



National Electricity Amendment (Early implementation of ISP priority projects) Rule 2019 No. 2

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 (Early implementation of ISP priority projects) Rule 2019 No. 2

1 Title of Rule

This Rule is the *National Electricity Amendment (Early implementation of ISP priority projects) Rule 2019 No.2*.

2 Commencement

This Rule commences operation on 11 April 2019.

3 Savings and Transitional Amendment to the National Electricity Rules

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

Schedule 1 Savings and Transitional Amendment to the National Electricity Rules

(Clause 3)

[1] New Part ZZZP Early implementation of ISP priority projects

In Chapter 11, after Part ZZZO, insert:

Part ZZZP Early implementation of ISP priority projects

11.114 National Electricity Amendment (Early implementation of ISP priority projects) Rule 2019

11.114.1 Definitions

- (a) Unless otherwise specified, terms defined in clause 5.10.2 have the same meaning when used in this rule 11.114.
- (b) For the purposes of this rule 11.114:

clause 5.16.6 trigger means a *trigger event* for an ISP 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.

ElectraNet means ElectraNet Pty Ltd ACN 094 482 416, trading as ElectraNet, or any successor to its business.

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

ISP Projects means a VNI Project, a QNI Project or a SA-NSW Interconnector Project.

Powerlink means the Queensland Electricity Transmission Corporation Limited (ACN 078 849 233), or any successor to its business.

QNI projects means the following projects:

- (1) the QNI Upgrade (Queensland component) (\$66.7m) *contingent project* specified in Powerlink's *revenue determination* for the *regulatory control period* commencing 1 July 2017; and
- (2) Reinforcement of Northern Network (QNI upgrade)(\$63m to \$141m) *contingent project* specified in Transgrid's *revenue determination* for the *regulatory control period* commencing 1 July 2018.

SA-NSW Interconnector Projects means the following projects:

- (1) The NSW to SA interconnector (\$276m to \$1074m) *contingent project* specified in Transgrid’s *revenue determination* for the *regulatory control period* commencing 1 July 2018; and
- (2) The South Australian Energy Transformation (\$200m to \$500m) *contingent project* specified in ElectraNet’s *revenue determination* for the *regulatory control period* commencing 1 July 2018.

Transgrid means NSW Electricity Networks Operations Pty Limited (ACN 609 169 959) as trustee for the NSW Electricity Networks Operations Trust , or any successor to its business.

VNI Project means the following project: the Reinforcement of Southern Network (\$60m to \$393m) *contingent project* specified in Transgrid’s *revenue determination* for the *regulatory control period* commencing 1 July 2018.

11.114.2 Modifications to clause 5.16.6 for ISP VNI and QNI projects

- (a) For the purposes of the application of clause 5.16.6 to a preferred option that is VNI Project or a QNI 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”.
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

Description	Reference	Transitional treatment
		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)	<p>After clause 5.16.6(c), insert:</p> <p>(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.</p> <p>(e) For the purposes of paragraph (d), a dispute is taken to be resolved if:</p> <p>(1) the <i>AER</i> has rejected that dispute under clause 5.16.5(d)(1);</p> <p>(2) the <i>AER</i> has made and <i>published</i> a determination under clause 5.16.5(d)(3)(ii); or</p> <p>(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 directed by the <i>AER</i>.</p>

11.114.3 Modifications to clause 6A.8.2 for ISP projects

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

Description	Reference	Transitional treatment
Ability for	Clause	1. In clause 6A.8.2(a), omit

Description	Reference	Transitional treatment
application for amendment of revenue determination to occur without all trigger events having been met	6A.8.2(a) and (b)	<p>“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>”.</p> <p>2. Omit clause 6A.8.2(b)(2) and substitute:</p> <p>(2) must, subject to subparagraph (1), be made as soon as practicable after the occurrence of the <i>trigger event</i>;</p> <p>3. After clause 6A.8.2(b)(2), insert:</p> <p>(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;</p> <p>4. Omit clause 6A.8.2(b)(3)(i) and substitute:</p> <p>(i) except in the case of a clause 5.16.6 trigger, an explanation that substantiates the occurrence of the <i>trigger event</i>;</p>
Requirement for <i>AER</i> to notify the public if application for amendment to revenue	Clause 6A.8.2(c)	At the end of clause 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

Description	Reference	Transitional treatment
determination is submitted before a clause 5.16.6 trigger is satisfied		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.”
Time period for the making of a decision on an application in respect of an ISP Priority Project	Clause 6A.8.2(d)	<p>Omit clause 6A.8.2(d) and substitute:</p> <p>(d) The <i>AER</i> must consider any written submissions made under paragraph (c) and must make its decision on the application within 40 <i>business days</i> from the later of:</p> <ul style="list-style-type: none"> (i) the date the <i>AER</i> receives the application; (ii) the date the <i>AER</i> receives any information required by the <i>AER</i> under paragraph (h1); and (iii) the occurrence of a clause 5.16.6 trigger that comprises a <i>trigger event</i>. <p>In doing so the <i>AER</i> 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.</p>
Requirement that clause 5.16.6 trigger is satisfied before amendment to revenue determination is	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>)”.

Description	Reference	Transitional treatment
approved		

[END OF RULE AS MADE]
