



November 26, 2025

Adam Day
a/g Executive Director, Default Market Offer and Consumers
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Dear Adam,

Subject: Altogether Group submission – Default Market Offer 2026–27 (DMO 26–27)

Thank you for the opportunity to provide a submission to inform the development of the 2026–27 Default Market Offer. We have enclosed our detailed submission in PDF. While the submission itself is confidential, this cover letter summarises the key themes.

Our core position is that the application of the DMO framework to exempt and embedded network retailers requires a more tailored approach to avoid unintended outcomes for customers and long-term investment. Embedded networks operate with materially different cost structures, load profiles and risk exposures to on-market retailers. These differences are well established across industry data, market behaviour and the regulatory history of the sector.

Our submission makes three central points.

1. The suggested methodologies do not fully account for the operational realities of embedded networks. Load profiles are flatter, sites are more homogeneous, and cost drivers differ from those of mass-market retailers. Applying a methodology calibrated for on-market participants risks producing reference prices that are not cost-reflective for exempt sellers, compressing margins below sustainable levels and discouraging investment in efficient decentralised infrastructure.
2. Embedded networks can deliver measurable benefits to customers and the wider system when regulatory settings support efficient operation. These include improved load factors for DNSPs, lower technical losses, and the ability to integrate solar, storage and demand-side management at a local level. A more proportionate DMO treatment would allow these efficiency gains to be realised while still maintaining strong customer protections.
3. We highlight that regulatory uncertainty, particularly where pricing frameworks do not reflect the unique characteristics of embedded networks, creates a form of sovereign-style risk. Investment decisions in distributed energy assets span decades. An approach that inadvertently imposes on-market cost assumptions on embedded networks introduces unpredictability that can deter capital deployment and limit innovation in communities that would otherwise benefit from local energy solutions.

We support the AER's commitment to transparency, consumer protection and robust market signals. Our submission proposes practical adjustments that maintain these principles while creating a more balanced and evidence-based framework for exempt sellers under the DMO.

We welcome continued engagement as this determination progresses and are available to provide further information, modelling detail or operational data as required.

Kind regards

Drew McKillican
Senior Energy Consultant