Nexa rule change - AEMC Electricity Network Regulation Review public forum

18 August 2026

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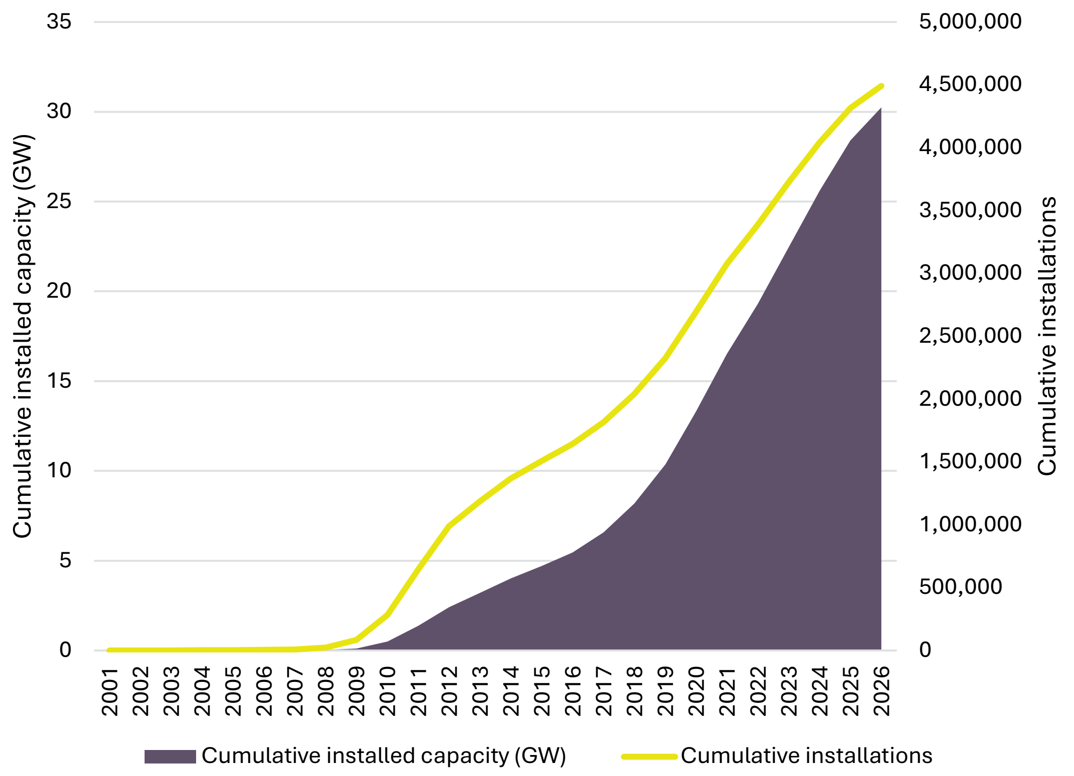
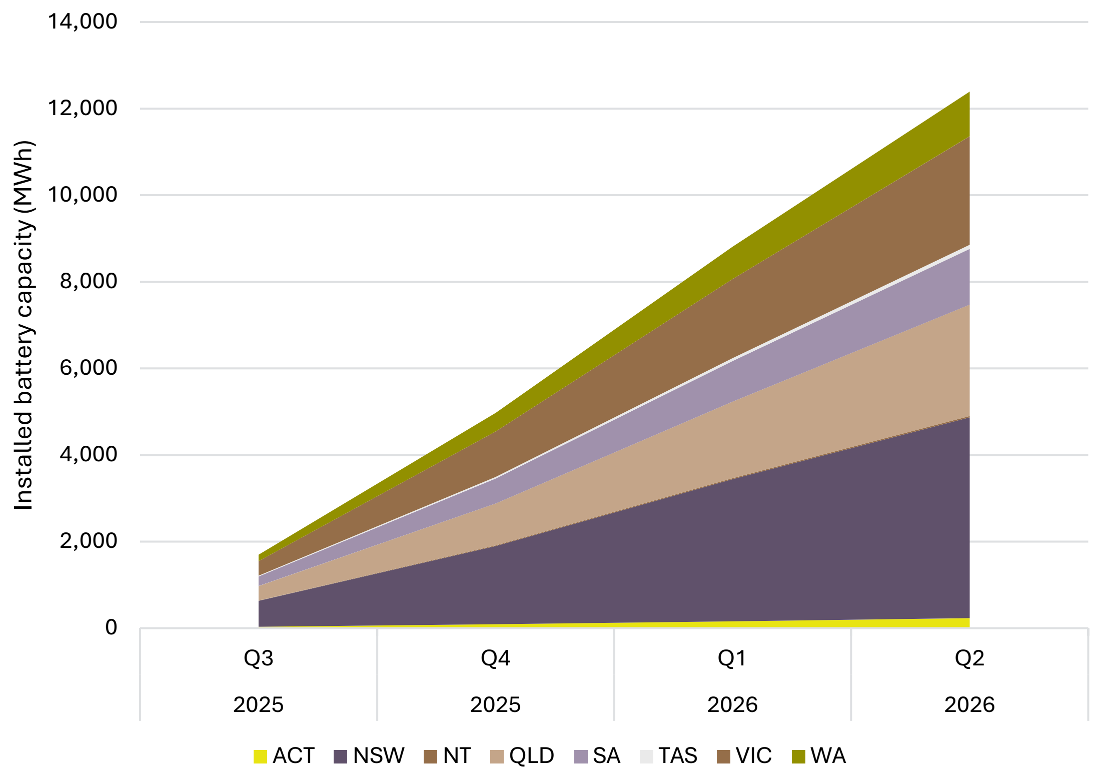
Australians love rooftop solar and home batteries

Australians have invested in over ~$25b in Solar rooftop and home batteries.

~30 GW of rooftop solar and over ~12.4 GWh of home batteries

~4000 solar retailers and over ~60 battery providers.





Source: Clean Energy Regulator, Quarterly Carbon Market Report – June 2026

Nexa Rule change

The conditionally supportive views want to see elements of Nexa's rule change market failure test, discriminatory behaviours, reporting and no RAB grab.

Supportive

Alinta Energy; Q Energy Solutions; Powershop / Shell Energy; ENGIE; EnergyAustralia; AGL; Climateworks Centre; Smart Energy Council; National Electrical and Communications Association; Evie Networks; EVX; Red Energy and Lumo Energy; Flow Power; Master Electricians Australia; Nexa Advisory

Conditionally supportive

Energy Efficiency Council; Australian Energy Market Operator; Enel X; Origin Energy; Institute for Energy Economics and Financial Analysis; Energy Consumers Australia; Justice and Equity Centre, Independent views.

Not supportive

CitiPower, Powercor and United Energy; Ausgrid; AusNet; Essential Energy; TasNetworks; Ergon Energy and Energex; Endeavour Energy; Energy Networks Australia; Jemena Electricity Networks; Zero Emissions 4075; Australian Energy Regulator.

ENA Rule change

The conditional views range from lack of support of RAB cost recovery to DNSP rollout only where there is proven market failure and consumer benefit test

CitiPower, Powercor and United Energy; Ausgrid; Essential Energy; Australian Energy Regulator; TasNetworks; Ergon Energy and Energex; Endeavour Energy; Energy Networks Australia; Jemena Electricity Networks;

Zero Emissions 4075; Zero Emissions Byron; Climateworks Centre; City of Sydney; Institute for Energy Economics and Financial Analysis; **Jemena Electricity Networks; PLUS ES, AusNet, SAPN**, Independent experts & views.

Nexa Advisory; Rewiring Australia; Energy Efficiency Council; Alinta Energy; Australian Energy Market Operator; Enel X; Powershop / Shell Energy; ENGIE; EnergyAustralia; Energy Users' Association of Australia; AGL; Smart Energy Council; National Electrical and Communications Association; Origin Energy; Evie Networks; EVX; Energy Consumers Australia; Flow Power; Master Electricians Australia; Justice and Equity Centre; Australian Energy Regulator;

supportive | Conditional | Not supportive

Community Batteries assigned to DNSPs are stalled

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It's unclear how many "~~community~~ DNSP batteries" have been deployed - despite $200m in Commonwealth funding and a bespoke AER ring-fencing class waiver.

- The scheme was originally announced in 2022 as a $200m, 400 community battery program:
  - Business Grants Hub - $29m of support across 58 locations
  - ARENA - $171m of support across at least 342 batteries
  - There were 21 projects in Funding Round 1.

In a program assessment of these, ARENA found that **"network batteries were more expensive on average than non-network (behind-the-meter) batteries"** with a weighted **average cost of $2,300 compared to $1,330** per kWh ($2,240 vs $1,270 per kWh unweighted)'.

AER reported usage data (2024) indicates that approximately 104 MWh, or **around 1 per cent, of battery usage has been for DNSP network support services**, compared with approximately 11,463 MWh, or around 99 per cent, by leasing 3rd parties.

Image: Yarra Energy Foundation real community battery

Summary of the rule change proposal

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Proposed rule change	Problem	Proposed solution
Rule 1 - Codify last-resort waiver criteria	• Current waiver test is framed as a DNSP cost vs compliance benefit trade-off - and doesn't require affirmative proof of 'no harm' to competition/consumers when granting waivers • This enables waiver creep and DNSP entry into contestable markets without rigorous testing of neutrality or long-term market impacts	• Amend the NER/ring-fencing waiver framework to ***require a consumer benefit and market failure test*** – requiring DNSPs to prove that no competitive provider can deliver the service, requiring independent verification and affirmative proof of 'no harm; (e.g., through competition foreclosure, cross-subsidisation, or branding & data advantage)
Rule 2 - Financial resilience & ring-fence triggers	• Consumers ultimately bear downside risk if networks divert consumer-funded revenues into higher-risk ventures • Australia's framework lacks automatic, codified financial resilience protections tied to financeability stress or material ring-fencing failure	• ***Introduce automatic distributions lock-up / cash retention triggers -*** when pre-defined financeability metrics (or material ring-fencing failures) are breached/forecast, the regulated entity must pause dividends and restrict value transfers (incl. specified related-party transfers) until resilience is restored

Rule 3 – Affiliate dealings & data access	• Informational and process asymmetries (early access to constraints/capacity, queue priority, bespoke terms, undocumented interfaces) can advantage affiliates
	• Current guidance emphasises financial and legal separation – but lacks prescriptive, testable requirements for data access
		• ***Embed a Stronger 'No Preferential Treatment" Test*** –including the following in the rules:
		  • **Independent verification** that affiliates and third parties receive simultaneous data releases (with public timestamps)
		  • **No harm to competition** demonstrated through parity metrics (latency, error rates, throughput, queue wait times, SLA adherence) and comparative pricing analysis.
		  • **Public transparency via a Data & Interface Register**
		  • **Remedies** for breaches.

Rule 4 – Branding & representation	• Shared branding/logos and ambiguous messaging can mislead consumers into believing they must use a DNSP/affiliate for contestable services (EV charging, DER, community batteries), creating unfair advantage • Current guidance lacks clear, enforceable standards	• ***Embed a stronger "no misleading representation" test*** - requiring distinct branding, prominent disclaimers, public transparency of artefacts and independent audits.
Rule 5 – Reporting, complaints & enforcement transparency	• Ring-fencing effectiveness is undermined when monitoring/enforcement is opaque or discretionary • Stakeholders can't tell whether compliance issues are being actively pursued, which chills investment and weakens trust	• ***Embed a reporting and compliance framework rule*** - make AER enforcement transparency mandatory and standardised by publishing an annual compliance & enforcement report (breaches, investigations, actions, waiver decisions) • Establish a formal anonymous complaints channel • Formalise a clear triage and investigation process for the AER (information requests, indicative timeframes, outcomes) when responding to complaints

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