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The VSIR Governance Review Team  
Energy Group | Department of Energy, Environment and Climate Action  
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Dear Chairperson,

## **VSIR Governance Review – Preliminary Findings**

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### **1. Introduction**

The Clean Energy Council (CEC) welcomes the opportunity to provide feedback on DEECA's preliminary findings from the Victorian Service and Installation Rules (VSIR) Governance Review. As the peak body representing Australia's clean energy industry we are committed to supporting reforms that improve the deployment of clean energy safely and efficiently. As such we support transparency and good governance for the Victorian Service and Installation Rules.

The VSIR are fundamental to enabling the connection of new clean energy technologies such as solar PV, batteries, DER, microgrids, and EV charging infrastructure. They must achieve this while maintaining safe and reliable operation of the state's electricity networks. The CEC strongly supports the objectives outlined by the Minister for Energy and Resources, particularly the need for a governance model that is transparent, fair, and responsive to the accelerating energy transition.

The CEC believes that DEECA's preliminary findings identify clear and meaningful opportunities to improve the VSIR governance framework. This submission outlines our support for good governance as explored in the consultation pack and states our support for Reform Option 2A.

### **2. The Need for Strengthened and Updated Governance**

#### **2.1 Governance must reflect the pace and complexity of the energy transition**

As DEECA's discovery phase findings make clear<sup>1</sup>, stakeholders generally view the existing architecture as functional, but not sufficiently formal, transparent, or inclusive to manage the fast evolving demands of clean energy integration. With new technologies proliferating rapidly, the VSIR requires a governance system capable of:

- responding promptly to technical and regulatory developments
- proactively aligning with Victorian Government policy
- ensuring that rule making decisions reflect the full breadth of emerging clean technology industries
- maintaining consistency and predictability for distribution businesses and technology providers

The current informal and opaque processes, including the appointment of advisors, rule change pathways, communication protocols, and recording of decision making<sup>2</sup> may increasingly be at odds with the scale and pace of transformation occurring across the clean energy sector.

## **2.2 Transparent, structured, and fair processes are essential**

DEECA's findings highlight the need to formalise processes to ensure clarity, fairness, and accountability<sup>3</sup>. The CEC agrees that good governance must include:

- clear criteria for rule change assessments
- publicly available, structured pathways for industry to request rule changes
- defined timeframes for rule making, review, and implementation
- a transparent disputes process including independent escalation
- a public register of rule change requests, decisions, and their technical rationales

These mechanisms support trust, reduce ambiguity, and provide essential certainty to all stakeholders. Most importantly to consumers and clean energy technology providers.

## **2.3 Enhanced inclusion of the clean energy sector**

DEECA correctly identifies that clean energy industries, particularly newer ones such as EV charging, have not been sufficiently represented in rule-making processes to date<sup>4</sup>. As

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<sup>1</sup> Slide 9 – VSIR Governance Review – Preliminary findings.

<sup>2</sup> Slide 10-12 – VSIR Governance Review – Preliminary findings.

<sup>3</sup> Slide 11 - 12 VSIR Governance Review – Preliminary findings.

<sup>4</sup> Slide 9, Conclusion 4 - VSIR Governance Review – Preliminary findings.

Victoria rapidly transitions toward electrification and greater distributed energy uptake, it is critical that the governance model enables meaningful participation from:

- solar, battery, and inverter manufacturers
- EV charging providers
- DER aggregators and software providers
- technical advisers with deep expertise in new energy technologies
- peak bodies including the CEC, Smart Energy Council and Electric Vehicle Council.

We agree that good governance requires not only consultation but structured, consistent, institutionalised involvement.

## **2.4 Appropriate public oversight aligns the VSIR with Government policy**

DEECA's preliminary conclusion that greater public sector involvement would strengthen alignment with Victorian Government policy objectives<sup>5</sup> is in the CEC view correct. While the DNSPs play an essential role as custodians of technical network knowledge, the Government plays the essential role of stewarding the State's policy direction on electrification, decarbonisation, and consumer outcomes. The clean energy transition requires an oversight model that blends operational expertise and policy leadership.

The VSIR's are the primary instrument for the connection of renewable technologies to the energy network in Victoria. As such the governance, policy setting, and eventual clauses included in the document must continue to harmonise with other VIC regulations. At present, inconsistencies exist between the VSIR's and DEECA policy and guidance. An example is the current VSIR's indicate a replacement PV inverter requires connection the Victoria emergency backstop mechanism; while DEECA policy and guidance remain unclear that this is the case. Inconsistency makes the connection process of renewable energy technologies more complicated for the consumers. Our preference is that DEECA be able to contribute directly to VSIR publication content.

Given that the Federal Government will appoint new national CER Technical Regulator, most likely in 2027, it will be vital for the VSIR's to allow a pathway for adoption of any regulations passed down from the new national CER technical regulator.

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<sup>5</sup> Slide 9, Conclusion 5 - VSIR Governance Review – Preliminary findings.

### **3. Clean Energy Council Assessment of Reform Options**

DEECA presents a refined set of public oversight options<sup>6</sup>. All include valuable improvements, but they differ in terms of certainty, authority, and alignment with longer term policy needs.

#### **Option 1 – Vic Govt Advisor role and limited process reforms**

This is a constructive step but provides advisory influence only. In the CEC view it does not adequately address the identified need for stronger public accountability or greater policy alignment.

#### **Option 2B – A new technical regulatory framework**

While conceptually robust, this option likely introduces a more complex and resource intensive transition than necessary.

#### **Option 2A – Transfer approval authority to Vic Govt and process reforms (Preferred)**

The CEC strongly supports Option 2A, as it strikes the optimal balance between:

- retaining the DNSPs' required technical leadership,
- embedding stronger government oversight and policy stewardship, and
- enhancing transparency, fairness, and industry representation.

Option 2A also mirrors established models in other jurisdictions, ensuring Victoria benefits from proven governance structures while maintaining flexibility.

The CEC believe Option 2A ensures:

- a well structured rule making process
- proportionate public oversight without over centralising technical decision making
- greater clarity for all clean energy proponents.

Importantly, Option 2A preserves the collaborative strengths of the current committee.

### **4. Conclusion**

The Clean Energy Council commends DEECA for its thorough and constructive preliminary review of the VSIR governance framework. The findings fairly show that while the existing

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<sup>6</sup> Slide 13 – VSIR Governance Review – Preliminary findings.



structure has served Victoria reasonably well, it must now evolve to meet the demands of a rapidly decarbonising and increasingly electrified energy system.

Transparent governance is essential to enabling timely, safe, and efficient connection of clean energy technologies. It is also vital for maintaining confidence among technology providers, installers, and consumers.

The CEC expresses clear support for Reform Option 2A, backed by the package of process improvements identified.<sup>7</sup> We look forward to continued collaboration with DEECA, DNSPs, and the wider industry to implement a governance model that ensures the VSIR remains fit for purpose and aligned with Victoria's nation leading clean energy ambitions.

## Contact

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<sup>7</sup> Slides 11,12 – VSIR Governance Review – Preliminary findings.