome for consumers and protecting competition for its own sake, and cautioned that the AEMC should be explicit about which objective is being pursued, as the two may not align.

"What is the ultimate purpose of the delineation between contestable and regulated services? Is it to achieve the best outcome for consumers? Or is it to protect competition? These two purposes often align, but it is important not to conflate them especially in cases where they may not align."

A related divergence concerned whether the core problem is a lack of guidance or a lack of enforcement of existing boundaries.

"The ring fencing rules need to be enforceable - that's the problem and solution."

A smaller number of participants questioned whether a binary distinction between regulated and contestable markets remains a useful construct at all, given the pace of technological change.

"Is it perhaps necessary to accept a certain amount of blurred lines when the transition and technologies are changing so quickly? Should the aim be to manage the 'borderlands' in an ongoing way, rather than attempting to find the definitional solution that describes the border in a perfect and lasting way?"

GAPS IDENTIFIED

Participants raised the question of whether an intermediate business model, distinct from either a purely regulated or purely contestable service, may be required in light of the emerging distribution system operator (DSO) role. Locational considerations, particularly in relation to electric vehicle (EV) charging and stand-alone power systems, and the allocation of risk across the regulated and contestable boundary, were also identified as unaddressed.

PROBLEM STATEMENT THREE

INFORMATION ASYMMETRIES CAN MAKE IT DIFFICULT FOR MARKET PARTICIPANTS TO COMPETE

CONVERGING

This statement attracted the highest degree of convergence of the six. Participants agreed that access to network data, and the cost of obtaining it, present genuine barriers to competition. Existing rule change processes relating to distribution network data were acknowledged as a partial, though not yet complete, response.

> *"Network data has been raised as an issue by EV charging providers in Victoria - need consistent access to data."*

DIVERGING

Views on this statement differed little. A small number of participants felt the real issue is inconsistency and a lack of transparency, not asymmetry. Others were unsure whether better real-time data or improved forecasting is the right fix.

> *"Lack of consistency and transparency rather than asymmetry."*

A caution was also raised that expanding data obligations carries its own costs, and that the scope of any additional requirement should be jointly defined by industry and networks.

> *"It's important to be clear what data is actually needed to support market participant engagement - more data might conversely make it harder to use (and increase costs). So this is a two-way process - participants and DNSPs working together to develop the key data needs for least cost to consumers."*

GAPS IDENTIFIED

Participants noted the absence of defined minimum data standards, limited visibility of connection queues in addition to network capacity, and inconsistent enforcement of existing ring-fencing obligations where governance structures overlap between network businesses and their subsidiaries.

PROBLEM STATEMENT FOUR

CONNECTION AND FACILITY ACCESS PROCESSES CAN AFFECT ENTRY INTO CONTESTABLE MARKETS

CONVERGING

Strong support was expressed for standardising and simplifying connection processes, with repeated calls for time-bound and nationally consistent requirements across network businesses. Several participants noted the need for empirical evidence to isolate the relative contribution of supply chain constraints, resourcing limitations and process inefficiency to current connection delays.

"Absolutely critical that connection processes are improved and standardised."

DIVERGING

More than one contribution challenged this statement. Several participants, including a network business cohort, agreed connection processes could be more efficient but did not accept that this amounts to a genuine regulatory barrier. Separately, other participants felt the statement was framed too narrowly by focusing only on market entry, when the same issues also affect participants already operating in the market.

"Agree distribution connection processes can be more efficient but do not believe they represent a regulatory barrier."

"The view is that we don't agree with the problem statement - there may be other constraints."
— Network businesses

GAPS IDENTIFIED

Participants identified a need for a proportionate response in process requirements according to connection scale, greater attention to planning and approval barriers that sit outside network control, and clarification of whether distribution network service providers (DNSPs) and transmission network service providers (TNSPs) should be held to a consistent standard of process capability.

PROBLEM STATEMENT FIVE

COST ALLOCATION AND SHARED ASSETS PROCESSES MAY NOT SUPPORT OPTIMAL CONSUMER OUTCOMES

CONVERGING

Where participants did find common ground, it centred on a specific example: who should pay for electric vehicle (EV) charging infrastructure. Several participants pointed to a "beneficiary pays" principle, arguing that household energy users should not be subsidising transport users. There was also some support for cost reconciliation being both backward and forward looking.

DIVERGING

Views diverged mostly on the fundamental significance of the statement. Where cohort attribution was available, the divide broadly tracked stakeholder position: network business contributions favoured refinement of existing mechanisms, while consumer advocate contributions were more sceptical that current arrangements serve consumers well.

"This is a critical issue that needs to be solved and agreed across the group. The capex bias was a key point of discussion."

"This is a second order issue."

"Some refinement we would be supportive of, over redesign." — ***Network businesses***

"Not necessarily clear that customers are benefiting from the current arrangements." — ***Consumer and community advocates***

GAPS IDENTIFIED

Participants noted the absence of a clearly articulated beneficiary pays principle, insufficient clarity regarding desired consumer outcomes over both the short and long term, and limited consideration of how cost allocation approaches should vary across different network regions.

PROBLEM STATEMENT SIX

THE NETWORKS' GROWING 'SYSTEM OPERATOR' ROLE HAS NO CLEAR OBLIGATIONS IN THE RULES

CONVERGING

There was broad agreement that the distribution system operator (DSO) role requires clearer obligations under the National Electricity Rules (the Rules), and that the principle of flexibility raised elsewhere in the day's discussion should extend to this issue.

DIVERGING

Participants were divided on sequencing: some argued that obligations should be defined before any structural change is contemplated, while others held the reverse view.

> *"Some form of structure needs to happen in tandem with obligations; obligations first is cart before horse."*

A further point of divergence concerned whether competitive dynamics should be a primary consideration in defining this role at all.

> *"Unsure if Competition for competition's sake necessary."* — ***Network businesses; Consumer and community advocates***

GAPS IDENTIFIED

This statement produced the most emphatic and most frequently repeated concern raised across the entire package one discussion, namely that the outcomes of this review are likely to be substantially reshaped by a separate, pending DSO rule change once finalised.

> *"Items 3, 4, 5 and 6 are all likely to be meaningfully impacted by the pending DSO changes. It is likely that 1 and 2 will also be indirectly impacted. What happens when that comes out?"* — ***Regulators and policy makers***

This concern is treated further as a cross-cutting observation at the start of this summary, given its recurrence across both packages.

PACKAGE TWO

THE FRAMEWORK GOVERNING NETWORK REVENUE DETERMINATIONS, THE INCENTIVES APPLIED TO NETWORK BUSINESSES, AND THE ALLOCATION OF RISK BETWEEN NETWORKS AND CONSUMERS

EMERGING THEMES FROM STAKEHOLDER FEEDBACK

(Refer to page 58 for full transcripts of feedback)

Package two feedback was gathered in two stages: an initial review of ten preliminary issues identified by the AEMC, including:

1. **Efficiency** of the revenue determination process
2. Supporting **prudent and efficient** expenditure allowances
3. Ensuring **consumer views** are appropriately reflected in the process
4. Levelising incentives for **capital expenditure (capex) vs operational expenditure (opex)** solutions
5. Are new incentives needed to support **DSO** roles?
6. Are incentives required for efficient **network utilisation**?
7. Incentives to support **innovation**
8. How risk **allocation mechanisms** operate as a package
9. Appropriate arrangements for **anticipatory investment**
10. Flexibility of NEL regarding the **Rate of Return Instrument**

In the second part of the conversations relating to package two participants provided feedback on six draft problem statements developed from those issues including:

1. (issue 2 noted above) Framework incentivises NSPs to seek a higher than efficient revenue allowance.

2. (issue 3) Regulatory process is unclear about the role of consumer engagement.

3. (issue 4) Regulatory framework leads to a preference for capex.

4. (issue 5) DNSPs need incentives to maximise ‘whole of system’ outcomes.

5. (issue 6) Regulatory framework does not support ‘efficient’ network utilisation.

6. (issue 9) Regulatory framework disincentivises anticipatory investment.

THE TEN PRELIMINARY ISSUES: ADDITIONS, MERGERS AND REMOVAL

ADDITIONS PROPOSED

The theme raised most often concerned the practical influence of consumer engagement on decisions, including how the framework should account for equity across consumers and specifically for vulnerable consumers.

"Worrying that there may be a view that consumer view would be sought mainly to influence AER decisions. It should be a whole lot more than this."

"Consumer expectations are increasing about roles, duties and responsibilities for vulnerable members of the community - lines not clear between networks, governments. How can the framework address these concerns."

A second recurring theme was information asymmetry between network businesses and the regulator, raised independently across several contributions as an underlying driver of multiple incentive-related issues.

"The main reason we need incentive framework is information asymmetries between the NSPs and a regulator - if a regulator knew the efficient cost, they could just set the regulatory allowance to match it."

A smaller number of participants also questioned whether the framework relies on too many overlapping incentive schemes, adding administrative burden without clear benefit, a concern closely related to the consolidation theme below.

"Support incentive schemes - but at the right level. A few powerful schemes is better than many less powerful schemes which have admin, reporting, consumer engagement and other burdens associated with them."

MERGERS PROPOSED

This was one of the more strongly supported points raised, with several separate comments arguing that many incentive-related issues are different expressions of the same underlying problem and should be considered together.

"I suspect the AEMC will find that a solution for one problem can solve several others at the same time." — Network businesses

"Lots of overlap between incentives 4-6 (4 and 5 come to light with DSO)."

REMOVAL OR DEFERRAL PROPOSED

Several separate comments proposed that issues five and six, both tied to the outcome of the pending distribution system operator (DSO) definition work, be deferred rather than resolved now.

"Can't be resolved until DCCEEW defines the role; risks running behind obligations."

A smaller number disagreed with deferral, questioning why specific items were being singled out for removal.

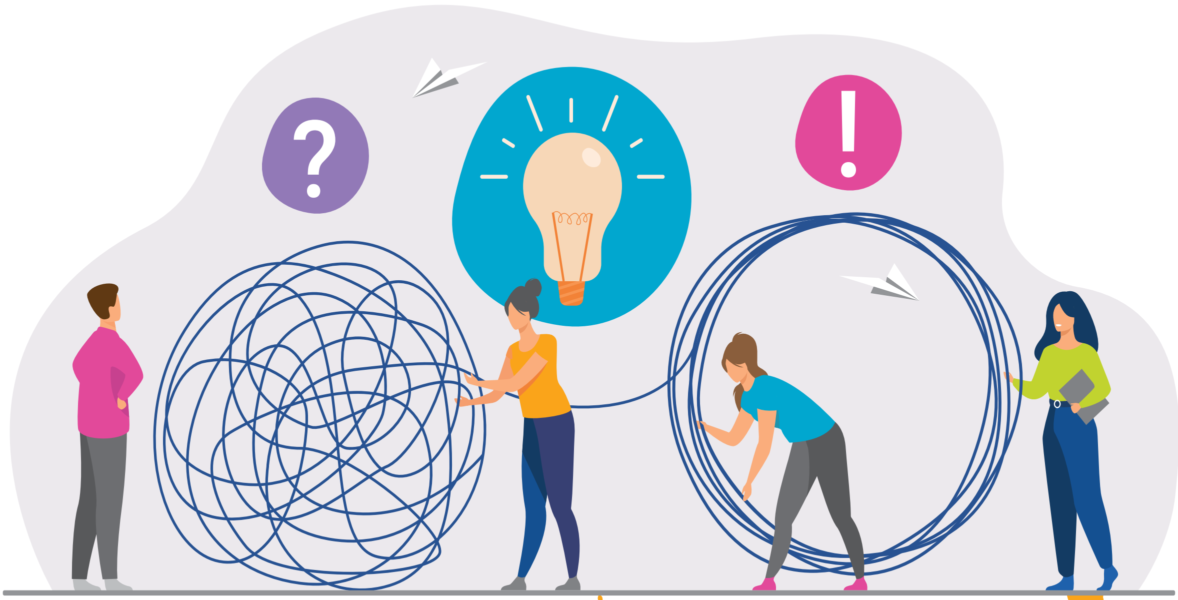
"Wasn't sure where 10 came from. Everything else makes sense as a part of a review. Need to know more about RoRI. What makes people think the RoRI is inappropriate?"

THE SIX PROBLEM STATEMENTS: IDENTIFIED GAPS

On several separate occasions, participants raised the view that the framework does not clearly demonstrate whether it adequately incentivises decarbonisation, electrification and climate resilience.

Across several of the package two problem statements, participants also felt the AEMC should first define the behaviours and outcomes it wants networks to deliver in their evolving DSO role, before revisiting incentive design. This directly reinforces the reframing seen in problem statement four.

A smaller number of participants questioned whether the existing suite of incentive schemes is achieving its intended objectives at all, calling for evaluation before further reform is designed.



PROBLEM STATEMENT ONE

FRAMEWORK INCENTIVISES NETWORK SERVICE PROVIDERS TO SEEK A HIGHER THAN EFFICIENT REVENUE ALLOWANCE

CONVERGING

Support for this statement was strongest in relation to large transmission projects, where information asymmetry between networks and the regulator was considered important.

DIVERGING

A substantial counter-view held that recent standardisation of forecasting methodology has already materially reduced this risk, and that the issue, while historically valid, may now be of diminished relevance.

"This is not an unmanaged risk, and is a problem that is no longer relevant given the advances and standardisation in forecasting methods required by the regulator. This issue may have been relevant 15 years ago."

An alternative framing held that some degree of overstatement is an inherent feature of the regulatory bargain, and that the appropriate response lies in mechanism design, such as menu-based regulation, rather than in the current framing of the problem.

"Networks overstating their expenditure needs is the nature of the arrangement, could be worth looking at menu."

GAPS IDENTIFIED

Participants observed that consumers are in a weaker position than the regulator when it comes to information about network costs. They suggested the framework could do more to reward networks upfront for submitting high-quality, transparent proposals, rather than relying mainly on the regulator reviewing spending after it has already happened.

PROBLEM STATEMENT TWO

REGULATORY PROCESS IS UNCLEAR ABOUT THE ROLE OF CONSUMER ENGAGEMENT

CONVERGING

This statement attracted consistent support. Participants sought a shared definition of what constitutes good engagement, clarity on how the Australian Energy Regulator (AER) uses engagement input in reaching its decisions, and a consistent methodology for network service providers to present the bill impact of expenditure proposals alongside consumer feedback.

"The AER needs to be clearer on how consumer engagement will be integrated within decisions, and give network service providers a consistent way to present evidence from consumers."

DIVERGING

Participants disagreed on the appropriate channel for consumer representation. Some argued that end consumers are better represented through retailers, who hold the direct commercial relationship, while others argued that reliance on retailers as intermediaries dilutes or distorts the consumer voice.

"Consumers are best represented through retailers (the customer) - not directly with DNSPs. And this problem does include that party (the customer, or retailer)."

"Retailers are missing from the conversation - what is the value in capturing their views by DNSPs if retailers as the middle man can shape the past through cost?"

GAPS IDENTIFIED

Participants raised the potential role of the Consumer Challenge Panel (CCP) in engagement processes, the absence of a shared definition of energy as an essential service from a consumer perspective, and the possibility of a consumer collective working alongside a retailer collective to aggregate and transmit consumer views more effectively.

PROBLEM STATEMENT THREE

REGULATORY FRAMEWORK LEADS TO A PREFERENCE FOR CAPITAL EXPENDITURE

CONVERGING

The majority of contributions accepted that the current framework exhibits a bias toward capital expenditure (capex) over operating expenditure (opex), commonly attributed to the structure of the rate of return on investment (RoRI).

DIVERGING

Participants disagreed on both the root cause and the appropriate remedy. Some pointed to the United Kingdom's 'totex' model, which treats capex and opex equivalently and explicitly rewards innovation, as a preferred alternative. Others argued that if the rate of return is set too high, the correct response is to adjust that rate directly rather than restructure the expenditure framework as a whole.

> *"This can happen for different reasons that require different solutions. For example, if the rate of return is too high, you should fix that, not introduce totex."*

A number of participants also questioned the empirical basis for the stated bias.

> *"What is the empirical evidence? The Averch-Johnson effect isn't always found in economic studies."*

GAPS IDENTIFIED

Some participants noted that the statement does not distinguish between transmission and distribution networks, between asset types or asset lives, or between physical and digital assets, each of which may warrant separate treatment within any revised framework.

PROBLEM STATEMENT FOUR

NETWORK SERVICE PROVIDERS NEED INCENTIVES TO MAXIMISE 'WHOLE OF SYSTEM' OUTCOMES

CONVERGING

This statement produced consistent reframing throughout the conversations. Recurring position across multiple discussion groups rejected the premise that incentives are the appropriate mechanism, arguing instead that where a network is performing a distribution system operator (DSO) function, whole of system outcomes should be a regulatory requirement rather than an incentivised behaviour.

"As a DSO, network service providers should be required to deliver whole of system outcomes - they should not need incentives. It should be required."

DIVERGING

A small number of participants challenged this premise more fundamentally, questioning whether "whole of system outcomes" is a distinct objective at all, rather than the existing economic efficiency objective in the National Electricity Objective (NEO) achieved through the market.

"How is maximising 'whole of system' benefits different from economic efficiency? If it's not, why invent new terms? If it is, how does this align with the NEO?"

"I'm not sure the desired or possible outcome is for DNSPs to achieve whole of system options, I think it should be for DNSPs to maximise exports within technical limits - then markets should achieve economically efficient outcomes from there."

GAPS IDENTIFIED

The gap raised most often was that "whole of system outcomes" is not clearly defined, as mentioned in the diverging views column. A smaller number of comments pointed to the absence of an overarching sector vision, drawing comparison to overseas flexibility market models, and noted that an existing mechanism, the Demand Management Incentive Allowance (DMIA), is not seen as driving the intended behaviour.

PROBLEM STATEMENT FIVE

REGULATORY FRAMEWORK DOES NOT SUPPORT 'EFFICIENT' NETWORK UTILISATION

CONVERGING

There was broad agreement that measuring utilisation primarily through peak demand is inadequate, and that multiple measures are required to capture a complete picture of network performance and associated consumer benefit.

> *"Network utilisation is a relative measure, that should not be oversimplified by a simple benchmark. What represents good outcomes for some networks will be different to others, and what is 'efficient' varies by network."*

It was raised that utilisation is a metric not an outcome. There is opportunity to think more strategically and to focus on the outcome.

> *"The objective, formally, is achieving an economically efficient outcome. Maximising utilisation may, but doesn't have to, align with that. Why give primacy to optimising utilisation by providing a separate incentive for that?"*

DIVERGING

Limited divergence was recorded for this statement. The one point of difference concerned who should be responsible for improving utilisation, with one comment favouring third-party and competitive solutions over relying solely on network businesses.

> *"DNSPs are probably well placed to improve utilisation efficiency but we also advocate for third party provision and competitive [solutions]."*

GAPS IDENTIFIED

Some participants noted that regional and bushfire-prone networks may be disproportionately and unfairly affected by a utilisation-based measure applied uniformly across all networks, that minimum demand is not currently captured in the proposed approach, and that utilisation is closely, but not identically, linked to the separate pricing and tariff reform process.

PROBLEM STATEMENT SIX

REGULATORY FRAMEWORK DISINCENTIVISES ANTICIPATORY INVESTMENT

CONVERGING

This statement received the lowest level of engagement of the twelve problem statements considered across both packages, with a number of participants stating it did not reflect their experience of the framework. Among those who did engage, the clearest and most repeated point of agreement was that within-period mechanisms, particularly the contingent project and reopening provisions, are too rigid for rapid, widespread demand change such as electrification, and should be reviewed to remove or adjust requirements for locational specificity.

"Should be expanded to consider how the framework can better accommodate uncertainty and rapid changes that occur between regulatory cycles. Contingent project provisions, reopening provisions would benefit from review to ensure that they are appropriate to accommodate greater flexibility where this is in the long term interests of customers."

DIVERGING

Feedback was limited to a small number of comments suggesting the framework already provides some support for anticipatory investment, through early works allowances for actionable Integrated System Plan (ISP) projects, and that this existing provision could simply be extended rather than requiring broader reform.

"Current Rules don't prohibit but don't support. Early works for actionable ISP projects facilitates some anticipatory investment and could be extends to others."

GAPS IDENTIFIED

Two further gaps were identified. First, that Australian Energy Regulator (AER) expenditure assessment processes, and its strict approach to assessing "optimal timing", contribute significantly to the difficulty of undertaking anticipatory investment. Second, that the relationship between risk allocation and appetite for anticipatory investment was not addressed, including whether ex post reviews adequately account for demand expectations at the time an investment was made, and how comparable risk is treated in other regulated infrastructure sectors

The full transcript of all comments is in the appendix – What Was Said report on page 63.

NEXT STEPS

AEMC will use this to inform the recommendations for package one and the ongoing development of package two. Findings will also be shared with the Senior Advisory Group and working groups to keep the wider engagement program connected.

A follow up forum will take place later in 2026 to discuss the initial recommendations for package one and in early 2027 to discuss options for the issues explored in package two.

To stay connected with the Energy Network Regulation Review you can register for updates here
https://www.aemc.gov.au/contact-us/subscribe.

ELECTRICITY NETWORK REGULATION REVIEW PUBLIC FORUM

AUSTRALIAN ENERGY MARKET COMMISSION

What Was Said report

August 2026

INTRODUCTION

OVERVIEW

The Australian Energy Market Commission (AEMC) hosted a public forum on Tuesday 18 August 2026 as part of the Electricity Network Regulation Review (ENRR). The electricity networks are going through a transformational change and the energy system needs to adapt. More households and businesses are generating, storing and sharing their own energy, electric vehicles are on the rise, and the transition to net zero is reshaping what networks need to do.

The Review is split into two packages running on different timeframes:

- Package one looks at what services network businesses should provide and whether the current rules for classifying and ring-fencing those services still work, with a report aiming to be completed by December 2026.
- Package two looks at how network revenue is set, how the framework incentivises network businesses, and how risk is shared, running until the end of 2027.

The forum sat alongside other engagement happening throughout the Review, including submissions, working groups and a Senior Advisory Group.

MosaicLab facilitated the session, which combined in-person and online participation. Rather than a conference, the forum was an interactive session: participants heard directly from AEMC on both packages and from Energy Networks Australia (ENA) and Nexa Advisory on their rule change requests, before working through identified problem statements and issues in facilitated breakout conversations. The morning focused on package one and the afternoon focused on package two.

Package 1: a summary of stakeholder views already shared on package 1 and feedback on the problem statements.

Package 1: the rule changes proposed by ENA and Nexa Advisory.

Package 2: feedback on the scope, problem statements and other concerns not already captured.

SESSION PURPOSE

The forum aimed to give participants a clear understanding of:

- a summary of stakeholder views already shared on package one
- the rule changes proposed by Energy Networks Australia (ENA) and Nexa Advisory

The forum also collected feedback from participants on:

- Package one on the six draft problem statements
- Package two on the issues identified and six draft problem statements.

The forum also gave participants a chance to ask questions, contribute equally, understand how their input feeds into the Review process, and share different perspectives respectfully, even where views differed.

PARTICIPANTS

The forum was open to anyone in the industry with an interest in the Review. Attendees joined both in person and online, with a broad range of stakeholder groups represented, including:

- Regulators and policy makers
- Network businesses
- Advisors and consultants
- Peak bodies, investors and researchers
- Retailers & Generators
- Market participants
- Consumer and community advocates
- Other

Over the course of the day, there were:

188
Overall attendees

91
in the room

97
online

(numberrs varied throughout the day)

4
Presentations

140
Questions documented

479
Feedback data points collected

149
Final reflections

SPEAKERS

The forum included the following speakers:

Welcome by:

- Anna Collyer, Chair, AEMC
- Danielle Beinart, Executive General Manager, Networks and Technical, AEMC

Presentation and Q&A for package one by:

- Alisa Toomey, AEMC
- Alfredo Careaga, AEMC
- Ben Davis, AEMC

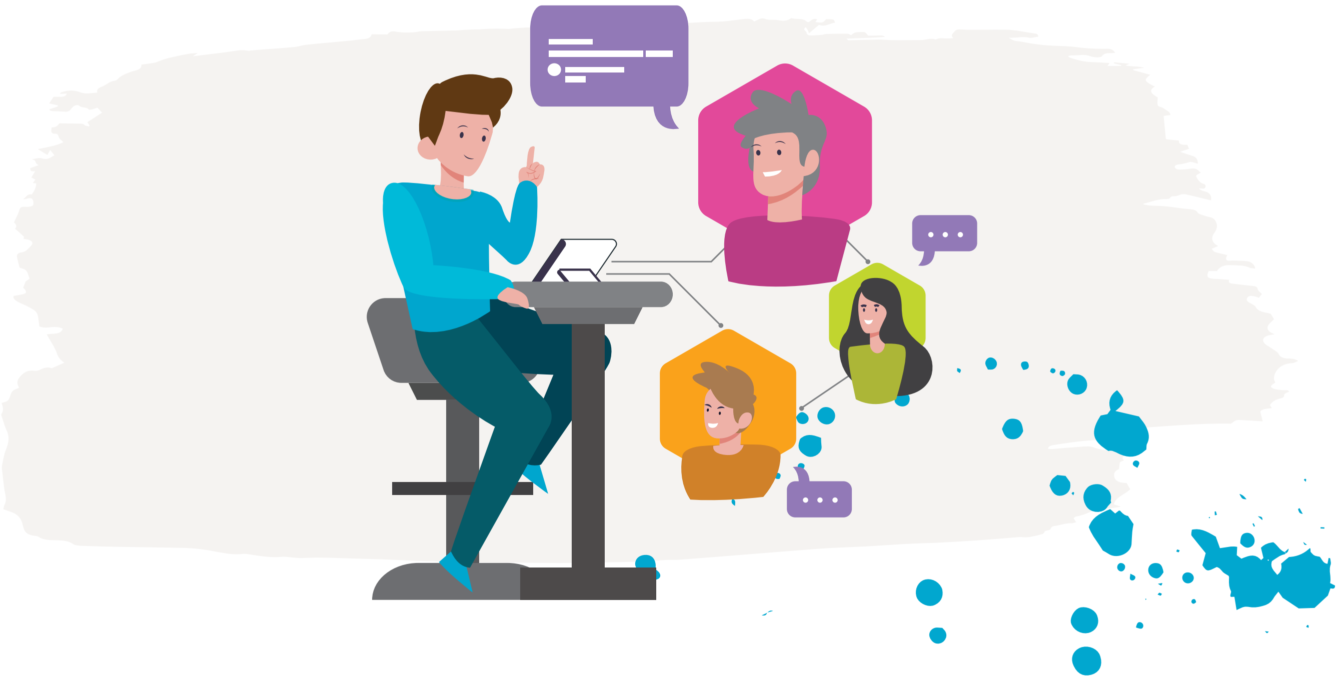
Presentation and Q&A for proposed rule changes:

- Russell Pendlebury, ENA
- Stephanie Bashir, Nexa Advisory

Presentation and Q&A for package two:

- Martina McCowan, AEMC
- James King, AEMC
- Zak Rich, AEMC

Danielle Beinart, AEMC, provided reflections throughout the morning and afternoon sessions.



FORUM AGENDA

TIME	AGENDA
9:30AM	**Welcome and introductions** Anna Collyer, Chair of AEMC, and Danielle Beinart, Executive General Manager, Networks and Technical, welcomed everyone in the room and online. An overview of where AEMC is at in the Review and how feedback from today will be used.
9:55AM	**Context on Package One** AEMC shared feedback received so far on package one and the rule change requests from Energy Networks Australia (ENA) and Nexa Advisory. Followed by a Q&A with all speakers.
10:50AM	**Morning tea**
11:05AM	**Feedback on Package One** Participants gave feedback on the six package one draft problem statements and identified anything missing.
12:30PM	**Final reflections and next steps** Participants shared final reflections on package one and confirmed what happens next.
12:45PM	**Lunch**
1:30PM	**Context on Package Two** AEMC shared the strategic context and the package two consultation paper. Followed by a Q&A with all speakers.
2:15PM	**Feedback on Package Two** Participants discussed the scope of package two and the issues identified, then gave feedback on the package two problem statements and any gaps.
3:45PM	**Final reflections and next steps** Participants shared final reflections and closing remarks, and confirmed what happens next.
4:00PM	**Forum closed**

FORUM OUTPUTS

WHO'S HERE

At the start of the day, participants identified which stakeholder cohort they most closely represented, selecting from a list of options via GroupMap survey. Responses were collected separately from the room and online and compared to give a live picture of who was in attendance. They also wrote down their hopes for the day. Their responses are collated by cohort and reproduced verbatim below.

Q1 (For our ZOOM participants) Let's get a sense of who is online today. Which of these best descibes you?

34%	Regulators and policy makers	*34 participants*
29%	Network businesses	*29 participants*
9%	Other	*9 participants*
8%	Advisors and consultants	*8 participants*
7%	Peak bodies, investors and researchers	*7 participants*
5%	Retailers and generators	*5 participants*
4%	Market participants	*4 participants*
4%	Consumer and community advocates	*4 participants*

Q2 (For our IN PERSON participants) Let's get a sense of who is in the room today. Which of these best descibes you?

26%	Regulators and policy makers	*24 participants*
19%	Network businesses	*17 participants*
19%	Advisors and consultants	*17 participants*
12%	Peak bodies, investors and researchers	*11 participants*
10%	Consumer and community advocates	*9 participants*
7%	Market participants	*6 participants*
5%	Other	*5 participants*
2%	Retailers and generators	*2 participants*

WHO'S HERE	WHAT DO YOU HOPE TO GET OUT OF TODAY?
Advisors and consultants	An understanding of the areas of focus for the AEMC as part of the review.
	Clear understanding of the issues that AEMC will be considering as part of this reform.
	Connection.
	Engagement with variety of stakeholders.
	Getting a sense of where the ENRR recommendations are headed.
	Hear the views of participants.
	Industry perspectives.
	Insight into spectrum of opinions.
	Interesting conversation.
	Learn and contribute to policy on networks and evci.
	Open conversation.
	Robust debate and insights.
	To have a better understanding of the likely rule change outcomes, the opportunity to get clarifications and hear different stakeholder views.
	To learn from different perspectives.
	To understand how we might engage community and customers better in regulatory resets.
	Understand the views of different stakeholders.
	Understanding a range of views.
	Understanding of future direction of networks.
	Understanding of review topics and perspectives.
Consumer and community advocates	A shared understanding of the issues at play.
	An understanding of how consumers are going to be fully represented in the process given the small percentage of attendees that are consumer advocates.
	Better understanding of the process and issues and how they relate to the interests of Qld residential energy customers, especially those experiencing vulnerability, hardship or other disadvantage.
	Confidence that consumers have a voice in this process (not looking good if only 4% are consumers reps).
	Consensus on the problems we're trying to solve for.
	Consumer engagement and influence so that consumer voices are integral to the decision making.
	Contribute to an incredibly important discussion.
	Greater insight, opportunity to provide my input.

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WHO'S HERE	WHAT DO YOU HOPE TO GET OUT OF TODAY?
Consumer and community advocates	Hearing different perspectives on the issues.
	Lots.
	To make absolutely sure that the CONSUMER is front and centre in this discussion, not just tokenism. In the DNSP space the AEMC aims to be Consumer Centric but demands that tariffs and services are provided to ...FRMPs - retailers! That is antithetical!
Market participants	An insight on where we heading and how this could filter through to our industry.
	An understanding of end state current challenges etc.
	Better understanding of the structure behind DNSP rollout of EVCI and package 1 implications.
	Fresh approaches to network regulation.
	Influencing regulatory positions.
	Learn more from everyone's perspectives.
	Understand general participant feedback and position.
Network businesses	A better understanding of how all stakeholders are thing about the issues for ENRR.
	A clear understanding of what the problem statement is and what rule change can best address it.
	A clearer sense of the AEMC's direction through these reviews.
	An understanding of the issues across the sector and how they impact the review.
	Better direction.
	Better understanding of package 2.
	Broader understanding, experience of the hybrid workshop approach, exploring and hopefully more clarity specific to DSO transition and DNSP AER submission.
	Clarity.
	Hear diverse views, learn more about consultation approach.
	Hear others views and perspectives on review matters.
	Learn about how a public forum for a rule change is run.
	Learn other perspectives.
	Listen to industry sentiments.
	Networking and knowing how you make energy rules in Australia.
	Options for regulatory framework to better align during energy transition.
	Overview of Package 2 and hearing views of stockholders/ forum attendees.
	Perspectives from participants, service classification.
	Share views with the AEMC and other attendees.
	Understand perspectives and raise new issues for consideration.

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WHO'S HERE	WHAT DO YOU HOPE TO GET OUT OF TODAY?
Network businesses	Understand priorities & direction.
	Understanding how we can deliver the most efficient energy transition for consumers.
	Understanding of both packages.
	Understanding of directions and priorities.
	Understanding of package 2.
	Understanding of range of perspectives.
	Understanding of shared goals across the cohorts.
	Understanding of the key aims.
	Understanding the issues.
	Understanding views about the scale of key problems (incentive misalignment, forecasting quality and risk, consumer voice) and the solutions required to address them.
	Understanding.
	Update the knowledge.
Peak bodies, investors and researchers	A greater understanding of both packages of reform and where the different parties sit in their perspectives.
	Better understand reforms and market impacts.
	Exploration of the key issues the industry needs to resolve to help move the transition forward and benefit consumers.
	Get a sense of how we industry is seeking to define network benefits of different services and how we determine regulatory boundaries, costs and incentives from that starting point.
	Good transparent debate that allows views to be shared and practical experiences.
	Greater understanding of other stakeholders perspectives of the review.
	Hear discussion.
	How all the reviews relation to networks (DSO, pricing review etc) all work together. And other stakeholder views on options for reform to incentives.
	Key issues / focus areas from stakeholders.
	Learn and exchange ideas.
	To understand how ENRR can design incentives and define service classification that lead to DNSPs to act in their DSO role with whole of system benefits in mind.
	Understanding of the potential changes to increase the ring fencing obligations on network businesses to increase competitive pressure between monopoly and private infrastructure providers.
	Views and perspectives from stakeholders.

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WHO'S HERE	WHAT DO YOU HOPE TO GET OUT OF TODAY?
Regulators and policy makers	A better understanding of everyone's views.
	A broader understanding of how the community is approaching the review.
	A sense of stakeholder views what services should and shouldn't be regulated, and views on ringfencing.
	An understanding of how distribution businesses will be incentivised to become distribution system operators who consider whole of system outcomes and benefits.
	Beneficial outcomes for the people of NSW.
	Better understand range of views on issues.
	Better understand the vision for these two packages and work out how it fits with other local and national reforms.
	Better understanding of where it's going.
	Broad consensus if it exists.
	Clarity around interactions between pending DSO changes and ENRR.
	Collecting stakeholders views.
	Get a sense of different stakeholder perspectives.
	Get up to speed on AEMC review.
	Good conversation, different perspectives.
	Good engagement on optimising incentives for whole of system outcomes.
	Good sense of the range of views.
	Hear from a broad range of stakeholders and understand views on core issues for the review.
	Hear from AEMC's stakeholders.
	Hear the views of stakeholders.
	Hear what people's issues are.
	How competitive markets would be protected from monopolies or related service providers including things like ring-fencing and shared asset guidelines being adjusted to a future where distribution networks openly participate in contestable services.
	Information.
	Insights into service classification and ring fencing issues in industry. Views on appropriate role for DNSPs in the energy transition.
	Insights on effectiveness of this model to get feedback on challenging strategic questions.
	Learn more about the competing views for the network review.
	Learn what types of new services network businesses are interested in providing.
	Listening to ENA rule change discussion.

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WHO'S HERE	WHAT DO YOU HOPE TO GET OUT OF TODAY?
Regulators and policy makers	More depth in understanding stakeholder views.
	Observe and listen in on the conversation.
	Overview of the range of stakeholders views.
	Range of stakeholders views.
	Sense of policy direction.
	Sense of what everyone's priority areas will be for the AEMC review.
	Stakeholder views on problem statements.
	Stakeholders views.
	To listen to the issues and concerns.
	Understand opportunities and tensions in the next phase of EVCI regulatory settings.
	Understand stakeholder concerns.
	Understand stakeholder views re the problem statements and related issues in scope for ENRR.
	Understand the direction of regulation that supports the energy transition.
	Understanding AEMC's direction coming out of stakeholder submissions on package 1.
	Understanding of the main issues to be resolved through the ENRR.
	Understanding of the packages and stakeholder thoughts.
	Understanding stakeholder perspectives.
Retailers and generators	A sense of the regulatory direction on competition.
	Agreement for changes that truly improve customer outcomes (reduced network costs would be ideal)!
	Better understanding of the review.
	Clarity on the EV and BESS classifications.
	More information about the key issues arising from the introduction of new technologies.
	Progress the conversation / see where the regulator is at.
Other	AEMC position.
	Discuss the services needed by DNSPs for the 21st century and decarbonisation.
	Information for reference.
	Understand differing views across the sector.
	Understand reform impacts on large industrial customers (ironically not listed in the stakeholder dropdown).
	Understand the dialogue/sentiment for Package 1.
	Understanding sector perspectives.

PACKAGE ONE - PRESENTATIONS

The following presentations were delivered in the room and broadcast through Zoom for the online participants:

- **AEMC package one: Service classification and ring fencing –** Alisa Toomey, Director, AEMC
- **NEXA rule change** – Stephanie Bashir, Nexa Advisory
- **ENA rule change –** Russell Pendlebury, Energy Networks Australia,

During each presentation, participants submitted questions live via GroupMap, both in the room and online. Participants indicated on GroupMap which questions they liked most and a selection was put to each speaker during the panel Q&A that followed.

The total list of questions is reproduced verbatim below.

SPEAKER	QUESTIONS	LIKES
AEMC Package 1: Alisa Toomey	Beyond having everyone restate their positions on the package, what evidence is the AEMC looking for to inform its decision?	**24**
	Are we still well served by seeking a binary separation between "monopoly/ regulated" and "contestable/marketised" services?	**13**
	How are consumers represented in the Strategic Advisory Group and the Working Groups?	**7**
	What considerations is the review giving to nearly 30 years of experience and evidence. Eg how explain to consumers continually rising prices above CPI 1	**6**
	Why is the submission timeline so tight for this review?	**6**
	How are you thinking about digitisation and data services that DNSPs need to provide now and into the future?	**6**
	Why is PlusES considered a Market Participant for the purposes of classifying submissions when they have the same board and shareholder set as Ausgrid?	**5**
	The status quo has DNSP being vassals of retailers - the NER/AEMC requires that tariffs are made ONLY for retailers! The "network" is a "Community Commons" and the "Service" is provided to ... wait for it ... CONSUMERS! Why aren't services and tariffs - esp in digital environment - supplied to anyone not just to retailers. How will this review address the future for consumers (first) and focus on SAVING and productivity of networks (to lower costs)? 1m	**3**
	Has the AEMC considered the opportunity cost for consumers, from the years of lost reform and innovation, due to networks plans to expand the RAB instead of addressing existing barriers e.g. connections and tariff reform?	**3**
	Will there be new regulated services defined for DSO activities? If so, is there a view on what these are?	**3**
	Does the emissions NEO fundamentally change how the commission has to look at, for example, the interaction between electricity consumers and transport consumers? Is the Commission able to take account of benefits that exist outside the electricity system (e.g. petrol savings or fuel security) when making its decision?	**2**

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SPEAKER	QUESTIONS	LIKES
AEMC Package 1: Alisa Toomey	Networks do not have a common approach to measuring consumer benefits at this stage. How does the AEMC foresee a constructive review without this fundamental element?	**0**
	How is the Review considering near 30 years of experience and evidence for consumers? Continually rising energy bills for consumers might suggest that the current system is not working for consumers.	**0**
ENA rule change: Russell Pendlebury	What evidence demonstrates that DNSP ownership of EV charging infrastructure is necessary, rather than further improvements to DNSP enablement, connection, planning, access or information-sharing arrangements?	**25**
	Should stationary energy users subsidise transport users? Why/why not?	**16**
	Why does the ENA view kerbside charging as a distinct service from EV charging generally? Doesn't the service overlap with and compete with DC charging and home charging solutions.	**14**
	If DNSPs can solve the problem by owning the infrastructure themselves, what incentive remains to optimise enablement of competing providers?	**12**
	Have you noticed that Australia's ratio of EVs to chargers has come down from 68 to 45 and now 40, between 2024 and 2026? Doesn't that mean the competitive market is delivering faster than EV uptake? How is that market failure?	**10**
	Why were you presenting studies from 2025, when EV uptake in 2026 has made those assumptions redundant?	**7**
	The proposal's stated consumer benefits appear to flow from open access and downstream competition. Why are those outcomes dependent on DNSP ownership rather than DNSP facilitation of third-party infrastructure?	**5**
	Have you looked at successful models overseas? e.g. UK and Netherlands? Centralised planning linked to local demand, networks playing a key enabling role and industry investing in and delivering infrastructure. Why not work with your customers to replicate that here?	**4**
	Will EVCI investment be in a separate RAB --- so that there's absolute transparency and crucially clear regulatory oversight, methodologies, that ensure outcomes. If not why not!	**4**
	How would ena rule change ensure networks don't only provide kerbside to richer (potentially more profitable) suburbs while ignoring the rest of the population?	**4**
	Noting that the rule change allows participating DNSPs to propose EV charging as a user pays (ACS) or all consumers pay (SCS), why do you think having all consumers, including people who don't even own a car, would be justified? Could a hybrid of part ACS, part SCS, funding work?	**3**
	Assuming the (privately owned) networks are working to maximise the value for their shareholders (as any other private business), why is proposed ENA rule change in the interest of the networks' shareholders?	**3**

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SPEAKER	QUESTIONS	LIKES
ENA rule change: Russell Pendlebury	How would a network that professes to genuinely care about its customers explain to those already struggling to pay their energy bills and will never afford an EV that they are paying for privileged Toorak or Portsea customers to charge their EVs when and where they want.	3
	Why don't network just set up ring fenced entities to provide EV charging? What is it that makes regulated provision more worthwhile? Is it the ability to recover revenue from consumers regardless of the demand for the networks' ev charging or is there anything else?	2
	What case studies can you provide that infrastructure competition is not relevant and only service based will deliver any competition. ACCC had opposed the Vodaphone tog merger on the basis that access layer competition only is not sufficient.	2
	You said open access model would drive more competition. Would it, however, drive an efficient outcome for consumers? Please explain how this will be different from the outcomes of competition between retailers we see at any airport in Australia.	2
	If it take several months for CPOs to roll out a charger due to DNSP timelines. Why does ENA think they can do it faster?	2
	How do you explain the apparent in consistency between your data on the lack of EV charging as a barrier to buy an EV and the huge increase in EV sales in recent months.	2
	If our statistics of EVs to chargers are poor, what are networks doing now to accelerate deployment? Why is that not working?	2
	What's the ENA's position, or perspective of having (capacity metric) subscriptions - supported by DOE to deliver frictionless access to spare capacity (to drive productivity and facilitate Energy Cost Efficiency)? Crucially... a "subscription" is portable ... with a VNMI - Virtual NMI - consumers would have lower cost at EVCI. That makes all consumers want subscriptions (rather than try to avoid consumption tariffs)	1
	Provide the survey data, scope, timeframe conducted and other important context.	1
	Have you checked with your customers i.e..	1
	Should there be a provision allowing the AER to write down the value of the networks' EVCI in case there's insufficient demand/ they become stranded?	1
	Why did the ENA not address the main criticism that networks are controlling connections and that tedium of this process could accelerate roll put competitively	1
	Why not publish a plan available to cpos to respond to?	1
	What is the role of the 'deployment strategy' proposed as part of the rule change?	1
	To what extent does the recent and stability in high interest rate environment (related to the rates of return) relate to the resurgence in ENA's call for network expansion/augmentation and proposal to enter the EVCI space - to lock in or leverage returns at this higher rate of return?	1

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SPEAKER	QUESTIONS	LIKES
ENA rule change: Russell Pendlebury	Shouldn't all services provided by DNSPs be regulated? If there's "unregulated services" why not that be completely separated?	**1**
	Will you rule out pushing for the extension of ringfencing changes to areas beyond EV charging?	**1**
	Roughly 70% of Australian dwellings are separate standalone houses and only 16% are apartments, whereas across the European Union, about 51% live in houses and 48% live in flats or apartments.(ABS) . It makes sense that Europe for example might have a greater ratio of street chargers to EVS, than Australia because it's easier to charge at home here. So why does it matter that we have fewer street chargers compared to other countries?	**0**
	How can you claim a gap when in Sydney over 700 sites delivering over 1000 sockets exist.	**0**
	EV led charging is promised as being reliable and unconstrained. But the argument for socialising costs relies on improved network utilisation. Doesn't this mean constraining peak charging?	**0**
	provide details of the customer survey.	**0**
	If the rule change is so pro consumer, why are all the consumer groups who made a submission opposed to it?	**0**
	Are you ignoring the prospect for new technologies (apartment retrofit) making broad scale slow charging a particularly inefficient use of resources on behalf of energy consumers.	**0**
	Has the rapid uptake of EVs this year been matched by a corresponding increase in CPO (i.e. not government funded) investment in kerbside EV charging? If not, what's your explanation of why not?	**0**
	Do you see the role of DNSPs is analogous to a road operator or the taxi business that uses the road to deliver services?	**0**
	If we are trying to deploy kerbside EVCI cheaply and quickly, who does NSP delivery make it cheaper for, and how much quicker is it than alternatives?	**0**
	Does it natter tyst.	**0**
	Are you suggesting using existing crews of the dnsp in new where there is an ASP program. Are you proposing to have dnsps enter contestable labour markets?	**0**
	Are networks looking to target a market segment that they believe is unlikely to be economic for unregulated parties? Is this an important distinction.	**0**
	Distance travelling, if utilise the poles would you structure those charging opportunities on the highways? and what could that look like?	**0**
	Should the criteria include inefficient duplication (multiple chargers clustered) and whole/end of life maintenance of the chargers? Focus on competition in the retail offers.	**0**
NEXA rule change: Stephanie Bashir	What is your view of the 'open access' element of the ENA rule change proposal, where multiple retailers can provide charging over network-provided infrastructure?	**23**

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SPEAKER	QUESTIONS	LIKES
NEXA rule change: Stephanie Bashir	What evidence does nexa have of where ring fencing is not working as intended?	**20**
	If the DNSP kerbside charging proposal preserves competition through open-access charging, allows multiple retailers and charging providers to compete for customers at the kerb, provides equitable access to EV charging for households without driveways, and enables infrastructure to be coordinated, maintained and operated as part of the broader electricity network to help manage peak demand and lower overall system costs, should efficient investment in this infrastructure be eligible for RAB treatment where it delivers a net benefit to customers? Particularly when large-scale kerbside charging deployment has historically relied on substantial government funding support, suggesting the market alone has not delivered widespread rollout.	**9**
	What evidence does nexa have of where ring fencing isn't working as intended.	**8**
	Networks are tightly regulated and must be transparent around every element of performance and funding. By contrast, what proportion taxpayer subsidy has funded EVCI installed by CPOs, and what transparent data can you point to about their performance and reliability? How do we know that these subsidies are providing value for taxpayers' investments?	**6**
	What is the problem with network's growing? The problem is not "market failure" - #EVCI is about creating an open, interoperable, and crucially competitive... that's good for consumers! Why are you advocating for pseudo (geographic) CPO monopolies that limit access to charging, at higher cost?	**6**
	What does "EV charging from China distorts the figures mean?"	**5**
	Do you think the ENA will stop at EV charging in pushing for changes to ringfencing rules?	**5**
	What do you mean by 'last resort'? You opposed the Commonwealth program even where private providers are given 6 months to take up a charging location where all the connection work has already been done, and DNSPs would only be allowed to build EVCI if a private provider does not take a site up- if even this does not qualify as 'last resort' what would?	**4**
	How will this rule change support a more rapid roll out of charging regardless of who delivers it? The scale of network led ev charging is very low today and yet the problem exists. Or is there not a problem in NEXAs view?	**4**
	What's your perspective on why the DNSPs are pushing for this change?	**3**
	Is there a clearly defined market failure?	**3**
	Can you provide some insight as to why ring fencing regulations were required in the first place, lessons from the recent past and what happens if rules are not enforced?	**3**
	Do you think the AER could effectively regulate this?	**2**
	How many market (i.e. not government funded) kerbside chargers have been built in Australia?	**2**

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SPEAKER	QUESTIONS	LIKES
NEXA rule change: Stephanie Bashir	The whole "Community Battery" model has been hijacked by RETAIILERS - it's a failure because the #ESaaS is NOT offered to consumers, but only to FRMPs (to profit on fees, and arbitrage)! The problem is not DNSPs!	2
	How do you see a rule change addressing one of the challenges of the DER era - being that networks are increasingly becoming platforms for energy services, not merely owners of poles and wires. If we accept networks as a platform, questions of allocative efficiency, utilisation, congestion management, DER orchestration and shared assets are consequently at least as important as the traditional debate about capital expenditure efficiency. Some of the submissions seem to advocate that the focus should be on characterising the services first, then considering ring-fencing and regulation, or defining where the line sits between regulated and contestable services first. But should we instead reconsider whether some of the core assumptions underpinning distribution-network economic regulation remain fit for purpose in a highly electrified, DER-rich system?	2
	Do you think the energy transition imperative and the addition of the emissions reduction NEO should lead to *any* change to the traditional permitted roles played by the different actors in the Australian energy system?	2
	I don't have a single problem with DNSPs offering REGULATED SERVICES - I see no "limit" to regulated services - esp. #EVCI and #OASIS / #ESaaS (Community Battery Networks) that are supplier to consumers! Open and Interoperable platforms (which #EVCI and #ESaaS are) promote competition and lower cost to consumers! Do you agree, or disagree? Why?	2
	What is NEXA's position on equitable cost recovery? Do you support consumer "avoidance" through the current tariff model that exclusively on import?	2
	Did you look at the CPU waiver when preparing your rule change request?	2
	Since there is such a large uptake in batteries and solar, should that be part of the solution for EV charging? for example would we turn Westfield carparks into charging centres in the city although this does not support the nomad movement or remote locations around Australia.	1
	What about a focus on making the networks focus on developing measurable benefits to consumers ... instead of servicing businesses (retailers, CPOs, etc)!?	1
	Are there alternatives to community batteries? How else could that be provided?	1
	Why do you think networks oppose stronger consumer protections, visibility of outcomes and enforcement of ringfencing waivers?	1
	What about an approach based on collaboration to give better consumer outcomes rather than persisting with flawed notions of competition	0
	How would a market failure test be implemented? Is it a uniform test prescribed in the rules? Or would the Aer have discretion?	0

PACKAGE ONE – FEEDBACK ON PROBLEM STATEMENTS

Following AEMC's introduction of the six problem statements, participants took part in two rounds of small group discussion, moving between statements of interest. For each statement, participants recorded their responses in GroupMap against two prompts:

- what resonates with the statement, and
- are any gaps or something missing.

Responses were captured in real time from both the room and online and reproduced verbatim below.

Problem Statement 1. Service classification lacks flexibility for emerging services

1.	PROBLEM STATEMENT 1.	LIKES
Resonates	Tension between investment certainty and adaptability.	3
	The current framework lacks flexibility and is unable to keep pace with the changing nature of sector.	2
	Flexibility question should not be on service classification but how networks are required to enable emerging services. Service classification should be inflexible to provide certainty.	1
	Agree - 5 year service classification process lacks flexibility to accommodate emerging services for timely response to deliver customer outcomes.	1
	Service classification was made for a one-way flow whereas now we have two-way flow and increasing complexity, so service classification needs to be reconsidered - is it still fit for purpose.	1
	Service classifications are not what needs to be flexible to accommodate emerging services.	
	Where is the evidence?	
	The economic principles are clear. The current framework is flexible enough to allow to implement them. On allowing classification in between resets: it's important to ensure rigorous assessment that's consistently done across the NSPs.	
	Technology developing very rapidly.	
	Yes.	
	Inflexibility is a consequence of the irreversible nature of decisions - if you want more flexibility, then the decisions need to be less final, possibly separate RABs or some kind of review over time.	
	Need to look at current and future services we need to be provided, then consider best way to deliver those.	
	Resonates.	
	Yes.	
	Agree DNSP set these many years in advance with the current reset process, do additional services options need to be introduced to the annual Pricing Process.	

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1.	PROBLEM STATEMENT 1.	LIKES
Resonates	Service classification framework was designed a while ago. System is now more complex - two-way flows, more CER etc.	
	Yes it does, most crucially wrt 5-year tariffs (which means 7 years overall)!	
	Flexibility for existing services is equally problematic.	
	Flexibility to make changes important, and not locking things in.	
	Yes.	
Gaps	The problem statements also miss "electrification". The role of DNSPs in facilitating electrification. The problem statements are missing the scale of the transition needed.	**3**
	Increasing flexibility of service classification could risk inconsistency of interpretation and application. How could this risk be managed?	**3**
	This technology for this market is here, it's not emerging.	**2**
	None of the problem statements include the capex bias (which is worrying).	**2**
	It would be good to remind ourselves of the fundamental principles of economic regulation and attack the emerging issues from that perspective.	**1**
	Looking at customer outcomes and defining those first then look at how we best achieve those outcomes.	**1**
	Particularly in relation to urban vs rural areas.	**1**
	No flexibility is needed given waivers exist.	
	Is the networks role not to enable technology to access the network - not operate or roll them out? Bizarre presupposition.	
	There is no evidence to support flexibility is needed in service classification. There is clear divergent views.	
	Lots missing, these problem statements miss the point of the review. The Review has no starting point - i.e. after 30 years it is blatantly clear that the reg system is not working for consumers. Eg prices keep going up.	
	Flexibility-first, nine network first should be part of this.	
	Problem statements are also missing climate resilience. e.g. reduction in bushfire risk in Western Power is a good example.	
	There are some fundamental shared frameworks about how market failures.	
	Why have consumer prices been rising at a faster pace than CPI for the last 30 years, that should be the problem statement.	
	Ofgem started this 16 years ago, and did "RIIO" where one of the I's stand for Innovation. Mandated a flexibility first approach.	
	AER don't have guidance in determining where something could be contested but that may not be the most efficient way of delivering for customers. Need for additional guidance on that.	

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1.	PROBLEM STATEMENT 1.	LIKES
Gaps	This is less about flexibility, but more about what is needed for climate change and decarbonisation.	
	The question of assets for networks: the platform is there. It is not overly used. The hard assets are there but more about enabling platforms (NECA).	
	Can't remember the last time AER made a decision about service classification waivers.	
	At the moment it is a muddle-through approach and keep doing waivers, don't get the engagement and buy-in from networks.	
	Review should be looking at what's happened in the past and where we need to go at a broader lens.	
	Perhaps, the question is really about how to manage uncertainty on an ex-ante basis.	
	Doesn't adequately represent asset lifecycles.	
	Minimum requirements missing.	
	Consideration of trade-offs - service and price certainty, costs of additional process burden to many parties.	
	The trade-off of flexibility against the certainty of having a clearer restriction on DNSPs providing new services.	
	Should there be flexibility to introduce new services within period?	
	The problem seems to be not in service classification lacking, but in the flexibility of industry to collaborate on addressing the needs of consumers and the market, instead of waiting on service classification and regulation to lead the decision.	
	Service classification was made for a one-way flow whereas now we have two-way flow and increasing complexity, so service classification needs to be reconsidered and whether it is still fit for purpose.	
	Could benefit from clearer classification. Lack of clarity here and over compensation from other guidelines can be solved by getting this foundation right.	
	Existing services aren't well served either.	
	The flexibility for two way service classifications and new technologies to be connected (e.g. large IBL).	
	What is the correct framework for emerging services - does it require the current framework, or do we need something new? Risk allocation - if consumers pay for EVCI, then the risk is borne by consumers rather than the network. How do we get the balance right.	
	What services can be assigned.	
	Group made a point that more flexibility = more uncertainty. Perhaps more certainty in early stages is better for private investment.	

...continued overleaf

1.	PROBLEM STATEMENT 1.	LIKES
Gaps	Role of government planning around smart electrification, climate resilience.	
	Does it need to be more specific about who needs more flexibility?	
	Decarbonisation! This was not included in the NEO when the economic regulation was developed.	

Problem Statement 2. More guidance is needed to clarify the boundaries between regulated and contestable markets

2.	PROBLEM STATEMENT 2.	LIKES
Resonates	It is not clear, based on current and emerging services, where they do not conform to the current service classification framework. What future services sit outside of the contestable framework and therefore need to be delivered by a NSP or DSO?	1
	Safe starting point - contestable until proven otherwise.	1
	This doesn't really resonate. Rather than the boundary being blurry, it seems like some parties are making an effort to blur them on purpose.	
	Might it not be easier to say that DNSPs can only provide regulated services - and that any service that can provide demonstrable benefits to consumers can be offered (example of that would include #EVCI and #ESaaS).	
	The fact that we are even asking this question provides the answer. Tighten up regulation and enforcement.	
	The ring fencing rules need to be enforceable - that's the problem and solution. Again divergent views if you ask networks.	
	There needs to be a recognition that some technologies i.e. batteries provide services in many markets including distribution and retail.	
	The framework regulates services and not assets. There is an open question as to whether or not networks can efficiently operate and invest in shared assets that provide both regulated and unregulated services. The justification for deciding one way or another will come from things like information economics or models on boundaries of the firm, rather than classical economics - i.e. can networks, given their operational culture etc, manage these assets efficiently.	
	Seems very linked to service allocation.	
	Yes.	
	Clarify role of ring-fencing once you make decision about what's contestable.	
	Binary distinction between regulated and contestable less applicable.	

...continued overleaf

2.	PROBLEM STATEMENT 2.	LIKES
Resonates	Especially in terms of location - this needs to be taken into account, e.g. for EVC and SAPS.	
	There is a lack of clear principles to guide how to decide what is a regulated and contestable market.	
	There should be more information & data about the outcomes of trial waivers to understand costs & provide evidence to underpin future service classifications.	
	Modernised thinking first, guidance second.	
Gaps	What is the ultimate purpose of the delineation between contestable and regulated services? Is it to achieve the best outcome for consumers? Or is it to protect competition? These two purposes often align, but it is important not to conflate them especially in cases where they may not align.	**3**
	Inevitably, non-network solutions cross the boundary between regulated and contestable services.	**2**
	Need to consider whether the service should be contestable, not just could it be contestable. Need to think about who is asking for the service and who wants to provide the service.	**2**
	Should focus on how to better serve customers rather than defining black and white boundaries between monopoly and competitive services. Customers might be better served by allowing both providers. In other international jurisdictions, the 'lack of distinction' means customers are better served.	**2**
	The issue is not only drawing the boundary between regulated and contestable activities, but whether a new business model is required in between, specially due to the DSO role.	**1**
	Potential gaps/interactions around regulated and contestable markets/actors and consideration of how their risk should be allocated/managed - jurisdictional safety framework.	**1**
	Framed as a solution, rather than problem.	**1**
	Policy vs economics framework issue.	**1**
	Is it perhaps necessary to accept a certain amount of blurred lines when the transition and technologies are changing so quickly? Should the aim be to manage the 'borderlands' in an ongoing way, rather than attempting to find the definitional solution that describes the border in a perfect and lasting way?	
	Need to define regulatory and contestable markets first - we don't need another smart meter debacle.	
	Have to think about the differences (e.g. regional Queensland vs regional Vic, the mindsets are different). Gov should test this, not networks.	
	Regional Australia is one of the most underserved places, want to move to DC charger. NSW DCCEEW is building a model on this.	
	Modernise the thinking.	

...continued overleaf

2.	PROBLEM STATEMENT 2.	LIKES
Gaps	Does the AER's trial waiver process support emerging services? This can provide the evidence to demonstrate whether guidance is needed. Sometimes guidance can be too vague.	
	The boundaries must be in consumers' interests.	
	There needs to be different segments, e.g. in regional areas.	
	Modernise the boundaries, then update guidance with more prescription as needed.	
	Agree. But needs a test.	
	Yes, but principle based test rather than specific reporting obligations (like NEXA advocacy).	
	Enforcement of existing boundaries - guidance only implies that the boundaries are not sufficient.	

Problem Statement 3. Information asymmetries can make it difficult for market participants to compete

3.	PROBLEM STATEMENT 3.	LIKES
Resonates	This is an issue - yes. More network data and transparency needed.	3
	Yes.	
	How about considering the biggest asymmetry ... the consumers are treated like mushrooms (and as mushrooms to be bought and sold, and crucially eaten, by "participants").	
	Absolutely. Not only access but cost. Cost of information can make projects prohibitive.	
	Agree! And has been for years.	
	Need to clearly define data needed and create routine and consistent data expectations to reduce excess costs and burden.	
	Yes.	
	Yes.	
	Network data has been raised as an issue by EV charging providers in Victoria - need consistent access to data.	
	Yes, and speed up distribution network LV visibility! (Don't delay as previously decided by AEMC).	
	Lack of network data hampers competition.	
	Yes, recognise some rules etc in train to improve transparency but will take a long time to fully rollout. In the context of the pace of the transition is it good enough?	
	Processes like DNDP rule to solve but will take some time.	

...continued overleaf

3.	PROBLEM STATEMENT 3.	LIKES
Resonates	ARENA Grant recipients' experience may be part of the evidence base.	
Gaps	France is a useful case study for how much network data can actually practically be shared.	**2**
	Lack of consistency and transparency rather than asymmetry.	**2**
	Is data provision an obligation or a service? Also note that asymmetries work both ways - DNSPs have some information, but other parties also have relevant information.	**2**
	Information about utilisation of individual chargers to better understand investment.	**1**
	EDNRP rule change may have solved this, but AEMC said 2028. How do these processes interact?	**1**
	Absolutely. DNSPs have far more information available. What's reasonable for DNSPs to be expected to publish?	**1**
	To what extent can the Enhanced Distribution Planning and Reporting rule change address information asymmetries? Is network visibility going to be enhanced sufficiently by the new Distribution Network Development Plans and data reporting framework?	**1**
	Information asymmetries also about facility access arrangements.	
	Why are Rosetta maps not available?	
	Do we need real time data, or forecasts?	
	What are the specific data gaps that might be impeding development of contestable emerging services, and are they due to information asymmetry or lack of definition of the required data? Recognising the costs of additional data provision.	
	How do we know better data will lead to more competition, improved investment decisions.	
	No enforcement of existing ringfencing. Boards and deals teams of some networks and subsidiaries are the same.	
	Is that complete amongst competitive providers, or with the incumbent network business?	
	Not just around capacity but connection queues as well, lack visibility about how long until we will hear back.	
	While information may be made available, does it translate or land such that stakeholders can benefit from having access to it.	
	Need data to facilitate effective competition that delivers beneficial outcomes for consumers.	

...continued overleaf

3.	PROBLEM STATEMENT 3.	LIKES
Gaps	Receive invoices for upgrade works that aren't itemised - when we challenge that it has changed, when we ask for an itemised bill, how can we improve the pace.	
	It's important to be clear what data is actually needed to support market participant engagement - more data might conversely make it harder to use (and increase costs). So this is a two-way process - participants and DNSPs working together to develop the key data needs for least cost to consumers.	
	Publish real time constraints on the network, no one reads the DAPR.	
	Agree this is a big issue for third parties in relation to both network data and connections.	
	Greater support for consumer advocacy groups to consistently represent.	
	Utilisation of EVCs would be good!	
	Need to clarify minimum data requirements.	
	Clarify what information we're talking about - not just about operational data, also about understanding the regulatory framework (although not all NSPs have the same level of regulatory capability).	
	Yes, reasonable information should be standardised and published.	

Problem Statement 4. Connection and facility access processes can affect entry into contestable markets

4.	PROBLEM STATEMENT 4.	LIKES
Resonates	We need an empirical understanding of what drives time to connect. What portion is driven by supply chain vs lack of resourcing vs inefficient processes?	4
	Absolutely critical that connection processes are improved & standardised.	3
	There is inconsistency across NSP connection processes - consistency improves access/entry.	2
	Yes, standardise connection arrangements as the Federal Minister has prompted, including flexible connections.	1
	What are the current issues to connections and what is presenting fast roll out.	1
	There is a lack of information about network performance in delivering connections. The ENRR could examine options for increasing transparency and enhancing reputational incentives for DNSPs.	
	Yes.	

...continued overleaf

4.	PROBLEM STATEMENT 4.	LIKES
Resonates	Network connection processes are sometimes criticised as slow, complex and inconsistent. Greater consistency and reduced complexity would aid greater rollout of non-network options.	
	Not only processes and costs, although wildly varied and prohibitive, selective offers and blockages are rife.	
	Providing more information to connection proponents.	
	Strong agreement from our group on this.	
	Is this just about entry or is it about broader participation? There are plenty of complaints about these issues from entities who have already entered into and are participating in relevant markets.	
	The 2 rule changes are both making claims about barriers to entry - can the AEMC get the evidence about all of the barriers.	
	Solution needs to account for a wide range of barriers to entry.	
	There have been other rule changes recently that may assist.	
	Data centres network standards - approach could have more general application.	
	Agree distribution connection processes can be more efficient but do not believe they represent a regulatory barrier.	
	Con.	
	This seems broader than the review.	
	The view is that we don't agree with the problem statement - there may be other constraints.	
	Yes but too narrow a definition. Also affects ability for users to manage own costs.	
	Yes, perhaps not limited to entry?	
	Can processes be automated to speed things up.	
Gaps	There shouldn't be unnecessary barriers to connecting, connection standards.	**4**
	Agree. Need simple connection & time-bounded processes.	**4**
	Connection process issues which vary between networks.	**3**
	DNSPs can be a barrier in new connections in relation to actual location, network strength and time to connect. DNSP could be more proactive in providing connection agreements that allow more flexibility, not just static connections and import/export limits.	**3**
	DNSPs control the timing and cost of connections and are consistently aiming to expand the RAB to compete with their own customers. Instead of this, address the well documented barriers to unlock the competitive market.	**2**
	More collaboration between DNSPs and businesses.	**1**
	Performance metric on how fast it should take.	**1**

...continued overleaf

4.	PROBLEM STATEMENT 4.	LIKES
Gaps	DNSPs' processes, both technical and process, need to be as consistent as possible across Australia, otherwise we will find we may end up with less competition.	1
	Agree with statement: processes need to be simple and time bounded.	1
	Are we assuming all NSPs have the same level of capability? E.g. are there differences between DNSPs and TNSPs.	1
	As a consumer could I get some free changes dependent on load requirements of the network and time?	
	As a consumer, will the price be the same? How can I get a competitive price - will there be a fuel check app for electricity in kWh?	
	Need to better define the problem -- variable, opaque, etc.	
	I'm travelling around Australia - do I get regular access on the highway or in towns, then there are infrastructure issues for the town.	
	For consumers that don't have a smart meter, do they need it for EV? What if their area is identified as an area where it won't work, but you need it for your recently purchased EV.	
	It goes hand in hand with problem statement 4.	
	Consider proportionality and prioritisation - scale of the connection.	
	Overlooks planning and approvals barriers.	
	Need nuance re: connection issue (network capacity, rather than process).	
	DNSPs have different constraints.	
	For consumers that are connected at the end of the line, should they be required to connect and update their connections just to get EV, or is it a need that networks need to come to the party on.	
	Processes are clearly articulated on network business websites.	

Problem Statement 5. Cost allocation & shared assets processes may not support optimal consumer outcomes

5.	PROBLEM STATEMENT 5.	LIKES
Resonates	This is a critical issue that needs to be solved and agreed across the group. The capex bias was a key point of discussion.	2
	Cost allocation is always an afterthought, it should be the starting point.	1
	Doesn't seem to resonate as there are already ways to allocate costs which still seem workable.	1
	This is a second order issue.	1

...continued overleaf

5.	PROBLEM STATEMENT 5.	LIKES
Resonates	The current "shared assets" framework is abominable! It was created to service early pay-tv and then early broadband. It's a community commons - the/any revenue should fully offset RAB and/or opex costs borne by consumers!	
	Absolutely, cost allocations and reconciliation needs to be backward looking as well as forward.	
	Who pays for the EV charging infrastructure? Government or consumers?	
	Yes.	
	Some refinement we would be supportive of, over redesign.	
	Yes.	
	Need to move to beneficiary pays model (e.g. household energy users shouldn't be subsidising transport users).	
	Very relevant to making sure all consumers benefit from the transition.	
	Agree, DNSPs have varying costs, varying connection times and processes.	
	Not necessarily clear that customers are benefiting from the current arrangements.	
Gaps	Since there is a gap before the DSO end state looks like, be clear now about guard rails and desired consumer outcome.	
	Absolutely true, specifically for shared costs.	
	What is the counterfactual?	
	Agree. Cost allocation is blurred as to who pays for what. Particularly assets that are installed and then shared. First mover advantages/disadvantages.	
	Remote locations and regions across Australia - how and should these rules or updates work similarly for consumers in all networks across Australia.	
	Being very clear about what the desired consumer outcomes are, in short and long-term.	

...continued overleaf

Problem Statement 6. The networks' growing 'system operator' role has no clear obligations in the Rules Resonates

6.	PROBLEM STATEMENT 6.	LIKES
Resonates	Resonates but we note the DSO rule change is coming. Agree that the principle of flexibility is needed and will be useful moving forward into a consideration of DSO.	**3**
	This statement needs clarifying. Please be more specific.	**1**
	Agreed. Also the idea of localised markets, based on principles lacking evidence, is misaligned with efficiency and LTIC.	**1**
	Need to rethink need for consistency across DNSPs - process and technical.	**1**
	What is the problem we are solving? The problem is multiple processes and systems that the industry has to use which will add cost and inefficiency.	
	Yes, but overall digitalisation and 'grid modernisation'.	
	Yes.	
	Unsure if Competition for competition's sake necessary.	
	There is merit in the rules containing obligations - principles based only.	
Gaps	Items 3, 4, 5 & 6 are all likely to be meaningfully impacted by the pending DSO changes. It is likely that 1 and 2 will also be indirectly impacted. What happens when that comes out?	**3**
	The M3/P5 report, which has the work program to define the DSO role, specifically calls out a whole-of-system outcomes/benefits lens for the system operator role. This does not appear to be captured here or in the associated info sheet.	**3**

...continued overleaf

6.	PROBLEM STATEMENT 6.	LIKES
Gaps	A good question could be: how can DNSPs better facilitate DER integration and have solid examples, i.e. consistent network maps, network data, fast track connections. To maintain competition, must prove they are provider of last resort. If this was clarified, it would make the process more transparent.	2
	Some services that DSOs might provide do not yet exist. More of a future role. But a skeleton structure is required.	1
	Is this an own goal? DCCEEW are about to get a rule change.	1
	This is a major gap for the medium term.	1
	Agree, clarity on the DSO role should be prescribed.	1
	Gap may be about where the appropriate source of the DSO obligations is. Is this a Rules issue or a service classification issue through the AER's framework and approach? Some "DSO-like" functions/responsibilities are performed by DNSPs (e.g. network planning).	1
	Some form of structure needs to happen in tandem with obligations; obligations first is cart before horse.	
	Lack of consistency of understanding and interpretation of standards.	
	Waiting for evidence from other jurisdictions may not be the fastest approach.	

PACKAGE ONE – WHAT'S MISSING FROM PROBLEM STATEMENTS?

Participants were once more invited to participate in small group discussions, identifying anything they felt was missing from the six problem statements altogether, including any alternative problem statements not already put forward by AEMC. Their suggestions are captured verbatim below.

COMMENT
Are some services better off centralised. Connection times take too long. There can be confusion of responsibilities for connection. There is infrastructure complexity.
Economic framework is flawed. We need to step up a level. Nexa view: economic regulatory framework is flawed. There is Capex bias pushing money away from consumer services. Are people willing to pay for monopoly services and pay for everything else. Tariff structure statements are killing EVs.
Timing of actions. Good for the AEMC to consider what actions should be implemented in the short, medium and long term as a result of the review.
DSOs are going to need to be incentivised to deliver whole of system benefits. When and under what conditions should a DNSP invest capex/opex to deliver whole of system benefits?
A more holistic consideration of consumer benefits.
Are the issues different for different consumer cohorts and how?
Consideration of short-term vs long term outcomes.
Consumer outcomes and decarbonisation outcomes should also be factored into measures.
Currently non regulated services and ring fencing waivers tend to be assessed individually. This won't account for the accumulation of such services. This can blur the nature of a regulated network and make regulation more difficult.
Customer-centric lens is missing - this is not a standalone bucket but a principle to be applied to those concepts of reforms.
DNSPs are competing with their own customers because the incentives are skewed. That is a key problem.
Does narrowing it need to be more regulation? Could the answer be less regulation?
Does regulation or competition deliver in the best long term interests of customers? Can you bring the two streams together through principles based regulation?

...continued overleaf

COMMENT
Don't have a good decision-making framework. Don't know what good looks like. NEO limits to certain extent - - no considerations of equity. But there is flexibility in the NEO. Absence of principles - need consistent principles how to apply the NEO. Don't know what better would be. Still unclear what the problem is that we are trying to fix, Eg: Risks should sit with those who can manage them. Who do the benefits accrue to Private vs socialised benefit and risk. These are good because actionable and can guide decision making.
Each statement frames networks as the risk. All 6 are about harm networks might cause consumers. A potential reframing opportunity whether the framework prevents networks delivering consumer needs.
Future competition is coming from consumers - integrated and orchestrated CER versus network as a service. Least regrets reform options may be most useful given temporal element.
Have we reconciled what Emissions Reduction Objective means for NER?
How can a diversity of consumer perspectives be much better incorporated into network relation, including a timely manner.
How can consumers best provide challenge to network proposals and AERs decision making, to ensure proposals are in consumers' LTIC?
How can we explain over 20 years of declining network productivity, and start to better use existing assets?
How can we incentivise networks to enable services/connections?
How can we understand continually rising prices for consumers, for over 2 decades?
How do we account for the potential impacts of dynamic efficiency in considering the options?
How do we address whole of system outcomes.
How do we incentivise DNSPs to enable competitive providers?
How do we put the customer at the centre of the outcomes? (This was in the chapeau but not clearly integrated into the problem statements). None of these problem statements help consumers, they are more about how to liberalise the market.
How much of this is a government question? Is it appropriate to put this in a NER? or is it about dynamic efficiency and investment.
How to regulate functions across both regulated and contestable services.
How would consumers define their long term (energy interests)?
Information / engagement / decisions - needs to be timely and coordinated. Specifically about reset processes.
Is the economic regulatory framework still fit for purpose?
Is the economic regulatory framework still fit for purpose?
Is the long-term interests of consumers always the right test, given a rapid transformation. How do you properly take into account shorter term impacts.
Is the regulatory framework sending the right signals to DNSPs?
It's unclear how energy regulators should manage economies of scope between core electricity related services (like operating a network) and non-energy services like running a service station convenience store.

...continued overleaf

COMMENT
Lack of guidance in applying the law in the face of new and emerging technologies and the grey area between monopoly and constant services
Models need to be investable for market participants- sufficient certainty.
Need an understanding of how people are going to use infrastructure.
Need to clarify principles that all market participants are operating under (including NSPs) - principles aren't contestable. More principles - less jumping into rule changes.
Network component of consumer bills has grown significantly.
Network costs for consumers leap rising.
Network role in ensuring equitable access for energy consumers (e.g., to CER/EV).
No consideration of successful models in more developed markets. e.g. successful EVCI in UK and Netherlands involves all stakeholders working together not competing with each other.
Number 6 needs greater clarity.
Principles for service classification - also important to define principles for use of batteries / shared assets. Should we use extra capacity for community benefit - and can we without causing unintended consequences?
Problem statements may be too indicative of solutions.
Public transport regional?
Put the consumer outcome at the centre of the policy direction.
Risk has grown faster than risk compensation. Demand uncertainty, delivery cost escalation, supply chain lead times, and policy shifts have outgrown ex ante forecasting, forcing reliance on intra-period mechanisms that are now criticised as overuse. Either flexibility or compensation must expand; the framework currently offers to shrink both.
Risk profiles keep changing - how does that reflect in opportunities for reform.
Risks, who take them and how split incentives can bring different parties together?
Solutions to problems shouldn't require a regulatory intervention, enabling the resolution of the problem can be more easily achieved through industry collaboration.
Statement baboitn DNSPs competing with their customers so won't make sense!!
Temporal issues - markets that exist now are different to what they will be?
The DSO change that's pending means these questions are likely to have different answers in 6 months. This is a critical risk. How will AEMC address this?
The interpretation of the NEO is fraught (from a neo liberal, economic rationalisation) perspective.
The NER is being leaned on to deliver policy which may/may not be bad, but what are these boundaries?
The problem statements feel vague and overlap between identified issues and pre-emptive solutions proposed - there needs to be a new iteration of problem statements.
There is no guidance on how to define services - it's not clear how or when services are even defined.
There's a major missing piece that consumers are not provided services. Having regulated services e.g. a charge per kWh for ESaaS (Energy Storage as a Service), open and interoperable EVCI' etc.

...continued overleaf

COMMENT
There's no clear lens to assess new services (like EVCI) and their value to customers (and therefore who is best placed to deliver).
Urban versus regional divide not addressed.
Value, and that delivered to customers?
We need greater evidence and would benefit from policy direction.
We need to address the economic regulatory framework.
We need to lay some foundations that ensures consumers' interest are preserved, non-negotiables. The topic is complex and cannot expect consumer voice by the way of their direct participation in the process. Consumer advocacy groups are also not adequately and sustainably funded to do so.
What about corporate bodies for apartments, units and commercial shop front building and there connections?
What are the key things we are going to achieve? We need to narrow the problem. From who’s perspective are we trying to achieve these problems?
What are the services we need, how to define them, how to provide them.
What are the specific impacts and needs of regional energy consumers.
What do consumers want networks to provide.
What does it mean perhaps for battery buses and trains (is that a thing)?
What does it mean to the transport industry for truck, where what when why for their battery/charge banks?
What interaction/burden on local councils from these reforms?
What is an appropriate definition for the scope of a DNSP? Safe, reliable network. Enable services for electrification.
What outcomes are in the best long term interests of consumers from a consumer perspective?
What set of principles can be outlined in the rules to future proof service classification to take account for new types of assets and services which may arise from the use of those assets, taking into account optimising whole of system value, including the value delivered to customers?
What universal/community service obligations might be required to ensure geographical equity?
What work can we do on what we already have around connections and then look to the question of who should deliver the services if there is still a problem?
What’s the problem from the POV of the customer?
Where are the market failures and what defines the market failures?
Who is best served to achieve those outcomes?

PACKAGE TWO - PRESENTATIONS

The following presentations were delivered in the room and broadcast through Zoom for the online participants:

- Overview of package two consultation paper and Q&A, Martinia McCowan, James King, Zak Rich from AEMC.

During each presentation, participants submitted questions live via GroupMap, both in the room and online. Participants indicated on GroupMap which questions they liked most and a selection was put to each speaker during the panel Q&A that followed.

The total list of questions is reproduced verbatim below.

QUESTIONS	LIKES
How much of the material covered in this review will need to be re-examined once the DSO rule change is finalised?	23
Why are we diving into incentives for dnsps when the services they must deliver as a DSO has not been landed. Why is there a presumption that DNSPs are not already well compensated.	19
Before resolving that splitting the RORI into separate instruments for electricity distribution and transmission networks, isn't there a broader need to test whether the RORI process and framework is operating effectively? Otherwise we may duplicate an ineffective process?	14
We've had a decade or so of engagement-centred proposal arrangements with the expectation it will reduce friction and disagreement (which in my experience has had some success) but also that it will make the regulator's task less complicated. Do we still think this is a reasonable expectation?	14
On "risk allocation" and the risk that DNSPs (and shareholders take on) can you clarify what risk the DNSP takes on in relation to assets on the RAB? In particular, can you compare and contrast that risk allocation in relation to DNSP owned community batteries versus third-party owned batteries (that do not have a guaranteed rate of return under the RAB)?	11
Would be good to explore whether more pass throughs is correlated to more storms and bushfires (I expect yes) and more regulatory change driven by the energy transition (expect yes). This is not a shift in risk allocation if so.	11
M&A transactions involving NSPs can transact at RAB multiples of >1.5x, but still >1.2x even when there is not much unreg revenues. This suggests that NSPs might be systematically overcompensated on their reg revenue allowances. Is this part of the package 2 scope?	9
How will you be managing the interaction between package 1 and 2? Eg if package 2 surfaces services that should be included in package 1.	8
Energy poverty in the regions has been and continues to be an issue. Non network solutions can avoid over government in poles and wires but networks are not incentivised to do that. How do we fix that?	7
The quantum of value in DMIS and DMIA incentives to convert from network to non-network options are clearly not sufficient. What structural changes are you considering?	7
How can we better reflect consumer perspectives in such reviews?	6

...continued overleaf

QUESTIONS	LIKES
Is there room to discuss what's a natural monopoly e.g. poles and wires and everything else including connections is opened jo to contestable services. Similar to transmission and also connections and ASPs in NSW?	6
If more incentive schemes bypass the underlying ex-ante framework would this justify a longer regulatory control period?	5
How can we make determination processes more efficient and less costly when significant regulatory reforms are being considered?	4
How can we reward networks for decarbonisation?	4
How does an increasing number of pas-through applications affect risk allocation and symmetry of risks borne by networks/consumers?	4
How is equity addressed in this review?	4
How will the effects of ex post review on capex incentives and risk compensation be explored, in the content of increasing demand growth and uncertainty?	4
Non-network options.	4
Why does the economic regulation regime have so many incentive schemes that hang off it? Are they all really necessary or are they just a cost burden on consumers who ultimately pay for them?	3
... why do we need to "incentivise" a DNSP (od DSO) to do its job? Why can't we benchmark them (against each other) and penalise them. I'm in favour of a "cattle prod" than a bucket of carrots!	2
Consumers express concerns about vulnerable groups during engagement processes. How can the regulatory framework focused on efficiency accommodate these concerns?	2
Could the increase in cost pass through and contingent projects also indicate an increase in the frequency of events driven by external factors (e.g. extreme weather)- rather than a change in risk allocation?	2
Has the AEMC looked into how the AER applies flexibility in its approach to revenue determinations? If at all.	2
Has the AEMC looked into the rationale for pass throughs/contingent projects/re-openers and the split between different causes?	2
How will the ENRR ensure that DSOs are funded to provide system support through dispatch of services that cost us money (aka Network Support Services)? We are currently not funded for that; we are only funded (through network augmentation deferral) for network support related dispatch.	2
Info asymmetry applies to this review as much as to resets. How will AEMC evaluate evidence in this light?	2

...continued overleaf

QUESTIONS	LIKES
Is there intention to change the way OPEX is being assessed? ATM it is assessed through base-step-trend. Network Support Service calls are OPEX so that may not lend itself to base-step-trend. Also related to question about how DSOs are funded to provide system support, because while network related service calls may be offset through network capex, system related service calls are not.	2
The Review seeks to enable DNSPs to deliver current and future services at the lowest cost. What if that lowest cost still leads to price increases deemed untenable by governments? How should government desire for short term price reductions impact revenue determinations?	2
Distribution determinations and the current framework are complex, costly and involve heavy handed regulation:- costly and intrusive inputs-based justification by DNSPs and assessment by the AER and its consultants. Moving to more customer outcomes-based regulation and top down assessment techniques by the AER would move be more cost-effective and promote lighter-handed regulation and reduce costs for consumers.	1
How is "the regulatory bargain" understood?	1
How will the heterogeneity of consumers be applied, including how can transition equity be improved, noting the very different circumstances of lower income households, e.g. renters compared with those who can afford CER.	1
Is looking at the private investment chilling impacts of ex post review in scope? These provisions are far more punitive than in other jurisdictions , unnecessary given the CESS is very strong (30% of overspend is forfeited), and is driving deferrals relative to what the AER has deemed prudent and efficient only to reduce exposure. This is resulting in deteriorating service levels and undermining the transition investment task. The up front risk matters, there is no guarantee that the AER will find expenditure incurred to be prudent and efficient ex post 5 years into the future.	1
Is there an argument in favour of retaining the capex bias?	1
When you are talking about regulatory determinations, do you mean resets or something else? Rori is not currently part of regulatory resets.	1
Why aren't networks using non-network solutions when the can use them under existing rules? Why are we looking to expand the role of networks when they're not providing non-network solutions?	1
As DNSPs take on DSO responsibilities, what outcomes should regulatory incentives be designed to deliver, and how should those outcomes be measured?	0
Do NSPs assume a level of financial risk that is commensurate with other infrastructure investors? Is the sharing of risk between NSPs and consumers fair?	0
How can social equity be built into the process around distribution of cost and benefits alongside equitable access to the energy people need?	0
How might consumers/community perspectives on this be influenced by the ownership structure of nsp? E.g. perception of who pays/bears risks if government ownership, private ownership or mix?	0

...continued overleaf

QUESTIONS	LIKES
If we want to have transparency why don't we segment the RAB into areas we want to monitor? We already do this for "street lighting" ... a lot of what is considered here would be helped by disaggregation.	0
Is DSO expenditure supposed to be justified in an integrated way, or will the current structure of network vs non-network parts of the submission remain unchanged?	0
Is the AEMC considering the extent to which the increased reliance on ex post funding arrangements are driven by government obligations, and regulatory allowances being overly conservative.	0
Is the switch from TSNP and DNSP to TSO and DSO is clear for everyone here?	0
Should the review consider the role of jurisdictional schemes in regulatory determinations?	0
Traditionally, governments outsourced (or privatised).	0
Traditionally, governments outsourced risk by way of privatisation (i.e. private entities wearing the risk). However, it seems that public money funds profit making entities whilst consumers are not shielded from those existing and emerging risks. (comment not a question, prompt for further thoughts).	0
What is the percentage of non-network spend versus network spend (in aggregate)?	0
When we look at totex are we looking at this question in terms of the whole framework in terms of the incentives in specific expenditure categories where we think the incentives are misaligned and can be reshaped.	0
Who will manage and coordinate the very large number of DSOs and ensure this system is efficient?	0
Why aren't diversification of risk at an industry level in areas such as inventory and self-insurance of unforeseen events consider a preferred approach to cost pass through at the firm level?	0
Will DSO expenditure need to be apportioned DNO vs DSO?	0

PACKAGE TWO – FEEDBACK ON THE 10 ISSUES

Following an overview of the 10 issues, participants worked in small groups to review each issue and record feedback via GroupMap, responding to:

- anything that should be added or removed, and
- whether any issues should be merged together.

Responses are reproduced verbatim below.

LIST	COMMENT
Add - Is there anything we need to add to these 10 issues?	Info asymmetry is increasing and that is increasing consumer risk.
	Innovation.
	How to regulate functions delivered across the regulated/contestable boundary.
	Is there a risk that incentives for DSO may just be transferring CapEx to OpEx without any efficiency or value gain?
	Utilisation is only one useful metric. NSP have aging assets, more extreme weather events etc. Also what is ani ideal utilisation, to high and there will be constant outages.
	Policy direction/incentives frameworks with respect to things like decarbonisation.
	What is the network role in managing resilience? For example, where does the network role end and non-network role start for resilience purposes. Eg Telstra network towers.
	Can incentives be viewed through a Totex Lense, to achieve the best customer outcome?
	Is the proposal delivering the intended outcomes? How to hold networks to account?
	How does the process link to consumer outcomes in settling those budgets?
	Some of these decisions are political decisions that need to be decided by governments. The review should consider what the limits are for the NEM framework in making these decisions and what decisions the Australian, state and territory governments need to make.
	The main reason we need incentive framework is information asymmetries between the NSPs and a regulator (if a regulator knew the efficient cost, they could just set the regulatory allowance to match it). It would be interesting to explore whether/how this gap could be narrowed, keeping in mind resent advances in computer modelling, information processing and storage.

...continued overleaf

LIST	COMMENT
Add - Is there anything we need to add to these 10 issues?	Should we continue to incentivise innovation in networks (so they proactively innovate) or should an external party (e.g. state governments or the AER) identify how networks should innovate?
	Beware incentives re capex when delivered demand for household consumers is expected to decline.
	Worrying that there may be a view that consumer view would be sought mainly to influence AER decisions. It should be a whole lot more than this.
	Consumer expectations are increasing about roles, duties and responsibilities for vulnerable members of the community - lines not clear between networks, governments. How can the framework address these concerns?
	Interaction effects between schemes — the paper reviews EBSS, CESS, DMIS etc. individually, but the capex bias arises precisely from their interaction. Nothing asks whether six overlapping schemes is the right architecture at all.
	What about ex-post performance reviews?
	Recommend broadening #10 (and maybe other connected issues) - is the regulatory framework sharing risks between NSPs and consumers fairly?
	What will be appropriate penalties (as well as incentives)?
	What is the actual problem the existing framework is trying to solve? What are the emerging problems these reforms are seeking to solve? How well does the existing framework solve these?
	9. Is vague on how we define anticipatory investment and the issues the AER faces in the approval of anticipatory investment.
	Is better assessment of prudent and efficient costs too narrow - i.e. what about transparency of assessment?
	Different light on #2 - need to introduce productivity (assessment, benchmarks are needed).
	Whether ex post review is appropriate in a transition - need to encourage private investment not chill it.
	Add are incentives sufficient to support electrification, decarbonisation and climate resilience?
	Control - networks are fixed on the idea they have to have control, rather than paying other people to build assets and maintain them.

...continued overleaf

LIST	COMMENT
Add - Is there anything we need to add to these 10 issues?	Support incentive schemes - but at the right level. a few powerful schemes is better than many less powerful schemes which have admin, reporting, consumer engagement and other burdens associated with them.
	How's decarbonisation addressed and efficient levels of investment. Interlinkage in incentives?
	Asymmetry, information resource asymmetry.
	Can there be more transparency in the revenue determination process?
	Building consumer capacity to engage/building businesses and regulators capacity to engage with consumers/community effectively.
	Allocation of risks between DNSPs and Non-network service providers, and how the incentives framework incentivise/disincentivise 'non-network services'.
	It might help to very clearly define the behaviours that we want to see from DNSPs before stepping into questions about whether the incentives or risk/reward package needs to be amended.
	More complexity = cost ultimately to customers. AER assessments have become more and more intrusive. encourage the AEMC to consider a more light-handed and outputs-based regulation to reduce complexity.
	Definitely more clarity about consumer views influence. A defined process. Explicit explanation of how the input is used to inform decision.
	Is the existing suite of incentives (including as the Capital Expenditure Sharing Scheme) supporting achieving objectives including Whole of System and DSO objectives?
	Or explanations it has not been used.
	What is the role of consumer engagement in network resets?
	For #1 - is efficiency the appropriate measure? Should be more about effectiveness.
	Can the process be better optimised for future changes? e.g. increasing DER and need to co-ordinate between TNSPs and DNSPs, increasing extreme weather events. The first question on efficiency doesn't explicitly address future changes.
	Go beyond equality of opex to a flexibility first approach please.
	Incentives to improve, rather than incentives to achieve.

...continued overleaf

LIST	COMMENT
Add - Is there anything we need to add to these 10 issues?	Social equity and distributional impacts e.g. income, housing, geographical.
	Pricing and tariffs process (separate to design) - pricing is relevant to more than one issue.
Merge - Are there any issues that could be combined or merged?	All of the issues in the 'incentives' theme are very closely linked and are different ways of addressing similar problems. Agree with these topics being separated to start with but I suspect the AEMC will find that a solution for one problem can solve several others at the same time.
	At the most fundamental level, the majority of the review's questions revolve around reducing costs for consumers, and more specifically, giving networks more incentive to do this themselves rather than being 'prodded'.
	Managing the capex vs opex trade off and the implications of that for when considering ring fencing and service classification in package 1.
	Question 10 is too open ended, what are the key interactions of the Rori process with the rest of the framework do we need to consider how to adapt the Rori framework to fit in any changes that fit in with the rest of the process.
	There's an overlap between 1-3. Determination processes have such a detailed level of bottom up analysis it has moved completely away from AER steering away. If we make the process more efficient, what are we giving up? e.g. AER guidelines for ICT expenditure.
	Incentives as a package.
	capex v opex ----> totex?
	Incentives should consider outcomes based incentives, not only inputs.
	Network utilisation can feed into new incentives to support DSO.
	Outcomes for consumers wouldn't have been achieved without DSO.
	Totex linked to an outcome? Qs 4&5.
	Network utilisation incentives could be a function of DSO incentives.
	Lots of overlap between incentives 4-6 (4 and 5 come to light with DSO).

...continued overleaf

LIST	COMMENT
Remove - Is there anything you would remove from these issues?	#5 - Can’t be resolved until DCCEEW defines the role; risks running behind obligations.
	Utilisation and innovation incentives.
	Rori.
	#6 park until the definitional work is done. tariff reform and the DSO role may move utilisation more than any NSP side incentive.
	Network utilisation is not a goal in itself.
	Consumer preferences & thru retailer role. Retailers have commercial interests in network cost outcomes and no mandate to represent network consumers.
	#6 network utilization is a function of planning standards, and customer preferences; the networks are a 'taker', not a 'maker' of network utilization and therefore incentives will likely drive unintended consequences.
	Some supported removing 5.
	Rori?
	POTENTIAL to remove #4 .... Need to consider it and make a decision ... do it or drop it. There are risks to opex (long term risk for payments to third parties and augmentation still (or eventually) required and that stranding the NWA provider’s assets!
	Question 6 - removed, it is a broader question of pricing.
	Question 1 need a reframe - the answer is Yes. Better to ask this as HOW could it be made more efficient?
	#7 — shouldn't there be a continuous improvement program, if we don’t know what DSO is ... too early?
	wasn't sure where 10 came from. everything else makes sense as a part of a review. Need to know more about RoRI. What makes people think the RoRI is inappropriate?
	Is reputational incentive sufficient (#6). There needs to be bifurcation between urban and regional assessment and incentives ... can we measure it?
	Remove 5 ... for now.

PACKAGE TWO – FEEDBACK ON THE SIX PACKAGE TWO PROBLEM STATEMENTS

Participants took part in two rounds of small group discussion on six new problem statements specific to package two, moving between statements of interest. For each statement, participants recorded their responses in GroupMap against two prompts: what resonates with the statement, and whether there are any gaps or something missing. Responses were captured in real time from both the room and online and are reproduced verbatim below.

Problem statement two: Framework incentivises NSPs to seek a higher than efficient revenue allowance.

Problem statement 1: Framework incentivises NSPs to seek a higher than efficient revenue allowance.

1	PROBLEM STATEMENT 1
Resonates	AER good at testing business cases. However the NSP needs to provide adequate transparent information in their cases to avoid asymmetry risks.
	Updated statement: There is an info asymmetry - are there sufficient incentive structures in place towards transparent efficient revenue allowances. General view is that for established cost components of the revenue allowances however asymmetries exist particularly on large transmission.
	This is not an unmanaged risk, and is a problem that is no longer relevant given the advances and standardisation in forecasting methods required by the are. This issue may have been relevant 15 years ago.
	Networks overstating their expenditure needs is the nature of the arrangement, could be worth looking at menu.
Gaps	AER should provide greater regulatory guidance around what constitutes.
	The framework should go beyond efficiency as the sole metric of success.
	Is there scope to check actual demand forecasts against.
	The network's task of justifying expenditure within the AER's current assessment framework is also made more challenging where there are new investment drivers, increasing uncertainty & change.
	New incentives for high quality reg proposals?
	Consumers are even in worse info position than the regulator.
	What are the options to improve outcomes from the framework?
	We need a paradigm shift - you cannot balance profit making with consumers' interest. How about considering reversing privatisation?

...continued overleaf

Problem Statement 2: Regulatory process is unclear about the role of consumer engagement.

2	PROBLEM STATEMENT 2
Resonates	Consumers need the key voices in the energy system to be able to say with consistency what it will actually take for electricity bills to come down and stay down. Not false, short term promises, but genuine what it will take.
	Industrial customers electrifying process heat will represent significantly growing load/demand across networks but can be a highly flexible load that can be leveraged to improve network utilisation without further build out. Yet some of these industrial customers may be currently under-represented in the engagement process.
	Need to have a greater focus on what the Essential service components of energy supply for consumers rather than eternally conflating ever more vested interests into energy markets.
Gaps	Clarity on how the AER.
	Customer engagement needn't reinvent the wheel on every issue. Clarity can be drawn from the NEO, with the question for consumers how they think the principles outlined in the NEO should be applied in relation to specific issues.
	Role of consume advocate engagement vs end consumer engagement and what the different expectations are in terms of how and on what networks engage.
	The AER needs to be clearer on how consumer engagement will be integrated within decisions, and give DNSPs a consistent way to present evidence from consumers - i.e. a consistent methodology for calculating bill impacts of expenditure proposals and presenting their feedback in response.
	Recognise that good engagement isn't automatically influential engagement.
	More regular engagement between AER and networks.
	Consumers are best represented through retailers (the customer) - not directly with DNSPs. And this problem does include that party (the customer, or retailer).
	connection to the grid, especially in electrification, is the main touchpoint for consumer engagement and is currently very poorly designed and vaguely regulated (as an overall consumer experience).
	Could there be a role for the CCP in engagement.
	The process may be good engagement, need a clear definition of the process, push that AER need to be engaged on what the scope can be. Not leaving the scope of the engagement up to the networks but having an agreement at the outset by all parties about the scope of the engagement.
	There needs to be consumer collective to work with a retailer collective to pass through information aggregated.
	What is the role of that engagement? Business can do sincere engagement but how they interpret the role that engagement is different from how the regulator determines it. No industry understanding of this.
	In this context, consumer engagement is inevitably limited currently to connection, amendment to a connection or planned (and unplanned) outages.
	Could we be more explicit about what good engagement looks like.

...continued overleaf

2	PROBLEM STATEMENT 2
Gaps	Why should consumers engage with such process anyway?! life is busy, these issues are complex and many do not have the interest, expertise or time. They should be able to trust the system, that their interest is preserved but they do not trust given the profits made by corporations.
	Better resets handbook does need a rewrite, not starting from scratch.
	Retailers are missing from the conversation - what is the value in capturing their views by DNSPs if retailers as the middle man can shape the past through cost?
	AER has set requirements but it isn't prescriptive, a one size fits all doesn't always work.
	What is the purpose, what outcome is trying to be achieved. Evidence and research is important. Engagement needs to be defined clearly, needs to have validity to it.
	Notion of an essential service has been lost, review would be helped by asking what does electricity as an essential service look like into the future from consumer voice.

Problem Statement 3: Regulatory framework leads to a preference for capex.

3	PROBLEM STATEMENT 3
Resonates	Customer bills are lower if more capex rather than opex.
	Return on capital is incentivised - function on the existing framework.
	Yes, but this can happen for different reasons that require different solutions. For example, if Rori is too high, you should fix Rori, not introduce totex.
	What is the empirical evidence? The Averch-Johnson effect isn't always found in economic studies.
	Agree with all the points on this page.
	Perceived risk is a disincentive for using NNOs - how can they be managed?
	There is an untapped resource with increasing CER / NNO options - need to make sure the incentives are there (or at least there are no disincentives).
Gaps	This is untrue when exposed to export review.
	Doesn't appear to be a central vision for the ENRR work - hard to respond to this work when this is absent.
	Discussion of UK Totex approach which rewards capex and opex equally, and considers innovation.
	What are we trying to achieve - if this changes with the whole of system objective, how do incentives for capex versus opex change.
	Does 'regulatory and operational risks' cover all relevant risks?
	Retailers will need to engage with consumers to build a portfolio to support to OpEx.
	Acknowledge a distinction between transmission and distribution.
	Distinguish between asset types and asset lives.
	Not just incentives but likely fundamental issues in how regulatory allowances are set.
	Digital assets may require a different framework to physical assets?
	Do we know if there is a preference for capex in relation to particular expenditures, for example it, or in preference to nno.
	Not designed for a DSO role.

...continued overleaf

Problem Statement 4: DNSPs need incentives to maximise 'whole of system' outcomes.

4	PROBLEM STATEMENT 4
Resonates	Whole of system maximisation impossible to capture without vertical integration.
	Do DNSPs need incentives to do the right thing? As a DSO we can "require" these outcomes, not incentivise and 'hope' they do it.
	As a DSO, DNSPs should be required to achieve whole of system benefits, not incentivised.
	Gap between a capability that delivers whole of system benefits but is NPV negative on the distribution system needs to be resolved.
	IT doesn't necessarily move quick enough to capture whole of system outcomes.
	As a DSO, DNSPs should be required to deliver whole of system outcomes - they should not need incentives. It should be required.
	Agree.
Gaps	If electrification is a collective goal, why there needs to be so many incentives? if so these incentives are fulfilled, how do we balance that with better consumer outcomes and lower pass through costs?
	Think about where incentives align and where they don't.
	What value is created and who does it flow to?
	Difficult to articulate whole of system outcomes.
	CECV methodology may do this if curtailment appropriately valued.
	What comprises whole of system outcomes.
	Recognition of complexity or competing incentive schemes.
	The DNSPs already have incentives that don't drive behaviours (e.g. DMIA) - better to just focus on the obligations and requirements.
	Need to define the whole of system outcomes that the need to be considered.
	There is an overarching vision missing. If there was a vision i.e. Flexibility market similar to the UK, it would answer a lot of these questions. All of the other reviews i.e. CECV, Ring fencing etc would align to the same vision.
	I'm not sure the desired or possible outcome is for DNSPs to achieve whole of system options, I think it should be for DNSPs to maximise exports within technical limits - then markets should achieve economically efficient outcomes from there.
	How is maximising 'whole of system ' benefits different from economic efficiency? If it's not, why invent new terms? If it is, how does this align with the NEO?

...continued overleaf

Problem Statement 5: Regulatory framework does not support 'efficient' network utilisation.

5	PROBLEM STATEMENT 5
Resonates	Higher is not always better for customer. What is the right level?
	Definition first then attribution (utilisation is mostly moved by things NSPs don't control e.g. CER uptake, EV charging behaviour etc), then incentive (if required or appropriate).
	The fastest utilisation gains come from connecting flexible load into existing headroom -- which is a connections-and-DSO story.
	There can be a better way of measuring utilisation. At the moment the metric (peak demand) seems limited.
	Need to be conscious of any risks associated with over utilisation.
	Utilisation is a very blunt measure, irrespective of network characteristics - localised issues, customer density, geography etc.
	It's a metric not an outcome.
	The current framework does not recognise new flexible, industrial electrification (Antora Energy).
	What is the definition of efficient network utilisation? Let's start there.
Gaps	Boosting network utilisation will be increasingly important for consumers in regional networks. All other things being equal, bushfires and other climate risks will disproportionately drive up costs in regional network areas - so either these additional costs need to be shared among all consumers or regional networks need to be provided additional regulatory flexibility to find new sources of efficiency and utilisation.
	The solution of this issue could be closely tied to EV charging behaviours.
	DNSPs are probably well placed to improve utilisation efficiency but we also advocate for third party provision and competitive.
	Going forward, the network is expected to peak on the extremes - where the consequences for consumers are probably more severe.
	Low utilisation is a result of a Revenue Cap + RAB based framework. Are we willing to reconsider this?
	What does it mean for the network to fail?
	Network utilisation is a relative measure, that should not be oversimplified by a simple benchmark. What represents good outcomes for some networks will be different to others, and what is 'efficient' varies by network. But across all networks, if we want networks to boost productivity and lower costs for consumers, we need to empower networks to think strategically about how to achieve these outcomes.
	Multiple measures (e.g. peak measures, constraint measures) needed to get a more complete picture of utilisation and the customer benefits from "efficient" utilisation.
	Include minimum demand in the calculation, to reflect genuine throughput.
	Effective utilisation may be best driven by changes in incentives to consumers to utilise the network in different ways which is the subject of the pricing review but may also be supported by rule changes that support increased load being added to the system.

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5	PROBLEM STATEMENT 5
Gaps	We should stop thinking there is one metric.
	The objective, formally, is achieving an economically efficient outcome. Maximising utilisation may, but doesn't have to, align with that. Why give primacy to optimising utilisation by providing a separate incentive for that?

Problem Statement 6 Regulatory framework disincentivises anticipatory investment

6	PROBLEM STATEMENT 6
Resonates	No, it doesn't resonate.
	Easier for some investments - where will be needed eventually.
	The within period uncertainty mechanisms may also not be well equipped to deal with rapid widespread electrification across regulatory periods. For example it could be more flexible around location and probability to allow for uncertain and widespread changes in demand.
	Should be expanded to consider how the framework can better accommodate uncertainty and rapid changes that occur between regulatory cycles. Contingent project provisions, reopening provisions would benefit from review to ensure that they are appropriate to accommodate greater flexibility where this is in the long term interests of customers.
	Current Rules don't prohibit but don't support. Early works for actionable ISP projects facilitates some anticipatory investment and could be extends to others.
Gaps	minor refinement to contingent project mechanism for removing/adjusting requirement for locational specificity could allow delivery flexibility for longer term anticipatory investment (e.g. program of unanticipated electrification).
	AER expenditure assessment processes contribute significantly to the challenge of undertaking efficient anticipatory investment. AER undertakes strict views on 'optimal timing'.
	Need to consider within period demand adjustments (flexibility to address demand is key). Ex post review would need to take into account expectations at the time (so if demand has not eventuated the investment not at risk). Contingent project framework should be fit for purpose (e.g. remove the locational component) to allow the anticipatory investment. Need to link risk allocation and anticipatory investment. Do incentives affect appetite for anticipatory investment in energy compared to other sectors, by increasing cost recovery risk for NSPs?

FINAL REFLECTIONS

LIKE, WISH, WONDER

To close the day, participants individually reflected on the full day's discussion via GroupMap, recording a response under each of three prompts: something they liked, something they wished for, and something they wondered about.

Their responses are reproduced verbatim below.

WHAT PARTICIPANTS LIKED

THEME	EXAMPLE COMMENTS
The hybrid format worked well, with online and in-person groups genuinely integrated	*"Successfully interactive for a hybrid session - well run."* *"Very well done online sessions, given the logistical difficulty of hybrid."*
Strong facilitation kept discussion moving and included everyone, in the room and online	*"External facilitators were really good - kept things moving quickly (online facilitators were brilliant)."* *"How the facilitators managed to involve the people in the room and online - difficult task with so many."*
A genuinely diverse mix of stakeholders was in the room together	*"Having networks, government, and market bodies and consumer reps all together."* *"The diversity of views in the room."*
The day created real opportunities for dialogue and networking	*"Face to face engagement is great! It's so much easier to catch up with colleagues and engage on ideas."* *"Opportunity to meet people in the industry."*
Small group and breakout discussions supported richer conversation	*"The space for small group conversations, getting up and moving."* *"Combination of snappy presentations and in person roundtable discussions to flesh out issues and views."*

I LIKE

Hearing directly from both rule change proponents.

People generally behaved very well.

Surprising amount of agreement on key issues - when we got to the underlying issues, we were.

Engaging face to face.

External facilitators were really good - kept things moving quickly (online facilitators were brilliant).

Successfully interactive for a hybrid session - well run.

Surprisingly aligned views overall, good to have the nuanced group discussion.

Having networks, government, and market bodies and consumer reps all together.

Integrating the on-site and online cohorts was very week done.

Very well done online sessions, given the logistical difficulty of hybrid.

Opportunities for dialogue between stakeholders and shared understanding of goals. This all helps us improve our advice to the AEMC.

Online facilitation and technology worked well (after initial access was worked out).

Organised.

In person public forum and facilitation of today. Very well run.

Presentations from NEXA and ENA showing different sides of the arguments were more useful than the balanced AEMC presentations.

It was easy to contribute.

The timing of the sessions.

Face to face engagement is great! It's so much easier to catch up with colleagues and engage on ideas.

This was the most interactive online session.

The group discussions with a mixed bunch of people was good to hear perspectives.

The breakout rooms worked well. Group map was useful.

People together. Informal chats.

Good for online, keeping interactive and gathering ideas online.

The space for small group conversations, getting up and moving.

The ability to have good discussions and get different views.

The diversity of views in the room.

The collaboration and allowance of online attendees.

Opportunities for discussion in small groups.

Interactive on-line sessions worked well.

Engagement with a broader group of stakeholders.

Networking and sharing views.

The structure and discussions during the different cohort sessions.

How the facilitators managed to involve the people in the room and online - difficult task with so many.

Combination of snappy presentations and in person roundtable discussions to flesh out issues and views.

Encouragement to work in different groups.

...continued overleaf

It was the first time for me to join something like this, great effort!

Liked being in person and hearing the range of views.

Appreciated facilitators and format, good for AEMC to embrace it.

Good to have an in person public forum to debate the issues and meet people.

Meeting new people and realising shared perspective.

Hybrid appeared to be effectively managed, which is tricky!

Really good to have a comprehensive, open forum.

Integration between online and in person.

Good to get a diverse group together in person (as well as online).

The second part of part two, being focused on a specific question (statement) was much better than how the morning worked (but that was also a function that the platform wasn't suitable for a phone, and this afternoon we had a "scribe" with a laptop h/t M. F.

The breadth of views in the conversation.

Lots of collaboration and discussion. Involving both in person and online attendees.

Networking.

How the online breakout sessions worked together with the conference and hearing all the views.

Online experience worked well, combined hybrid discussions was effective in canvassing many perspectives.

The way online was integrated into the conversation.

I like that the commission is seeking to developed shared problem statements. That said, I hope the next step is assessing alternatives, rather than going straight to a preferred solutions.

That the AEMC got so many people in the room and encouraged discussion.

Collaborative approach, hearing various perspectives.

The overall format and interactive approach.

Openness by AEMC staff and chair, independent facilitators.

Having an in person event.

Bringing together so many different stakeholders.

That everyone was in the room to hear other viewpoints and not just listen to presenters.

Diversity of perspectives.

Opportunity to meet people in the industry.

Meeting up with colleagues.

WHAT PARTICIPANTS WISHED FOR

THEME	EXAMPLE COMMENTS
More time, particularly for package two and for questions	*"We'd spent more time on package 2 - the scope is significant and it felt rushed."* *"More time for questions and answers."*
Problem statements and materials shared before the forum	*"Provide the problem statements before the meeting to allow people to be prepared for discussions."* *"AEMC had held this forum earlier in the process and spent more time co-developing the problem statements."*
An alternative, mobile-friendly tool for capturing input	*"It was frustrating having to use Groupmap on the phone - I couldn't log in on my PC."* *"iPads or a Laptop ... this platform is very hard work on a phone!"*
Different group size and composition	*"More people in the small groups to get a bit more diversity of views - perhaps 8 people."* *"The group split was better thought through - for example, from different jurisdictions, different entities, different expertise."*
A stronger and more direct consumer voice in the room	*"I think that we had consumer presentations."* *"Allow consumers, end users, to speak/present on what they actually think is in their long-term interests, rather than assume we already know."*
More open debate, rather than only structured breakout discussion	*"An 'anything goes' discussion block not centred on problem statements."* *"We had more panel discussions to debate the issues and some of the misinformation. Giving people more time to ask direct questions."*

I WISH

There was more of a strategic vision for the sector.

Provide the problem statements before the meeting to allow people to be prepared for discussions.

AEMC front line staff spoke well!!!

More notice of the addition of the participation / discussion sessions being made available to online participants.

More people in the small groups to get a bit more diversity of views - perhaps 8 people.

We stayed with the same group at least for each package if not through at the whole day.

Tables to use.

Larger groups.

We had not used this app.

The IT had been seamless; it wasn't bad, but it would have been nice if it was better.

Had an AEMC chair for exam breakout group to focus discussion to get through topics given limited time.

Shorter session / more breaks for online.

Perhaps preset groups could have been good.

We could have tested NEXA on their views/rule change. Lots of assertions but not much detail. Appeared to be very ideology, rather than customer-driven. These assertions need to be explored and tested in greater detail. They escaped scrutiny.

This forum was run over 2 days where we could have made some headway.

We had consumers pt.

It was frustrating having to use Groupmap on the phone - I couldn't log in on my PC.

Needed ability to go back to previous groupmap sections - got cut off a few times.

More time for questions and answers.

A little bit more time for the questions to be submitted & thumbs-up'd (maybe even questions in advance).

Focused on fewer issues and not rushed the session.

AEMC were empowered to provide an opinion or direction.

AEMC staff sit with each breakout to collect feedback/discussion rather than online.

That break out rooms activities were less with just the individual rooms but instead open to the floor for other people to share their views and have a debate.

Would have been good to have the problem statements prior to the forum.

An "anything goes" discussion block not centred on problem statements.

More regular breaks.

More diverse groups.

People would think rural/regional not just typical population areas.

We developed and agreed (or at least accepted) a common set of principles and outcomes that any future direction or reform to regulatory frameworks should achieve (e.g. how risk is allocated in certain circumstances, why you might justify deviations from this).

Deeper conversation and perspectives on package 2. Would have been good to have presentations from customers, networks etc.

We spent more time with the problem statements.

...continued overleaf

I'm looking forward to seeing the output captured - it would be good to have some more real time feedback.

Had iPads or a Laptop ... this platform is very hard work on a phone!

AEMC had held this forum earlier in the process and spent more time co-developing the problem statements.

I think that we had consumer presentations.

Next session in Melbourne.

More time.

Could the problem statements have been provided before the session.

More time before hand to look at some of the material.

For further engagement on package 2 once directions / views start to form.

Allow consumers, end users, to speak/present on what they actually think is in their long-term interests - rather than assume we already know.

Had tea and coffee on arrival.

More time on the q&a with the presenters.

That the mobile environment allowed efficient viewing and completing of comments i.e. problem statements etc.

I understood what the aim of the forum was - what is the tangible output that the AEMC wants, and how will this effect their decision?

The group map app was difficult to fill out on a mobile phone.

We didn't have to waste so much of our collective energy on energy market reform!

There was a way to capture feedback without typing into an app :-) Sometimes this distracted from the conversations.

The group split was better thought through - for example, from different jurisdictions, different entities, different expertise.

We had kore time for panels and debates between the views rather than break out rooms to give the opportunity to air the real issues.

We had more panel discussions to debate the issues and some of the misinformation. Giving people more time to ask direct questions.

Spokespeople selected with different view.

We understood how other pieces of work integrate with this one e.g. DSO framing.

I wish this could be a wholistic topic with all networks across Australia to get the best outcome for consumers.

It would have been good to sort out the issues with joining Zoom at the start.

Had more time for q&a.

More in-depth conversations or more conversations with the same people.

More consumer voiced would be beneficial.

We'd spent more time on package 2 - the scope is significant and it felt rushed.

WHAT PARTICIPANTS WONDERED ABOUT

THEME	EXAMPLE COMMENTS
Whether the consumer voice will be heard directly, not filtered through other stakeholders	*"How the consumer voice will be heard - and that is not the consumer voice as filtered by other stakeholders. But the consumer voice directly from consumers."*
What the AEMC will do with the feedback, and what happens next	*"What is the AEMC going to do with this information?"* *"How this information will be collated and used to inform."*
How this review will interact with the pending DSO rule change	*"How the DSO rule change will alter our thinking on some of the issues."*
Whether the AEMC will run more forums like this one	*"Will AEMC run similar forums or events as this review progresses?"* *"How can we continue these conversations."*

I WONDER

Assuming the problem statements are correct, interested to know about the 'long-list' of solutions the AEMC is considering.

How these discussion and feedback will be used.

How the consumer voice will be heard - and that is not the consumer voice as filtered by other stakeholders. But the consumer voice directly from consumers.

If the evci conversation is dominating the ENRR review too much.

If the AER could be encouraged to use this Tor of engagement.

What did the AEMC learn that is actionable.

If break out groups could deliver more diverse stakeholders discussion/ engagement.

Whether more pre-reading would have improved the conversations, particularly the early ones.

Whether will be recharging stations in the future.

How the DSO rule change will alter our thinking on some of the issues.

I wonder why you used groupmap, I hated it on the phone while trying to actually talk to people. And it dropped out from time to time.

How we would move from the current framework to a different model.

Based on feedback on areas of principles above some issues raised whether AEMC will seek to tie these in.

Why we are being expected to use this app which is unworkable in s mobile phone- where's the back-up real butchers paper or post it notes - you have missed out on so much feedback as many of us gave up.

N/A.

We had a good summary of the feedback from the submissions. It would have been good to delve into some of the reasons why what was said was said.

It would have also been good to workshop some of the opposing views.

How this information will be collated and used to inform.

Will the rule changes that result represent evolution or revolution.

How the AEMC will be managing the over representation in network views.

Will AEMC run similar forums or events as this review progresses?

How today's outcomes will influence the outcomes of the rule change requests.

What's next.

What is the AEMC going to do with this information?

The appetite for change by market bodies.

How can we do more of this.

Whether the AEMC could adopt this format more often.

How can we continue these conversations.

Assuming the problem statements are correct, what are the long list of solutions the AEMC is considering to manage.

PLEASE NOTE: This report has been prepared by MosaicLab on behalf of and for the exclusive use of AEMC. The sole purpose of this report is to provide AEMC with materials produced at the session on 18 August 2026.

This report has been prepared in accordance with the scope of services set out by the AEMC. In preparing this report, MosaicLab has relied upon the information provided by the panellists present during the session. A customised ChatGPT tool has also been used to help MosaicLab theme and summarise participant feedback and comments.

The final report has been reviewed to ensure it is true and accurate to the responses captured in the forum. AEMC can choose to share and distribute this report as they see fit. MosaicLab accepts no liability or responsibility whatsoever for or in respect of any use of or reliance upon this report by any third party.

MosaicLab is a consultancy specialising in community and stakeholder engagement, facilitation, negotiation, strategic planning and coaching. We acknowledge the Traditional Custodians of the lands on which we live, work and play and pay our respects to elders past and present.

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