



Draft National Electricity Amendment (Minor changes 3) Rule 2020

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 of the Northern Territory; 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.

Merryn York
Acting Chairperson
Australian Energy Market Commission

Draft National Electricity Amendment (Minor changes 3) Rule 2020

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Minor changes 3) Rule 2020*.

2 Commencement

This Rule commences operation on [27 August 2020].

3 Amendment to the National Electricity Rules

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

4 Amendment to the National Electricity Rules

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

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 3.14.5A Payment of compensation due to market suspension pricing schedule periods

In clause 3.14.5A(k), omit "NTNDP" and substitute "Inputs, Assumptions and Scenario Report (as defined in clause 5.10.2)".

[2] Clause 5.15.1 Interested parties

In clause 5.15.1, omit "clauses 5.16.4, 5.16A.4, 5.16B, 5.17.4 and 5.17.5" and substitute "clauses 5.16.4, 5.16A.4, rule 5.16B and clauses 5.17.4 and 5.17.5".

[3] Clause 5.15A.3 Principles for actionable ISP projects

In clause 5.15A.3(b)(7)(iii)(B), omit "rule 5.22.12(e)(1)" and substitute "clause 5.22.12(e)(1)".

[4] Clause 5.16.2 Regulatory investment test for transmission application guidelines

In clause 5.16.2(b)(1), omit "rule 5.16B; and; and" and substitute "rule 5.16B; and".

[5] Clause 5.16A.2 Cost Benefit Analysis Guidelines

In clause 5.16A.2(b)(1), omit "clauses 5.15A, 5.16A.3, 5.16A.4 and 5.16A.5" and substitute "rule 5.15A and clauses 5.16A.3, 5.16A.4 and 5.16A.5".

[6] Clause 5.16A.4 Regulatory investment test for transmission procedures

In clause 5.16A.4(h), omit "RIT- Proponent" and substitute "RIT-T proponent".

[7] Clause 5.16A.5 Actionable ISP project trigger event

In clause 5.16A.5(a), omit "5.16A.4" and substitute "clause 5.16A.4".

[8] Clause 5.16A.5 Actionable ISP project trigger event

In clause 5.16A.5(c), omit "clause 5.16B(c)" and substitute "rule 5.16B(c)".

[9] Clause 5.16A.5 Actionable ISP project trigger event

In clause 5.16A.5(c), omit "clause 5.16B(d)" and substitute "rule 5.16B(d)".

**[10] Rule 5.16B Disputes in relation to application of
regulatory investment test for
transmission**

Omit rule 5.16B after clause 5.16.5.

**[11] Rule 5.16B Disputes in relation to application of
regulatory investment test for
transmission**

After clause 5.16A.5, insert:

**5.16B 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 rule 5.16B 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; or
 - (3) for an *actionable ISP project*, uses or relies on matters set out in the most recent *Integrated System Plan* or *Inputs Assumptions and Scenarios Report*, including the *identified need*, ISP parameters, credible options or classes of market benefits relevant to that *actionable ISP project*.
- (c) Within 30 days of the date of *publication* of the project assessment conclusions report under clauses 5.16.4(t), (u), (y) or (z) or 5.16A.4(i) or (l) (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, for a RIT-T project that is not an *actionable ISP project*, 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 rule 5.16B, 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.

[12] Clause 5.20B.1 Boundaries of inertia sub-networks

In clause 5.20B.1(f), omit "*NTNDP*" and substitute "*Inertia Report*".

[13] Clause 5.20B.2 Inertia requirements

In clause 5.20B.2(c), omit "*NTNDP*" and substitute "*Inertia Report*".

[14] Rule 5.21 AEMO's obligation to publish information and guidelines and provide advice

In rule 5.21(a1)(3), omit "; and" and substitute ".".

[15] Rule 5.21 AEMO's obligation to publish information and guidelines and provide advice

Omit rule 5.21(a1)(4).

[16] Clause 5.22.5 Guidelines relevant to the ISP

In clause 5.22.5(d)(5), omit "*optimal development path*" and substitute "*optimal development path*".

[17] Clause 5.22.8 Preliminary consultations

In clause 5.22.8(a), omit "*AEMO, must*" and substitute "*AEMO must,*" and after "Guidelines" insert ",".

[18] Clause 5.22.11 Draft Integrated System Plan

In clause 5.22.11(d), omit "*AEMO from*" and substitute "*AEMO from*".

[19] Clause 5.22.12 Non-network options

In clause 5.22.12(a)(3)(i), omit "supply" and substitute "*supply*".

[20] Clause 5.22.18 NTP Functions

In clause 5.22.18(b)(2), omit "clauses 5.14.4, 5.16A, 5.22 and 5.23" and substitute "clause 5.14.4 and rules 5.16A, 5.22 and 5.23".

[21] Clause 5.23.3 Provision of further information

In clause 5.23.3(c), omit "this clause 5.23" and substitute "this clause 5.23.3".

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 6A.8.2 Amendment of revenue determination for contingent project

In clause 6A.8.2(e)(1)(iv), omit ";" and substitute "; and".

[2] Clause 6A.8.2 Amendment of revenue determination for contingent project

In clause 6A.8.2(n)(2), omit subparagraphs (A) to (C) and substitute:

- (i) the amounts determined under paragraph (e)(1)(v);
- (ii) paragraph (b)(7) applying in respect of the subsequent *regulatory control period*; and
- (iii) providing the *Transmission Network Service Provider* with the time cost of money based on the *allowed rate of return* for the provider for the relevant *regulatory control period* arising from the delay in the amendment of the current and/or subsequent *revenue determination*.

[3] Clause 6A.23.3 Principles for the allocation of the annual service revenue requirement to connection points

In clause 6A.23.3(e)(4), omit "," and substitute ";".

[4] Clause 8.2.1 Application and guiding principles

In clause 8.2.1(h)(13), omit "clause 5.16B" and substitute "rule 5.16B".

[5] Chapter 10 Amended definition

In paragraph (b) of the definition of "*interested party*" in chapter 10, omit "clauses 5.16.4, 5.16A.4, 5.16B, 5.17.4 and 5.17.5" and substitute "clauses 5.16.4 and 5.16A.4, rule 5.16B and clauses 5.17.4 and 5.17.5".

[6] Chapter 10 Amended definition

Substitute the following definition:

regulatory investment test for transmission

The test developed and *published* by the *AER* in accordance with clauses 5.15A.1 and 5.16.2 as in force from time to time, and includes amendments made in accordance with clause 5.16.2.

[7] Part ZZZZB Integrated System Plan Rules

Omit the heading of Part ZZZZB and the heading of rule 11.126 and substitute:

Part ZZZZB Integrated System Planning Rules

11.126 Rules consequential on the making of the National Electricity Amendment (Integrated System Planning) Rule 2020

[8] Clause 11.126.1 Definitions

In clause 11.126.1, in the definition of "Annual Reports", unbold the words "**means the NSCAS Report, Inertia Report and the System Strength Report**".

[9] Clause 11.126.1 Definitions

In clause 11.126.1, in the definition of "**Amending Rule**", omit the word "Plan" and substitute "Planning".