AUSTRALIAN ENERGY REGULATOR

August 2026

Responses to Call for Input Survey

Review of ring-fencing guideline (electricity distribution) and shared asset guidelines

Question	Anonymous supplier	Ausgrid
Question 1: Have we accurately described the key changes occurring in distribution networks and the broader energy system? Are there any important developments or trends we have not captured?	The Call for Input does not address suppliers, supply-chain management or the use of shared DNSP resources to sell products into electrical markets.	Agreed that significant changes are occurring and that the Call for Input captures them at a high level, but considered that the AEMC's Electricity Network Regulation Review examines them in greater detail. Recommended close alignment with the AEMC review. Identified service classification as the priority reform and considered the substantive ring-fencing framework fundamentally sound, while supporting improvements to the waiver process. Also requested clarification of the description of non-electricity services on page 5.
Question 2: Have we accurately reflected the concerns raised by stakeholders regarding the guidelines? Are there additional issues that should be considered as part of this review?	The review does not consider supplier-related activities, procurement practices or competition in upstream product and equipment markets.	Considered that the Call for Input lists numerous stakeholder concerns but does not clearly identify the specific, evidence-based problems the AER proposes to address. Requested a clear list of issues and evidence of regulatory failure or actual harm, such as cross-subsidisation or discrimination.
Question 3: Are there relevant experiences, case studies, examples or evidence that would help illustrate these issues or inform this review?	Cited sharing of personnel, branding, premises, systems, vehicles and material stock between DNSPs and related entities, including Energy Queensland/Yurika, Ausgrid/PlusES and Endeavour Energy/Ausconnex. Also raised concerns that DNSPs may use regulated inventory, warehousing, logistics, personnel, systems, working capital and bulk-purchasing power when supplying goods into contestable markets.	Cited the Hunter–Central Coast Renewable Energy Zone as an example. Ausgrid was required to obtain a waiver because network services regulated under the NSW EII Act fell outside direct control services and were therefore treated as contestable, despite Ausgrid being the monopoly provider. It also required waivers from physical separation, staff-sharing and branding requirements that are absent or less restrictive under the transmission guideline.
Question 4: Do you consider the scope of this review to be appropriate? Are there additional areas of focus that you believe should be included?	Does not consider the scope adequate. Submitted that the guideline's focus on downstream services leaves a gap concerning upstream supply markets. Recommended examining resource sharing, preferential access, cross-subsidisation, procurement practices, technical specifications and the potential effects on independent suppliers, competition and domestic employment.	Recommended more clearly separating ring-fencing issues from shared-asset issues to avoid confusion and conflation. Also recommended keeping service classification outside the scope of the guideline review.

Question	Anonymous supplier	Ausgrid
Question 5: Do you have suggestions on ways that we can make it easier for stakeholders to effectively engage with the review process?	Recommended expressly extending or clarifying clauses 3 and 4 to cover DNSP participation in the supply of goods, equipment and materials. Suggested requirements for transparent and non-discriminatory procurement, full cost allocation, separation of regulated resources and assurance that DNSPs do not obtain an advantage over independent suppliers.	No response provided.