4 June 2026

Australian Energy Market Commission
Level 15, 60 Castlereagh Street
Sydney NSW 2000

By electronic lodgement:

Enhancing Distribution Network Planning and Reporting (ERC0410) - Response to AEMC Draft Determination

1. Introduction

The Clean Energy Council (CEC) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) Draft Determination on *Enhancing Distribution Network Planning and Reporting* (ERC0410).

This submission responds to the specific questions posed in the Draft Determination and provides an overview of where the CEC's views align with, or diverge from, those of the AEMC, drawing on the CEC's earlier submission to the consultation paper.

Overall, the CEC supports the direction of the Draft Determination as a material improvement to the status quo. We consider that the move toward longer term, more transparent and more consistent distribution network planning and data reporting is necessary to support efficient integration of consumer energy resources (CER) and to promote consumer value. However, the CEC considers that some elements of the Draft Determination could be strengthened to better reflect the pace of CER uptake, the importance of non-network solutions, and the need for more timely and usable data for market participants.

2. High level areas of agreement and disagreement

2.1 Broad agreement with the AEMC Draft Determination

The CEC broadly agrees with the AEMC on the following elements of the Draft Determination:

- **Replacement of the Distribution Annual Planning Report (DAPR):** The CEC agrees that the existing annual planning framework is no longer fit for purpose in a

Phone: +61 3 9929 4100
Fax: +61 3 9929 4101
info@cleanenergycouncil.org.au

Level 20, 180 Lonsdale
Street, Melbourne, VIC
3000, Australia

cleanenergycouncil.org.au

ABN: 84 127 102 443

system with rapidly growing CER and two way power flows. Replacing the DAPR with a longer term planning framework is appropriate.

- **Introduction of a longer term planning horizon:** The adoption of a standardised 20 year planning horizon is supported, as it better reflects asset lives and the long term impacts of CER, electrification, and demand side resources.
- **Scenario based planning aligned with AEMO inputs:** The requirement for DNSPs to use AEMO's Inputs, Assumptions and Scenarios Report (IASR) as a baseline, with transparent justification for deviations, is supported and consistent with the CEC's previous position.
- **Improved data transparency:** The CEC supports the establishment of a dedicated distribution network data reporting framework, implemented through AER guidelines, to improve the availability and consistency of data, particularly at the low voltage level.
- **Retention of near term transparency through annual updates:** The CEC agrees that the introduction of an annual update is an important mechanism to retain visibility of near to medium term developments in between longer term planning cycles.

These positions are broadly aligned with those expressed previously by the CEC and, in many respects, overlap with many other stakeholders view that longer term, scenario based planning and improved data access are now justified given the scale of CER penetration.

2.2 CEC divergence from the AEMC Draft Determination

While supportive overall, the CEC has some reservations and suggestions for improvement:

- **Planning frequency:** The CEC considers that a five yearly Distribution Network Development Plan (DNDP) risks being insufficiently responsive in a fast changing distribution environment. It is true that a more frequent comprehensive planning cycle (for example, biennial) could better reflect CER uptake trajectories, with the rapid growth in distributed battery installations currently illustrating why more frequent comprehensive planning is warranted.

  Commercial and grid connected batteries are being deployed at accelerating rates, driven by declining costs, electrification, and the need to manage increasing solar penetration. These assets can materially alter demand profiles, peak loading, export constraints and network utilisation within relatively short timeframes. Therefore, a fixed five yearly planning cycle risks locking in assumptions that may no longer reflect actual storage uptake, operational behaviour or locational impacts.

Phone: +61 3 9929 4100
Fax: +61 3 9929 4101
info@cleanenergycouncil.org.au

Level 20, 180 Lonsdale
Street, Melbourne, VIC
3000, Australia

cleanenergycouncil.org.au

ABN: 84 127 102 443

More frequent DNDPs would enable DNSPs to more accurately reflect emerging battery installation trends, better signal opportunities for storage to defer or replace network augmentation and reduce the risk of inefficient investment outcomes for consumers.

- **Strength of non-network signals:** While non network options are acknowledged, the Draft Determination could more clearly require DNSPs to identify, signal and test opportunities for non-network and market led solutions earlier in the planning cycle. Earlier and clearer signalling of non-network opportunities would further support DNSPs in adapting planning practices to an increasingly dynamic distribution environment.

  Technologies such as distributed batteries, demand response and other flexible CER are becoming more capable of contributing to the management of emerging network constraints, often within shorter delivery timeframes than traditional network solutions. Providing greater encouragement to identify and signal these opportunities earlier in the planning cycle would allow market led solutions to be considered alongside network options from the outset. This could also include improving the effectiveness of the RIT-D process.

  This would aid providing investors the confidence needed to participate in solutions that can deliver efficient and timely benefits for consumers.

- **Timeliness and granularity of data:** The flexibility afforded to the AER to develop the detailed data reporting framework is appropriate and recognises the diversity of distribution networks. However, the CEC is concerned that without clear expectations around minimum levels of data timeliness and granularity, there is a risk that data publication may remain too aggregated or too delayed to support practical CER investment decisions.

  Experience in related contexts, such as public EV charging deployment, demonstrates that when network data on constraints, hosting capacity and utilisation is not sufficiently detailed or accessible, information asymmetries can persist and slow efficient market led investment. So, establishing clear expectations in the rules upon AER guidelines regarding update frequency, locational resolution/s and the usability of published data would improve investor confidence and support earlier identification of viable CER opportunities. We would view these as complementing the DNSPs' existing planning processes.

- **Explicit consideration of competition and ring-fencing impacts:** The CEC considers that the Draft Determination could place greater emphasis on the role that

Phone: +61 3 9929 4100
Fax: +61 3 9929 4101
info@cleanenergycouncil.org.au

Level 20, 180 Lonsdale
Street, Melbourne, VIC
3000, Australia

cleanenergycouncil.org.au

ABN: 84 127 102 443

this improved planning transparency and more granular, timely data can also play in supporting competitive neutrality. Where external parties lack sufficient visibility of network capacity, constraints or investment triggers, DNSPs may face pressures to obtain ring fencing waivers to fast track delivery of services or infrastructure such as that seen with EVCI.

By contrast, clearer and more forward looking planning signals in conjunction with more accessible network data can lower barriers to entry for third party providers. Thus allowing competitive market solutions to emerge faster without the need for DNSP participation beyond their regulated role.

Strengthening this link in the Draft Determination would reduce reliance on waivers and support more lower cost consumer outcomes by enabling contestable service provision wherever it is feasible.

3. Responses to AEMC Draft Determination Questions

Question 1: Does the draft rule provide appropriate guidance on the application of the 20 year planning horizon?

Does the draft rule provide sufficient guidance on how the 20 year planning horizon is to applied by DNSPs, including for their low voltage network? If not, what additional guidance is needed for DNSPs to implement this obligation? What would be the benefit of including this additional guidance (if any) in the draft rule? As an alternative, would it be preferable for this to be included by the AER in its guidelines (section 2.4)?

The CEC considers that the Draft Rule provides a reasonable high level framework for applying a 20 year planning horizon through the differentiated treatment of high, medium and low voltage assets. The proportional approach to low voltage planning is appropriate given its dissimilarity. However, further guidance will be required and preferably by rule direction to the specific content of the AER guidelines on minimum expectations for low voltage forecasting outputs.

From a CEC perspective, any AER guidelines should be required to set clear minimum expectations for low voltage forecasting outputs that prioritise usefulness over undue precision. This means that as a minimum, the Guideline should be directed by the new rules; that DNSPs must provide indicative, aggregate level projections of low voltage demand at the distribution substation level, extant CER uptake (including rooftop PV, batteries and EVs), and resulting net demand or export trends. This should be supported by transparent

disclosure of key assumptions. Forecasting should be explicitly scenario based, drawing on AEMO's IASR as a baseline, and clearly communicate the degree of uncertainty associated with its different outcomes, recognising the evolving and consumer driven nature of the low voltage system.

In addition, the rule should direct that low voltage forecasting outputs should identify the types of network issues most likely to emerge under different scenarios, such as voltage management, thermal constraints or reverse power flows. And, to indicate where non-network and market led solutions are likely to be valuable. These outputs should be presented at a level of granularity that supports investment decision making, while remaining proportionate to the requirements of the DNSPs *own minimum decision making needs.*

This italicised requirement is achievable because at a practical level, DNSPs do not plan their network investments in an informational vacuum. To progress an augmentation for example, they would typically develop an internal view of:

- the nature, timing and location of an emerging constraint;
- the service requirement that must be met (capacity, voltage support, reliability);
- the credible alternatives, including demand management, storage, or other non-network options; and
- the risks associated with uncertainty, such as uptake of DER or changes in load.

In other words, the analytical work required to identify non-network opportunities is *already being done* by a prudent business for internal decision making purposes. We assume this to be especially the case where projects approach RIT-D thresholds.

If this is not the case, and internal assessments are remaining undocumented or qualitative until late in the project lifecycle, then external parties also cannot see the same opportunity in time. Where this occurs then market led solutions will systematically appear "late", and appear so not because they are inefficient, but because information arrives too late.

This all legitimises the proportionality approach. The primary benefit of all this additional guidance would be stronger consistency across DNSPs and improved usefulness of a DNDPs outputs for CER providers and consumer agents.

Question 2: Is the purpose of the DNDP sufficiently clear?

Is the proposed purpose and role of the DNDP within the broader planning framework sufficiently clear? If not, what amendments do you consider would improve the clarity of the DNDP's purpose?

Phone: +61 3 9929 4100
Fax: +61 3 9929 4101
info@cleanenergycouncil.org.au

Level 20, 180 Lonsdale
Street, Melbourne, VIC
3000, Australia

cleanenergycouncil.org.au

ABN: 84 127 102 443

The CEC supports the proposed purpose of the DNDP and considers it broadly clear. Positioning the DNDP as a tool to maximise consumers' long term interests across a range of future scenarios is appropriate.

That said, the CEC suggests that clarity could be enhanced by explicitly recognising the DNDP's role in:

- enabling efficient integration of CER and demand side resources; and
- facilitating contestable, non network solutions alongside traditional network investment.

This would reinforce the DNDP as the desired forward looking, system shaping document rather than a descriptive compliance report. These roles can also be clearly linked to the broader distribution data reporting framework so that the DNDP can be refined over time as data quality and availability improves.

Question 3: Have all the implementation considerations for the annual update been identified?

Does the draft rule identify all the critical planning information that would need to be updated annually by DNSPs? If not, could this information be captured by the AER guidelines published under Clause 5.13.3 of the draft rule?

Should the draft rule also require DNSPs to report in the annual update on changes:
• to planned network projects for the next 5 years since the strategic plan or previous year
• in the likelihood of the scenarios that were considered in the DNSP's strategic plan for the next 5 years?

What would be the benefits of including the above requirement in the draft rule rather than AER guidelines?
Should the draft rule also allow the AER to specify the form of any information or data to be provided in the DNDP and annual update?
Would the proposed reporting dates for the annual update be simple for DNSPs to implement? If not, what is the most suitable alternative date for the annual update?

The CEC agrees that the annual update is necessary to preserve transparency between DNDPs and broadly supports the proposed content.

The CEC considers it appropriate for additional, more detailed change reporting obligations (for example, significant changes to project timing or scenario likelihoods) to sit within AER

Phone: +61 3 9929 4100
Fax: +61 3 9929 4101
info@cleanenergycouncil.org.au

Level 20, 180 Lonsdale
Street, Melbourne, VIC
3000, Australia

cleanenergycouncil.org.au

ABN: 84 127 102 443

guidelines rather than the Draft Rule itself, provided those guidelines are developed promptly and with stakeholder input.

The CEC agree that aligning reporting dates with other regulatory processes is sensible, provided this does not reduce the timeliness of information relied upon by CER investors.

Question 4: Does the purpose provide appropriate guidance on the scope of the framework?

Does the framework's purpose provide clarity on the different types of data that are intended to be captured in the AER's guidelines (section 3.2)? If not, what types of data would not be captured by the current framing of the purpose? What would be the benefits of including this data in the framework's purpose or scope?

The CEC supports the proposed purpose of the data reporting framework and agrees that it appropriately focuses on historical, current and near term network visibility.

However, the CEC emphasises that delivery of this purpose will depend heavily on the practical outcomes of the AER guidelines, particularly in relation to:

- distribution feeder low voltage and transformer level hosting capacity;
- voltage performance and curtailment;
- utilisation of existing network capacity.

The benefit of ensuring these data types are captured is that there are both improved investment efficiency and earlier identification of non-network solutions. The CEC would support clear AER guidance on low voltage hosting capacity, voltage performance, curtailment and utilisation that:

- creates shared expectations across DNSPs;
- avoids one-off or reactive information requests; and
- provides DNSPs regulatory confidence in their disclosures.

This aligns transparency with DNSP interests, and this last point particularly means that DNSPs will not be exposed to compliance, legal, or competition concerns simply for having shared information in good faith.

Question 5: Does the draft rule provide appropriate guidance for the AER when preparing the guidelines?

Do the principles and the framework's purpose capture all the relevant considerations for the AER when it prepares its guidelines? If not, what additional considerations do you consider are missing and what would be the benefits of including them in the draft rule?

Does allowing for additional requirements, such as the publication of data roadmaps, create an overly broad scope for the guidelines? If so, how could this be addressed? Would additional restrictions for these provisions be sufficient or should they be a separate requirement from the guidelines?

The CEC supports the three overarching principles proposed in the Draft Rule and agrees that guidelines are a more flexible and adaptive mechanism than prescriptive rules. Experience suggests, however, that flexibility is most effective when it is underpinned by clear minimum expectations articulated through guidance, rather than left open ended. Without such anchoring, flexible frameworks risk delivering inconsistent outcomes and information that is of limited practical use to stakeholders.

In this context, allowing the AER to require data roadmaps where there is a demonstrated net economic benefit is appropriate, particularly in areas experiencing high or rapidly growing CER penetration. Concerns around scope and resourcing are best addressed through clear prioritisation and staging within the guidelines themselves, rather than by constraining AER discretion in the Draft Rule.

4. Conclusion

The CEC supports the AEMC's Draft Determination as a substantial and positive reform to distribution network planning and reporting. The proposed DNDP framework, annual updates and data reporting regime represent a clear improvement on existing arrangements and align with the evolving needs of a consumer led energy system.

To maximise the benefits of the reform, the CEC encourages the AEMC to:

- consider mechanisms for more frequent or more responsive planning updates;
- strengthen expectations around non network solutions and competition; and
- ensure that data reporting outcomes are timely, granular and genuinely usable for CER participants.

The CEC looks forward to continuing to engage with the AEMC and the AER as the framework is finalised and implemented.

Phone: +61 3 9929 4100
Fax: +61 3 9929 4101
info@cleanenergycouncil.org.au

Level 20, 180 Lonsdale
Street, Melbourne, VIC
3000, Australia

cleanenergycouncil.org.au

ABN: 84 127 102 443

Yours sincerely,

David Markham
Senior Policy Officer

Contact:

Clean Energy Council
Attn: Policy Team – Retail & Distributed Energy
Email: dmarkham@cleanenergycouncil.org.au