



National Electricity Amendment (Transmission Connection and Planning Arrangements) Rule 2017 No. 4

under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria;
- (g) the National Electricity (Northern Territory)(National Uniform Legislation) Act 2015; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Pierce
Chairman
Australian Energy Market Commission

National Electricity Amendment (Transmission Connection and Planning Arrangements) Rule 2017 No. 4

1 Title of Rule

This Rule is the *National Electricity Amendment (Transmission Connection and Planning Arrangements) Rule 2017 No.4*.

2 Commencement

Schedules 3 and 7 commence operation on 30 May 2017.

Schedules 1, 2, 4, 5 and 6 commence operation on 1 July 2018.

3 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

4 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 2.

5 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3.

6 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 4.

7 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 5.

8 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 6.

9 Savings and Transitional Amendments to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 7.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 2.5.1 Registration as a Network Service Provider

After clause 2.5.1(d2), insert:

- (d3) An exemption granted by the *AER* under paragraph (d) is, if the exemption relates to a person who owns, controls or operates a *large dedicated connection asset*, deemed to be subject to the condition that the person must comply with clause 5.2A.6(c), clause 5.2A.8 and rule 5.5, as if that person were a *Dedicated Connection Asset Service Provider*.
- (d4) A person granted an exemption under paragraph (d3) must comply with the deemed conditions and any other conditions imposed by the *AER* for that exemption.

[2] New clause 2.5.1A Dedicated Connection Asset Service Provider

After clause 2.5.1, insert:

2.5.1A Dedicated Connection Asset Service Provider

- (a) This clause 2.5.1A has no application to the *declared transmission system* of an *adoptive jurisdiction*.
- (b) A *Transmission Network Service Provider* must classify any parts of its *transmission system* that are *dedicated connection assets* into *large dedicated connection assets* and *small dedicated connection assets*.

Note

A *third party DCA* is defined for the purposes of Chapter 2 to be a *transmission system*.

- (c) A *Transmission Network Service Provider* wishing to classify a *dedicated connection asset* must apply to do so in its application under rule 2.9 or separately by submitting a notice to *AEMO* in the form prescribed for this purpose by *AEMO*. The *Transmission Network Service Provider* must provide sufficient evidence to satisfy *AEMO* that the *dedicated connection asset* is appropriately classified as a *large dedicated connection asset* or *small dedicated connection asset* (as applicable).
- (d) If *AEMO* receives an application for classification under paragraph (d), it may approve or reject the application. *AEMO* must approve

the classification of a *dedicated connection asset* if it is satisfied, based on the evidence that it is provided by the *Transmission Network Service Provider*, that the part of the *transmission system* is a *large dedicated connection asset* or *small dedicated connection asset* (as applicable).

- (e) Nothing in paragraph (b) requires the classification of any *dedicated connection asset* which forms part of a *transmission system* in respect of which an exemption under paragraph 2.5.1(d) applies.
- (f) A *Dedicated Connection Asset Service Provider* is:
 - (1) only required to comply with a rule that is expressed to apply to a *Network Service Provider* or a *Transmission Network Service Provider* in those capacities where the rule expressly provides that it applies to a *Dedicated Connection Asset Service Provider*; and
 - (2) required to comply with all rules which are expressed to apply to a *Registered Participant*.
- (g) A *Transmission Network Service Provider* is taken to be a *Dedicated Connection Asset Service Provider* only in so far as its activities relate to any of its *dedicated connection assets*.

[3] Rule 2.12 Interpretation of References to Various Registered Participants

In clause 2.12(b)(5), at the beginning of the clause, insert "subject to clause 2.5.1A(f),".

[4] Rule 2.12 Interpretation of References to Various Registered Participants

After clause 2.12(b)(5), insert:

- (5A) a "*Dedicated Connection Asset Service Provider*" applies to a person only in so far as it is applicable to matters connected with the person's *dedicated connection assets*;

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Chapter 5 Network Connection, Planning and Expansion

In the heading of Chapter 5, after "Network Connection" insert "Access".

[2] Chapter 5, Part A Network Connection

In the heading to Part A, omit "Network Connection" and substitute "Introduction".

[3] Rule 5.1 Statement of Purpose

Omit the heading of rule 5.1, and substitute "Introduction to Chapter 5".

[4] Clause 5.1.1 [Deleted]

Omit the heading of clause 5.1.1, and substitute "Structure of this Chapter".

[5] Clause 5.1.1 [Deleted]

In clause 5.1.1, insert:

- (a) This Chapter deals with matters relating to *networks*.
- (b) It is divided into the following Parts:
 - (1) this Part is introductory;
 - (2) Part B provides a framework for *connection* and access to a *transmission network* or a *distribution network* and to the *national grid*;
 - (3) Part C addresses the *network* related issues following the negotiation of a *connection agreement* under Part B, namely the design of *connected* equipment, inspection and testing, commissioning and *disconnection* and reconnection; and
 - (4) Part D deals with the planning and expansion of *networks* and the *national grid*.

[6] New Clause 5.1.2 Overview of Part B and connection and access under the Rules

After clause 5.1.1, insert:

5.1.2 Overview of Part B and connection and access under the Rules

- (a) Rule 5.1A sets out the purpose, application and principles for Part B.
- (b) Rule 5.2 sets out the obligations of *Registered Participants* under Part B and other relevant Parts of this Chapter 5.
- (c) Rule 5.2A sets out obligations and principles relevant to *connection* and access to *transmission networks* and *large dedicated connection assets*. This includes the classification of certain services relating to assets relevant to *connection* as *prescribed transmission services*, *negotiated transmission services* and *non-regulated transmission services*. Rule 5.2A does not apply to the *declared transmission system* of an *adoptive jurisdiction*.
- (d) Rules 5.3, 5.3A and 5.3AA and Chapter 5A set out processes by which *Connection Applicants* can negotiate for connection and access to the *national grid* from a *Network Service Provider*. The process applicable will depend on the nature of the application. The table below sets out an overview of the relevant processes:

Connection Applicant	Process
A <i>Registered Participant</i> or a person intending to become a <i>Registered Participant</i> for a <i>generating plant connecting to a transmission network</i>	Rule 5.3 applies
A <i>Registered Participant</i> or a person intending to become a <i>Registered Participant</i> (or a person pursuant to clause 5.1A.1(c)) for a <i>load connecting to a transmission network</i>	Rule 5.3 applies
A <i>load connecting to a distribution network</i> where the <i>Connection Applicant</i> is a <i>Registered Participant</i> or a person intending to become a <i>Registered Participant</i> (and is not acting as the agent of a <i>retail customer</i>)	Rule 5.3 applies
A <i>distribution network</i> (including an <i>embedded network</i>) <i>connecting to another</i>	Rule 5.3 applies

Connection Applicant	Process
<i>distribution network</i> or to a <i>transmission network</i> where the <i>Connection Applicant</i> is a <i>Registered Participant</i> , intending to become a <i>Registered Participant</i> or will obtain an exemption from registration	
A <i>Market Network Service Provider</i> or person intending to register as one seeking <i>connection</i> to a <i>distribution network</i> or a <i>transmission network</i>	Rule 5.3 applies
An <i>embedded generating unit</i> connecting to a <i>distribution network</i> where the <i>Connection Applicant</i> is a <i>Registered Participant</i> or a person intending to become a <i>Registered Participant</i>	Rules 5.3 and 5.3A apply (see clause 5.3.1A for the interaction between the two rules)
A non-registered embedded generator who makes an election for rule 5.3A to apply instead of Chapter 5A	Rules 5.3 and 5.3A apply (see clause 5.3.1A for the interaction between the two rules)
A <i>Generator</i> wishing to alter a <i>connected generating plant</i> in the circumstances set out in clause 5.3.9	Clause 5.3.9 applies
A <i>Connection Applicant</i> for <i>prescribed transmission services</i> or <i>negotiated transmission services</i> that do not require the establishment or modification of a <i>connection</i> or alteration of a <i>connected generating plant</i> in the circumstances set out in clause 5.3.9	Rule 5.3 applies as modified by clause 5.2A.3(c)
An <i>Embedded Generator</i> or <i>Market Network Service Provider</i> applying for <i>distribution user network access</i>	Rule 5.3 or 5.3A (as applicable) and rule 5.3AA apply
A <i>load</i> or <i>generating plant</i>	Rule 5.3 as modified by clause

Connection Applicant	Process
<i>connecting to a declared shared network</i>	5.1A.1(d) to (g) and rule 5.3B apply
<p>A load connecting to a <i>distribution network</i> where the <i>Connection Applicant</i> is not a <i>Registered Participant</i> and is not intending to become a <i>Registered Participant</i> (unless it is acting as the agent of a <i>retail customer</i>)</p> <p>A non-registered embedded generator who does not make an election for Rule 5.3A to apply instead of Chapter 5A</p>	Chapter 5A applies
A <i>retail customer</i> (or a <i>retailer</i> on behalf of that customer) <i>connecting</i> a micro embedded generator to a <i>distribution network</i>	Chapter 5A applies

- (e) In addition to the rules referred to in paragraph (d), in relation to *connection* and access to a *distribution network*:
- (1) a *Distribution Network Service Provider* must comply with its *negotiating framework* and *Negotiated Distribution Service Criteria* when *negotiating the terms and conditions of access to negotiated distribution services*;
 - (2) disputes relating to the *terms and conditions of access* to a *direct control service* or to a *negotiated distribution service*, *access charges* or matters referred to in clause 5.3AA(f) (*negotiated use of system charges*) or 5.3AA(h) (*avoided charges for the locational component of prescribed TUOS services*) may be referred to the *AER* in accordance with Part L of Chapter 6;
 - (3) Part G of Chapter 5A provides for dispute resolution by the *AER* for certain disputes under Chapter 5A; and
 - (4) other disputes relating to *connection* and access may be subject to dispute resolution under rule 8.2.
- (f) In addition to the rules referred to in paragraph (d), in relation to *connection* and access to a *transmission network*:

- (1) schedule 5.11 sets out the negotiating principles which apply to negotiations between a *Transmission Network Service Provider* and a *Connection Applicant* for *negotiated transmission services*;
 - (2) rule 5.4 provides a framework for *Connection Applicants* and *Transmission Network Service Providers* to appoint an *Independent Engineer* to provide advice on certain technical matters; and
 - (3) rule 5.5 provides for commercial arbitration of disputes between a *Transmission Network Service Provider* and a *Connection Applicant* as to *terms and conditions of access* for the provision of *prescribed transmission services* or for the provision of *negotiated transmission services*.
- (g) Part B also provides for a *Dedicated Connection Asset Service Provider* to have an *access policy* for a *large dedicated connection asset* and for *commercial arbitration* under rule 5.5 to apply to a *large DCA services access dispute*.

[7] New Part B Network Connection and Access

After new clause 5.1.2, insert a new Part B with the heading “Network Connection and Access”.

[8] Rule 5.1A Introduction to Part B

In new Part B, insert a new rule 5.1A with the heading “Introduction to Part B”.

[9] Clause 5.1.2 Purpose and Application

Renumber clause 5.1.2 as clause 5.1A.1.

[10] Renumbered clause 5.1A.1 Purpose and Application

In clause 5.1A.1(a), omit "A" and substitute "B".

[11] Renumbered clause 5.1A.1 Purpose and Application

Omit clause 5.1A.1(a)(1), and substitute "[Deleted]".

[12] Renumbered clause 5.1A.1 Purpose and Application

In clause 5.1A.1(a)(2)(iv), omit “A” and substitute “B”.

[13] Renumbered clause 5.1A.1 Purpose and Application

Omit clause 5.1A.1(b) and substitute "[Deleted]".

[14] Renumbered clause 5.1A.1 Purpose and Application

Omit clause 5.1A.1(c), and substitute:

- (c) If a person who is not a *Registered Participant* or a person intending to become a *Registered Participant* requests *connection* of a *load* to a *transmission network* and agrees to comply with this Part B as if that person was a *Registered Participant*, the relevant *Transmission Network Service Provider* must comply with this Part B as if that person was a *Registered Participant*.

[15] Renumbered clause 5.1A.1 Purpose and Application

In clause 5.1A.1(d), omit “A” and substitute “B”.

[16] Renumbered clause 5.1A.1 Purpose and Application

In clause 5.1A.1(e)(3), omit “rule 5.4AA” and substitute “clause 5.3A.12”.

[17] Renumbered clause 5.1A.1 Purpose and Application

Omit clause 5.1A.1(f), and substitute:

- (f) A reference in any of the following provisions to a *Transmission Network Service Provider* will, in relation to the *declared transmission system* of an *adoptive jurisdiction*, be construed as a reference to *AEMO*:
 - (1) clause 5.14.3;
 - (2) clause 5.16.4;
 - (3) clause 5.16.5;
 - (4) rule 5.18;
 - (5) rule 5.19.

[18] Clause 5.1.3 Principles

Renumber clause 5.1.3 as 5.1A.2.

[19] Renumbered clause 5.1A.2 Principles

In clause 5.1A.2, omit “A” and substitute “B”.

[20] Renumbered clause 5.1A.2 Principles

In clause 5.2.3(d)(3), omit "5.4" and substitute "5.6".

[21] Renumbered clause 5.1A.2 Principles

In clause 5.2.3(d)(4), omit “B” and substitute “D”.

[22] Clause 5.2.3 Obligations of network service providers

In clause 5.2.3(d)(10), omit "clause 5.2.3(d)(9)" and substitute "subparagraph (9)".

[23] Clause 5.2.3 Obligations of network service providers

In clause 5.2.3(e), after "A *Network Service Provider*", insert "(including a *Dedicated Connection Asset Service Provider*)".

[24] Clause 5.2.3 Obligations of network service providers

In clause 5.2.3(g)(2), omit "5.4" and substitute "5.6".

[25] Clause 5.2.3 Obligations of network service providers

In clause 5.2.3(g)(3), omit "B" and substitute "D".

[26] Clause 5.2.4 Obligations of customers

In clause 5.2.4(b)(2), omit "5.4" and substitute "5.6".

[27] Clause 5.2.4 Obligations of customers

In clause 5.2.4(b)(3), omit “B” and substitute “D”.

[28] Clause 5.2.5 Obligations of Generators

In clause 5.2.5(b)(2), omit “5.4” and substitute “5.6”.

[29] Clause 5.2.5 Obligations of Generators

In clause 5.2.5(b)(3), omit “B” and substitute “D”.

**[30] New Clause 5.2.7 Obligations of Dedicated
Connection Asset Service Providers**

After clause 5.2.6, insert:

5.2.7 Obligations of Dedicated Connection Asset Service Providers

- (a) A *Dedicated Connection Asset Service Provider* must classify its *dedicated connection asset* as a *small dedicated connection asset* or a *large dedicated connection asset* in accordance with Chapter 2.
- (b) A *Dedicated Connection Asset Service Provider* must plan and design its *dedicated connection assets* and ensure that they are operated to comply with:

- (1) the *performance standards* applicable to those *facilities connected* to those *dedicated connection assets*;
 - (2) subject to subparagraph (1), its *connection agreement* applicable to those *dedicated connection assets*; and
 - (3) subject to subparagraph (2), the *system standards*.
- (c) A *Dedicated Connection Asset Service Provider* for a *large dedicated connection asset* must prepare, maintain and publish an *access policy* in accordance with clause 5.2A.8.
- (d) A *Dedicated Connection Asset Service Provider* must:
- (1) permit and participate in inspection and testing of *facilities* and equipment in accordance with rule 5.7;
 - (2) permit and participate in commissioning of *facilities* and equipment which are to be *connected* to a *network* for the first time in accordance with rule 5.8;
 - (3) give notice of intended voluntary permanent *disconnection* in accordance with rule 5.9; and
 - (4) in relation to a *connection* to an *identified user shared asset*, ensure that there is a *connection agreement* between itself and the *Primary Transmission Network Service Provider*.

[31] New Rule 5.2A Transmission network connection and access

After clause 5.2.7, insert:

5.2A Transmission network connection and access

5.2A.1 Application

- (a) This rule 5.2A does not apply in relation to *connection* and access to the *declared transmission system* of an *adoptive jurisdiction*.
- (b) In this rule 5.2A, a reference to ownership in relation to an asset includes a leasehold interest.

5.2A.2 Relevant assets

- (a) The assets relevant to *connection* and access to the *transmission network* and the person who is registered for those assets are set out in the following table:

Asset	Registered Person
primary <i>transmission network</i> in the <i>participating jurisdictions</i> .	<i>Primary Transmission Network Service Provider</i>
<i>identified user shared asset</i> owned by the <i>Primary Transmission Network Service Provider</i>	<i>Primary Transmission Network Service Provider</i> (forms part of that provider's broader <i>transmission network</i>)
<i>third party IUSA</i>	<i>Primary Transmission Network Service Provider</i> (as controller and operator of the <i>third party IUSA</i> under a <i>network operating agreement</i>) (forms part of that provider's broader <i>transmission network</i>)
<i>dedicated connection asset</i>	<i>Dedicated Connection Asset Service Provider</i>
<i>network connection asset</i>	<i>Transmission Network Service Provider</i>
<i>facility of a Transmission Network User</i>	<i>Transmission Network User</i> (if registration required or obtained)

- (b) The intention of this rule 5.2A and Chapter 2 is that there is a *Registered Participant* for each asset connecting the *transmission network* to the *facilities* of the *Transmission Network User*, subject to exemptions obtained under Chapter 2.

5.2A.3 Connection and access to transmission services

- (a) The following *transmission services* are relevant to *connection* and access to the *transmission network*:

Service classification	TNSP obligations	Assets involved
<i>prescribed transmission services</i>	Subject to access under Chapter 5 and economic regulation under Chapter 6A	<i>transmission network</i> and <i>network connection assets</i>
<i>negotiated transmission</i>	Subject to access under Chapter 5	<i>transmission network</i>

Service classification	TNSP obligations	Assets involved
<i>services</i>		
<i>large DCA services</i>	Subject to access under the <i>access policy</i> established under clause 5.2A.8	<i>large dedicated connection assets</i>
<i>non-regulated transmission services</i>	Not subject to access under Chapter 5 or economic regulation under Chapter 6A	<i>transmission system</i>

- (b) A *Connection Applicant* may apply to a *Transmission Network Service Provider* for provision of a *prescribed transmission service* or a *negotiated transmission service* in accordance with rule 5.3 and the relevant *Transmission Network Service Provider* must comply with this Chapter 5 in negotiating a *connection agreement* for the requested service.
- (c) If the *prescribed transmission service* or *negotiated transmission service* sought under paragraph (b) does not require the *Connection Applicant* to establish or modify a *connection* or alter a *generating plant* in the circumstances set out in clause 5.3.9, the processes in rules 5.3, 5.4 and 5.5 will apply with such modifications as is appropriate to the nature of the service requested.
- (d) A *Transmission Network Service Provider* must provide *prescribed transmission services* or *negotiated transmission services* on *terms and conditions of access* that are consistent with the requirements of Chapters 4, 5 and 6A of the *Rules* (as applicable).
- (e) A *Transmission Network Service Provider* or a person who is provided *prescribed transmission services* or *negotiated transmission services* must not engage in conduct for the purpose of preventing or hindering access to those services.
- (f) The *Connection Applicant* may terminate negotiations with the *Transmission Network Service Provider* at any time during the *connection* process provided under rules 5.3 and 5.3A with at least three *business days*' prior written notice.
- (g) A *Transmission Network Service Provider* may terminate negotiations with the *Connection Applicant* with at least three *business days*' prior written notice if:
- (1) the *Connection Applicant* becomes insolvent or an equivalent event occurs;

- (2) the *Connection Applicant* has, in the *Transmission Network Service Provider's* reasonable opinion, provided false or misleading information;
- (3) the *Transmission Network Service Provider* has reasonable grounds to believe that the *Connection Applicant* is not negotiating in good faith; or
- (4) the *Transmission Network Service Provider* has formed the reasonable opinion that the *Connection Applicant* does not intend to obtain the service.

5.2A.4 Transmission services related to connection

- (a) If a service related to assets relevant for *connection* in the following table is classified as:
 - (1) *contestable* – then the *Primary Transmission Network Service Provider* may (but is not obliged to) provide that service as a *non-regulated transmission service* on request from a *Connection Applicant*.
 - (2) *non-contestable* – then the *Primary Transmission Network Service Provider* has the exclusive right to provide that service and must negotiate under rule 5.3 to do so as a *negotiated transmission service* on request from a *Connection Applicant*.

Asset	Service	Example of service	Classification
<i>transmission network including identified user shared asset</i>	Functional specification for <i>IUSA</i>	Specification of: <ul style="list-style-type: none"> • preferred equipment suppliers; • preferred equipment; • land/access requirements; • design specifications; • single line diagrams; • remote monitoring and communication requirements; • protection, control 	non-contestable

Asset	Service	Example of service	Classification
		and metering requirements; <ul style="list-style-type: none"> • minimum operating conditions; • supervisory control and data acquisition system interface requirements; • equipment ratings; • equipment protection ratings; and • spare parts itineraries 	
<i>identified user shared asset</i>	Detailed design for <i>IUSA</i>	Provision of: <ul style="list-style-type: none"> • site plan; • asset layout and configuration; • the specification for vendor equipment; • civil, structural, mechanical and electrical detailed design; • issued for construction drawings; • as built drawings; • tender specifications; • cable schedules; • protection settings; • applicable technical 	<i>contestable</i>

Asset	Service	Example of service	Classification
		studies; <ul style="list-style-type: none"> • earthing design; • the design of lightning protection; and • the design of insulation co-ordination, consistent with the functional specification.	
<i>transmission network</i>	Cut-in works	Interface works which cut into the existing shared <i>transmission network</i> , these may include tower realignment, protection control and communications requirements	non-contestable
<i>contestable IUSA components</i>	Construction / ownership	Construction and/or ownership of a substation	<i>contestable</i>
<i>non-contestable IUSA components</i>	Construction / ownership	Installation and ownership of supervisory control and data acquisition systems and cabling forming part of the <i>Primary Transmission Network Service Provider's control system</i>	non-contestable
<i>identified user shared asset owned by the Primary Transmission Network Service Provider</i>	Control, operation and maintenance	<i>Primary Transmission Network Service Provider</i> provides operation and maintenance services	non-contestable
<i>third party IUSA</i>	Control, operation and	See clause 5.2A.7	non-contestable

Asset	Service	Example of service	Classification
	maintenance under a <i>network operating agreement</i>		
<i>dedicated connection assets</i>	All development aspects	Design, construction, maintenance and ownership of a power line connecting a <i>facility</i>	<i>contestable</i>

- (b) If the capital cost of all the components that make up an *identified user shared asset* is reasonably expected by the *Primary Transmission Network Service Provider* to be \$10 million or less, the *Primary Transmission Network Service Provider* must undertake the detailed design, construction and ownership of the *identified user shared asset* as a *negotiated transmission service*.
- (c) If the capital cost of all the components that make up an *identified user shared asset* is reasonably expected by the *Primary Transmission Network Service Provider* to exceed \$10 million, the detailed design, construction and ownership of each component of the *identified user shared asset* is a *non-regulated transmission service* to the extent that it satisfies the following criteria:
- (1) the component being constructed is new or a complete replacement of existing assets (and does not involve the reconfiguration of existing assets); and
 - (2) the detailed design and construction of the relevant component of the *identified user shared asset* is separable in that the new component will be distinct and definable from the existing *transmission network*,
- (“**contestable IUSA components**”).
- (d) To the extent that any components of an *identified user shared asset* do not satisfy the criteria set out in paragraph (c) (“**non-contestable IUSA components**”), the *Primary Transmission Network Service Provider* must negotiate under rule 5.3 to undertake the detailed design, construction and ownership of the *non-contestable IUSA components* as a *negotiated transmission service*.

Note

Parties may seek the advice of an *Independent Engineer* under rule 5.4 if the parties cannot agree on whether a component of an *identified user shared asset* based on the criteria under subparagraph (c)(1) and (2) is a *contestable IUSA component* or a *non-contestable IUSA component*.

5.2A.5 Publication and provision of information

- (a) A *Primary Transmission Network Service Provider* must publish the information on its website, or provide the information to a *Connection Applicant* on request, as required by schedule 5.10.
- (b) A *Primary Transmission Network Service Provider* may charge a *Connection Applicant* a fee for providing information where specified under schedule 5.10, the amount of which must not be more than necessary to cover the reasonable costs of work required to prepare that information.
- (c) A *Transmission Network Service Provider* and a *Connection Applicant* must provide information (including commercial information) reasonably required by the other party that would facilitate effective negotiation for the provision of a *negotiated transmission service* in a timely manner.
- (d) The *Connection Applicant* must procure that any persons it engages to undertake services which are specified to be *contestable* in the table in clause 5.2A.4(a) provide information reasonably requested by the *Primary Transmission Network Service Provider*.
- (e) Information required to be provided under paragraphs (c) and (d) that is confidential may be provided subject to a condition that the receiving party must not provide any part of that information to any other person without the consent of the party who provided the information.

5.2A.6 Negotiating principles

- (a) If a *Connection Applicant* seeks access to *negotiated transmission services*, including in relation to an *identified user shared asset*, the *Transmission Network Service Provider* and the *Connection Applicant* must, in negotiating pursuant to rule 5.3 and other relevant *Rules*, negotiate in accordance with the *negotiating principles*.
- (b) A *Transmission Network Service Provider* must, in accordance with the *negotiating principles*:
 - (1) on request, identify and inform a *Connection Applicant* of the reasonable costs and/or the increase or decrease in costs (as appropriate) of providing a *negotiated transmission service*;
 - (2) on request, demonstrate to a *Connection Applicant* that the charges for providing a *negotiated transmission service* reflect those costs and/or the cost increment or decrement (as appropriate);

- (3) determine the potential impact on other *Transmission Network Users* of the provision of a *negotiated transmission service*; and
 - (4) notify and consult with any affected *Transmission Network Users* and ensure that the provision of a *negotiated transmission service* does not result in non-compliance with obligations in relation to other *Transmission Network Users* under the *Rules*.
- (c) If an applicant seeks *large DCA services*, the *Dedicated Connection Asset Service Provider* must comply with its *access policy* and the negotiating principles in schedule 5.12.

5.2A.7 Third party IUSAs

- (a) A person must not commission, or permit the commissioning of, a *third party IUSA* unless there is a *network operating agreement* between the owner of that *third party IUSA* and the *Primary Transmission Network Service Provider*.
- (b) The person who owns or is intending to own a *third party IUSA* and the *Primary Transmission Network Service Provider* must:
 - (1) include terms and conditions in the *network operating agreement* which give effect to the requirements of paragraphs (c) and (d);
 - (2) include terms and conditions in the *network operating agreement* of the kind set out in Part B of schedule 5.6; and
 - (3) negotiate the *network operating agreement* in accordance with the *negotiating principles* (where applicable).
- (c) The term of the *network operating agreement* must be for a period which is at least equal to the term of the longest *connection agreement* of a member of the initial *identified user group* for the *third party IUSA*.
- (d) The *network operating agreement* must provide for the *Primary Transmission Network Service Provider* to:
 - (1) have operation and control of the *third party IUSA* (including the rights and obligations to maintain that asset) for an agreed charge or based on an agreed charging methodology;
 - (2) have an option to purchase the *third party IUSA* at fair market value at the expiry or early termination of the *network operating agreement*;

- (3) alter, replace or augment the *third party IUSA*;
 - (4) have the right to connect other persons to the *third party IUSA* in accordance with the *Rules*;
 - (5) have unrestricted use of, and access to, the *third party IUSA*; and
 - (6) treat the *third party IUSA* as forming part of the *Primary Transmission Network Service Provider's transmission network* in all material respects and provide *transmission services* to any *Transmission Network User* in accordance with the *Rules*.
- (e) A person who owns a *third party IUSA* must not:
- (1) own, operate or control a *generating system*;
 - (2) own, operate or control a *facility* utilising electrical *energy*; or
 - (3) be a related entity of a person owning, operating or controlling a *generating system* or *facility* utilising electrical *energy*,

that is *connected* to that *third party IUSA*.

- (f) In paragraph (e):

related entity means, in relation to an entity, an entity that controls, or is controlled by, that first mentioned entity;

entity has the meaning given in the *Corporations Act 2001* (Cth) subject to section 64A of the *Corporations Act 2001* (Cth) not applying to such meaning; and

control has the meaning given in the *Corporations Act 2001* (Cth).

5.2A.8 Access framework for large dedicated connection assets

- (a) This clause 5.2A.8 applies only to *large dedicated connection assets*.
- (b) A *Dedicated Connection Asset Service Provider* must prepare, maintain and publish an *access policy* on its website to provide a framework for applicants to obtain access to *large DCA services*. An *access policy* must include, as a minimum, the following information:
 - (1) a description of the routes, tenure arrangements and main components of the *large dedicated connection asset* and the *facilities connected* to it;

- (2) any material regulatory limitations relating to the development and operation of the *large dedicated connection asset*;
 - (3) the pricing principles and the key terms which are proposed to apply to the provision of *large DCA services* where such principles and terms must be consistent with schedule 5.12;
 - (4) the process by which an applicant may seek access to *large DCA services*, which must include a right for an applicant to obtain sufficient information to enable it to prepare a request for the *large DCA services* it requires and contact details for access enquiries; and
 - (5) advice on the availability of commercial arbitration under rule 5.5 in the case of a dispute.
- (c) The *AER* has the function of:
- (1) approving an *access policy* and variations to it; and
 - (2) enforcing compliance with an *access policy*.
- (d) Within 30 days of an asset being classified as a *large dedicated connection asset* under Chapter 2, a *Dedicated Connection Asset Service Provider* must submit an *access policy* for approval by the *AER*.
- (e) A *Dedicated Connection Asset Service Provider* may seek approval of a variation to an *access policy* from the *AER* at any time and must do so where required to keep the *access policy* up to date.
- (f) The *AER* must approve an *access policy*, or a variation to an *access policy*, if it is reasonably satisfied that it complies with paragraph (b). If the *AER* does not approve an *access policy* submitted under paragraph (d), the *AER* must notify of the changes required for it to be approved. If an *access policy* is not approved within 6 months of the *AER*'s notification of required changes, the *AER* may itself propose an *access policy*.
- (g) The *AER*'s proposal for an *access policy* is to be formulated with regard to:
- (1) the minimum requirements set out in paragraph (b);
 - (2) the *Dedicated Connection Asset Service Provider*'s proposed *access policy*; and
 - (3) the *AER*'s reasons for refusing to approve the proposed *access policy*.
- (h) The *AER* may (but is not obliged to) consult on its proposal.

- (i) If the *AER* decides to approve an *access policy* proposed by the *AER*, it must:
 - (1) give a copy of the decision to the *Dedicated Connection Asset Service Provider*; and
 - (2) *publish* the decision on the *AER's* website and make it available for inspection, during business hours, at the *AER's* public offices.
- (j) An *access policy*, or a variation to it, takes effect on a date fixed in the *AER's* decision to approve it.
- (k) A *Dedicated Connection Asset Service Provider* must report on requests for *connection* and access to a *large dedicated connection asset* to the *AER* when such requests are made and when an agreement for access is entered into, in the manner and form notified by the *AER*.
- (l) A *Dedicated Connection Asset Service Provider* or a person who is provided *large DCA services* must not engage in conduct for the purpose of preventing or hindering access to *large DCA services*.
- (m) A *Dedicated Connection Asset Service Provider* may, but is not required to, give access to an applicant for *large DCA services* if doing so would mean the *large dedicated connection asset* would no longer constitute a *dedicated connection asset*.

Note

An example of where clause 5.2A.8(m) may apply is where the applicant for access to *large DCA services* is a *Distribution Network Service Provider* or a person not seeking access to those services as part of the *identified user group*. The creation of a new *connection point* could change the nature of the services being provided by the *large dedicated connection asset* and therefore change its regulatory treatment.

[32] Clause 5.3.1 Process and procedures

After clause 5.3.1(d), insert:

- (e) For *connection* to a *transmission network*, there may be more than one *Connection Applicant* in relation to a *connection* where there are different persons developing and owning *contestable IUSA components, dedicated connection assets* and *Transmission Network User facilities* in relation to that *connection*.

[33] Clause 5.3.1A Application of rule to connection of embedded generating units

In clause 5.3.1A(b)(2), omit "A" and substitute "B".

[34] Clause 5.3.2 Connection enquiry

After clause 5.3.2(f), insert:

- (g) If applicable, a *Primary Network Service Provider* may charge a *Connection Applicant* an enquiry fee, the amount of which must not be more than necessary to cover the reasonable costs of work required to provide the information in clauses 5.3.3(b)(5A) and (7) to (10).

[35] Clause 5.3.3 Response to connection enquiry

In clauses 5.3.3(b)(1) and 5.3.3(b)(2), omit "10" and substitute "30".

[36] Clause 5.3.3 Response to connection enquiry

Omit clause 5.3.3(b)(5), and substitute:

- (5) in relation to *Distribution Network Service Providers* and *Network Service Providers* for declared transmission systems, whether any service the *Network Service Provider* proposes to provide is *contestable* in the relevant *participating jurisdiction*;
- (5A) whether any service a *Transmission Network Service Provider* proposes to provide in relation to the *connection enquiry* is a *prescribed transmission service*, a *negotiated transmission service* or a *non-regulated transmission service* including, if applicable:
 - (i) whether the capital cost of any *identified user shared asset* is reasonably expected to exceed \$10 million; and
 - (ii) if so, the *contestable IUSA components* and *non-contestable IUSA components*;

[37] Clause 5.3.3 Response to connection enquiry

In clause 5.3.3(b)(6), omit "." and substitute “;”.

[38] Clause 5.3.3 Response to connection enquiry

After clause 5.3.3(b)(6), insert:

- (7) the specification of the interface required to provide the *connection*, including plant and equipment requirements for the *connection* of a *dedicated connection asset* to the *transmission network* and of the interface between the *transmission network* and any *contestable IUSA components*;

- (8) if applicable, the scope of work for any *non-contestable IUSA components*;
- (9) if the response to the *connection enquiry* specifies the need for an *identified user shared asset* the capital cost of which is reasonably expected to exceed \$10 million, a functional specification:
 - (i) setting out the technical parameters for that asset as described in the table in clause 5.2A.4 with sufficient detail to enable the *Connection Applicant* to obtain binding tenders for the provision of detailed design, construction and ownership services for the *contestable IUSA components*;
 - (ii) at the *Primary Transmission Network Service Provider's* option, that is above those minimum requirements in subparagraph (i) subject to the *Primary Transmission Network Service Provider* separately identifying the additional requirements and agreeing to fund the additional works related to those requirements;
- (10) an indicative costing for operation and maintenance services for any *identified user shared asset*, based on the functional specification provided pursuant to subparagraph (9); and
- (11) the amount of any enquiry fee under clause 5.3.2(g).

[39] Clause 5.3.3 Response to connection enquiry

In clauses 5.3.3(b1)(1) and 5.3.3(b1)(2), omit “20” and substitute “30”.

[40] Clause 5.3.3 Response to connection enquiry

In clause 5.3.3(c), omit “20” and substitute “30”.

[41] Clause 5.3.3 Response to connection enquiry

In clause 5.3.3(c)(5), delete “not being more than necessary to”.

[42] Clause 5.3.3 Response to connection enquiry

Omit clauses 5.3.3(c)(5)(i) and (ii), and substitute:

- (i) not being more than necessary to cover the reasonable costs of all work anticipated to arise from investigating the *application to connect* and preparing the associated offer to *connect* and to meet the reasonable costs anticipated to be incurred by *AEMO* and other *Network Service Providers* whose participation in the assessment of the *application to connect* will be required; and

- (ii) must not include any amount for, or in anticipation of, the costs of the person using an *Independent Engineer*; and

[43] Clause 5.3.4 Application for connection

Omit clause 5.3.4(b) and substitute:

- (b) To be eligible for *connection* the *Connection Applicant* must submit an *application to connect* containing:
 - (1) the information specified in clause 5.3.3(c);
 - (2) the relevant application fee to the relevant *Network Service Provider*;
 - (3) for services related to *contestable IUSA components* that the *Connection Applicant* has not obtained from the *Primary Transmission Network Service Provider* (as applicable):
 - (i) the *Connection Applicant's* process for how the *Primary Transmission Network Service Provider* will undertake a review of the detailed design and inspect the construction of those components and how risks of defects will be addressed;
 - (ii) the detailed design of those components; and
 - (iii) if the *Primary Transmission Network Service Provider* will not own the *contestable IUSA components*, the *Connection Applicant's* proposed changes (if any) to the form of *network operating agreement* published pursuant to schedule 5.10; and
 - (4) if the *Connection Applicant* has obtained services related to *contestable IUSA components* other than from the *Primary Transmission Network Service Provider*, all information reasonably required for the *Primary Transmission Network Service Provider* to properly provide operation and maintenance services for the life of those components, including details of the *contestable IUSA components'* construction, instructions for operation and maintenance and health safety and asset management manuals.
- (b1) The *Connection Applicant's* detailed design under paragraph (b)(3)(ii):
 - (1) must be consistent with the minimum functional specification provided by the *Primary Transmission Network Service Provider* under clause 5.3.3(b)(9)(i);

- (2) must not unreasonably inhibit the capacity for future expansion of the *identified user shared asset* or preclude the possibility of future *connections* to that asset; and
- (3) subject to the *Connection Applicant* considering the *Primary Transmission Network Service Provider's* additional requirements under clause 5.3.3(b)(9)(ii) in good faith, may be (but is not required to be) consistent with those additional requirements.

[44] Clause 5.3.4 Application for connection

In clause 5.3.4(c), omit “the” and substitute “In relation to *Distribution Network Service Providers* and *Network Service Providers* for *declared transmission systems*, the”.

[45] Clause 5.3.4 Application for connection

In clause 5.3.4(f)(1), delete “or”.

[46] Clause 5.3.4 Application for connection

In clause 5.3.4(f)(2), immediately after “*Applicant*”, omit “.” and insert “; or”.

[47] Clause 5.3.4 Application for connection

After clause 5.3.4(f)(2), insert:

- (3) lodge a combined *application to connect* with the *Primary Network Service Provider* where the *connection* involves more than one *Connection Applicant* due to different persons developing and owning *contestable IUSA components, dedicated connection assets* and *Transmission Network User facilities* in relation to that *connection*.

[48] Clause 5.3.4A Negotiated access standards

Omit clause 5.3.4A(a), and substitute “[Deleted]”.

[49] Clause 5.3.4A Negotiated access standards

In clauses 5.3.4(c) and (d), omit “*AEMO* advisory matters” and substitute “*AEMO advisory matters*”.

[50] Clause 5.3.4A Negotiated access standards

In clause 5.3.4A(f)(3), omit “*AEMO* advisory matter” and substitute “*AEMO advisory matter*”.

[51] Clause 5.3.5 Preparation of offer to connect

Omit clause 5.3.5(c), and substitute:

- (c) The *Connection Applicant* must provide such other additional information in relation to the *application to connect* as the *Network Service Provider* reasonably requires to assess the technical performance and costs of the required *connection* (including the details of any person undertaking the construction, detailed design and/or ownership of *contestable IUSA components*) to enable the *Network Service Provider* to prepare an offer to *connect*.

[52] Clause 5.3.6 Offer to connect

Omit clause 5.3.6(b)(2), and substitute:

- (2) the terms and conditions of the kind set out in Part A and (where applicable) Part B of schedule 5.6,

[53] Clause 5.3.6 Offer to connect

After clause 5.3.6(b)(2), insert “and (where applicable) a *network operating agreement*” after “*connection agreement*”.

[54] Clause 5.3.6 Offer to connect

Omit clause 5.3.6(b2)(3), and substitute:

- (3) a *connection agreement* capable of execution by the *Connection Applicant*, which must contain the proposed terms and conditions for *connection* to the *distribution network* (of the kind set out in Part A of schedule 5.6) including, for each technical requirement identified by the *Distribution Network Service Provider* in the detailed response provided under clause 5.3A.8(c), the *automatic access standard* or the negotiated access standard as determined in accordance with clause 5.3.4A; and

[55] Clause 5.3.6 Offer to connect

After clause 5.3.6(b3), insert:

- (b4) An offer to *connect* by a *Primary Transmission Network Service Provider* made under paragraph (a)(1) must include:
 - (1) the *Primary Transmission Network Service Provider*'s requirements in relation to the matters proposed in clause 5.3.4(b)(3) and (b)(4); and
 - (2) the costs of the services proposed to be provided by the *Primary Transmission Network Service Provider* separated

between *negotiated transmission services* and *non-regulated transmission services* (if applicable).

- (b5) A *Connection Applicant* may seek amendments to the offer to *connect* provided that the *Connection Applicant* agrees to changes to the *preliminary program* to reflect the additional time required to agree the amendments.

[56] Clause 5.3.6 Offer to connect

Omit clause 5.3.6(i), and substitute "[Deleted]".

[57] Clause 5.3.6 Offer to connect

In clause 5.3.6(j), omit "5.5" and substitute "5.3AA".

[58] Clause 5.3.6 Offer to connect

Omit clause 5.3.6(k), and substitute "[Deleted]".

[59] Clause 5.3.7 Finalisation of connection agreements and network operating agreements

Omit clause 5.3.7(a), and insert:

- (a) If a *Connection Applicant* wishes to accept an offer to *connect*, the *Connection Applicant* must negotiate and enter into:
- (1) a *connection agreement* with each relevant *Network Service Provider* identified in accordance with clauses 5.3.3(b)(3) and (4) or clauses S5.4.A(d) and (e); and
 - (2) if applicable, a *network operating agreement* with the *Primary Transmission Network Service Provider*,

and in doing so must use its reasonable endeavours to negotiate in good faith with all parties with which the *Connection Applicant* must negotiate such a *connection agreement* and (if applicable) *network operating agreement*.

[60] Clause 5.3.7 Finalisation of connection agreements and network operating agreements

After clause 5.3.7(f), insert:

- (f1) The parties may agree to have one *connection agreement* between a *Primary Transmission Network Service Provider*, *Dedicated Connection Asset Service Provider* and a *Transmission Network User* for a *connection*.

- (f2) A *network operating agreement* must be based on the offer to *connect* as varied by agreement between the parties.

[61] Clause 5.3.8 Provision and use of information

In clause 5.3.8(a), insert “5.2A,” after “rules”.

[62] Clause 5.3.8 Provision and use of information

After clause 5.3.8(a)(2), insert:

- (a1) The data and information provided to a *Primary Transmission Network Service Provider* in relation to its provision of non-contestable services as specified under clause 5.2A.4(a) must not be used by the *Primary Transmission Network Service Provider* for the purpose of tendering for, or negotiating, *contestable* services specified under clause 5.2A.4(a) in the *connection* process in which the data or information was given, or in future *connection* processes, without the consent of the *Connection Applicant*.

[63] Clause 5.3.8 Provision and use of information

In clause 5.3.8(c) insert “5.2A,” after “rules”.

[64] Clause 5.3A.3 Publication of information

In clause 5.3A.3(a)(2), omit “5.4.5” and substitute “5.18B”.

[65] New clause 5.3A.12 Network support payments and functions

After clause 5.3A.11, insert:

5.3A.12 Network support payments and functions

- (a) When negotiating the amount of a *network support payment* with an *Embedded Generator*, the *Transmission Network Service Provider* must take into account the:
- (1) nature of the *network* support services being provided by the *Embedded Generator*; and
 - (2) extent to which the *Embedded Generator* is being, or will be, compensated for providing those *network* support services by receiving *avoided Customer TUOS charges*.
- (b) Where the relevant *Transmission Network Service Provider* or *Distribution Network Service Provider* decides to implement a *generation* option as an alternative to *network augmentation*, the *Network Service Provider* must:

- (1) register the *generating unit* with *AEMO* and specify that the *generating unit* may be periodically used to provide a *network support function* and will not be eligible to set *spot prices* when *constrained* on in accordance with clause 3.9.7; and
- (2) include the cost of this *network support service* in the calculation of *transmission service* and *distribution service* prices determined in accordance with Chapter 6 or Chapter 6A, as the case may be.

[66] New Rule 5.3AA Access arrangements relating to Distribution Networks

After new clause 5.3A.12, insert:

5.3AA Access arrangements relating to Distribution Networks

- (a) In this rule 5.3AA:
 - (1) the *Distribution Network Service Provider* is the *Distribution Network Service Provider* required under clauses 5.3.3 or 5.3A.5 to process and respond to a *connection enquiry* or required under clauses 5.3.5 or 5.3A.10 to prepare an offer to *connect* for the establishment or modification of a *connection* to the *distribution network* owned, controlled or operated by that *Distribution Network Service Provider* or for the provision of *network service*; and
 - (2) the references to a *Connection Applicant* are to an *Embedded Generator* or *Market Network Service Provider* who makes a *connection enquiry* under clauses 5.3.2 or 5.3A.5 or an application to *connect* under clauses 5.3.4 or 5.3A.10 in relation to any *generating units* or group of *generating units*, or any *network elements* used in the provision of *network service*, as the case may be.
- (b) If requested by a *Connection Applicant*, whether as part of a *connection enquiry*, application to *connect* or the subsequent negotiation of a *connection agreement*, the *Distribution Network Service Provider* must negotiate in good faith with the *Connection Applicant* to reach agreement in respect of the *distribution network user access* arrangements sought by the *Connection Applicant*.
- (c) As a basis for negotiations under paragraph (b):
 - (1) the *Connection Applicant* must provide to the *Distribution Network Service Provider* such information as is reasonably requested relating to the expected operation of:
 - (i) its *generating units* (in the case of an *Embedded Generator*); or

- (ii) its *network elements* used in the provision of *network service* (in the case of a *Market Network Service Provider*); and
- (2) the *Distribution Network Service Provider* must provide to the *Connection Applicant* such information as is reasonably requested to allow the *Connection Applicant* to fully assess the commercial significance of the *distribution network user access* arrangements sought by the *Connection Applicant* and offered by the *Distribution Network Service Provider*.
- (d) A *Connection Applicant* may seek *distribution network user access* arrangements at any level of *power transfer capability* between zero and:
 - (1) in the case of an *Embedded Generator*, the *maximum power input* of the relevant *generating units* or group of *generating units*; and
 - (2) in the case of a *Market Network Service Provider*, the *power transfer capability* of the relevant *network elements*.
- (e) The *Distribution Network Service Provider* must use reasonable endeavours to provide the *distribution network user access* arrangements being sought by the *Connection Applicant* subject to those arrangements being consistent with *good electricity industry practice* considering:
 - (1) the *distribution connection assets* to be provided by the *Distribution Network Service Provider* or otherwise at the *connection point*; and
 - (2) the potential *augmentations* or *extensions* required to be undertaken on all affected *transmission networks* or *distribution networks* to provide that level of *power transfer capability* over the period of the *connection agreement* taking into account the amount of *power transfer capability* provided to other *Registered Participants* under *distribution network user access* arrangements in respect of all affected *distribution networks*.
- (f) The *Distribution Network Service Provider* and the *Connection Applicant* must negotiate in good faith to reach agreement as appropriate on:
 - (1) the *connection service charge* to be paid by the *Connection Applicant* in relation to *distribution connection assets* to be provided by the *Distribution Network Service Provider*;

- (2) in the case of a *Market Network Service Provider*, the service level standards to which the *Market Network Service Provider* requires the *Distribution Network Service Provider* to adhere in providing it services;
- (3) the *use of system services* charge to be paid:
 - (i) by the *Connection Applicant* in relation to any *augmentations* or *extensions* required to be undertaken on all affected *transmission networks* and *distribution networks*; and
 - (ii) where the *Connection Applicant* is a *Market Network Service Provider*, to the *Market Network Service Provider* in respect of any reduction in the long run marginal cost of *augmenting* the *distribution network* as a result of it being *connected* to the *distribution network*,
(negotiated use of system charges); and
- (4) the following amounts:
 - (i) the amount to be paid by the *Connection Applicant* to the *Distribution Network Service Provider* in relation to the costs reasonably incurred by the *Distribution Network Service Provider* in providing *distribution network user access*;
 - (ii) where the *Connection Applicant* is an *Embedded Generator*:
 - (A) the compensation to be provided by the *Distribution Network Service Provider* to the *Embedded Generator* in the event that the *generating units* or group of *generating units* of the *Embedded Generator* are *constrained off* or *constrained on* during a *trading interval*; and
 - (B) the compensation to be provided by the *Embedded Generator* to the *Distribution Network Service Provider* in the event that dispatch of the *Embedded Generator's generating units* or group of *generating units* causes another *Generator's generating units* or group of *generating units* to be *constrained off* or *constrained on* during a *trading interval*; and
 - (iii) where the *Connection Applicant* is a *Market Network Service Provider*:

- (A) the compensation to be provided by the *Distribution Network Service Provider* to the *Market Network Service Provider* in the event that the *distribution network user access* is not provided; and
 - (B) the compensation to be provided by the *Market Network Service Provider* to the *Distribution Network Service Provider* in the event that dispatch of the relevant *market network service* causes a *Generator's generating units* or group of *generating units* to be *constrained off* or *constrained on* during a *trading interval* or causes the *dispatch* of another *market network service* to be *constrained*.
- (g) The maximum *negotiated use of system charges* applied by a *Distribution Network Service Provider* must be in accordance with the applicable requirements of Chapter 6 and the *Negotiated Distribution Service Criteria* applicable to the *Distribution Network Service Provider*.
- (h) A *Distribution Network Service Provider* must pass through to a *Connection Applicant* the amount calculated in accordance with paragraph (i) for the locational component of *prescribed TUOS services* that would have been payable by the *Distribution Network Service Provider* to a *Transmission Network Service Provider* had the *Connection Applicant* not been *connected* to its *distribution network*.
- (i) To calculate the amount to be passed through to a *Connection Applicant* in accordance with paragraph (h), a *Distribution Network Service Provider* must, if prices for the locational component of *prescribed TUOS services* were in force at the relevant *transmission network connection point* throughout the relevant *financial year*:
 - (1) determine the charges for the locational component of *prescribed TUOS services* that would have been payable by the *Distribution Network Service Provider* for the relevant *financial year*:
 - (i) where the *Connection Applicant* is an *Embedded Generator*, if that *Embedded Generator* had not injected any *energy* at its *connection point* during that *financial year*;
 - (ii) where the *Connection Applicant* is a *Market Network Service Provider*, if the *Market Network Service Provider* had not been *connected* to the *Distribution*

Network Service Provider's distribution network during that financial year; and

- (2) determine the amount by which the charges calculated in subparagraph (1) exceed the amount for the locational component of *prescribed TUOS services* actually payable by the *Distribution Network Service Provider*, which amount will be the relevant amount for the purposes of paragraph (h).
- (j) Where prices for the locational component of *prescribed TUOS services* were not in force at the relevant *distribution network connection point* throughout the relevant *financial year*, as referred to in paragraph (i), the *Distribution Network Service Provider* must apply an equivalent procedure to that referred to in paragraph (i) in relation to that component of its *transmission use of system service* charges which is deemed by the relevant *Transmission Network Service Provider* to represent the marginal cost of *transmission*, less an allowance for locational signals present in the *spot market*, to determine the relevant amount for the purposes of paragraph (h).

[67] Clause 5.4AA Network support payments and functions

Omit rule 5.4AA, including the heading and substitute “[Deleted]”.

[68] Renumbered Clause 5.3.B Application for connection to declared shared network

Renumber clause 5.3.7A as rule 5.3B.

[69] Renumbered Rule 5.3B Application for connection to declared shared network

After clause 5.3B(b), insert:

- (c) Clauses 5.3.1(e), 5.3.2(g), 5.3.3(b)(5A), (7) to (11), 5.3.3(c)(5)(ii), 5.3.4(b)(3) and (4), 5.3.4(b1), 5.3.4(f)(3), 5.3.6(b4) and (b5), 5.3.7(a2), 5.3.7(f1) and (f2) and 5.3.8(a2) do not apply in respect of a *declared transmission system*.

[70] Clause 5.4.5 Register of completed embedded generating units

Renumber clause 5.4.5 as rule 5.18B and move to before rule 5.19.

[71] Renumbered Rule 5.6 Design of Connected Equipment

Renumber rule 5.4 as rule 5.6 with all subparagraphs in rule 5.4 to be accordingly renumbered.

[72] New Rule 5.4 Independent Engineer

After rule 5.3B, substitute a new rule 5.4:

5.4 Independent Engineer

5.4.1 Application

- (a) This rule 5.4 does not apply to the *declared transmission system* of an *adoptive jurisdiction*.
- (b) This rule 5.4 applies only if a relevant *Transmission Network Service Provider* or a *Connection Applicant* requires independent advice in order to reach agreement on or resolve:
 - (1) a technical issue in relation to *negotiated transmission services* related to a *connection* sought by the *Connection Applicant*;
 - (2) whether assets or components form part of a *dedicated connection asset* or form part of an *identified user shared asset*;
 - (3) whether or not a component of an *identified user shared asset* is a *contestable IUSA component* pursuant to clause 5.2A.4(c)(1) and (2); or
 - (4) whether the detailed design of a *contestable IUSA component* is consistent with the functional specification for the relevant *identified user shared asset*,

 (“**technical matter**”).
- (c) A technical matter does not include issues relating to:
 - (1) the cost or commercial terms of;
 - (2) the process relating to; or
 - (3) the timing of,the *connection*.

5.4.2 Establishment of a pool

- (a) The *Adviser* must establish and maintain a pool of persons (who may be individuals or firms) from whom the *Independent Engineer* may be selected in accordance with clauses 5.4.3(d)(2) or 5.4.4(a)(4).

- (b) In selecting persons for the pool, the *Adviser* must have regard to the need for the person to have sufficient experience and expertise in technical matters involved in *connections* to the *transmission network*.
- (c) The *Adviser* must review the composition of the pool at least every two years.

5.4.3 Initiating the Independent Engineer process

- (a) If a technical matter arises that requires independent advice in order to reach an agreement or resolution, a *Transmission Network Service Provider* or a *Connection Applicant* may serve a notice on the other party that:
 - (1) requires the parties to engage an *Independent Engineer*;
 - (2) includes a statement setting out the technical matter; and
 - (3) may request the receiving party to provide information about the technical matter.
- (b) If another *Transmission Network Service Provider*:
 - (1) has the task of liaising with the *Connection Applicant* under clause 5.3.2(e); or
 - (2) has been identified as a party with whom the *Connection Applicant* must enter into an agreement with under clause 5.3.3(b)(4),and has an interest in the technical issue under clause 5.4.1(b)(1), that *Transmission Network Service Provider* must also be served with a copy of the notice under paragraph (a) and must participate in the *Independent Engineer* process.
- (c) If the technical matter involves a matter that relates to an *AEMO advisory matter*, then *AEMO* must also be served with a copy of the notice under paragraph (a) and may participate in the *Independent Engineer* process.
- (d) Within 10 *business days* of service of a notice under paragraph (a), a party may:
 - (1) agree that the technical matter be resolved through an alternative means as agreed by the parties on the terms agreed between the parties; or
 - (2) agree to appoint an *Independent Engineer* from the pool and the scope of work the *Independent Engineer* is to undertake.

- (e) If the parties appoint an *Independent Engineer* in accordance with subparagraph (d)(2), the parties are not required to notify the *Adviser* of the agreed selection in which case clauses 5.4.5 and 5.4.6 apply.

5.4.4 Referral to the Adviser

- (a) If the parties do not reach an agreement under clause 5.4.3(d) within 10 *business days* of service of a notice under clause 5.4.3(a), any party may refer the technical matter to the *Adviser* by serving on the *Adviser* a notice, which must:
 - (1) be in a form approved and published by the *Adviser*;
 - (2) contain the names of the parties who seek advice on the technical matter;
 - (3) contain a statement setting out the technical matter;
 - (4) if the parties have agreed on an *Independent Engineer*, the name of that *Independent Engineer* or in the absence of such agreement, contain a request for the *Adviser* to select an *Independent Engineer*;
 - (5) contain the scope of advice required in respect of the technical matter, as agreed by the parties and in the absence of such agreement, request the *Adviser* to assist in determining the scope (which the *Adviser* may do in consultation with the parties and the *Independent Engineer* once appointed); and
 - (6) specify a time frame by which the advice from the *Independent Engineer* is required so as to allow the *Adviser* to consider the availability of potential *Independent Engineers*.
- (b) If the *Adviser* is requested to select an *Independent Engineer* from the pool under clause 5.4.2, it must:
 - (1) use reasonable endeavours to ensure the cost, availability, independence and expertise and experience of the selected *Independent Engineer* is appropriate to the technical matter;
 - (2) consult with the parties prior to appointment, and
 - (3) unless the parties otherwise agree, make the appointment within 15 *business days* of the notice under paragraph (a).
- (c) Despite the requirement to consult set out in subparagraph (b)(3), a selection of the *Adviser* is final and binding upon all parties.

5.4.5 Proceedings and decisions of the Independent Engineer

- (a) The *Independent Engineer* may request documents and information from the parties that it reasonably considers is required to provide advice on the technical matter and a party must comply with such a request.
- (b) As a condition of providing documents and information, a party may require the *Independent Engineer* to agree to be bound to the confidentiality obligations under rule 8.6 as if the *Independent Engineer* was a *Registered Participant*.
- (c) The *Independent Engineer* must provide its written advice on a technical matter promptly, and in any case must do so within 30 *business days* after the *Independent Engineer* is appointed unless the parties otherwise agree.
- (d) The *Transmission Network Service Provider* may amend the time period referred to in any stage of the *connection* process under the *preliminary program* to allow for the additional time reasonably required for the *Independent Engineer* process under this rule 5.4.
- (e) The *Independent Engineer* must have regard to the following matters in forming their advice:
 - (1) the technical requirements of the *connection* proposed by either of the parties;
 - (2) the requirement under clause 5.3.4(b1)(2) that the technical requirements of the *connection* must not unreasonably inhibit the capacity for future expansion of an *identified user shared asset* or preclude the possibility of future *connections*;
 - (3) the technical requirements of the *connection* should be consistent with *good electricity industry practice* and contribute to a safe, reliable and secure *transmission system*;
 - (4) any submissions made by *AEMO* on an *AEMO advisory matter*; and
 - (5) any relevant requirements and obligations under the applicable *jurisdictional electricity legislation*.
- (f) The *Independent Engineer* is not bound by the rules of evidence and may inform itself in any manner it thinks fit.
- (g) The *Independent Engineer* is a person who facilitates the resolution of disputes on technical matters, and is a protected person for the purposes of section 120B of the *National Electricity Law* in relation to the exercise of its powers and functions carried out under this clause 5.4.5.

- (h) The *Independent Engineer's* advice is not binding on the parties.

5.4.6 Costs of the Independent Engineer

The costs of any *Independent Engineer*, including any costs incurred by the *Adviser* in performing the functions of the *Adviser* in clause 5.4.4 are to be borne equally by the parties, unless otherwise agreed by the parties.

[73] Rule 5.4A Access arrangements relating to Transmission Networks

Omit rule 5.4A, and substitute "[Deleted]":

Note

In the transitional rules, rule 5.4A and its associated definitions will be preserved in relation to the *declared transmission system* of an *adoptive jurisdiction*.

[74] New Rule 5.5 Commercial arbitration for prescribed and negotiated transmission services and large DCA services

Omit rule 5.5, and substitute:

5.5 Commercial arbitration for prescribed and negotiated transmission services and large DCA services

5.5.1 Application

- (a) This rule 5.5 does not apply to the *declared transmission system* of an *adoptive jurisdiction*.
- (b) This rule 5.5 applies to any dispute which may arise between a *Transmission Network Service Provider* (including a *Dedicated Connection Asset Service Provider* for a *large dedicated connection asset*) (a **provider**) and a *Connection Applicant* or a person seeking *large DCA services* (an **applicant**) as to *terms and conditions of access*, for the provision of *prescribed transmission services*, the provision of *negotiated transmission services* (each a *transmission services access dispute*); or the provision of *large DCA services* (a *large DCA services access dispute*) (as applicable).
- (c) For the purposes of *prescribed transmission services*, *negotiated transmission services* and *large DCA services*, the *terms and conditions of access*:
- (1) in relation to *negotiated transmission services*, are:
- (i) the price of those services; and

- (ii) other terms and conditions for the provision of those *negotiated transmission services*,

under Chapters 4 and 5 of the *Rules*;
- (2) in relation to *prescribed transmission services*, are:
 - (i) the price of those services as determined under the *pricing methodology* of the relevant *Transmission Network Service Provider*; and
 - (ii) other terms and conditions for the provision of those *prescribed transmission services*,

under Chapters 4, 5 and 6A of the *Rules*; and
- (3) in relation to *large DCA services*, are the price of, and the other terms and conditions for, the provision of those *large DCA services*, as determined under the *access policy*.

5.5.2 Notification of dispute

- (a) A provider or an applicant may notify the *AER* in writing that a *transmission services access dispute* or *large DCA services access dispute* exists.
- (b) On receiving a notification under paragraph (a), the *AER* must give notice in writing of the dispute to the other party to the dispute.
- (c) A provider or an applicant who has given notice of a dispute under paragraph (a) may withdraw notification of the dispute at any time by written notice to the *AER* and the other party to the dispute.
- (d) If the notification of a dispute is withdrawn under paragraph (c), it is taken for the purposes of this clause 5.5.2 to never have been given.

5.5.3 Appointment of commercial arbitrator

- (a) On receiving a notification under clause 5.5.2(a), the *AER* must request the provider and the applicant, by a time specified by the *AER*, to nominate to the *AER* two persons each for appointment as the *commercial arbitrator* to determine the *transmission services access dispute* or *large DCA services access dispute*. The provider and applicant may make the nominations.
- (b) As soon as practicable after the expiry of the time specified by the *AER* under paragraph (a), the *AER* must appoint:
 - (1) one of the persons (if any) nominated to the *AER* by the provider or the applicant under paragraph (a); or

- (2) if neither the provider or the applicant nominate any such person within the time specified by the *AER* under paragraph (a) or all of the persons so nominated do not qualify for appointment under paragraph (d) or (e), a person determined by the *AER*,

as the *commercial arbitrator* to determine the dispute, and must refer the dispute to that *commercial arbitrator*.

- (c) A decision of the *AER* as to the appointment of the *commercial arbitrator* is final and binding on the provider and the applicant.
- (d) The *AER* may only appoint a person as the *commercial arbitrator* if that person is experienced or trained in dispute resolution techniques.
- (e) A person is not eligible for appointment as the *commercial arbitrator* if that person has any interest that may conflict with, or which may be seen to conflict with, the impartial resolution of the dispute. Where the person who is appointed as the *commercial arbitrator* becomes aware of such conflict after that person commences the hearing of the dispute, the person must advise the parties to that effect.
- (f) Where:
 - (1) the provider or the applicant believes that the person appointed as the *commercial arbitrator* has an interest which may conflict with the impartial resolution of the dispute; or
 - (2) the person appointed as the *commercial arbitrator* discloses the existence of such an interest,

the person must not continue to hear and determine the dispute, except with the written consent of the provider and the applicant.

5.5.4 Procedures of commercial arbitrator

- (a) The *commercial arbitrator* may give to the parties such directions as it considers necessary:
 - (1) for the proper conduct of the proceedings, including in relation to the provision of documents and information to the other party and the making of oral and written submissions;
 - (2) relating to the use and disclosure of information obtained from the other party to the dispute (including a direction to keep information confidential); and

- (3) in relation to the participation (if any) of legal representatives of the parties in the proceedings.
- (b) The *commercial arbitrator* must observe the rules of procedural fairness, but is not bound by the rules of evidence and may inform itself in any manner it thinks fit.

5.5.5 Powers of commercial arbitrator in determining disputes

- (a) In determining a *transmission services access dispute* in relation to the *terms and conditions of access* for the provision of *prescribed transmission services* the *commercial arbitrator* must apply:
 - (1) in relation to price, the *pricing methodology* of the relevant *Transmission Network Service Provider* approved by the *AER* under Part E and Part J of Chapter 6A of the *Rules*;
 - (2) in relation to other terms and conditions, Chapters 4, 5 and 6A of the *Rules*; and
 - (3) in relation to all *terms and conditions of access* (including price) the decision of *AEMO* or the *AER* where those decisions relate to those terms and conditions and are made under Chapters 4, 5 and 6A of the *Rules*.
- (b) In determining a *transmission services access dispute* in relation to the *terms and conditions of access* for the provision of a *negotiated transmission service* the *commercial arbitrator* must apply:
 - (1) in relation to price for the provision of that service by the provider, the *negotiating principles* that are applicable to that dispute;
 - (2) in relation to other terms and conditions, the *negotiating principles* that are applicable to that dispute and Chapters 4 and 5 of the *Rules*;
 - (3) in relation to all *terms and conditions of access* (including price) the decision of *AEMO* or the *AER* where those decisions relate to those terms and conditions and are made under Chapters 4 and 5 of the *Rules*.
- (c) In determining a *large DCA services access dispute* in relation to the *terms and conditions of access* for the provision of *large DCA services*, the *commercial arbitrator* must:
 - (1) apply the *access policy* of the *Dedicated Connection Asset Service Provider*;
 - (2) apply the relevant negotiating principles in schedule 5.12;

- (3) have regard to the legitimate business interests of the *Dedicated Connection Asset Service Provider*;
 - (4) have regard to the interests of all persons who have rights to use the *large DCA services*; and
 - (5) have regard to the operational and technical requirements necessary for the safe and reliable operation of the *large dedicated connection asset* and any *facility connected* to it.
- (d) In determining a *transmission services access dispute* in relation to the *terms and conditions of access* for the provision of *negotiated transmission services* a *commercial arbitrator* may:
- (1) have regard to other matters which the *commercial arbitrator* considers relevant.
 - (2) hear evidence or receive submissions from *AEMO* and *Transmission Network Users* who may be adversely affected.
- (e) In determining a *transmission services access dispute* in relation to the *terms and conditions of access* for the provision of *prescribed transmission services* a *commercial arbitrator* may:
- (1) have regard to other matters which the *commercial arbitrator* considers relevant.
 - (2) hear evidence or receive submissions from *AEMO* in relation to *power system security* matters and from *Transmission Network Users* who may be adversely affected.

5.5.6 Determination of disputes

- (a) Subject to paragraph (c), the *commercial arbitrator* must determine the dispute as quickly as possible, and in any case it must do so within 30 *business days* after the dispute is referred to the *commercial arbitrator*.
- (b) The determination of the *commercial arbitrator*:
- (1) may direct the provision of *prescribed transmissions services* and *negotiated transmission services* in accordance with Chapters 4, 5 and 6A of the *Rules*;
 - (2) may specify, for a *negotiated transmission service* or a *large DCA service*, a price or charge in such a way that it is or is to be adjusted over time;

- (3) may direct the provision of *large DCA services* in accordance with the access policy of the *Dedicated Connection Asset Service Provider*; and
- (4) only where the dispute is a *large DCA services access dispute*, may require the enlargement or increase in capacity of, or alterations to, a *large dedicated connection asset*.

Note

An adjustment as referred to in subparagraph (2) may, for example, be appropriate where the cost of providing the *negotiated transmission service* to a *Connection Applicant* or person seeking *large DCA services* changes because the assets used to provide that service are subsequently used to provide a service to another person and the payment for the service by that other person enables the *Transmission Network Service Provider* or *Dedicated Connection Asset Service Provider* to recoup some of those costs from that other person.

- (c) The *commercial arbitrator* may extend the period referred to in paragraph (a) if the provider and the applicant so agree in writing.
- (d) The *commercial arbitrator* may at any time terminate the proceedings without making a decision if it considers that:
 - (1) the dispute is misconceived or lacking in substance;
 - (2) the notification of the dispute to the *AER* under clause 5.5.2(a) was vexatious; or
 - (3) the party who notified the dispute to the *AER* under clause 5.5.2(a) has not negotiated in good faith or has notified the dispute prematurely or unreasonably.
- (e) The *commercial arbitrator* must terminate the proceedings without making a decision if at any time, whether on application by the provider or the applicant or otherwise, the arbitrator determines that the *transmission service* or *large DCA service* is capable of being provided on a genuinely competitive basis by a person other than the provider or an entity which is associated with the provider.

5.5.7 Costs of dispute

- (a) The fees and costs of the *commercial arbitrator* must be borne equally by the provider and the applicant unless:
 - (1) paragraph (b) applies; or
 - (2) otherwise agreed between the provider and the applicant.
- (b) The costs of determining the dispute (including the legal costs of either of the parties) may be allocated by the *commercial arbitrator* for payment as between the parties as part of any determination.

- (c) In deciding to allocate costs against one of the parties to the dispute, the *commercial arbitrator* may have regard to any relevant matters including (but not limited to) whether the conduct of that party unreasonably prolonged or escalated the dispute or otherwise increased the costs of resolving the dispute.

5.5.8 Enforcement of agreement or determination and requirement for reasons

- (a) Where the provider and the applicant reach agreement (whether or not the matter is before a *commercial arbitrator*), the parties may execute a written agreement recording their resolution of that dispute.
- (b) The *commercial arbitrator* must give its decision determining the dispute, together with its reasons for that decision, in writing and must provide a copy of its determination:
 - (1) to the provider and to the applicant; and
 - (2) (except to the extent that it contains confidential information) to the *AER* for publication.
- (c) An agreement that is executed under paragraph (a) and a determination of the *commercial arbitrator* under paragraph (b) are binding on the provider and the applicant, and any failure to comply with such an agreement or determination is a breach of the *Rules* in respect of which the *AER* may take action in accordance with the *National Electricity Law*.

5.5.9 Miscellaneous

- (a) To the extent permitted by law, a person who is appointed as a *commercial arbitrator* is not liable for any loss, damage or liability suffered or incurred by any person as a consequence of any act or omission of that person which was done in good faith in connection with the dispute
- (b) A person who is appointed as a *commercial arbitrator* may, before acting in relation to the dispute, require the parties to the dispute (and any one of them) to execute a release and indemnity in relation to any loss, damage or liability that that person would, but for the release or indemnity, suffer or incur as a consequence of any act or omission done in good faith in connection with the dispute.

[75] New Part C Post-Connection Agreement matters

After rule 5.5A, insert:

Part C Post-Connection Agreement matters

[76] Renumbered Clause 5.6.1 Application

In clause 5.6.1, omit "5.4" and substitute "5.6".

[77] Renumbered Clause 5.6.4 Advice on possible non-compliance

In clause 5.6.4(c), omit "clause 5.4.4(b)" and substitute "paragraph (b)".

[78] New Clause 5.7.8 Contestable IUSA components

After clause 5.7.7, insert:

5.7.8 Contestable IUSA components

- (a) Before commissioning, the *Primary Transmission Network Service Provider* must ensure that *contestable IUSA components* are built to the standards specified in the functional specification provided under clause 5.3.3(b)(9) and the *Connection Applicant* for the *identified user shared asset* must provide access to the *Primary Transmission Network Service Provider* to make inspections, and agree to such tests, as is reasonably required for that purpose.
- (b) The *Connection Applicant* for the *identified user shared asset* must pay the reasonable costs of inspections and tests which are reasonably required by the *Transmission Network Service Provider* under paragraph (a).

[79] Clause 5.4.5 Completed embedded generation projects

Renumber clause 5.4.5 as rule 5.18B.

[80] Renumbered Clause 5.18B Completed embedded generation projects

In clause 5.18B.1(a), renumber clause 5.4.5 as rule "5.18B".

[81] Renamed Schedule 5.6 Terms and Conditions of Connection agreements and network operating agreements

Omit the heading in Schedule 5.6, and substitute:

Schedule 5.6 Terms and Conditions of Connection agreements and network operating agreements

Part A Connection agreements

[82] Renamed Schedule 5.6 Terms and Conditions of Connection agreements and network operating agreements

In Schedule 5.6(k), remove the second occurrence of "and".

[83] Renamed Schedule 5.6 Terms and Conditions of Connection agreements and network operating agreements

In schedule 5.6(l), omit "." and substitute ";".

[84] Renamed Schedule 5.6 Terms and Conditions of Connection agreements and network operating agreements

In schedule 5.6, after subparagraph (l), insert:

- (m) the arrangements for the provision of services relating to *non-contestable IUSA components* (if applicable);
- (n) the functional specifications for the *contestable IUSA components*; and
- (o) if the *Connection Applicant* has obtained services related to a *contestable IUSA components* other than from the *Primary Transmission Network Service Provider* and intends to transfer ownership of some or all of those components to the *Primary Transmission Network Service Provider*, arrangements for the transfer of ownership of those components upon energisation of the *identified user shared asset* to the *Primary Transmission Network Service Provider* (if applicable) and how any defects liabilities will be managed.

The *connection agreements* may include other technical, commercial and legal conditions governing works required for the *connection* or *extension* to the *network* which the parties have negotiated and agreed to. The circumstances under which the terms of the *connection agreement* would require renegotiation may also be included.

Part B Network Operating Agreements

A *network operating agreement* between the *Primary Transmission Network Service Provider* and the owner of *contestable IUSA components* must include provisions relating to:

- (a) agreed boundaries and physical connection obligations and interface between the *identified user shared asset* and the *transmission network*;
- (b) conditions to transfer operational control of the asset to the *Primary Transmission Network Service Provider*;
- (c) the standard of care to apply to the *Primary Transmission Network Service Provider* in providing operation and maintenance services;
- (d) insurance obligations;
- (e) termination, events of default and force majeure regime;
- (f) liability and indemnity; and
- (g) defect warranties.

[85] New Schedule 5.10 Information requirements for Primary Transmission Network Service Providers (clause 5.2A.5)

After schedule 5.9, insert:

Schedule 5.10 Information requirements for Primary Transmission Network Service Providers (clause 5.2A.5)

Information	Via website or direct enquiry	Additional fee ¹	Comments
Technical specification			
Generic interface works	Website	No	Typical standards and layouts must be published. This information:
Generic	Website	No	

¹ This refers to the right for the *Primary Transmission Network Service Providers* to charge an additional fee for the provision of this information to the *connection* enquiry under clause 5.3.2(g) and the *connection* application fee under clause 5.3.4.(b)(2).

Information	Via website or direct enquiry	Additional fee ¹	Comments
substation layouts			(a) may be generic but should provide a high level overview of the components of a <i>connection</i> ; and (b) must provide <i>Connection Applicants</i> with a high level understanding of what a <i>connection</i> consists of. <i>Primary Transmission Network Service Providers</i> must provide the design standards which are specific to their <i>network</i> .
Typical overhead line structures	Website	No	
Typical underground cable arrangements	Website	No	
Typical primary plant	Website	No	
Design standards	Website	No	
Typical secondary systems	Website	No	
Detailed technical requirements for a particular <i>connection</i>	Direct enquiry	No	Functional specification to describe the requirements that must be met by the detailed design. The functional specifications must include: (a) description of any proposed <i>augmentation</i> ; and (b) references to typical plant including primary and secondary equipment so that the detailed design will interface to

Information	Via website or direct enquiry	Additional fee ¹	Comments
			the existing <i>network</i> and be able to be adopted by the <i>Primary Transmission Network Service Provider</i> .
Operation and maintenance			
Typical operation and maintenance scheduling	Website	No	Operation and maintenance intervals for specific items of <i>plant</i> used regularly by the <i>Primary Transmission Network Service Provider</i> must be published. These are routine activities irrespective of whether assets are unregulated or regulated and should be in line with <i>good electricity industry practice</i> .
Timescales			
Easement acquisition (site specific)	Direct enquiry	Yes	Site specific timescales may be discussed and negotiated on a project by project basis as part of the <i>connection enquiry / connection application</i> process if the <i>Connection Applicant</i> requests it at their election.
Commissioning (generic)	Website	No	Generic timescales must be published.
Commissioning (site specific)	Direct enquiry	Yes	Site specific timescales may be provided as part of the <i>connection enquiry / connection</i>

Information	Via website or direct enquiry	Additional fee ¹	Comments
			<i>application</i> process if the <i>Connection Applicant</i> requests it at their election.
Legal			
Standard connection agreements	Website	No	Standard forms of these agreements and deeds to be published.
Standard network operating agreement	Website	No	The standard form construction agreement must cover the construction of any interface works.
Standard interface works construction agreements	Website	No	The standard form <i>connection agreement</i> must cover the <i>connection</i> of the asset to the <i>transmission</i> network.
Standard relocation deeds	Website	No	The standard form <i>network operating agreement</i> must cover those aspects referred to in clause 5.2.7(b).
Environmental approvals (generic)	Website	No	Standard forms or lists of required approvals must be published.
Environmental approvals (site specific)	Direct enquiry	Yes	Site specific information may be provided as part of the <i>connection enquiry / connection application</i> process if <i>Connection Applicant</i> requests it at their election.
Development approvals (generic)	Website	No	
Development approvals (site specific)	Direct enquiry	Yes	

Information	Via website or direct enquiry	Additional fee ¹	Comments
Financial			
Amount and terms and conditions of the connection application charge ²	Website	No	A guide to the structure of the application fee under clause 5.3.4, and the terms and conditions under which the charge is paid, must be published.
Relocation of existing assets	Direct enquiry	Yes	Specific information about relocation of existing assets may be provided by the <i>Primary Transmission Network Service Provider</i> , if the <i>Connection Applicant</i> requests it at their election. The <i>Connection Applicant</i> would be required to pay for any costs associated with the relocation of assets.

[86] New Schedule 5.11 Negotiating principles for negotiated transmission services (clause 5.2A.6)

After schedule 5.10, insert:

Schedule 5.11 Negotiating principles for negotiated transmission services (clause 5.2A.6)

- 1 The price for a *negotiated transmission service* should be based on the costs incurred in providing that service, determined in accordance with the principles and policies set out in the *Cost Allocation Methodology* for the relevant *Transmission Network Service Provider*.

² For clarification, information about the structure, terms and conditions of the charge should be made available free of charge on the *Primary Transmission Network Service Provider's* website, but the *Connection Applicant* would still be required to pay the *connection* application fee under clause 5.3.4(b)(2).

- 2 Subject to paragraphs (3) and (4), the price for a *negotiated transmission service* should be at least equal to the avoided cost of providing it but no more than the cost of providing it on a stand-alone basis.
- 3 If the *negotiated transmission service* is the provision of a *shared transmission service* that:
 - (1) exceeds the *network* performance requirements (if any) which that *shared transmission service* is required to meet under any *jurisdictional electricity legislation*; or
 - (2) exceeds the *network* performance requirements set out in schedules 5.1a and 5.1,then the differential between the price for that service and the price for the *shared transmission service* which meets (but does not exceed) the *network* performance requirements under any *jurisdictional electricity legislation* or as set out in schedules 5.1a and 5.1 (as the case may be) should reflect the increase in the *Transmission Network Service Provider's* incremental cost of providing that service.
- 4 If the *negotiated transmission service* is the provision of a *shared transmission service* that does not meet (and does not exceed) the *network* performance requirements set out in schedules 5.1a and 5.1, the differential between the price for that service and the price for the *shared transmission service* which meets (but does not exceed) the *network* performance requirements set out in schedules 5.1a and 5.1 should reflect the amount of the *Transmission Network Service Provider's* avoided cost of providing that service.
- 5 The price for a *negotiated transmission service* must be the same for all *Transmission Network Users* unless there is a material difference in the costs of providing the *negotiated transmission service* to different *Transmission Network Users* or classes of *Transmission Network Users*.
- 6 The price for a *negotiated transmission service* should be subject to adjustment over time to the extent that the assets used to provide that service are subsequently used to provide services to another person, in which case such adjustment should reflect the extent to which the costs of that asset is being recovered through charges to that other person.
- 7 The price for a *negotiated transmission service* should be such as to enable the *Transmission Network Service Provider* to recover the efficient costs of complying with all *regulatory obligations or requirements* associated with the provision of the *negotiated transmission service*.

- 8 The *terms and conditions of access* for a *negotiated transmission service* should be fair and reasonable and consistent with the safe and reliable operation of the *power system* in accordance with the *Rules* (for these purposes, the price for a *negotiated transmission service* is to be treated as being fair and reasonable if it complies with principles (1) to (7) of this schedule 5.11).
- 9 The *terms and conditions of access* for a *negotiated transmission service* (including, in particular, any exclusions and limitations of liability and indemnities) must not be unreasonably onerous taking into account the allocation of risk between the *Transmission Network Service Provider* and the other party, the price for the *negotiated transmission service* and the costs to the *Transmission Network Service Provider* of providing the *negotiated transmission service*.
- 10 The *terms and conditions of access* for a *negotiated transmission service* should be provided in a manner that does not adversely affect the safe and reliable operation of the *power system* in accordance with the *Rules*.
- 11 The *Connection Applicant* should only be required to pay the costs directly incurred as a result of its *connection*, including its share of costs associated with an *identified user shared asset*.
- 12 Subsequent connections to an *identified user shared asset* by other *connecting* parties should not adversely affect the *negotiated transmission services* provided to the original *identified user group* for that *identified user shared asset*.
- 13 Subject to principle 11, future *Connection Applicants* should pay for a proportion of the costs paid by the *identified user groups* for *negotiated transmission services*. The proportion of costs will be calculated with respect to:
 - (1) the relative capacity of the *Connection Applicant's* *generating plant*; or
 - (2) the relative number of bays; or
 - (3) respective bays,with the applicable cost sharing methodology determined as appropriate by the nature of the *negotiated transmission services*.

[87] New Schedule 5.12 Negotiating principles for large DCA Services

After schedule 5.11, insert:

Schedule 5.12 Negotiating principles for large DCA services

- 1 Principles 2 -7 of schedule 5.11 apply in relation to *connection* and access to *large DCA services*, except a reference to a *negotiated transmission service* and a *Transmission Network Service Provider* will be taken to be a reference to a *large DCA service* and a *Dedicated Connection Asset Service Provider* respectively.
- 2 An applicant for *large DCA services* should pay for the cost of any enlargement or increase in capacity of (an “**upgrade**”), or alterations to, an existing *large dedicated connection asset* required to provide it with *large DCA services*, including the moving of metering and other related equipment, necessary for the applicant’s *connection* to the *large dedicated connection asset*.
- 3 The *connection* of an applicant to an existing *large dedicated connection asset* and access to *large DCA services* must not adversely affect the *access standards*, including *performance standards* and *power transfer capability* of an existing connecting party at the time of the access application by the applicant.
- 4 The *connection* of an applicant to an existing *large dedicated connection asset* and access to *large DCA services* must not adversely affect contractual obligations of an existing connecting party to the *large dedicated connection asset* with the relevant *Dedicated Connection Asset Service Provider*.
- 5 An applicant must compensate the *Dedicated Connection Asset Service Provider* (and any existing connecting party) for any lost revenue incurred during an upgrade of, or alterations to, an existing *large dedicated connection asset* and metering and other related equipment moves to provide for the *connection* and operation of the applicant’s *facilities* and access to *large DCA services*.
- 6 The *connection* of an applicant to a *large dedicated connection asset* and access to *large DCA services* must not:
 - (a) prevent an existing connecting party at the time of the applicant’s access application from obtaining a sufficient amount of *large DCA services* to be able to meet that person’s reasonably anticipated requirements, measured at the time of the access application by the applicant;
 - (b) result in the applicant becoming the owner (or one of the owners) of any part of the existing *large dedicated connection asset* or upgrade of that asset without the consent of the existing owner;
 - (c) require an existing connecting party or the owner of the *large dedicated connection asset* to bear all or some of the costs of

an upgrade of the *large dedicated connection asset* or maintaining an upgrade;

- (d) require an existing connecting party to the *large dedicated connection asset* to bear all or some of the costs of an interconnection to the *large dedicated connection asset* or maintaining an interconnection.

Schedule 3 Amendment to the National Electricity Rules

(Clause 5)

[1] New Part B Network Planning and Expansion

Re-number Part B as Part D.

[2] Clause 5.10.1 Content of Part B

In clause 5.10.1, omit the heading and substitute:

5.10.1 Content of Part D

[3] Renamed Clause 5.10.1 Content of Part D

In clause 5.10.1(a), omit "B" and substitute "D".

[4] Renamed Clause 5.10.1 Content of Part D

After clause 5.10.1(f), insert:

(f1) Rule 5.14B relates to guidelines for *Transmission Annual Planning Reports*.

[5] Renamed Clause 5.10.1 Content of Part D

After clause 5.10.1(j), insert:

(j1) Rule 5.18B sets out obligations of *Distribution Network Service Providers* in relation to completed embedded generation projects.

[6] Clause 5.10.2 Definitions

In clause 5.10.2, omit "B" and substitute "D".

[7] Clause 5.10.2 Definitions

In clause 5.10.2, omit the definition of "**joint planning project**" and substitute:

joint planning project means a project the purpose of which is to address a need identified under clause 5.14.1(d)(3) or clause 5.14.2(a) or clause 5.14.3(a).

[8] Clause 5.10.2 Definitions

In clause 5.10.2, omit the definition of "**RIT-T proponent**" and substitute:

RIT-T proponent means the *Network Service Provider* applying the *regulatory investment test* for transmission to a RIT-T project to address an identified need. The RIT-T proponent may be:

- (a) if the identified need is identified during joint planning under clause 5.14.1(d)(3), a *Distribution Network Service Provider* or a *Transmission Network Service Provider*; or
- (b) in any other case (including under clause 5.14.3(a)), a *Transmission Network Service Provider*.

[9] Clause 5.10.2 Definitions

In clause 5.10.2, insert the following definition in alphabetical order:

TAPR Guidelines means the guidelines *published* by the *AER* under clause 5.14B.1.

[10] Clause 5.12.2 Transmission Annual Planning Report

in clause 5.12.2(c), after must, insert "be consistent with the TAPR Guidelines and".

[11] Clause 5.12.2 Transmission Annual Planning Report

Omit clauses 5.12.2(c)(1) to (c)(3), and substitute:

- (1) the forecast *loads* submitted by a *Distribution Network Service Provider* in accordance with clause 5.11.1 or as modified in accordance with clause 5.11.1(d), including at least:
 - (i) a description of the forecasting methodology, sources of input information, and the assumptions applied in respect of the forecast *loads*;
 - (ii) a description of high, most likely and low growth scenarios in respect of the forecast *loads*;
 - (iii) an analysis and explanation of any aspects of forecast *loads* provided in the *Transmission Annual Planning Report* that have changed significantly from forecasts provided in the *Transmission Annual Planning Report* from the previous year; and
 - (iv) an analysis and explanation of any aspects of forecast *loads* provided in the *Transmission Annual Planning Report* from the previous year which are significantly different from the actual outcome;
- (2) planning proposals for future *connection points*;

- (3) a forecast of *constraints* and inability to meet the *network* performance requirements set out in schedule 5.1 or relevant legislation or regulations of a *participating jurisdiction* over 1, 3 and 5 years, including at least:
 - (i) a description of the *constraints* and their causes;
 - (ii) the timing and likelihood of the *constraints*;
 - (iii) a brief discussion of the types of planned future projects that may address the *constraints* over the next 5 years, if such projects are required; and
 - (iv) sufficient information to enable an understanding of the *constraints* and how such forecasts were developed;

[12] Clause 5.12.2 Transmission Annual Planning Report

In clause 5.12.2(c)(9), omit "and".

[13] Clause 5.12.2 Transmission Annual Planning Report

In clause 5.12.2(c)(10), omit "." and substitute "; and".

[14] Clause 5.12.2 Transmission Annual Planning Report

After clause 5.12.2(c)(10), insert:

- (11) an analysis and explanation of any other aspects of the *Transmission Annual Planning Report* that have changed significantly from the preceding year's *Transmission Annual Planning Report*, including the reasons why the changes have occurred; and
- (12) the results of joint planning (if any) undertaken with a *Transmission Network Service Provider* under clause 5.14.3 in the preceding year, including a summary of the process and methodology used by the *Transmission Network Service Providers* to undertake joint planning and the outcomes of that joint planning.

[15] New clause 5.14.3 Joint planning obligations of Transmission Network Service Providers

After clause 5.14.2, insert:

5.14.3 Joint planning obligations of Transmission Network Service Providers

Transmission Network Service Providers must undertake joint planning if:

- (a) a possible credible option to address a *constraint* in a *transmission network* is an *augmentation* to the *transmission network* of another *Transmission Network Service Provider*; and
- (b) that *constraint* is not already being considered under other processes under the *Rules*.

[16] New clause 5.14B TAPR Guidelines

After new clause 5.14.3, insert new rule 5.14B:

5.14B TAPR Guidelines

5.14B.1 Development of TAPR Guidelines

- (a) The *AER* must, in accordance with the *transmission consultation procedures*, make and *publish* TAPR Guidelines that set out the required format of *Transmission Annual Planning Reports*.
- (b) The *AER* must develop and *publish* the first TAPR Guidelines under the *Rules* by the date specified in the *Rules* and there must be TAPR Guidelines in force at all times after that date.
- (c) Subject to paragraph (d), the *AER* may, from time to time and in accordance with the *transmission consultation procedures*, amend or replace the TAPR Guidelines.
- (d) The *AER* may make administrative or minor amendments to the TAPR Guidelines without complying with the *transmission consultation procedures*.

Schedule 4 Amendment to the National Electricity Rules

(Clause 6)

[1] Clause 6A.1.1 Economic regulation of transmission services generally

Omit clause 6A.1.1, and substitute:

6A.1.1 Economic regulation of transmission services generally

- (a) Part B of this Chapter 6A states the general obligation of the *AER* to make *transmission determinations* for *Transmission Network Service Providers* in respect of:

(1) *prescribed transmission services*.

(2) **[Deleted]**

Note

Access and *connection* to *negotiated transmission services* is governed by Chapter 5 of the *Rules*.

- (b) Part C of this Chapter 6A regulates the revenues that may be earned by *Transmission Network Service Providers* from the provision by them of *transmission services* that are the subject of *transmission determinations*.
- (c) **[Deleted]**
- (d) Part E of this Chapter 6A sets out the procedure and approach for the making of a *transmission determination* by the *AER*.
- (e) Part F of this Chapter 6A contains provisions regarding the disclosure, use and protection of information.
- (f) Part G of this Chapter 6A contains provisions regarding cost allocation.
- (g) Part H of this Chapter 6A contains provisions regarding the *transmission consultation procedures*.
- (h) Part I of this Chapter 6A contains provisions regarding *Transmission Ring-Fencing Guidelines*.
- (i) Part J of this Chapter 6A regulates the prices that may be charged by *Transmission Network Service Providers* for the provision of *prescribed transmission services* and establishes principles to be applied by providers in setting prices that allow those providers to earn the whole of the *aggregate annual revenue requirement*.

- (j) **[Deleted]**
- (k) Other transmission services provided by *Transmission Network Service Providers (non-regulated transmission services)* are not subject to regulation under this Chapter 6A.
- (l) Services provided by *dual function assets* are not subject to regulation under this Chapter 6A except to the extent provided in Part N of Chapter 6.
- (m) Part L sets out the requirements to prepare *annual benchmarking reports*.

[2] Clause 6A.1.2 Meaning of terms and conditions of access for transmission services

Omit clause 6A.1.2 and substitute "[Deleted]".

[3] Clause 6A.1.3 Access to prescribed and negotiated transmission services

Omit clause 6A.1.3, and substitute "[Deleted]".

[4] Clause 6A.1.5 Application of Chapter 6A to Market Network Service Providers

Omit clause 6A.1.5, and substitute:

Clause 6A.1.5 Application of Chapter 6A to Market Network Service Providers

- (a) Notwithstanding anything contained in this Chapter 6A:
 - (1) Parts B, C and J do not regulate the revenues that may be earned by *Market Network Service Providers* from, or the prices that may be charged by *Market Network Service Providers* for, the provision by them of *market network services*; and
 - (2) Part E does not apply to *Market Network Service Providers*.
- (b) **[Deleted]**
- (c) **[Deleted]**
- (d) Rule 5.5 does not apply to disputes relating to the terms and conditions of access for *network services* referred to under this clause 6A.1.5.

[5] Clause 6A.2.1 Duty of AER to make transmission determinations

Omit clause 6A.2.1, and substitute:

6A.2.1 Duty of AER to make transmission determinations

The *AER* must make *transmission determinations* for *Transmission Network Service Providers* in accordance with this Chapter 6A in respect of:

- (1) *prescribed transmission services*.
- (2) **[Deleted]**

[6] Clause 6A.2.2 Components of transmission determinations

Omit clause 6A.2.2, and substitute:

6A.2.2 Components of transmission determinations

A *transmission determination* for a *Transmission Network Service Provider* consists of:

- (1) a *revenue determination* for the provider in respect of the provision by the *Transmission Network Service Provider* of *prescribed transmission services*; and
- (2) **[Deleted]**
- (3) **[Deleted]**
- (4) a determination that specifies the *pricing methodology* that applies to the *Transmission Network Service Provider*.

[7] Part D Negotiated Transmission Services

Omit Part D, including the heading and substitute "**[Deleted]**".

[8] Part E Procedure - Revenue determinations, negotiating frameworks and pricing methodologies

Omit the Part E heading, and substitute:

Part E Procedure - Revenue determinations and pricing methodologies

[9] Rule 6A.10 Revenue Proposal, proposed negotiating frameworks and proposed pricing methodology

Omit the heading for rule 6A.10, and substitute:

6A.10 Revenue Proposal and proposed pricing methodology

[10] Clause 6A.10.1 Submission of proposal, framework, pricing methodology and information

Omit the heading for clause 6A.10.1, and substitute:

6A.10.1 Submission of proposal, pricing methodology and information

[11] Clause 6A.10.1 Submission of proposal, pricing methodology and information

Omit clause 6A.10.1(b), and substitute "[Deleted]".

[12] Clause 6A.10.1 Submission of proposal, pricing methodology and information

Omit clause 6A.10.1(c), and substitute:

- (c) The *Revenue Proposal* must comply with the requirements of, and must contain or be accompanied by such information as is required by, any *relevant regulatory information instrument*.

[13] Clause 6A.10.1 Submission of proposal, pricing methodology and information

Omit clause 6A.10.1(d), and substitute:

- (d) [Deleted]

[14] Clause 6A.11.1 Preliminary examination and determination of non-compliance with relevant requirements

Omit clause 6A.11.1, and substitute:

6A.11.1 Preliminary examination and determination of non-compliance with relevant requirements

- (a) If the *AER* determines that:

- (1) a *Revenue Proposal* submitted by a *Transmission Network Service Provider*;
- (2) **[Deleted]**
- (3) a proposed *pricing methodology* submitted by the *Transmission Network Service Provider*; or
- (4) information contained in or accompanying such a *Revenue Proposal* or *proposed pricing methodology*,

under clause 6A.10.1 does not comply with the requirements of:

- (5) any relevant regulatory information instrument; or
- (6) **[Deleted]**
- (7) **[Deleted]**
- (8) the Law or the *Rules*,

the *AER* must notify the provider of that determination as soon as practicable after receiving that *Revenue Proposal*, proposed *pricing methodology* or information (as the case may be).

- (b) A determination referred to in paragraph (a) must be accompanied by written reasons that set out:
 - (1) the respects in which the *Revenue Proposal*, proposed *pricing methodology* or information does not comply with the relevant requirements of any relevant *regulatory information instrument* or clause 6A.10.1(e) (as the case may be) and the requirements that have not been complied with; and
 - (2) in the case of information which does not comply with those requirements, the reason that the submission of information in accordance with those requirements would assist the *AER* in assessing the *Revenue Proposal* or proposed *pricing methodology*.

[15] Clause 6A.11.2 Resubmission of proposal, framework, pricing methodology or information

Omit clause 6A.11.2, and substitute:

6A.11.2 Resubmission of proposal, pricing methodology or information

- (a) If the *AER* notifies a *Transmission Network Service Provider* of a determination under clause 6A.11.1, the *Transmission Network*

Service Provider must, within 1 month of that notice, resubmit its *Revenue Proposal*, proposed *pricing methodology* or the required information (as the case may be) in a form that complies with the relevant requirements set out in that determination.

- (b) A *Transmission Network Service Provider* may only make changes to its *Revenue Proposal*, proposed *pricing methodology* or the required information for the purposes of paragraph (a) to address the matters raised in the determination under clause 6A.11.1.

[16] Clause 6A.11.3 Consultation

Omit clause 6A.11.3(a), and substitute:

- (a) Subject to the provisions of the Law, the *Rules* and any *pricing methodology guidelines* about the disclosure of confidential information, the *AER* must *publish*:
- (1) the Revenue Proposal;
 - (2) **[Deleted]**
 - (3) the proposed *pricing methodology*; and
 - (4) the information,

submitted or resubmitted to it (as the case may be) by the *Transmission Network Service Provider* under rule 6A.10 or this rule 6A.11, together with an invitation for written submissions on the documents and information referred to in subparagraphs (1)-(4), as soon as practicable after the *AER* determines that the *Revenue Proposal*, proposed *pricing methodology* and information comply with the requirements of any *relevant regulatory information instrument* or clause 6A.10.1(e) (as applicable).

[17] Clause 6A.11.3 Consultation

Omit clause 6A.11.3(c), and substitute:

- (c) Any person may make a written submission to the *AER* on the *Revenue Proposal*, the proposed *pricing methodology* or the issues paper within the times specified in the invitations referred to in paragraph (a) and paragraph (b), which in each case must be not earlier than 30 *business days* after the *publication* of the issues paper.

[18] Clause 6A.12.1 Making of draft decision

Omit clause 6A.12.1(a1)(1), and substitute:

- (1) the information contained in or accompanying the *Revenue Proposal*, and proposed *pricing methodology*;

[19] Clause 6A.12.1 Making of draft decision

Omit clause 6A.12.1(a1)(2), and substitute:

- (2) written submissions on the issues paper received under clause 6A.11.3 and the documents referred to in subparagraph (1); and

[20] Clause 6A.12.1 Making of draft decision

Omit clause 6A.12.1(d), and substitute "[Deleted]".

[21] Clause 6A.12.3 Submission of revised proposal, framework or pricing methodology

Omit clause 6A.12.3, and substitute:

6A.12.3 Submission of revised proposal or pricing methodology

- (a) In addition to making such other written submissions as it considers appropriate, the *Transmission Network Service Provider* may, not more than 45 *business days* after the publication of the draft decision, submit to the *AER*:
 - (1) a revised *Revenue Proposal*; or
 - (2) [Deleted]
 - (3) a revised proposed *pricing methodology*.
- (b) A *Transmission Network Service Provider* may only make the revisions referred to in paragraph (a) so as to incorporate the substance of any changes required by, or to address matters raised in, the draft decision.
- (c) A revised *Revenue Proposal* must comply with the requirements of, and must contain or be accompanied by such information as is required by, any relevant *regulatory information instrument* or the *Rules*.
- (d) [Deleted]
- (e) A revised proposed *pricing methodology* must:
 - (1) give effect to and be consistent with the *Pricing Principles* for *Prescribed Transmission Services*; and

- (2) comply with the requirements of, and must contain or be accompanied by such information as is required by, the *pricing methodology guidelines*.
- (e1) If the *Transmission Network Service Provider* has identified any part of the revised *Revenue Proposal* or the revised proposed *pricing methodology* to the *AER* under this Part to be confidential, the *AER* must, as soon as is reasonably practicable, make available on its website a notice that sets out:
- (1) the fact that the revised *Revenue Proposal* or the revised proposed *pricing methodology* contains information over which a claim of confidentiality has been made;
 - (2) the proportion of material in the revised *Revenue Proposal* or the revised proposed *pricing methodology* that is subject to any claim of confidentiality compared to that which is not subject to any such claim; and
 - (3) the comparative proportion of material in the revised *Revenue Proposal* or the revised proposed *pricing methodology* that is subject to any claim of confidentiality compared to that which is subject to claims of confidentiality in revised *Revenue Proposals* or the revised proposed *pricing methodologies* of other *Transmission Network Service Providers*.
- (f) Subject to the provisions of the Law and the *Rules* about the disclosure of confidential information, the *AER* must *publish*:
- (1) any revised *Revenue Proposal*; or
 - (2) **[Deleted]**
 - (3) any revised proposed *pricing methodology*,
- (as the case may be), that is submitted by the *Transmission Network Service Provider* under paragraph (a), together with the accompanying information, as soon as practicable after receipt by the *AER*.
- (g) The *AER* may invite written submissions on the revised *Revenue Proposal* or revised proposed *pricing methodology*.

[22] Clause 6A.12.4 Submissions on specified matter

In clause 6A.12.4, omit ", revised proposed *negotiating framework*".

[23] Clause 6A.13.1 Making of final decision

Omit clause 6A.13.1(a1)(1), and substitute:

- (1) the information contained in or accompanying the *Revenue Proposal* and proposed *pricing methodology*;

[24] Clause 6A.13.2 Refusal to approve amounts, values, framework or pricing methodology

Omit clause 6A.13.2(c), and substitute "[Deleted]".

[25] Clause 6A.13.2A Out of scope revised documents or late submissions

Omit clause 6A.13.2A, and substitute:

Clause 6A.13.2A Out of scope revised documents or late submissions

On or before making a final decision in relation to the *Transmission Network Service Provider*, the *AER* must include on its website:

- (a) a summary of any revisions to the relevant *Revenue Proposal* or proposed *pricing methodology* that have been made in a revised *Revenue Proposal* or revised proposed *pricing methodology* that do not comply with clause 6A.12.3(b), together with an indication of the amount of that information;
- (b) a summary of any submissions on the draft decision in relation to the *Transmission Network Service Provider* or the revised *Revenue Proposal* or revised proposed *pricing methodology* that were made by the *Transmission Network Service Provider* and that contain information that the *Transmission Network Service Provider* was entitled to incorporate in the revised *Revenue Proposal* or revised proposed *pricing methodology* under clause 6A.12.3(b), together with an indication of the amount of that information;
- (c) a summary of any submissions that purport to be made by the *Transmission Network Service Provider* under clause 6A.12.4 but are in respect of matters other than those specified by the *AER* under that clause, together with an indication of the length of those submissions; and
- (d) a summary of any submissions on the draft decision in relation to the *Transmission Network Service Provider* or the revised *Revenue Proposal* or revised proposed *pricing methodology* that were made by the *Transmission Network Service Provider* after the time for making the submissions has expired, together with an indication of the length of those submissions.

For the purpose of this clause 6A.13.2A, revisions or submissions may be summarised by cross-referencing to the relevant *Revenue Proposal*, proposed *pricing methodology* or submissions.

[26] Clause 6A.14.1 Contents of decisions

Omit clause 6A.14.1(6), and substitute "[Deleted]".

[27] Clause 6A.14.1 Contents of decisions

Omit clause 6A.14.1(7), and substitute "[Deleted]".

[28] Clause 6A.14.3 Circumstances in which matters must be approved or accepted

Omit clause 6A.14.3(f), and substitute "[Deleted]".

[29] Clause 6A.14.3 Circumstances in which matters must be approved or accepted

Omit clause 6A.14.3(h), and substitute:

(h) If a *Transmission Network Service Provider's* revised *Revenue Proposal* or revised proposed *pricing methodology* (as the case may be) submitted under clause 6A.12.3(a):

- (1) contains the changes required under clause 6A.12.1; or
- (2) does not contain those changes but otherwise (in the *AER's* view), adequately addresses the matters which prompted the *AER* to require those changes,

then, except to the extent that:

- (3) either or both of the following apply:
 - (i) other changes have been made in the revised *Revenue Proposal* or the revised proposed *pricing methodology*, by the *Transmission Network Service Provider*; or
 - (ii) the information contained in or accompanying the revised *Revenue Proposal* or revised proposed *pricing methodology* differs from that contained in or accompanying the previous *Revenue Proposal* or proposed *pricing methodology* submitted or resubmitted; and
- (4) the changes would justify the *AER*, in its final decision, in refusing to approve the amounts or values referred to in clause 6A.14.1(5) or the proposed *pricing methodology* referred to in clause 6A.13.2(d),

the *AER's* final decision must be to approve those amounts or values or that proposed *pricing methodology*.

[30] Clause 6A.14.3 Circumstances in which matters must be approved or accepted

Omit clause 6A.14.3(i), and substitute "[Deleted]".

[31] Part K Commercial arbitration for disputed about terms and conditions of access for prescribed and negotiated transmission services

Omit Part K, and substitute "[Deleted]".

[32] Clause S6A.4.2 Exclusions, qualifications and modifications

Omit clause S6A.4.2(e), and substitute "[Deleted]".

[33] Clause S6A.4.2 Exclusions, qualifications and modifications

Omit clause S6A.4.2(f), and substitute:

(f) **Part E (Revenue determinations and pricing methodologies)**

Part E applies subject to the following exclusions, qualifications and modifications:

1. Clause 6A.10.1 (Submission of proposal, pricing methodology and information)

Clause 6A.10.1 applies to *AEMO* as if for paragraphs (a), (b) and (c) the following were substituted:

- (a) *AEMO* must, as and when required by the *AER*, submit to the *AER*:

- (1) a proposed *pricing methodology* relating to *shared transmission services* that are *prescribed TUOS services* or *prescribed common transmission services* (**prescribed shared transmission services**).

- (2) **[Deleted]**

- (b) *AEMO's pricing methodology*:

- (1) must be designed to recover no more than *AEMO's maximum allowed revenue* for the provision of *prescribed shared transmission services*; and

(2) must set out the principles on which prices for *prescribed shared transmission services* are to be determined.

(c) Exact equivalence is not required between the costs of providing a service and the revenue derived from providing the service in a particular *regulatory year* if there are reasonable grounds to believe that costs will over time approximate revenue.

(ca) **[Deleted]**

1A. Clause 6A.10.1A (*AER's framework and approach paper*)

Clause 6A.10.1A is not applicable to *AEMO*.

2. **[Deleted]**

3. Clause 6A.11.1 (Preliminary examination and determination of non-compliance with relevant requirements)

Clause 6A.11.1 applies to *AEMO* only insofar as relevant to a *pricing methodology*.

4. Clause 6A.11.2 (Resubmission of proposal, pricing methodology or information)

Clause 6A.11.2 applies to *AEMO* only insofar as relevant to a *pricing methodology*.

5. Clause 6A.11.3 (Resubmission of proposal, pricing methodology or information)

Clause 6A.11.3 applies to *AEMO* only insofar as relevant to a *pricing methodology*.

6. Rule 6A.12 (Draft decision and further consultation)

This *Rule* applies to *AEMO* only insofar as relevant to a decision on a *pricing methodology*.

7. Rule 6A.13 (Final decision)

This *Rule* applies to *AEMO* only insofar as relevant to a decision on a *pricing methodology*.

8. Rule 6A.14 (Requirements relating to draft and final decisions)

(a) This *Rule* applies to *AEMO* only insofar as relevant to a decision on a *pricing methodology*.

- (b) Clause 6A.14.3(e) (which requires the *AER* to approve a *regulatory control period* of 5 *regulatory years*) is inapplicable to *AEMO*.

Note

The *Rule* is thus largely inapplicable. Of clause 6A.14.1 only paragraphs (6), (7) and (8) are applicable. Clause 6A.14.2 requires the *AER* to give reasons setting out the basis and rationale of its decision. This requirement is relevant to a decision on a pricing methodology but the matters of detail mentioned in paragraphs (1) to (4) would, as a general rule, be irrelevant to such a decision. Of clause 6A.14.3 only paragraphs (f) to (i) would be relevant.

9. Rule 6A.15 (Revocation of revenue determination or amendment of pricing methodology for wrong information or error)

This *Rule* applies to *AEMO* only insofar as relevant to the amendment of a *pricing methodology*.

10. Rule 6A.16 (Miscellaneous)

This *Rule* applies as if it included the following additional paragraphs:

- (g) *AEMO* must, on or before 15 May in each year, *publish* its prices for *prescribed shared transmission services* for its next *regulatory year*.
- (h) A *declared transmission system operator* must notify *AEMO* of its revenue requirement for the provision of *shared network capability services* for *AEMO's* next *regulatory year* in sufficient time to enable *AEMO* to calculate prices in accordance with the approved *pricing methodology* and meet its obligations under paragraph (g).

[34] S6A.4.2 Exclusions, qualifications and modifications

Omit clause S6A.4.2(1), and substitute "[Deleted]".

Schedule 5 Amendment to the National Electricity Rules

(Clause 7)

[1] Clause 6.7.1 Principles relating to access to negotiated distribution services

In clause 6.7.1(8)(A), omit "5.5(f)(4)(ii)" and substitute "5.3AA(f)(4)(ii)".

[2] Clause 6.7.1 Principles relating to access to negotiated distribution services

Omit clause 6.7.1(8)(B), and substitute:

- (B) for the *declared transmission system* of an *adoptive jurisdiction*, in respect of providing *transmission network user access* to *negotiated distribution services* which would have been treated as *negotiated transmission services* were it not for the operation of clause 6.24.2(c), should be based on the costs reasonably incurred by the *Distribution Network Service Provider* in providing that access and, in the case of compensation referred to in clauses 5.4A(h) - (j) (as preserved under clause 11.98.8(a)(2)), on the revenue that is likely to be foregone and the costs that are likely to be incurred by a person referred to in those provisions where an event referred to in those provisions occurs;

[3] Clause 6.7.2 Determination of terms and conditions of access for negotiated distribution service

Omit clause 6.7.2(b), and substitute:

- (b) The *Distribution Network Service Provider* must also comply with any other applicable requirements of the *Rules*, including the requirements of:
 - (1) rules 5.3, 5.3A and 5.3AA, when negotiating for the provision of *connection services* and the associated *connection service charges* in respect of the provision of *negotiated distribution services* which would have been *negotiated distribution services* regardless of the operation of clause 6.24.2(c);
 - (2) rules 5.3 and 5.3A, when negotiating for the provision of *connection services* and the associated *connection service charges* in respect of the provision of *negotiated distribution services* which would have been treated as *negotiated transmission services* were it not for the operation of clause 6.24.2(c);
 - (3) rule 5.3AA, when negotiating the *use of system services charges* and *access charges* to be paid to or by a *Distribution*

Network User in respect of the provision of *negotiated distribution services* which would have been *negotiated distribution services* regardless of the operation of clause 6.24.2(c); and

- (4) for the *declared transmission system* of an *adoptive jurisdiction*, rule 5.4A (as preserved under clause 11.98.8(a)(2)), when negotiating the *use of system services charges* and *access charges* to be paid to or by a *Distribution Network User* in respect of the provision of *negotiated distribution services* which would have been treated as *negotiated transmission services* were it not for the operation of clause 6.24.2(c).

[4] Clause 6.7.5 Preparation of and requirements for negotiating framework for negotiated distribution services

Omit clause 6.7.5(d), and substitute:

- (d) Notwithstanding the foregoing, the *negotiating framework* must not be inconsistent with any of the requirements of:
- (1) rules 5.3, 5.3A and 5.3AA insofar as the *negotiating framework* applies to *negotiated distribution services* which would have been *negotiated distribution services* regardless of the operation of clause 6.24.2(c); and
- (2) rules 5.3 and 5.3A and, for the *declared transmission system* of an *adoptive jurisdiction*, rule 5.4A (as preserved under clause 11.98.8(a)(2)) insofar as the *negotiating framework* applies to *negotiated distribution services* which would have been treated as *negotiated transmission services* were it not for the operation of clause 6.24.2(c),

and any other relevant provisions of this Chapter 6 and, in the event of any inconsistency, those requirements prevail.

[5] Clause 6.7A.1 Preparation of, and requirements for, connection policy

In the Example after clause 6.7A.1(b)(2)(ii), omit "*connection asset*" and substitute "*distribution connection asset*".

[6] Clause 6.22.1 Dispute Resolution by the AER

Omit clause 6.22.1(c), and substitute:

- (c) A dispute between a *Distribution Network Service Provider* and a *Connection Applicant* about matters referred to in clause 5.3AA(f) or clause 5.3AA(h) is an access dispute for the purposes of Part 10 of the Law.

[7] Clause 8.2.1 Application and guiding principles

Omit clause 8.2.1(a)(4), and substitute:

- (4) the proposed access arrangements or *connection agreements* of an *Intending Participant* or a *Connection Applicant*, for *connection* and access to a *distribution network* or *declared transmission system*;

[8] Clause 8.2.1 Application and guiding principles

After clause 8.2.1(h)(3), insert:

- (3A) a decision by *AEMO* under clause 2.5.1A(d) not to approve the classification of a *dedicated connection asset* as a *small dedicated connection asset* or *large dedicated connection asset*;

[9] Clause 8.2.1 Application and guiding principles

Omit clause 8.2.1(h)(14), and substitute:

- (14) a *transmission services access dispute* and *large DCA services access dispute* to which rule 5.5 applies;

[10] Clause 8.2.2 The Dispute Resolution Adviser

Omit clause 8.2.2(c), and substitute:

- (c) The primary function of the *Adviser* is to attend to any matters necessary to ensure the effective operation of:
- (1) the Stage 1 dispute resolution process set out in clause 8.2.4;
 - (2) the Stage 2 dispute resolution process set out in clauses 8.2.5 and 8.2.6A to 8.2.6D; and
 - (3) the *Independent Engineer* process set out in rule 5.4.

Schedule 6 Amendment to the National Electricity Rules

(Clause 7)

[1] Chapter 10 New Definitions

In Chapter 10, insert the following new definitions in alphabetical order:

access policy

An access policy as required for *large DCA services* under clause 5.2A.8.

AEMO advisory matter

A matter that relates to *AEMO's* functions under the *National Electricity Law* and a matter in which *AEMO* has a role in schedules 5.1a, 5.1, 5.2, 5.3 and 5.3a.

contestable IUSA components

Those components of the *identified user shared asset* that satisfy the criteria set out in clause 5.2A.4(c).

dedicated connection asset

The apparatus, equipment, plant and buildings that:

- (a) are used for the purpose of *connecting* an *identified user group* to an existing *transmission network*;
- (b) are used exclusively by the *identified user group*;
- (c) can be electrically isolated from the *transmission network* without affecting the provision of *shared transmission services* to persons who are not members of the *identified user group*; and
- (d) are not:
 - (1) *network connection assets*;
 - (2) part of a *generating system*;
 - (3) part of a *distribution system*;
 - (4) part of a *transmission system* for which a *Market Network Service Provider* is registered under Chapter 2;
 - (5) part of a *Transmission Customer's facility* that utilises electrical *energy*; or
 - (6) part of the *declared transmission system* of an *adoptive jurisdiction*.

Note

Where a *Primary Transmission Network Service Provider* is registered in respect of a *dedicated connection asset* operating at distribution voltage, it will not be a *distribution system* and will constitute part of its *transmission system* for which it is registered. See definitions of *distribution system* and *transmission system*.

Dedicated Connection Asset Service Provider

A *Transmission Network Service Provider* to the extent that its *transmission system* or any part of it is classified as a *dedicated connection asset* in accordance with Chapter 2.

distribution connection assets

Those components of the *distribution system* which are used to provide *connection services* to a *Distribution Network User* or a group of *Distribution Network Users* or a *Network Service Provider* or a group of *Network Service Providers*.

identified user group

One or more persons (other than a *Network Service Provider* who is not a *Market Network Service Provider*) who, from time to time, are *connected* to a *transmission network* at the same single *connection point*.

identified user shared asset

The apparatus, equipment, plant and buildings that:

- (a) are used for the purpose of *connecting* one or more *identified user groups* to an existing *transmission network*;
- (b) are not used exclusively by the relevant *identified user groups*;
- (c) under normal operating conditions, cannot be electrically isolated from the *transmission network* without affecting the provision of *shared transmission services* to persons who are not members of the relevant *identified user groups*; and
- (d) are not part of the *declared transmission system* of an *adoptive jurisdiction*.

Independent Engineer

A person appointed under rule 5.4.

large DCA service

A service provided by means of a *large dedicated connection asset*.

large DCA services access dispute

A dispute between a *Dedicated Connection Asset Service Provider* and a person seeking access to *large DCA services* as referred to in clause

5.5.1(c), that is for determination by a *commercial arbitrator* under rule 5.5.

large dedicated connection asset

A *dedicated connection asset* where the total route length for any power lines forming part of the *dedicated connection asset* is 30 kilometres or longer.

negotiating principles

Those negotiating principles set out in schedule 5.11.

network connection asset

Those components of a *transmission system* which are used to provide *connection services* between *Network Service Providers* (excluding a *Market Network Service Provider*).

network operating agreement

An agreement described in clause 5.2A.7.

non-contestable IUSA components

Those components of the *identified user shared asset* that do not satisfy the criteria set out in clause 5.2A.4(c).

Primary Transmission Network Service Provider

The *Transmission Network Service Provider* who operates the largest *transmission network* in each *participating jurisdiction* but does not include a *Transmission Network Service Provider* for a *declared transmission system*.

small dedicated connection asset

A *dedicated connection asset* that is not a *large dedicated connection asset*.

third party DCA

A *dedicated connection asset* for which a person other than the *Primary Transmission Network Service Provider* is registered under Chapter 2.

third party IUSA

Those *contestable IUSA components* of an *identified user shared asset* that are not, or will not be, owned or leased by the *Primary Transmission Network Service Provider*.

[2] Chapter 10 Substituted definitions

In Chapter 10, substitute the following definitions:

access charge

For a *Distribution Network Service Provider* - in respect of access to:

- (a) *negotiated distribution services* which would have been *negotiated distribution services* regardless of the operation of clause 6.24.2(c), an amount described in clause 5.3AA(f)(4).
- (b) **[Deleted]**

avoided Customer TUOS charges

The charges described in rule 5.3AA(h).

connect, connected, connection

To form a physical link to or through a *transmission network* (including to a *network connection asset* or a *dedicated connection asset* that is physically linked to that *transmission network*) or *distribution network*.

Note

In the context of Chapter 5A, the above definition has been displaced by a definition specifically applicable to that Chapter. See clause 5A.A.1.

Connection Applicant

A person who wants to establish or modify *connection* to a *transmission network* or *distribution network* and/or who wishes to receive *network services* and who makes a *connection enquiry* as described in clause 5.3.2 or clause 5.3A.5.

In respect of establishing or modifying a *connection* to a *transmission network* of a *Primary Transmission Network Service Provider*, a *Connection Applicant* includes:

- (a) a person seeking to *connect* its *facilities* to a *dedicated connection asset* that is or will be *connected* to the *transmission network* of that *Primary Transmission Network Service Provider*; and
- (b) a person seeking to negotiate a *network operating agreement* for a *third party IUSA*.

Note

A person seeking access to *large DCA services* from a *third party DCA* under an *access policy* may also need to negotiate with the *Primary Transmission Network Service Provider*.

In the context of Chapter 5A, the above definition has been displaced by a definition specifically applicable to that Chapter. See clause 5A.A.1.

connection assets

For the *declared transmission system* of an *adoptive jurisdiction*, and a *distribution system*, those components of a *transmission or distribution system* which are used to provide *connection services*.

For other *transmission systems*, *dedicated connection assets* and *network connection assets*.

Note

A *third party DCA* is a *connection asset* but for the purpose of registration under Chapter 2 also constitutes a *transmission system*.

connection point

In relation to a *declared shared network* and a *distribution network* (other than an *embedded network*), the agreed point of supply established between *Network Service Provider(s)* and another *Registered Participant*, *Non-Registered Customer* or *franchise customer* and includes a *parent connection point*.

In relation to other *transmission networks*, the point at which power flows to or from the person or *identified user group connected* to the *transmission network* can be isolated from the *transmission network*. If there is more than one such point, the *Network Service Provider* and that person or *identified user group* will agree which point is the *connection point* in their *connection agreement*.

In relation to an *embedded network*, the *child connection point*, unless otherwise specified.

Customer transmission use of system, Customer transmission use of system service

A service provided to a *Transmission Network User* for use of the *transmission network* for the conveyance of electricity that can be reasonably allocated to a *Transmission Network User* on a locational basis, but does not include *Generator transmission use of system services*.

distribution system

A *distribution network*, together with the *connection assets* associated with the *distribution network*, which is *connected* to another *transmission or distribution system*.

Connection assets on their own, and *dedicated connection assets* in respect of which a *Primary Transmission Network Services Provider* is registered, do not constitute a *distribution system*.

Generator transmission use of system, Generator transmission use of system service

A service provided to a *Generator* for:

- (a) **[Deleted]**
- (b) use of a *transmission investment* for the conveyance of electricity that can be reasonably allocated to a *Generator* on a locational basis.

identified need

The objective a *Network Service Provider* (or in the case of a need identified through joint planning under clause 5.14.1(d)(3) or clause 5.14.2(a) or clause 5.14.3(a), a group of *Network Service Providers*) seeks to achieve by investing in the *network*.

negotiated transmission service

Any of the following services:

- (a) a *shared transmission service* that:
 - (1) exceeds the *network* performance requirements (whether as to quality or quantity) (if any) as that *shared transmission service* is required to meet under any *jurisdictional electricity legislation*; or
 - (2) except to the extent that the *network* performance requirements which that *shared transmission service* is required to meet are prescribed under any *jurisdictional electricity legislation*, exceeds or does not meet the *network* performance requirements (whether as to quality or quantity) as are set out in schedule 5.1a or 5.1;
- (b) *connection services* that are provided to serve a *Transmission Network User*, or group of *Transmission Network Users*, at a single *transmission network connection point*, other than *connection services* that are provided by one *Network Service Provider* to another *Network Service Provider* to connect their *networks* where neither of the *Network Service Providers* is a *Market Network Service Provider*; or
- (c) services specified to be *negotiated transmission services* under rule 5.2A.4,

but does not include an *above-standard system shared transmission service* or a *market network service*.

negotiated use of system charges

The charges described in clause 5.3AA(f)(3).

negotiated use of system service

A *use of system service* in respect of which:

- (a) an *Embedded Generator* may negotiate with a *Distribution Network Service Provider*; or
- (b) a *Market Network Service Provider* may negotiate with a *Distribution Network Service Provider*,

in accordance with clause 5.3AA(f)(3).

negotiating framework

For a *Distribution Network Service Provider*, a negotiating framework as approved or substituted by the AER in its final decision under clause 6.12.1(15).

Service Applicant

A person who asks a *Distribution Network Service Provider* for access to a *distribution service*.

terms and conditions of access

According to context:

- (a) the terms and conditions described in clause 5.5.1(c); or
- (b) the terms and conditions described in clause 6.1.3.

transmission network

A *network* within any *participating jurisdiction* operating at nominal *voltages* of 220kV and above plus:

- (a) any part of a *network* operating at nominal *voltages* between 66 kV and 220 kV that operates in parallel to and provides support to the higher voltage *transmission network*;
- (b) any part of a *network* operating at nominal *voltages* between 66kV and 220 kV that is not referred to in paragraph (a) but is deemed by the AER to be part of the *transmission network*.

For a *participating jurisdiction* other than the State of Victoria, an *identified shared user asset* owned, controlled or operated by a *Primary Transmission Network Service Provider* (including a *third party IUSA* that is the subject of a *network operating agreement*) forms part of that *Primary Transmission Network Service Provider's transmission network*.

Transmission Network User

In relation to a *transmission network*, a *Transmission Customer* and:

- (a) a *Generator* whose *generating unit*;

- (b) a *Network Service Provider* whose *network*;
- (c) to the extent that a *Dedicated Connection Asset Service Provider* is not also one of the persons listed above, a *Dedicated Connection Asset Service Provider* whose *dedicated connection asset*,

is *connected* to the *transmission network*.

transmission services access dispute

A dispute between a *Transmission Network Service Provider* and a *Connection Applicant* as to *terms and conditions of access* for the provision of *prescribed transmission services* or for the provision of *negotiated transmission services* as referred to in clause 5.5.1(c), that is for determination by a *commercial arbitrator* under rule 5.5.

transmission system

A *transmission network*, together with the *connection assets* associated with the *transmission network*, which is *connected* to another *transmission* or *distribution system*.

For a *participating jurisdiction* other than the State of Victoria, a *transmission system* includes for the purposes of Chapter 2, a *third party DCA*, which is not a Notified Existing DCA within the meaning of clause 11.98.1.

Note

An *identified user shared asset* or a *dedicated connection asset* for which the *Primary Transmission Network Service Provider* is registered will form part of that provider's broader *transmission system* (even if the *dedicated connection asset* is operating at a *distribution voltage*) rather than constituting a separate *transmission system* requiring separate registration under Chapter 2. A person owning, controlling or operating a *third party DCA* is required to be registered under Chapter 2 as a *Transmission Network Service Provider*.

[3] Chapter 10 Omitted definitions

Omit the definitions of "*transmission network user access*", "*Negotiated Transmission Service Criteria*" and "*Negotiated Transmission Service Principles*".

Schedule 7 Savings and Transitional Amendments to the National Electricity Rules

(Clause 9)

[1] Chapter 11 Savings and Transitional Amendments to the National Electricity Rules

In chapter 11, after Part ZZY, insert:

Part ZZZ Transmission Connection and Planning Arrangements

11.98 Rules consequential on the making of the National Electricity Amendment (Transmission Connection and Planning Arrangements) Rule 2017

11.98.1 Definitions

(a) In this rule 11.xx:

Amending Rule means the National Electricity Amendment (Transmission Connections and Planning Arrangements) Rule 2017.

commencement date means the date of commencement of Schedules 1, 2, 4, 5 and 6 of the Amending Rule.

Existing Connection Agreement means a *connection agreement* entered into before the commencement date other than in relation to a *declared transmission system*.

Existing DCA means a *dedicated connection asset* which, before the commencement date:

- (1) exists; or
- (2) is contracted to be constructed under an Existing Connection Agreement; or
- (3) a *Transmission Network Service Provider* has agreed to *connect* to a *transmission network* under an Existing Connection Agreement.

Existing DCA Owner means an owner, operator or controller of an Existing DCA.

former Chapter 5 means Chapter 5 of the *Rules* as in force immediately prior to the commencement date.

former Chapter 6A means Chapter 6A of the *Rules* as in force immediately prior to the commencement date.

New Chapter 10 means Chapter 10 of the *Rules* as it will be in force immediately after the commencement date.

new clause 5.3.AA(e)(2) means clause 5.3AA(e)(2) of the *Rules* as in force immediately after the commencement date (being the same as clause 5.5(e)(2) of the *Rules* immediately prior to the commencement date).

old rule 5.4A means rule 5.4A of the *Rules* (and all definitions in, and related definitions and provisions of, the *Rules* amended by the Amending Rule) as in force immediately prior to the commencement date.

old clause 5.3.6(i) means clause 5.3.6(i) as in force immediately prior to the commencement date.

- (b) Italicised terms used in this rule 11.xx have the same meaning as in new Chapter 10.

11.98.2 Grandfathering of existing dedicated connection assets

- (a) By 1 May 2018, an Existing DCA Owner who is already registered or is exempt from registration (as applicable) under chapter 2 of the *Rules* for its Existing DCA must notify the *AER* of the following information:
- (1) the identity of each owner, controller or operator of the Existing DCA;
 - (2) the category of *Registered Participant* for which the owner, controller or operator of the Existing DCA is registered (or for which it has an exemption) for the Existing DCA;
 - (3) whether the Existing DCA would be classified as a *large dedicated connection asset* or *small dedicated connection asset* if the Existing DCA Owner was to register as a *Network Service Provider* for that asset; and
 - (4) the location and route of the Existing DCA.
- (b) By the commencement date, the *AER* must establish and publish a register of Existing DCA Owners who are already registered or exempt (as the case may be) for the Existing DCA and have notified their Existing DCAs under paragraph (b). The register must include the information in paragraph (a).
- (c) If an Existing DCA Owner is recorded in the register by the *AER* under paragraph (b) that Existing DCA Owner:

- (1) if recorded in a registration category other than *Network Service Provider* or as having an exemption (as applicable) for the Existing DCA, is not required to register as a *Network Service Provider* for that Existing DCA under clause 2.5.1;
 - (2) if recorded in the registration category of *Network Service Provider* for the Existing DCA, is not required to classify that Existing DCA as a *large dedicated connection asset* or *small dedicated connection asset* under clause 2.5.1A;
 - (3) is not taken to be a *Dedicated Connection Asset Service Provider* in respect of that Existing DCA; and
 - (4) will continue to be registered in the category of *Registered Participant* or be exempted (as applicable) for the Existing DCA as applied immediately before the commencement date and recorded in the register by the *AER* and must, in relation to the Existing DCA, comply with all the obligations under the *Rules* that apply from time to time to that category of *Registered Participant* or the conditions of the exemption (as applicable).
- (d) If an existing DCA Owner is not recorded in the register by the *AER* under paragraph (b), that Existing DCA Owner must, by the commencement date, register or apply for an exemption from registration as a *Network Service Provider* under clause 2.5.1 of the *Rules* for its Existing DCA.

11.98.3 Preparatory steps for registration changes under the Amending Rule

- (a) By 1 March 2018, the *AER* must amend and *publish* the guidelines developed under clause 2.5.1(d) to take account of the Amending Rule.
- (b) If prior to the date specified in paragraph (a) and for the purposes of developing changes to the guidelines referred to in paragraph (a) in anticipation of the Amending Rule, the *AER* undertook a consultation or steps equivalent to that as required in the *Rules consultation procedures*, then that consultation or steps is taken to satisfy the equivalent consultation or step under the *Rules consultation procedures*.
- (c) By 1 April 2018, *AEMO* must develop an application form for registration of *Network Service Providers* that takes account of the Amending Rule.

11.98.4 Participant fees for Dedicated Connection Asset Service Providers

AEMO may charge *Dedicated Connection Asset Service Providers* fees from the *Dedicated Connection Asset Service Provider's* date of registration without amending the structure of the *Participant fees* developed under rule 2.11 prior to the commencement date.

11.98.5 Existing Connection Agreements

- (a) Subject to paragraph (b), the Amending Rule is neither intended to have, nor is it to be read or construed as having, the effect of:
 - (1) altering any of the terms of an Existing Connection Agreement (including the location of a *connection point*);
 - (2) altering the contractual rights or obligations of any of the parties under an Existing Connection Agreement as between those parties; or
 - (3) relieving the parties under any such Existing Connection Agreement of their contractual obligations under such an agreement.
- (b) If a *Transmission Network User* under an Existing Connection Agreement requests an amendment to that Existing Connection Agreement after the commencement date for the purposes of altering a *connection service* provided under that agreement, then the *Rules* as amended by the Amending Rule apply to that request.
- (c) The amending Rule is neither intended to have, nor is it to be read or construed as having, the effect of changing the application of clause 11.6.11 (if applicable) in relation to *connection services* provided under an Existing Connection Agreement.

11.98.6 Connection process

- (a) If a *connection enquiry* was made to a *Transmission Network Service Provider* by a *Connection Applicant* under clause 5.3.2 before the commencement date, the former Chapter 5 and Chapter 6A continue to apply to the *connection process* and negotiation for a *connection agreement* related to that *connection enquiry*.
- (b) Paragraph (a) does not prevent a *Connection Applicant* making a new *connection enquiry* for that *connection* after the commencement date.

11.98.7 Transmission Annual Planning Report

- (a) The *AER* must develop and publish the first TAPR Guidelines required under rule 5.14B by 31 December 2017 in accordance with the *transmission consultation procedures*.
- (b) A *Transmission Network Service Provider* is not required to comply with Schedule 3 of the Amending Rule for a *Transmission Annual Planning Report* if the date by which that report is required to be *published* is within six months of the publication of the TAPR Guidelines by the *AER* under paragraph (a).

11.98.8 Preservation for adoptive jurisdictions

- (a) for a *declared transmission system* of an *adoptive jurisdiction*:
 - (1) former Chapter 6A continues to apply and the amendments made by the Amending Rule to Chapter 6A are of no effect;
 - (2) old rule 5.4A continues to apply and the deletion of rule 5.4A by the Amending Rule is of no effect;
 - (3) old clause 5.3.6(i) continues to apply and the deletion of clause 5.3.6(i) by the Amending Rule is of no effect; and
 - (4) new clause 5.3AA(e)(2) applies as amended below:
 - (i) insert the phrase “*transmission network user access* or” before “*distribution network user access*”; and
 - (ii) insert “*transmission networks* and” before “*distribution networks*”.

[END OF RULE AS MADE]
