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29 July 2025

Danielle Beinart
Executive General Manager, Networks and Technical
Australian Energy Market Commission
GPO Box 2603
SYDNEY, NSW, 2001

Dear Ms Beinart

**Re: National Electricity Amendment (Integrated Distribution System Planning)
Rule 2026**

The Australian Energy Regulator (AER) welcomes the opportunity to respond to the Australian Energy Market Commission's (AEMC) consultation paper on the Integrated Distribution System Planning (IDSP) Rule change proposal submitted by Energy Consumers Australia (ECA).¹

The AER supports the IDSP Rule change proposal as a pathway to provide the market with low-voltage network data. We consider it will increase the amount of useful data collected and published by Distribution Network Service Providers (DNSPs) and make it easier for third parties to understand the costs and benefits of Consumer Energy Resources (CER) and Distributed Energy Resources (DER) investments connected to distribution networks. This coincides with the objectives of our Low-voltage Network Visibility project.²

Our submission highlights the key messages of our Low-voltage Network Visibility Phase 3 Final report (a copy of the report is attached to this submission), which we consider insightful in the context of the Rule change proposal.³ It also emphasises the need to use the extended time for the rule change to carefully consider the changes to the distribution network planning framework, to ensure any changes achieve intended objectives and are consistent with the broader network planning framework.

¹ AEMC, *National Electricity Amendment (Integrated Distribution System Planning) Rule 2026*, June 2025.

² AER, [Network visibility](#)

³ AER, [Low-voltage Network Visibility Phase 3 Final Report](#), 31 March 2025.

Insights from AER Low-voltage Network Visibility Phase 3 report.

On 31 March 2025, we published Low-voltage Network Visibility Phase 3 Final report (Phase 3 report). The Phase 3 report identified the actions we will take to ensure distribution networks are transparently providing information to key stakeholders and the public and concluded our planning for the provision of Low-voltage Network Visibility.

Action 1 of the Phase 3 report is to support key elements of the IDSP Rule change proposal. Key insights from the report regarding the datasets which would be most useful, how they should be made available and cost impacts are summarised below. These insights are based on the findings of phase 1 and phase 2 of the AER's Low-voltage Network Visibility project, which tested the challenges and values in delivering identified data sets through a real-world trial.⁴

Priority and non-priority datasets: We support the establishment of priority datasets that maximise net benefits to electricity consumers. Specifically, this involves datasets already being collected by DNSPs that can be reported at a minimal or incremental cost and datasets not yet collected but the with potential to deliver significant benefits.

The Phase 3 report proposed nine datasets related to import capability, export capability and network connection as priorities. These datasets were identified as priority because DNSPs already collect some of this data (or are in the process of doing so), and a significant number of use cases were identified by stakeholders.

The Phase 3 report also highlighted datasets tested in Phase 2 that should be considered in the rule change as additional (non-priority) datasets. Real-time outage information, for example, is likely to fall into this category. As DNSPs improve their analytical capabilities over time, the provision of this data will become more cost effective, which may increase its priority level.

Methods and frequency of reporting: Where DNSPs are making more granular data and information available, we consider that this data should be presented in the form of a geographical map (where possible) and this information be provided in an easy-to-understand format. DNSPs should also identify actions that can defer network investment, and quantify the value of that deferred investment. In the longer term, we consider that data and information reported in distribution network planning reports should be compatible with and reported on the proposed CER Data Exchange. We recommend that the AEMC consider how the proposed IDSP is expected to function alongside the CER Data Exchange, while ensuring that reporting requirements and processes are not onerous and duplicative.

Cost impacts: DNSPs have not been funded to collect and report the data and information proposed for the proposed IDSP. However, we support ECA's proposal that new data requirements are staged, only beginning in 2027 with data already currently available. As such, we do not expect significant step changes in DNSP expenditure that would have material customer bill impacts.

Additionally, we consider it is important that the staging of new requirements should not be overly incremental to avoid loss of sector momentum and delay the preparation of DNSP systems for future data demands. To achieve this, after data requirements are first introduced the DNSPs could be incentivised to prioritise the resolution of data limitations for priority datasets or be given timeframes on when new datasets are required to become available.

The Phase 3 report also noted that we will examine incentive arrangements, including those for export services, guidelines and benchmarking models. This is to ensure that our incentive

⁴ AER, [Network visibility](#)

arrangements encourage DNSPs to increase network utilisation by providing available network capacity to potential customers before building new network infrastructure. We will commence this review in 2026, following the finalisation of the IDSP rule change and there is additional clarity on expected further improvements in data availability and quality.

Proposed changes to the distribution network planning process

The IDSP Rule change proposes a substantial change of the current distribution planning process. We recognise the value in several elements of the rule change. However, these changes to the National Electricity Rules (NER) should be approached with careful consideration given the need to ensure they achieve the intended outcomes in the long-term interest of consumers, and that they are consistent with the broader system and network planning framework and associated governance arrangements.

We would appreciate the opportunity to collaboratively work with the AEMC and other stakeholders through these complex and substantive issues, similar to how market bodies and stakeholders closely collaborated with the AEMC on the Transmission Planning and Investment Review.

Two examples of issues which we consider would warrant a collaborative approach to work through are:

- **The extent to which distribution network planning should rely on cost benefit analysis either in the new plans to be produced by DNSPs, or in AEMO's Integrated System Plan (ISP).** The ECA's proposed changes to the distribution annual planning process indicate a more proactive approach to network planning in each distribution network, which would require some form of cost benefit analysis, rather than focus on identifying network limitations (as the distribution annual planning framework currently requires). This may result in duplication with the ISP, or fail to capture benefits of integrated system planning, given the recent changes to the Integrated System Plan process to improve the consideration of demand side factors and opportunities for distribution network expansion.
- **How to best to compare planning methodologies across DNSPs.** Our initial view is that there is likely to be a need to publish guidelines on information, calculation, forecasting and planning to ensure DNSP planning reports meet expectations and are consistent across DNSPs. The AER would also likely need additional funding to undertake a potential role in regularly reviewing distribution planning reports.

Continued engagement

We appreciate the opportunity to provide feedback on the consultation paper and we are available to discuss our comments further if needed. George Huang can be contacted via email at [REDACTED]

Yours sincerely

[REDACTED]

Dr Kris Funston
Executive General Manager
Network Regulation

Sent by email on: 29.07.2025