

Media Release

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‘A levelling of the playing field’: ECA hails today’s final determination on network planning as a win for consumers and the energy transition

Energy Consumers Australia (ECA) welcomes today’s final determination on Enhancing Distribution Network Planning and Reporting as a key milestone in Australia’s energy transition that could lead to significant benefits for all consumers.

The final determination from the Australian Energy Market Commission (AEMC) has endorsed several of the recommendations from ECA’s original rule change request, which highlighted inefficiencies in the current electricity distribution network planning rules and aims to reform the current distribution annual planning process and data collection.

While the Australian Energy Market Operator’s (AEMO) Integrated System Plan is a thorough – and regularly reviewed – plan for the transmission system, the previous rules focused on planning the distribution network had not been updated in decades. This was a clear gap in the regulatory framework, given that the distribution network is nearly four times the value – and cost to consumers – as the transmission network.

The rule change ensures that distribution network planning focuses on better integrating consumer energy resources (CER) such as batteries, solar and EVs to reduce overall system costs and mandate the collection of and third-party access to key network data. The rule change also ensures that distribution networks take full advantage of the torrent of data coming through new smart meters, whose uptake has been accelerated through other recent AEMC rules.

It also aims to enable better use of solar and batteries and existing network assets, helping consumers avoid further costly network upgrades which boost people’s bills. It will help pinpoint where consumer services such as EV charging are best located to maximise efficiency and reduce network costs. It should also help networks make intelligent forward investments to reduce friction in grid upgrades when consumers electrify.

Importantly, the rule change will help lead to better planning and more freely available information about networks - a fundamental step towards creating new competitive markets for the delivery of both network and consumer services.

“Network costs make up more than 30% of consumers’ bills,” ECA Executive Manager, Advocacy and Policy Julian Egan said. “This change will help networks realise the full potential of CER by avoiding new costly network upgrades that would otherwise be passed on to customers.

“This rule change is effectively the ‘midwife’ to the new energy ecosystem. The transition could not move forward without the new insights this planning will offer, the pathway it sets for the integration of CER and new competitive network and consumer services it will help create.

“It also begins to level the playing field between big and small business when it comes to the delivery of network and consumer services. Giving newly emerging service providers greater access to information previously held exclusively by networks is a prerequisite for the growth of new service markets.”

The rule change request included requiring Australia’s distribution networks to prepare for expected increases in the two-way flow of power from homes and businesses to the network, electrification of homes and for an increase in electric appliances replacing gas appliances, by adapting their planning and data collection processes.

“The rule change will also be important as an accountability mechanism,” Mr Egan said. “Greater visibility of where network investment is needed and whether networks are taking full advantage of non-network options, including CER, will inform revenue allocation processes - what networks get paid - while empowering both regulators and watchdogs.

“ECA thoroughly commends the AEMC for their alignment with our rule change request and engagement

throughout the rule change process and looks forward to helping implement this decision.”

[Click here to read more about the Enhancing Distribution Network Planning and Reporting Final Determination.](#)

About Energy Consumers Australia

[Energy Consumers Australia](#) is the independent, national voice for residential and small business energy consumers. We enable residential and small business energy consumers to have their voices heard.