



**ENERGY  
SECURITY  
BOARD**

## **Early implementation of ISP Priority Projects**

### **Request to change the National Electricity Rules (NER)**

**December 2018**

1. Name and address of rule change proponent

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2. Description of the proposed rules

This rule change request is focussed on streamlining the regulatory processes for two of the Group 1 projects identified in the Integrated System Plan published by AEMO in July 2018: the upgrade to the Queensland-NSW interconnector (QNI) and the upgrade to the Victoria-NSW interconnector (VNI). This rule change is intended to apply to the QNI and VNI Group 1 projects only at this stage as these two projects are identified as time critical projects in the ISP. The ESB is also considering how regulatory processes for all ISP projects can be streamlined going forward and will develop rule changes in the first half of 2019 to cover these other projects .

This rule change request focuses on the regulatory processes that follow the regulatory investment test for transmission (RIT-T) that the transmission proponent (in this case the NSW transmission network service provider, TransGrid) is currently applying to the QNI and VNI projects. Given the RIT processes have already commenced, and taking into account the advantages of the cost-benefit analysis undertaken as part of the RIT, the rule changes proposed here do not include changes to the RIT process itself. Instead the rule changes proposed would reduce the time between the completion of the RIT-T and the AER's approval of revenue associated with the QNI and VNI projects by, as far as possible, permitting three post-RIT-T processes to be run concurrently rather than sequentially. These processes are:

- The period for notification of disputes in relation to the RIT-T under clause 5.16.5 of the NER;
- The AER's analysis of the preferred option for the investment identified in the RIT-T under clause 5.16.6 of the NER; and
- The application for, and assessment of, the revenue allowance for the QNI and VNI projects as contingent projects under rule 6A.8 of the NER.

The proposed transitional rule changes for QNI and VNI would allow a potential reduction of 6-8 months in the process. This is achieved by permitting concurrent treatment of a dispute, the preferred option assessment, and the revenue application. This is set out in the table below:

Objective of Proposed Rule Change	Mechanism for Achieving Change
<ul style="list-style-type: none"> <li>• The three Post-RIT Regulatory Processes (dispute, preferred option assessment and contingent project revenue determination) are currently required by the rules to be undertaken sequentially.</li> <li>• The proposed rule changes would allow the AER to undertake the three processes concurrently, saving 6-8 months*.</li> </ul>	<ul style="list-style-type: none"> <li>• Allow the AER to commence its preferred option assessment under clause 5.16.6 while the dispute notification period of 30 days under clause 5.16.5 is still running. The AER will not be able to make a determination on a preferred option if a dispute is raised and has not been resolved.</li> <li>• Permit the TNSP to submit an application for a contingent project revenue adjustment for QNI and VNI before the AER has made a preferred option determination. This is achieved by allowing the contingent project revenue application to be made despite the fact that one of the trigger events for the contingent project, the successful outcome of the preferred option analysis by the AER, will not have occurred. This will allow the AER to commence assessing the revenue application but it will not be permitted to make its revenue decision before the preferred option determination is made.</li> </ul>

\* The saving of 6-8 months is achieved by compressing the Post-RIT Regulatory Process. This will only be possible if (and this time saving assumes) that TransGrid is willing and able to involve the AER in the RIT as the RIT is undertaken.

Given that the rule changes proposed do not remove any steps in the regulatory process but just allows them to be run concurrently, and the fact that they only apply to the QNI and VNI projects, I suggest that these are advanced as non-controversial rule changes for the purposes of the National Electricity Law.

The proposed rule changes are attached.

3. Background to the proposed rules

At the COAG Energy Council meeting on 10 August 2018, the ESB was requested to report in December 2018 on:

- How the Group 1 projects in the Integrated System Plan (ISP) can be delivered as soon as practicable;
- How Group 2 and 3 projects should be progressed; and

- How the ISP would be converted into an actionable strategic plan.

The near-term Group 1 projects identified in the ISP are to:

- Increase capacity between NSW and Queensland (QNI) and Victoria (VNI) by 170-460 MW (minor upgrade to QNI; minor upgrade to VNI)
- Reduce congestion for existing and committed renewable energy developments in both western and north-western Victoria.
- Remedy system strength in South Australia.

The completion target for the Group 1 projects is as soon as practicable. The delivery of the Group 1 projects is being tracked by AEMO.

The ESB considers it important that QNI and VNI projects are able to be commissioned well before the likely retirement of the Liddell generator in NSW in 2022. RIT-T processes for the QNI and VNI upgrades commenced in November 2018.

The QNI project needs to be speeded up by at least 18 – 24 months. The VNI upgrade also needs to be speeded up by about one year. If this rule change is made, and QNI early works, design and equipment orders are placed prior to regulatory approval, then it is possible to meet the required timeframe for QNI. The VNI project can meet its required timeframe if this rule change is adopted and planning approval processes are conducted expeditiously as priorities.

#### 4. Nature and scope of the issues the proposed rules will address

This rule change request is focussed on streamlining the regulatory processes that follow the RIT-T for the QNI and VNI projects identified as “Group 1” projects in the ISP.

#### 5. How the proposed changes would address the issues

The proposed changes will allow the AER to undertake post RIT-T regulatory processes (dispute, preferred option assessment, and contingent project revenue determination) concurrently, allowing QNI and VNI to be implemented quicker.

#### 6. How the proposed will or is likely to contribute to the achievement of the National Energy Objective

The proposed rule change request will contribute to the national electricity objective by promoting efficient investment in, efficient operation and use of, electricity services for the long-term interests of consumers.

The proposed rule is expected to allow the regulatory processes associated with these group 1 projects to be achieved faster, resulting in quicker delivery of these transmission projects. This promotes reliability in the NEM at a time when it may be of critical concern as Liddell power station retires. The proposed rule change will also provide certainty to the market about the status of these projects sooner, further promoting reliability outcomes.

#### 7. Expected costs, benefits and impacts of the proposed rule

The rule change affects the AER the most significantly. While there may be resourcing implications for the AER with undertaking these processes concurrently (which may increase costs), this is not considered to be material

More broadly, the proposed rule allows the regulatory processes for the QNI and VNI projects to be speeded up, providing certainty to the market about the status of these projects sooner.

In Chapter 11, insert a new transitional provision as follows:

**11. Savings and Transitional Rules**

**Part ZZZ[x] Implementation of ISP Priority Projects**

**11.ZZZ[x] National Electricity Amendment (Implementation of ISP Priority Projects) Rule 2019**

**11.ZZZ[x].1 Definitions**

- (a) Unless otherwise specified, terms defined in clause 5.10.2 have the same meaning when used in this rule 11.ZZZ[x].
- (b) For the purposes of this rule 11. ZZZ[x]:

**clause 5.16.6 trigger** means a *trigger event* for an ISP Priority Project that is the determination of the *AER* that the preferred option satisfies the *regulatory investment test for transmission*, however such a *trigger event* is described.

**Integrated System Plan** means the Integrated System Plan published by *AEMO* in July 2018.

**ISP Priority Projects** means mean the following *contingent projects* specified in Transgrid’s *revenue determination* for the *regulatory control* commencing 1 July 2018, being:

- (1) Reinforcement of Northern Network (QNI upgrade)(\$63m to \$141m); and
- (2) Reinforcement of Southern Network (\$60m to \$393m).

**Transgrid** means [NSW Electricity Networks Operations Pty Limited (ACN 609 169 959) as trustee for the NSW Electricity Networks Operations Trust].

**11.ZZZ[x].2 Modifications to post RIT-T steps for ISP Priority Projects**

**[Note: For ease of reference, attachment A shows the proposed modifications as a mark-up to the current version of the relevant rules]**

- (a) For the purposes of the application of clause 5.16.6 to a preferred option that is an ISP Priority Project, clause 5.16.6 applies subject to the modifications set out in the following table:

Description	Reference	Transitional treatment
Requirement for dispute notification period to have passed before application for preferred option analysis	Clause 5.16.6(a)	In clause 5.16.6(a), omit “After the expiry of the 30 day period referred to in clause 5.16.5(c) and where” and substitute “Where”.

Description	Reference	Transitional treatment
Timing for the <i>AER</i> to make a determination on the preferred option is adjusted so that it cannot be made before the period for notifying a dispute has passed	Clause 5.16.6(b)	Omit clause 5.16.6(b)(1) and substitute: “(1) must, within 120 <i>business days</i> of receipt of the request from the applicant (and not earlier than 30 days of receipt of the request from the applicant), subject to paragraph (c), make and <i>publish</i> a determination, including reasons for its determination;
Include new provisions that prevent the <i>AER</i> from making a determination on the preferred option if a dispute has been raised and not resolved	New clause 5.16.6(d) and (e)	After clause 5.16.6(c), insert: (d) The <i>AER</i> must not make a determination under this clause 5.16.6 if at any time after receipt of the request from the applicant under paragraph (a) and before the determination is made, a person gives notice of a dispute under clause 5.16.5(c) and the dispute has not been resolved. (e) For the purposes of paragraph (d), a dispute is taken to be resolved if; (1) the <i>AER</i> has rejected that dispute under clause 5.16.5(d)(1); (2) the <i>AER</i> has made and <i>published</i> a determination under clause 5.16.5(d)(3)(ii); or (3) the <i>AER</i> has made and <i>published</i> a determination under clause 5.16.5(d)(3)(i) and the applicant has amended the project assessment conclusions report as

Description	Reference	Transitional treatment
		directed by the <i>AER</i> .

- (b) For the purposes of the application of rule 6A.8 (Contingent Projects) to a preferred option that is an ISP Priority Project, rule 6A.8 applies subject to the modifications set out in the following table:

Description	Reference	Transitional treatment
Ability for application for amendment of revenue determination to occur without all trigger events having been met	Clause 6A.8.2(a) and (b)	<ol style="list-style-type: none"> <li>1. In clause 6A.8.2(a), omit “where a <i>trigger event</i> for a <i>contingent project</i> in relation to that <i>revenue determination</i> has occurred” and substitute “in respect of a <i>contingent project</i> included in the relevant <i>revenue determination</i>”.</li> <li>2. Omit clause 6A.8.2(b)(2) and substitute: <ol style="list-style-type: none"> <li>(2) must, subject to subparagraph (1), be made as soon as practicable after the occurrence of the <i>trigger event</i>;</li> </ol> </li> <li>3. After clause 6A.8.2(b)(2), insert: <ol style="list-style-type: none"> <li>(2A) may, subject to paragraph (1), be made at any time, after the occurrence of all triggers that make up the <i>trigger event</i> for a <i>contingent project</i>, other than a clause 5.16.6 trigger;</li> </ol> </li> <li>4. Omit clause 6A.8.2(b)(3)(i) and substitute: <ol style="list-style-type: none"> <li>(i) except in the case of a clause 5.16.6 trigger, an explanation that substantiates the occurrence of the <i>trigger event</i>;</li> </ol> </li> </ol>
Requirement for AER to	Clause	At the end of clause 6A.8.2(c),

Description	Reference	Transitional treatment
notify the public if application for amendment to revenue determination is submitted before a clause 5.16.6 trigger is satisfied	6A.8.2(c)	insert “If at the time the application is received, the clause 5.16.6 trigger has not yet occurred, the <i>AER</i> must specify in its notice under this paragraph (c) that the clause 5.16.6 trigger has not been satisfied and that a final determination will not be made under paragraph (e) unless and until the clause 5.16.6 trigger is satisfied.”
Requirement that clause 5.16.6 trigger is satisfied before amendment to revenue determination is approved	Clause 6A.8.2(e)	In clause 6A.8.2(e), after “If the <i>AER</i> is satisfied that the <i>trigger event</i> has occurred, insert “(including, for the avoidance of doubt, any clause 5.16.6 trigger that comprises a <i>trigger event</i> )”.
Extension of time limit provisions envisages that time period for making decision to amend to revenue determination may need to be extended to allow for clause 5.16.6 trigger to be satisfied	Clause 6A.8.2(i)	Omit clause 6A.8.2(i) and substitute: “(i) If: (1) the <i>AER</i> is satisfied that amending a <i>revenue determination</i> under subparagraphs (e)(3) and paragraph (h) involves issues of such complexity or difficulty that the time limit fixed in paragraph (d) should be extended; or (2) the clause 5.16.6 trigger for the relevant project has not occurred by the time limit fixed in paragraph (d), the <i>AER</i> may extend that time limit by a further period of up to 60 <i>business days</i> , provided that it gives written notice to the <i>Transmission Network Service Provider</i> of that extension no later than 10 <i>business days</i> ”

<b>Description</b>	<b>Reference</b>	<b>Transitional treatment</b>
		before the expiry of that time limit.”

## Attachment A - Proposed changes to clause 5.16.6 and rule 6A.8 shown in mark-up against current version of rules

### 5.16 Regulatory investment test for transmission

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#### 5.16.5 Disputes in relation to application of regulatory investment test for transmission

- (a) *Registered Participants, the AEMC, Connection Applicants, Intending Participants, AEMO and interested parties* may, by notice to the *AER*, dispute conclusions made by the RIT-T proponent in the project assessment conclusions report in relation to:
- (1) the application of the *regulatory investment test for transmission*;
  - (2) the basis on which the RIT-T proponent has classified the preferred option as being for reliability corrective action; or
  - (3) the RIT-T proponent's assessment regarding whether the preferred option will have a *material inter-network impact*, in accordance with any criteria for a *material inter-network impact* that are in force at the time of the preparation of the project assessment conclusions report.
- (b) A dispute under this clause 5.16.5 may not be raised in relation to any matters set out in the project assessment conclusions report which:
- (1) are treated as externalities by the *regulatory investment test for transmission*; or
  - (2) relate to an individual's personal detriment or property rights.
- (c) Within 30 days of the date of *publication* of the project assessment conclusions report under clause 5.16.4 (t), (u), (y) or (z) (as the case may be), the party disputing a conclusion made in the project assessment conclusions report (a disputing party) must:
- (1) give notice of the dispute in writing setting out the grounds for the dispute (the dispute notice) to the *AER*; and
  - (2) at the same time, give a copy of the dispute notice to the RIT-T proponent.
- (d) Subject to paragraph (f)(3), within 40 days of receipt of the dispute notice or within an additional period of up to 60 days where the *AER* notifies *interested parties* that the additional time is required to make a determination because of the complexity or difficulty of the issues involved, the *AER* must either:
- (1) reject any dispute by written notice to the person who initiated the dispute if the *AER* considers that the grounds for the dispute are misconceived or lacking in substance; and
  - (2) notify the RIT-T proponent that the dispute has been rejected; or
  - (3) subject to paragraph (f), make and *publish* a determination:

- (i) directing the RIT-T proponent to amend the matters set out in the project assessment conclusions report; or
  - (ii) stating that, based on the grounds of the dispute, the RIT-T proponent will not be required to amend the project assessment conclusions report.
- (e) The RIT-T proponent must comply with an *AER* determination made under paragraph (d)(3)(i) within a timeframe specified by the *AER* in its determination.
- (f) In making a determination under paragraph (d)(3), the *AER*:
  - (1) must only take into account information and analysis that the RIT-T proponent could reasonably be expected to have considered or undertaken at the time that it performed the *regulatory investment test for transmission*;
  - (2) must *publish* its reasons for making a determination;
  - (3) may request further information regarding the dispute from the disputing party or the RIT-T proponent in which case the period of time for rejecting a dispute or making a determination under paragraph (d) is extended by the time it takes the relevant party to provide the requested further information to the *AER*;
  - (4) may disregard any matter raised by the disputing party or the RIT-T proponent that is misconceived or lacking in substance; and
  - (5) where making a determination under subparagraph (d)(3)(i), must specify a reasonable timeframe for the RIT-T proponent to comply with the *AER*'s direction to amend the matters set out in the project assessment conclusions report.
- (g) The *AER* may only make a determination under subparagraph (d)(3)(i) if it determines that:
  - (1) the RIT-T proponent has not correctly applied the *regulatory investment test for transmission* in accordance with the *Rules*;
  - (2) the RIT-T proponent has erroneously classified the preferred option as being for reliability corrective action;
  - (3) the RIT-T proponent has not correctly assessed whether the preferred option will have a *material inter-network impact*; or
  - (4) there was a manifest error in the calculations performed by the RIT-T proponent in applying the *regulatory investment test for transmission*.
- (h) A disputing party or the RIT-T proponent (as the case may be) must as soon as reasonably practicable provide any information requested under paragraph (f)(3) to the *AER*.
- (i) The relevant period of time in which the *AER* must make a determination under paragraph (d)(3) is automatically extended by the period of time taken by the RIT-T proponent or a disputing party to provide any additional information requested by the *AER* under this clause 5.16.5, provided:

- (1) the *AER* makes the request for the additional information at least 7 *business days* prior to the expiry of the relevant period; and
- (2) the RIT-T proponent or the disputing party provides the additional information within 14 *business days* of receipt of the request.

#### 5.16.6 Determination that preferred option satisfies the regulatory investment test for transmission

- (a) ~~After the expiry of the 30 day period referred to in clause 5.16.5(e) and~~ Where a preferred option is not for reliability corrective action, the RIT-T proponent may request, in writing to the *AER*, that the *AER* make a determination as to whether the preferred option satisfies the *regulatory investment test for transmission*.
- (b) The *AER*:
  - (1) must, within 120 *business days* of receipt of the request from the applicant (and not earlier than 30 days of receipt of the request from the applicant), subject to paragraph (c), make and *publish* a determination, including reasons for its determination;
  - (2) must use the findings and recommendations in the project assessment conclusions report in making its determination under subparagraph (1);
  - (3) may request further information from the RIT-T proponent; and
  - (4) may have regard to any other matter the *AER* considers relevant.
- (c) The relevant period of time in which the *AER* must make a determination under paragraph (b) is automatically extended by the period of time taken by the RIT-T proponent to provide any additional information requested by the *AER* under this clause 5.16.6, provided:
  - (1) the *AER* makes the request for the additional information at least 7 *business days* prior to the expiry of the relevant period; and
  - (2) the RIT-T proponent provides the additional information within 14 *business days* of receipt of the request.
- (d) The *AER* must not make a determination under this clause 5.16.6 if at any time after receipt of the request from the applicant under paragraph (a) and before the determination is made, a person gives notice of a dispute under clause 5.16.5(c) and the dispute has not been resolved.
- (e) For the purposes of paragraph (d), a dispute is taken to be resolved if:
  - (1) the *AER* has rejected that dispute under clause 5.16.5(d)(1);
  - (2) the *AER* has made and *published* a determination under clause 5.16.5(d)(3)(ii); or
  - (3) the *AER* has made and *published* a determination under clause 5.16.5(d)(3)(i) and the applicant has amended the project assessment conclusions report as directed by the *AER*.

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## 6A.8 Contingent Projects

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### 6A.8.2 Amendment of revenue determination for contingent project

- (a) Subject to paragraph (b), a *Transmission Network Service Provider* may, during a *regulatory control period*, apply to the AER to amend a *revenue determination* that applies to that *Transmission Network Service Provider* ~~where a trigger event for in respect of a contingent project in relation to that included in the relevant revenue determination has occurred.~~
- (b) An application referred to in paragraph (a):
- (1) must not be made within 90 *business days* prior to the end of a *regulatory year*;
  - (2) must, subject to subparagraph (1), ~~must~~ be made as soon as practicable after the occurrence of the *trigger event*;  
(2A) may, subject to paragraph (1), be made at any time, after the occurrence of all triggers that make up the trigger event for a contingent project, other than a clause 5.16.6 trigger;
  - (3) must contain the following information:
    - (i) except in the case of a clause 5.16.6 trigger, an explanation that substantiates the occurrence of the *trigger event*;
    - (ii) a forecast of the total capital expenditure for the *contingent project*;
    - (iii) a forecast of the capital and incremental operating expenditure, for each remaining *regulatory year* which the *Transmission Network Service Provider* considers is reasonably required for the purpose of undertaking the *contingent project*;
    - (iv) how the forecast of the total capital expenditure for the *contingent project* meets the threshold as referred to in clause 6A.8.1(b)(2)(iii);
    - (v) the intended date for commencing the *contingent project* (which must be during the *regulatory control period*);
    - (vi) the anticipated date for completing the *contingent project* (which may be after the end of the *regulatory control period*); and
    - (vii) an estimate of the incremental revenue which the *Transmission Network Service Provider* considers is likely to be required to be earned in each remaining *regulatory year* of the *regulatory control period* as a result of the *contingent project* being undertaken as described in clause 6A.8.2(b)(3)(iii); and
  - (4) the estimate referred to in clause 6A.8.2(b)(3)(vii) must be calculated:
    - (i) in accordance with the requirement of the *post-tax revenue model* referred to in clause 6A.5.2;

- (ii) in accordance with the requirements of the *roll forward model* referred to in clause 6A.6.1(b);
  - (iii) using the *allowed rate of return* for that *Transmission Network Service Provider* for the *regulatory control period* as determined in accordance with clause 6A.6.2;
  - (iv) in accordance with the requirements for depreciation referred to in clause 6A.6.3; and
  - (v) on the basis of the capital expenditure and incremental operating expenditure referred to in subparagraph 6A.8.2(b)(3)(iii).
- (c) As soon as practicable after its receipt of an application made in accordance with paragraphs (a) and (b), the *AER* must *publish* the application, together with an invitation for written submissions on the application. If at the time the application is received, the clause 5.16.6 trigger has not yet occurred, the *AER* must specify in its notice under this paragraph (c) that the clause 5.16.6 trigger has not been satisfied and that a final determination will not be made under paragraph (e) unless and until the clause 5.16.6 trigger is satisfied.
- (d) The *AER* must consider any written submissions made under paragraph (c) and must make its decision on the application within 40 *business days* from the later of the date the *AER* receives the application and the date the *AER* receives any information required by the *AER* under paragraph (h1). In doing so the *AER* may also take into account such other information as it considers appropriate, including any analysis (such as benchmarking) that is undertaken by it for that purpose.
- (e) If the *AER* is satisfied that the *trigger event* has occurred (including, for the avoidance of doubt, any clause 5.16.6 trigger that comprises a *trigger event*), and that the forecast of the total capital expenditure for the *contingent project* meets the threshold as referred to in clause 6A.8.1(b)(2)(iii), it must:
- (1) determine:
    - (i) the amount of capital and incremental operating expenditure, for each remaining *regulatory year* which the *AER* considers is reasonably required for the purpose of undertaking the *contingent project*;
    - (ii) the total capital expenditure which the *AER* considers is reasonably required for the purpose of undertaking the *contingent project*;
    - (iii) the likely commencement and completion dates for the *contingent project*; and
    - (iv) the incremental revenue which is likely to be required by the *Transmission Network Service Provider* in each remaining *regulatory year* as a result of the *contingent project* being undertaken as described in clause 6A.8.2(e)(1)(i) and (ii), such estimate being calculated in accordance with subparagraph (2);

- (2) calculate the estimate referred to in clause 6A.8.2(e)(1)(iv):
  - (i) on the basis of the capital expenditure referred to in clause 6A.8.2(e)(1)(i);
  - (ii) to include the incremental operating expenditure referred to in clause 6A.8.2(e)(1)(i); and
  - (iii) otherwise in accordance with subparagraph (b)(4); and
- (3) amend the *revenue determination* in accordance with paragraph (h).
- (f) In making the determinations referred to in subparagraph (e)(1), the *AER* must accept the relevant amounts and dates, contained in the *Transmission Network Service Provider's* application, as referred to in clauses 6A.8.2(b)(3)(ii) – (vii), if the *AER* is satisfied that:
  - (1) the forecast of the total capital expenditure for the *contingent project* meets the threshold as referred to in clause 6A.8.1(b)(2)(iii);
  - (2) the amounts of forecast capital expenditure and incremental operating expenditure reasonably reflect the *capital expenditure criteria* and the *operating expenditure criteria*, taking into account the *capital expenditure factors* and the *operating expenditure factors* respectively, in the context of the *contingent project*;
  - (3) the estimates of incremental revenue are reasonable; and
  - (4) the dates are reasonable.
- (g) In making the determinations referred to in paragraphs (e)(1) and (f), the *AER* must have regard to:
  - (1) the information included in or accompanying the application;
  - (2) submissions received in the course of consulting on the application;
  - (3) such analysis as is undertaken by or for the *AER*;
  - (4) the expenditure that would be incurred in respect of a *contingent project* by an efficient and prudent operator in the circumstances of the *Transmission Network Service Provider*;
  - (5) the actual and expected capital expenditure of the *Transmission Network Service Provider* for *contingent projects* during any preceding *regulatory control periods*;
  - (6) the extent to which the forecast capital expenditure for the *contingent project* is referable to arrangements with a person other than the *Transmission Network Service Provider* that, in the opinion of the *AER*, do not reflect arm's length terms;
  - (7) the relative prices of operating and capital inputs in relation to the *contingent project*;
  - (8) the substitution possibilities between operating and capital expenditure in relation to the *contingent project*; and
  - (9) whether the capital and operating expenditure forecasts for the *contingent project* are consistent with any incentive scheme or

schemes that apply to the *Transmission Network Service Provider* under clauses 6A.6.5, 6A.6.5A, 6A.7.4 or 6A.7.5.

- (h) Amendments to a *revenue determination* referred to in paragraph (e)(3) must only vary the determination to the extent necessary:
  - (1) to adjust the forecast capital expenditure for that *regulatory control period* to accommodate the amount of capital expenditure determined under clause 6A.8.2(e)(1)(i) (in which case the amount of that adjustment will be taken to be accepted by the *AER* under clause 6A.6.7(c));
  - (2) to adjust the forecast operating expenditure for that *regulatory control period* to accommodate the amount of incremental operating expenditure determined under clause 6A.8.2(e)(1)(i) (in which case the amount of that adjustment will be taken to be accepted by the *AER* under clause 6A.6.6(c)); and
  - (3) to reflect the effect of any resultant increase in forecast capital and operating expenditure on:
    - (i) the *maximum allowed revenue* for each *regulatory year* in the remainder of the *regulatory control period*; and
    - (ii) the X factor for each *regulatory year* in the remainder of the *regulatory control period*.
- (h1) A *Transmission Network Service Provider* must provide the *AER* with such additional information as the *AER* requires for the purpose of making a decision on an application made by that *Transmission Network Service Provider* under paragraph (a) within the time specified by the *AER* in a notice provided to the *Transmission Network Service Provider* by the *AER* for that purpose.

#### **Extension of time limit**

- (i) If:
  - (1) the *AER* is satisfied that amending a *revenue determination* under subparagraphs (e)(3) and paragraph (h) involves issues of such complexity or difficulty that the time limit fixed in paragraph (d) should be extended; or
  - (2) the clause 5.16.6 trigger for the relevant project has not occurred by the time limit fixed in paragraph (d),the *AER* may extend that time limit by a further period of up to 60 *business days*, provided that it gives written notice to the *Transmission Network Service Provider* of that extension no later than 10 *business days* before the expiry of that time limit.
- (j) If the *AER* extends the time limit under paragraph (i), it must make available on its website a notice of that extension as soon as is reasonably practicable.
- (k) Subject to paragraph (k3), if the *AER* gives a written notice to the *Transmission Network Service Provider* stating that it requires information from an *Authority* in order to make a decision on an application made by

the *Transmission Network Service Provider* under paragraph (a) then, for the purpose of calculating elapsed time, the period between when the *AER* gives that notice to the *Transmission Network Service Provider* and when the *AER* receives that information from that *Authority* is to be disregarded.

- (k1) Subject to paragraph (k3), if the *AER* gives a written notice to the *Transmission Network Service Provider* stating that, in order to make a decision on an application made by the *Transmission Network Service Provider* under paragraph (a), it requires information from a judicial body or royal commission then, for the purpose of calculating elapsed time, the period between when the *AER* gives that notice to the *Transmission Network Service Provider* and when that information is made publicly available is to be disregarded.
- (k2) Where the *AER* gives a notice to the *Transmission Network Service Provider* under paragraph (k) or (k1), it must:
  - (1) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (k) or (k1), as the case may be, has commenced;
  - (2) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (k) or (k1), as the case may be, has ended; and
  - (3) if the information specified in that notice is required from an *Authority*, promptly request that information from the relevant *Authority*.
- (k3) Paragraphs (k) and (k1) do not apply if the *AER* gives the notice specified in those paragraphs to the *Transmission Network Service Provider* later than 10 *business days* before the expiry of the time limit fixed in paragraph (d).

#### **Amendment of revenue determination**

- (l) Amendments to a *revenue determination* take effect from the commencement of the next *regulatory year*.