

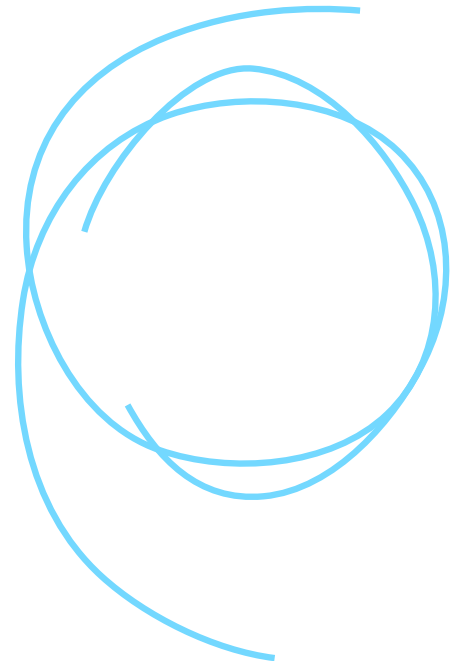


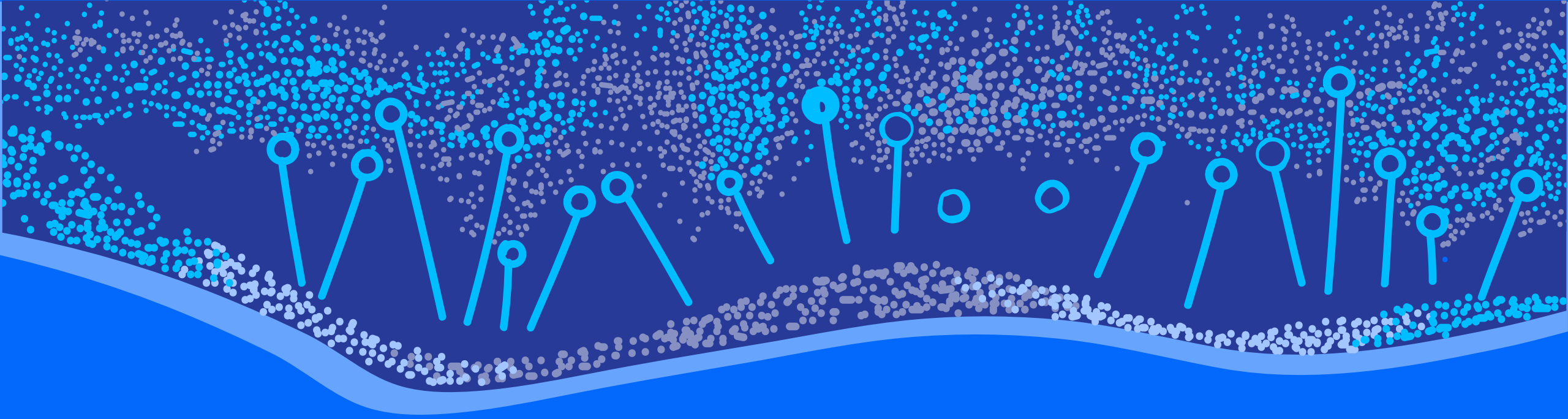
Electricity Network Regulation Review

Australian Energy Market Commission

Electricity Network Regulation Review Public Forum

18 August 2026





ACKNOWLEDGEMENT OF COUNTRY

The AEMC acknowledges and shows respect for the Traditional Custodians of the many different lands across Australia on which we live and work. The AEMC office is located on the land of the Gadigal people of the Eora Nation. We pay respect to all Elders past and present, and the enduring connection of Aboriginal and Torres Strait Islander peoples to Country.

Agenda – Public forum

**Placeholder to develop
public forum agenda**

1	Welcome and introductions	5 mins	3:00
3	Summary of stakeholder submissions	15 mins	3:05
4	Q&A	10 mins	3:20
5	Problem statements	10 mins	3:30
6	Q&A	10 mins	3:40
7	Next steps and key dates	5 mins	3:50
8	Questions	5 mins	3:55

CONSENT TO USE OF PERSONAL INFORMATION



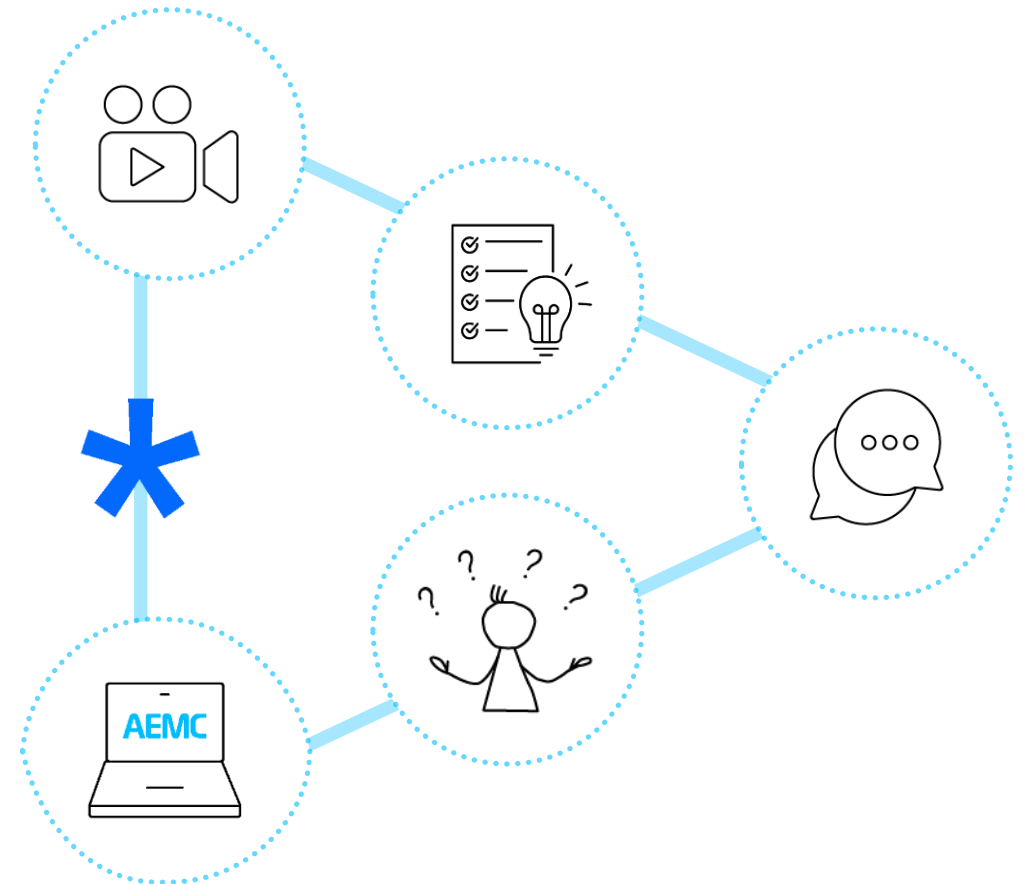
By participating in this workshop, **you give your consent** to our collection, use and disclosure of the personal information you provide to us during this workshop (like your name) for the purpose of completing our consultation and publishing our draft and final determinations and reports on this rule change or review.

This may include **publishing a transcript of the workshop, including your questions or comments.**

We will not publish any participant questions or comments that we consider inappropriate, including offensive or defamatory language.

Please read our [privacy policy](#) for more information.

We may publish a transcript of this workshop, which may include your questions or comments



COMPETITION PROTOCOL

KEY PRINCIPLES



The AEMC is committed to complying with all applicable laws, including the ***Competition and Consumer Act 2010*** (CCA), during this forum. Breaching the CCA can lead to serious penalties for individuals involved in any breach (including large financial penalties and imprisonment for key individuals involved). This protocol governs the way in which discussions will proceed at this forum, and each attendee agrees to adhere to this protocol in order to comply with the CCA.

Each attendee must make an independent and unilateral decision about their commercial positions and approach in relation to the matters under discussion in this forum.

Attendees must not discuss, or reach or give effect to any agreement or understanding which relates to:

- **pricing** for the products and/or services that any attendee supplies or will supply, or the terms on which those products and/or services will be supplied (including discounts, rebates, price methodologies etc)
- **targeting (or not targeting) customers** of a particular kind, or in particular areas
- **tender processes** and whether (or how) they will participate
- any decision by attendees:
 - about the purchase or supply of any products or services that other attendees also buy or sell
 - to not engage with persons or the terms upon which they will engage with such persons (i.e. boycotting); or
 - to deny any person's access to any products, services or inputs they require
- **sharing competitively sensitive information** such as non-publicly available pricing or strategic information including details of customers, suppliers (or the terms on which they do business), volumes, future capacity etc
- **breaching confidentiality obligations** that each attendee owes to third parties.

COMPETITION PROTOCOL

COMMUNICATION AND MEETING GUIDELINES



Attendees must ensure that all communications (including emails and verbal discussions) adhere to the ***Key Principles***.

This forum will be conducted in accordance with the following rules:

- The agenda for this forum does not include anything that could contravene the Key Principles set out in this protocol.
- We will read and minute the below *competition health warning*:
 - Attendees at this forum must not enter into any discussion, activity or conduct that may infringe, on their part or on the part of other attendees, any applicable competition laws. For example, attendees must not discuss, communicate or exchange any commercially sensitive information, including information relating to prices, marketing and advertising strategy, costs and revenues, terms and conditions with third parties, terms of supply or access.
 - Participating in this forum is subject to you having read and understood the protocol including the Key Principles.
- We will keep accurate minutes of the forum, including details of attendees.
- If something comes up during the forum that could risk contravening any competition laws, attendees should:
 - Object immediately and ask for the discussion to be stopped.
 - Ensure the minutes record that the discussion was objected to and stopped.
 - Raise concerns about anything that occurred in the forum with their respective legal counsel immediately afterwards.
- All attendees understand that any competitively sensitive matters must be subject to legal review before any commitment/agreement can be given.
- Any decision about whether, and on what terms, to engage with customers and suppliers is an independent and unilateral decision of each attendee.

Opening remarks from the Chair

Anna Collyer

Australian Energy Market Commission

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Approach to the Electricity Network Regulation Review

Danielle Beinart, EGM Networks
& Technical

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We are approaching the Review in two packages



Package 1 Morning session

Which services should be provided on a regulated basis by NSPs, and what arrangements should apply to NSPs for services that are not provided on a regulated basis?

Key topics



Service classification



Ring-fencing



Cost allocation and shared assets



Connections and facility access



Package 2 Afternoon session

How do we ensure NSPs provide regulated services in a way that best meets the long-term interests of consumers?

Key topics



Revenue determination process



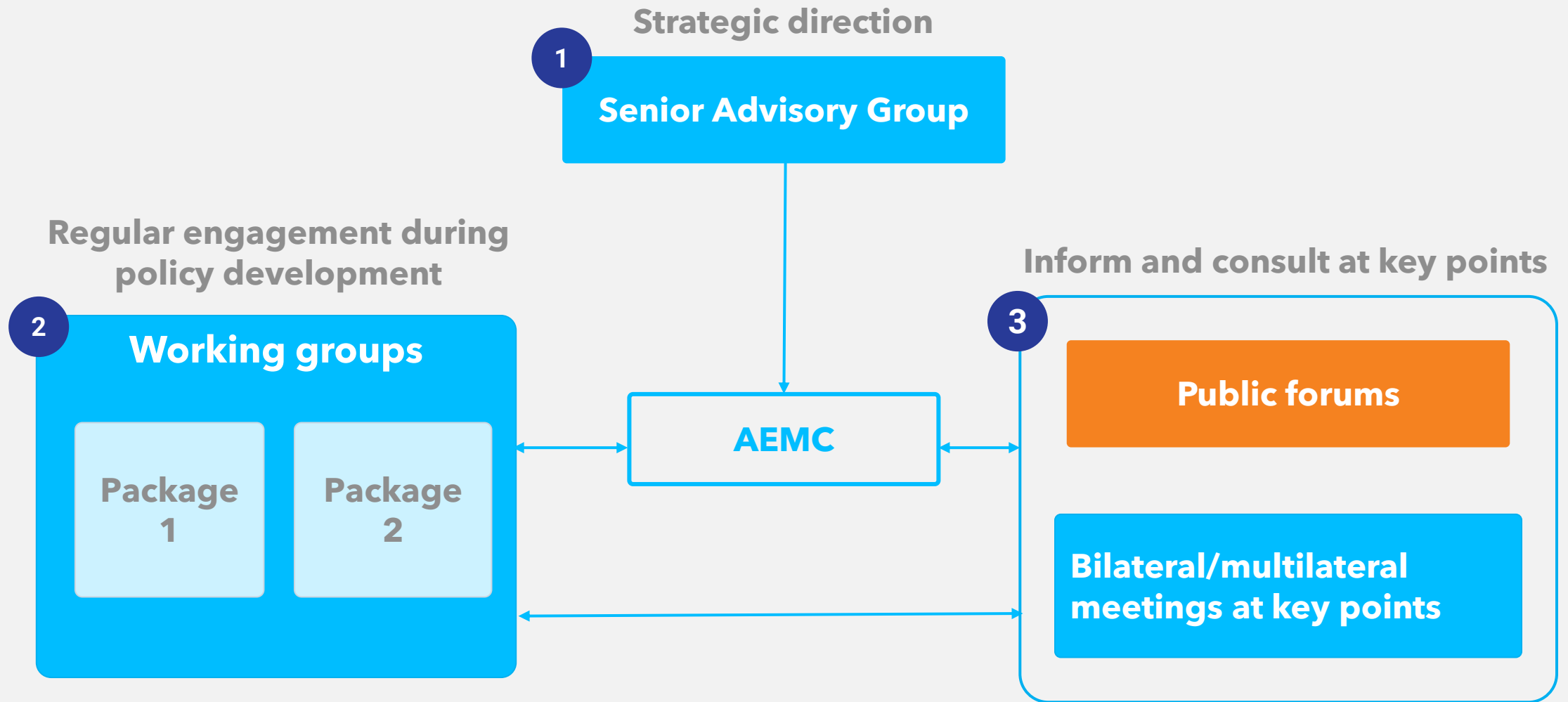
Incentives



Risk allocation and compensation



How we will engage: We will use public forums to seek input throughout the Review



Electricity Network Regulation Review Package 1

Public forum

18 August 2026

Australian Energy Market Commission

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Package 1 focuses on the service classification and ring fencing framework

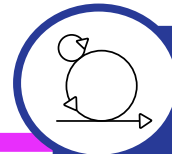
ENA rule change

Enabling DNSP led electric vehicle charging infrastructure (ERC0437)



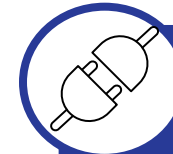
Service Classification

What services should be subject to regulation and what form of regulation should apply



Ring fencing and cost allocation arrangements

Limit NSPs ability to cross-subsidise contestable services or discriminate



Connections and facility access

Limit NSPs ability to restrict, delay or discriminate between users seeking to connect or access other network facilities



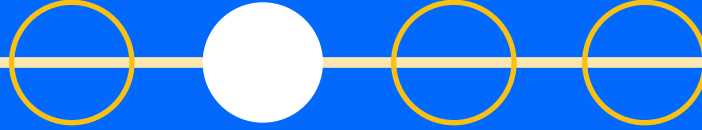
Cost allocation and shared asset arrangements

Appropriately allocate costs between services and benefits between NSPs and consumers

Arrangements used to limit the ability of NSPs to leverage their regulated monopoly position into contestable markets and maintain integrity of classification boundaries

Nexa Advisory rule change

Clarifying distribution ring fencing in emerging energy markets (ERC0435)



Summary of stakeholder submissions

We have categorised stakeholders for the purposes of the analysis in this slide pack

The same seven categories are applied consistently to every submission referenced in this deck (54 submissions in total)

Networks



12

Ausgrid · AusNet · CPU Electricity (CitiPower / Powercor / United Energy) · Endeavour Energy · Ergon Energy & Energex · Essential Energy · Evoenergy · Jemena · Powerlink · SA Power Networks · TasNetworks · ENA (peak body)

Market participants



9

Antora Energy · Connected Kerb · De Rango / Vehicle Charging Solutions Australia · Enel X · Evie Networks · EVX · PLUS ES · Q Energy Solutions · UEG Energy

Gentailers



10

AGL · Alinta Energy · CleanCo Queensland · EnergyAustralia · ENGIE · Flow Power · Origin Energy · Powershop · Red Energy (Lumo Energy) · Australian Energy Council

Consumer reps



8

City of Sydney (local government) · Energy Consumers Australia · EUAA · Justice and Equity Centre · Tasmanian Small Business Council · Zero Emissions 4075 · Zero Emissions Byron · Independent Consumer Advocates

Market bodies



2

AER · AEMO (the AEMC's own consultation paper is cited separately as a primary source, not as a stakeholder submission)

Research & industry bodies



12

Nexa Advisory · Climateworks Centre · EA Technology · Energy Efficiency Council · IEEFA · Master Electricians Australia · NECA · Rewiring Australia · Smart Energy Council · UNSW · Dr Kuiper (independent expert) · Clean Energy Council

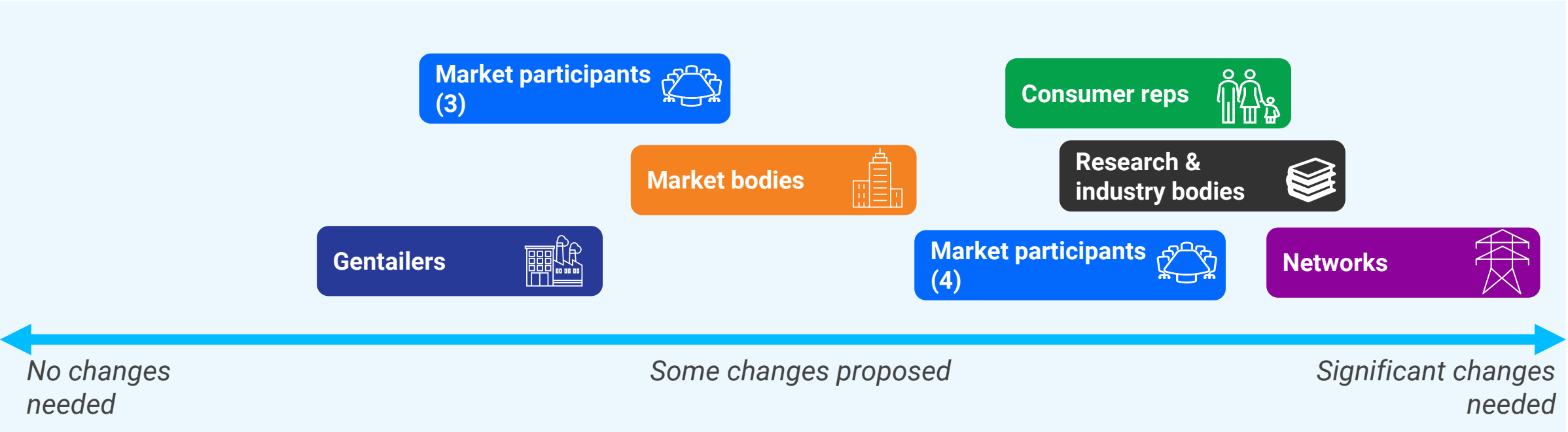
Jurisdictions



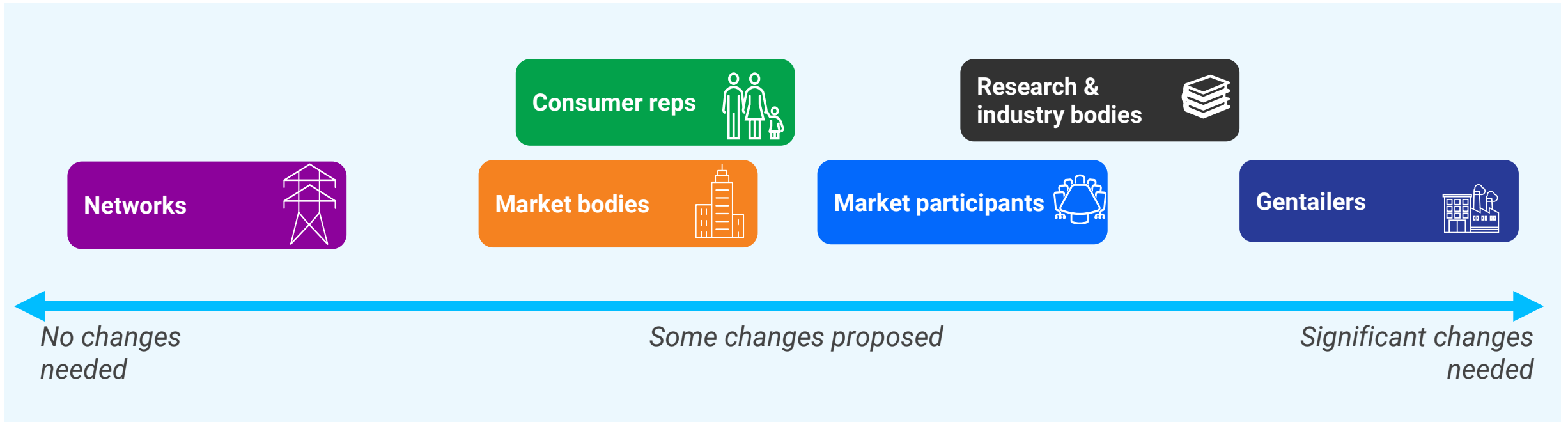
1

Commonwealth DCCEEW

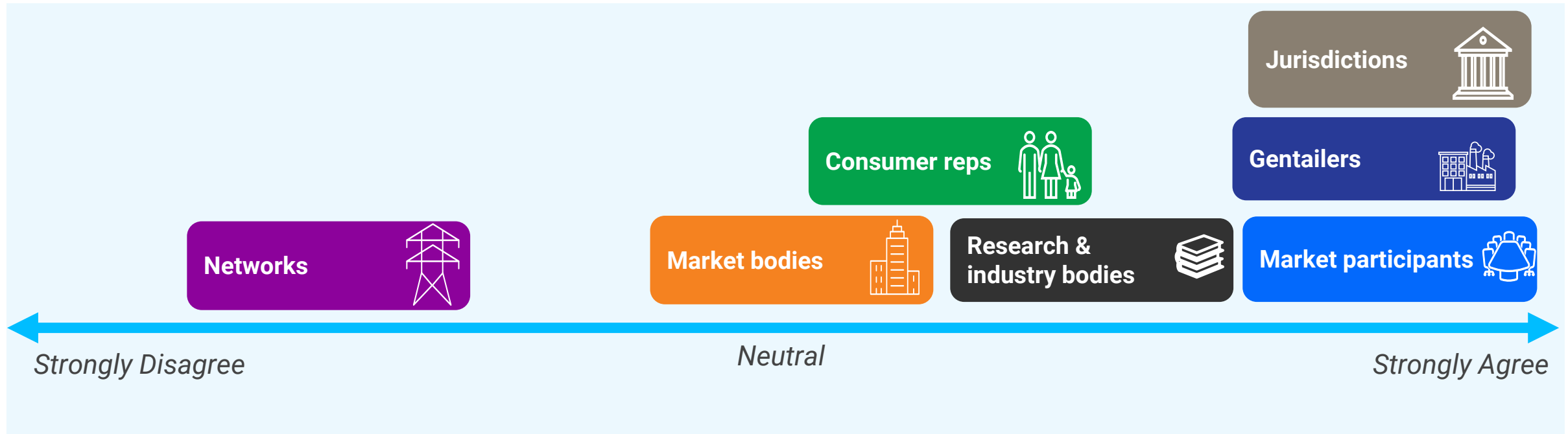
Many stakeholders think some changes should be made to service classification arrangements – but there was a mix of views



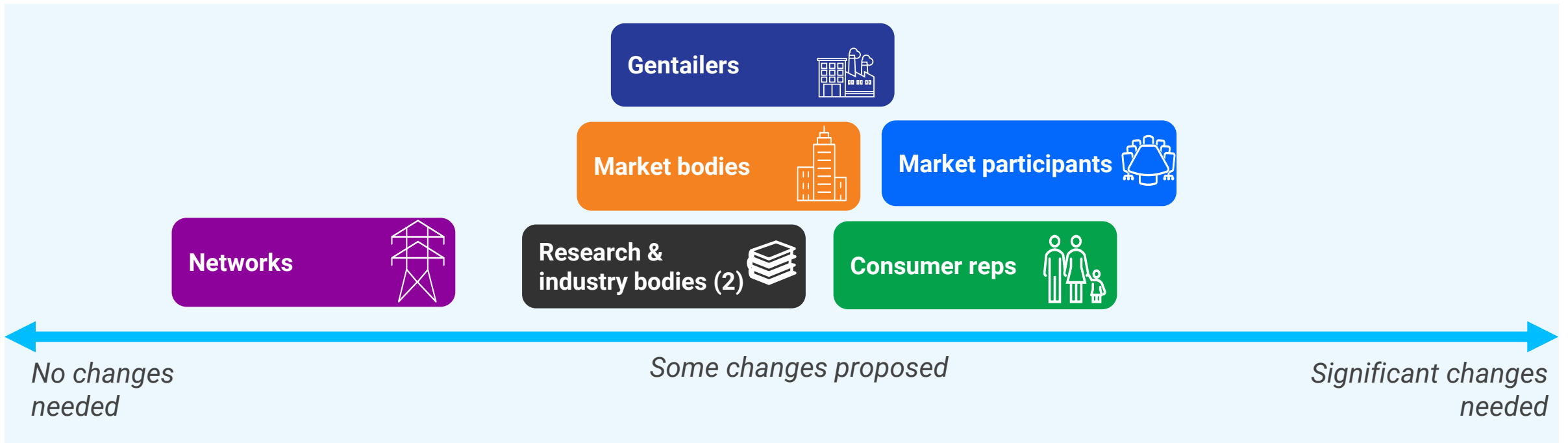
There was support from many stakeholders for changes to the ring fencing framework – some wanted more in the rules



Many stakeholders suggested connection and/or facility access arrangements are a barrier to entry into contestable markets

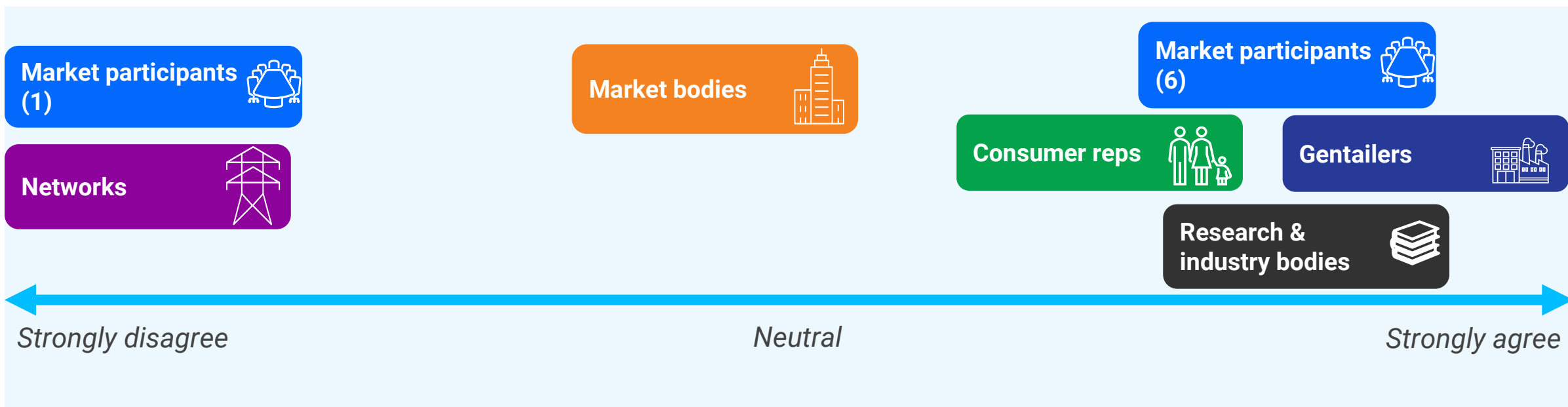


There was support for changes to cost allocation and/or shared asset arrangements being considered



Many stakeholders broadly supported the proposed rule to strengthen ringfencing- with differing views on some of the proposed requirements

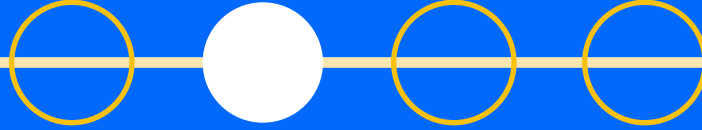
Proponent: Nexa Advisory



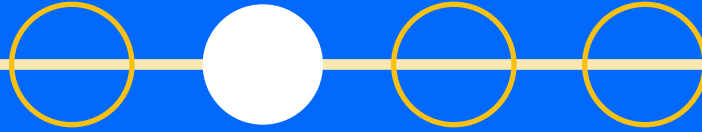
There were different views on the proposed rule to enable DNSPs to install, own and maintain EVCI

Proponent: Energy Networks Australia

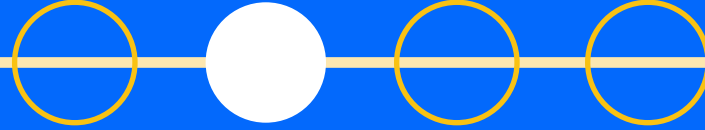




Questions/discussion



Morning tea
Back at 11:05 am



Package 1

Problem statements

We have developed draft problem statements to test with you

The problem statements draw on the submissions to the ENRR1 consultation paper

The problem statements incorporate considerations from:

- our consultation paper and final Terms of Reference (scope)
- the 54 stakeholder submissions received.

They recognise that there are many issues raised and we need to determine the key problems to be solved

- The two associated rule change proposals presented distinct problem statements.
- The broader review did not specify detailed problems that will be addressed. The consultation paper provided context and examples of emerging issues and invited stakeholder views on questions to help us identify the key problem statements.

The problem statements will help us focus in on the issues to be addressed in ENRR package 1

We seek your input today on 6 draft problem statements to form:

- the basis of our ongoing stakeholder engagement
- the focus areas to be addressed in ENRR package 1.

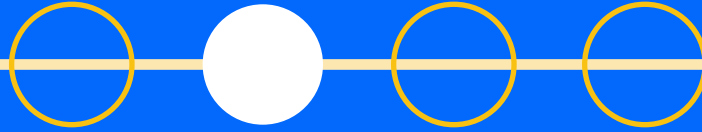
We also seek your input on whether we have the right problem statements or if there are other problem statements that are key to the review.

Overview of our draft problem statements

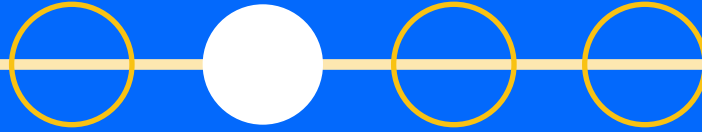
There is a risk that the current 'service classification and ring-fencing framework'* does not continue to deliver the most efficient outcomes in the long-term interest of consumers.

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.

** The consultation paper defines this term as including: connections, facility access arrangements, cost allocation and shared assets.*



Final reflections and next steps



Lunch
Back at 1:30 pm

Electricity Network Regulation Review Package 2

Public forum

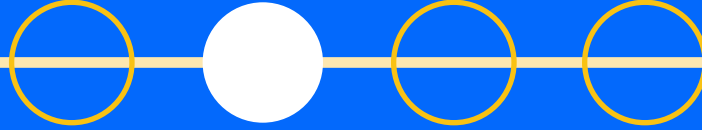
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Agenda – Package 2

1	Welcome back	5 mins	13:30 – 13:35
3	Overview of issues raised in Package 2 consultation paper	20 mins	13:35 – 13:55
4	Q&A	20 mins	13:55 – 14:15
5	Interactive session 1: areas for further investigation	30 mins	14:15 – 14:45
6	Interactive session 2: deep dive on problem statements	60 mins	14:45 – 15:45
7	Reflections	15 mins	15:45 – 16:00
8	Close		16:00



Overview of Package 2 consultation paper

Package 2 focuses on three aspects of the regulatory framework



Revenue determination process

Chapter 2

How the revenue determination process is administered.



Incentives

Chapter 3

Aligning NSP decisions with consumer interests.



Risk allocation and compensation

Chapter 4

Appropriate allocation of risk between NSPs and consumers.

Considerations moving forward:



The Review aims to balance holistic assessment of the framework with identification of specific issues



10 issues proposed for further investigation



Change in all areas not a given – we will be guided by the evidence



Scope is not set in stone – we may need to narrow issues further



Issues proposed for further investigation:

1

Can the revenue determination process be more efficient?

The current revenue determination process is resource-intensive and can take several years to complete.

- **>3 years** to complete the process
- Indicatively **~\$190 million** collectively incurred by NSPs each determination cycle.

2

How can we ensure prudent and efficient expenditure allowances?

The AER's task of setting allowances that reflect prudent and efficient expenditure may be becoming more challenging during periods of uncertainty and rapid change.

- Significant information asymmetries exist
- The regulatory regime may incentivise NSPs to seek higher than efficient revenue allowances

3

Do we need to clarify how consumer views influence decisions?

It is unclear how consumer views should inform AER decisions in the revenue determination process.

- Interaction between consumer views and AER assessment of prudence and efficiency could be clarified.
- There may be some issues that are more useful or appropriate for consumers to engage on.

Issues proposed for further investigation:



Incentives

4

Can incentives for capex vs opex be levelised?

The potential for NSPs to preference capex-based solutions over opex-based solutions is a long-standing concern.

5

Are new incentives needed to support 'DSO' roles?

DNSPs are taking on the role of a DSO. Incentives may be warranted to support these functions being undertaken in a way that maximises consumer outcomes.

6

Are incentives required to support efficient network utilisation?

Network utilisation appears low but traditional measures are incomplete.

7

Are incentives to promote innovation by NSPs sufficient?

Investment in R&D is important to improve productivity over the long-term.

Issues proposed for further investigation:

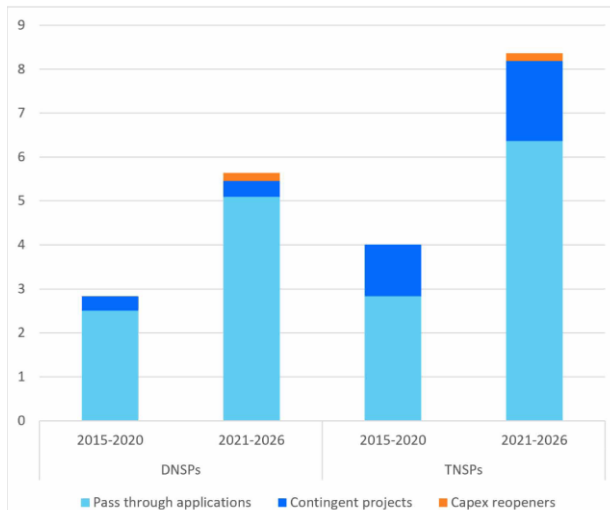


Risk allocation and compensation

8

How risk allocation mechanisms operate as a package

The appropriate use of risk allocation mechanisms requires consideration as risks change.



Use of risk allocation mechanisms (p. 80 of the consultation paper)

9

Appropriate arrangements for anticipatory investment

Anticipatory investment offers opportunities to reduce overall costs but may carry greater risk.

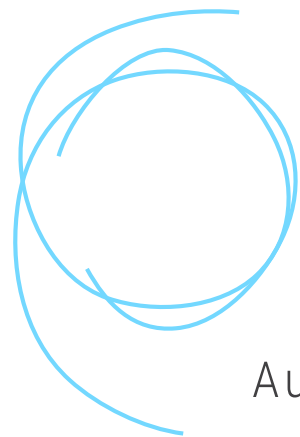
- Mixed views on the extent to which the framework allows for/prevents anticipatory investment.

10

Flexibility of NEL regarding the Rate of Return Instrument (RoRI)

The NEL requires the same RoRI methodology apply to all NSPs

- Potentially risks and challenges are diverging between TNSPs and DNSPs
- **TNSPs** – Major greenfield projects
- **DNSPs** – CER and operational complexity



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