

20 August 2020

Ms Merryn York
Chair, Australian Energy Market Commission

By electronic submission

FROM THE OFFICE OF THE
CHIEF EXECUTIVE OFFICER

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Dear Ms York

Request for Rule change – Re-allocation of National Transmission Planner (NTP) costs to TNSPs

AEMO submits the attached Rule change proposal under section 91 of the National Electricity Law, with a request that the AEMC consider this proposal as a non-controversial rule under section 96 of the Law.

The *National Electricity Amendment (Integrated System Planning) Rule 2020* (ISP Rule) which commenced on 1 July 2020, included amendments to allocate NTP costs to Transmission Network Service Providers (TNSPs).

In implementing the ISP Rule, AEMO and the TNSPs have identified a number of transitional timing issues and uncertain administrative arrangements in relation to the budgeting and charging of NTP costs to TNSPs.

The mechanisms in this proposed rule change are needed to fully implement the policy intention of the ISP Rule that NTP costs are recovered from TNSPs. The changes are limited in scope to consequential changes and transitional arrangements for the 2020-21 and 2021-22 financial years.

AEMO considers that the proposed rule changes will not have a significant effect on the NEM and are non-controversial. The proposed changes affect TNSPs, who are in support of the proposed changes.

Any questions on this rule change request should be directed to Ms Rhonda Andrieux (Rhonda.Andrieux@aemo.com.au).

Yours sincerely



Managing Director and Chief Executive Officer

Attachment: Rule change proposal

ELECTRICITY RULE CHANGE PROPOSAL

RE-ALLOCATION OF NATIONAL TRANSMISSION PLANNER
COSTS TO TNSPS

August 2020





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1. SUMMARY

The Australian Energy Market Operator (AEMO) is seeking amendments to the National Electricity Rules (NER) for the purpose of implementing timing changes to the budgeting and charging of National Transmission Planning (NTP) costs by AEMO and Co-ordinating Network Service Providers (CNSPs) and Transmission Network Service Providers (TNSPs) required to implement the *National Electricity Amendment (Integrated System Planning) Rule 2020* (ISP Rule).

The proposed rule change is needed to fully implement the policy intention of the ISP Rule that;

- NTP costs are recovered from TNSPs rather than Market Customers; and
- TNSPs can pass NTP costs through to transmission customers through transmission prices in the same year as the TNSPs pay those costs to AEMO.

The rule change is limited in scope to consequential changes, transitional arrangements for the 2020-21 and 2021-22 financial years and the specification of timing of NTP cost budgeting and charging going forward.

The ISP Rule was approved by the (former) COAG Energy Council in March 2020 and made by the South Australian Minister on 9 April 2020. The ISP Rule commenced on 1 July 2020. In implementing the ISP Rule, AEMO and the CNSPs/TNSPs have identified a number of timing issues and uncertain administrative arrangements in relation to the budgeting and charging of NTP costs to TNSPs, including that no provision was made in the ISP Rules for CNSPs/TNSPs to recover NTP function fees for 2020-21 through transmission pricing.

The draft rule changes provide for the following amendments:

- clarifying administrative arrangements so that CNSPs (rather than TNSPs generally) will be allocated and charged for NTP costs or the TNSP where there is no CNSP appointed for a region;
- clarifying administrative arrangements by requiring AEMO to notify CNSPs/TNSPs of the NTP function fees by 15 February each year to align with the other inputs for transmission pricing and dealing with the timing consequences of this;
- clarifying that in Victoria AEMO will recover NTP costs in its role as a CNSP providing shared transmission services from transmission users through transmission use of system charges and not through participant fees;
- transitional arrangements associated with the ISP Rule to provide for the recovery by AEMO of NTP function costs associated with the 2020-21 financial year from TNSPs in 2020-21 and 2021-22 (which includes the necessary carrying and financing costs incurred by AEMO in carrying out NTP functions in 2020-21 but recovering those costs in 2021-22); and
- transitional arrangements associated with the ISP Rule to provide for the recovery by TNSPs of NTP function fees associated with the 2020-21 financial year from transmission customers in 2021-22.

The draft rule changes described below are located in Chapters 2, 6A and 11 of the NER reflecting that they comprise both transitional and ongoing measures.

A draft Rule is at Attachment A.

AEMO considers that the proposed rule changes will not have a significant effect on the NEM and are non-controversial. The allocation of NTP function fees to TNSPs already exists pursuant to clause 2.11.1(c)(5A) and so the proposed rule changes are just providing the mechanics to achieve the existing allocation. Therefore, AEMO requests that the AEMC considers this proposal as a request for a non-controversial Rule in accordance with section 96 of the National Electricity Law. AEMO and TNSPs recognise that



transmission customers will ultimately pay for the costs associated with AEMO's NTP functions. AEMO also notes that the proposed changes are consequential to those changes made in the ISP Rule and in AEMO's view are required to fully implement its intent. AEMO have engaged with TNSPs in the course of developing this rule change request and they are in support of the proposed changes.

2. BACKGROUND AND STATEMENT OF ISSUES

This section sets out the background to the ISP Rule implementation and the intent of that Rule that NTP costs would be recovered by AEMO from TNSPs and that TNSPs would be able to pass NTP fees through to transmission customers in the same year as the TNSPs pay those costs to AEMO. It also describes the issues with the Rules as drafted arising from this policy intent that need addressing.

2.1 Background

The ISP Rule introduced the Integrated System Planning framework. Under that rule, the costs incurred by AEMO in implementing that Rule are to be recovered from TNSPs through participant fees and adjusted in transmission prices. In implementing the ISP Rule, which commenced on 1 July 2020, AEMO and the TNSPs have identified a number of timing issues and administrative gaps with that intended regime, namely:

- 1 the Rules do not provide for the recovery of NTP fees by AEMO in 2020-21;
- 2 the Rules do not provide for TNSPs to include 2020-21 NTP fees in transmission prices in Queensland, New South Wales, South Australia and Tasmania;
- 3 there is a misalignment of AEMO's budgeting process and the publication of CNSP/TNSP pricing;
- 4 there is uncertainty in the administrative arrangements around the recovery of NTP costs in Victoria due to AEMO acting as both the National Transmission Planner and the CNSP providing shared transmission services.

2.2 Recovery of NTP fees in 2020-2021

Background

It was intended that AEMO would recover NTP costs through NTP function fees payable by TNSPs from 1 July 2020 (rather than Market Customers) and TNSPs would be able to pass these NTP function fees through to customers in transmission prices for 2020-2021. However, this would have required AEMO to amend its Participant Fee Structure, notify the TNSPs of the NTP function fees for 2020-21 and for TNSPs to include those fees in their transmission pricing for 2020-21. This did not occur.

Issue

As currently drafted, the Rules do not meet the intent specified above because AEMO's current participant fee structure does not specify how NTP function fees are to be recovered from TNSPs and TNSPs cannot include NTP function fees for 2020-21 in their transmission prices because transmission prices for the 2020-21 financial year were published on 15 March 2020. AEMO as CNSP in Victoria is recovering the NTP function fees for 2020-2021 in the Victorian transmission charges.



2.3 Alignment of AEMO budgeting process and TNSP pricing

Background

The intent of the ISP Rule is that AEMO will notify CNSPs/TNSPs of the budgeted NTP costs to be recovered in the next financial year as NTP function fees before TNSPs publish their transmission prices for that financial year to allow TNSPs to factor in those NTP function fees into their published transmission prices.

Issue

As drafted the Rules oblige AEMO to publish their budget for a financial year before the end of the previous financial year, however in practice this budgeting process does not align with the publication of TNSP pricing. AEMO's budget is generally published after TNSPs have set their prices for that following financial year. As such, the Rules don't require CNSPs/TNSPs to be notified by AEMO of the NTP function fees to be paid to AEMO for that year before the publication of CNSP/TNSP pricing for that financial year.

2.4 Recovery of NTP costs in Victoria

Background

The intent of the ISP Rule is that in Victoria AEMO would allocate an amount of NTP function fees to itself in its role as CNSP providing shared transmission services, to be recovered through transmission use of system charges to transmission users.

Issue

As drafted, the Rules do not specifically provide for this unique situation in which AEMO is allocating fees to itself and as such this administrative arrangement is somewhat uncertain.

3. HOW THE PROPOSAL WILL ADDRESS THE ISSUES

This section sets out how the proposed changes will address the issues identified in section 2.

3.1 Recovery of NTP fees in 2020-2021

The proposed rule changes address the issue of recovering NTP fees for the 2020-21 financial year by implementing a transitional rule in Chapter 11 to enable:

- part of the budgeted NTP fees for 2020-21 to be levied on CNSPs/TNSPs rather than Market Customers with the remainder recovered from CNSPs/TNSPs (plus AEMO's financing of that amount) in 2021-22; and
- CNSPs/TNSPs to recover budgeted NTP fees for 2020-21 through transmission prices for the 2021-22 year.¹

¹ Transmission prices for the 2021-22 financial year will also include AEMO's budgeted NTP function fees for the 2021-22 year.



3.2 Alignment of AEMO budgeting process and TNSP pricing

The proposed rule changes address the misalignment between AEMO's budget process and TNSP pricing by requiring AEMO to advise TNSPs by 15 February of each year of the budgeted NTP costs to be recovered through NTP function fees from TNSPs which gives TNSPs time to include those fees in their pricing for the next financial year;

3.3 Recovery of NTP costs in Victoria

The proposed rule changes clarify that budgeted NTP costs will also be recovered by AEMO, in its capacity as a CNSP in Victoria for the declared shared network, through transmission use of system charges and not participant fees.

4. DESCRIPTION OF PROPOSED RULE

This section sets out the proposed drafting of the amendments to the Rules the subject of this proposal as well as explanations as to why each of the amendments are required. Furthermore this section provides an explanation as to why the amendments should be treated by the AEMC as a non-controversial Rule change.

The drafting set out in this section highlight changes with underlined text for insertions and struck out text for omissions of existing text for ease of reference. A Draft Rule is at Attachment A

4.1 Development of participant fee structure

4.1.1 Proposed change

Amend clause 2.11.1(c)(5A) as follows:

(c) The components of the Participant fees may include, but are not limited to:

(5A) *NTP function fees to recover AEMO's budgeted revenue requirement as described in clause 2.11.3(b)(4A), such fees to be allocated to Co-ordinating Transmission Network Service Providers, including AEMO in its capacity as a Co-ordinating Network Service Provider providing shared transmission services;*

4.1.2 Explanation

The changes to clauses 2.11.1(c)(5A):

- amend the existing drafting to provide that AEMO will allocate the budgeted revenue requirement to the CNSP in each state;
- clarify that NTP function fees will be recovered in Victoria from AEMO in its capacity as a CNSP providing shared transmission services; and
- we propose the change from TNSPs to CNSPs because of CNSPs' role in allocating the aggregate annual revenue requirement and setting and publishing transmission prices for TNSPs in the relevant region. Noting that there are regions in which there is no CNSP, we propose to introduce a new clause 6A.29.1(g) into the Rules, set out at section 4.4 below, to deal with this circumstance.



4.2 AEMO's budgeted revenue requirements

4.2.1 Proposed change

Amend clause 2.11.3 as follows:

- (a) AEMO must prepare and *publish* before the beginning of each *financial year* a budget of the revenue requirements for AEMO for that *financial year*.
 - (b) The budget prepared by AEMO under clause 2.11.3(a) must take into account and separately identify projected revenue requirements in respect of:
 - (1)
 - (4A) AEMO's expenditures in carrying out *NTP functions*;
 - (ba) AEMO must advise each *Co-ordinating Network Service Provider* of AEMO's budgeted *NTP function fees* to recover its projected revenue requirement identified under subparagraph (b)(4A) by 15 February each year for the next *financial year* to allow *Co-ordinating Network Service Providers* to publish transmission prices in accordance with clause 6A.24.2.
- ...
- (d) _____ AEMO's expenditures in carrying out *declared network functions*, and the *NTP function fees* applicable to AEMO as a *Co-ordinating Network Service Provider* under clause 2.11.3(ba), are to be recovered through fees charged as a *Transmission Network Service Provider* and not through *Participant fees*.

4.2.2 Explanation

The new drafting in clause 2.11.3(ba) requires AEMO to advise each CNSP by 15 February each year of the NTP function fees payable by that CNSP in the next financial year.

The 15 February date for advising of NTP function fees ensures that those fees can be included by CNSPs in transmission prices published by 15 March or 15 May under clause 6A.24.2(c).

AEMO publishes its budget in June and therefore there may be movements between what is advised as budgeted amount by 15 February and the final budget. NTP function fees charged for the financial year will be the same as those provided on 15 February of each year. AEMO will provide one budgeted number on 15 February and that amount will be invoiced to CNSPs (in a normal year 1/12 invoiced each month) over the course of the following financial year. Any changes to the budgeted amount between the budgeted amount advised on 15 February and the final budget or actual expenditure will be dealt with as an "under or over" in the next year.

The amendments to clause 2.11.3(d) clarify that AEMO, in its role as a CNSP, recovers NTP function fees in Victoria from fees charged to Victorian distributors and other transmission connected customers for providing shared transmission services in Victoria and not through participant fees.



4.3 Allocation of the annual service revenue requirement to connection points

4.3.1 Proposed change

Amend clause 6A.23.3(e) as follows:

- (e) The pre-adjusted non-locational component is to be adjusted by:
 - (1)....
 - (6) adding the amount of *NTP function* fees advised to the *Co-ordinating Network Service Provider* in accordance with clause 2.11.13(ba),

4.3.2 Explanation

Consequential changes to reflect new clause 2.11.3(ba) and that each CNSP will be advised of their NTP function fees.

4.4 Multiple Transmission Network Service Providers

4.4.1 Proposed change

Amend clause 6A.29.1 by adding a new paragraph (g) as follows:

- (g) If *prescribed transmission services* within a *region* are provided by only one *Transmission Network Service Provider*, then references in rule 2.11 and clause 6A.23.3 to a *Co-ordinating Network Service Provider* in respect of *NTP function* expenditure and fees are to be read as a reference to that *Transmission Network Service Provider*.

4.4.2 Explanation

There is not a CNSP formally appointed in every region. The new clause 6A.29.1(g) clarifies that in regions in which there is no CNSP, references in clauses 2.11 and 6A.23.3 to CNSPs should be read as referring to the TNSP for that region (meaning that AEMO would charge that TNSP the NTP function fees and notify that TNSP by 15 February each year of the budgeted NTP function costs to be recovered from the TNSP for the forthcoming financial year).

4.5 Transitional arrangements

4.5.1 Proposed change

A new transitional Rule would be inserted after clause 11.126.10 of the Rules, being the transitional rules for the *National Electricity Amendment (Integrated System Plan) Rule 2020*.

- 11.126.11 Allocation of NTP costs
 - (a) On and from 1 January 2021 until 30 June 2022, notwithstanding *AEMO's* determination of the structure of *Participant fees*, *AEMO* may charge *NTP function* fees to a *Co-ordinating Network Service Provider* during that period based on the GWh consumed in the year commencing 1 July 2019 in the relevant *region* as a proportion of the GWh consumed in all *regions* in that year.



- (b) AEMO must publish on its website by 1 January 2021 the *NTP function* fees to be charged to each relevant *Co-ordinating Network Service Provider* for the period of 1 January 2021 to 30 June 2021 and such fees are taken to be *Participant fees* payable by those providers.
- (c) To avoid doubt, AEMO may include in the *NTP function* fees advised to a *Co-ordinating Network Service Provider* under clause 2.11.3(ba) for the year commencing 1 July 2021:
 - (1) the share of AEMO's expenditures in carrying out *NTP functions* (as specified in AEMO's published 2020-2021 AEMO Budget and Fees document, which to avoid doubt includes expenditures not recovered in previous years) that AEMO has not charged each *Co-ordinating Network Services Provider* in the year commencing 1 July 2020; and
 - (2) AEMO's costs of financing the amounts referred to in sub-paragraph (1).
- (d) For the purposes of making the adjustment under clause 6A.23.3(e)(6) in relation to transmission prices for the year commencing 1 July 2021, a *Co-ordinating Network Service Provider* may add to the *NTP function* fees advised for that *financial year*:
 - (1) the *NTP function* fees charged for the period from 1 January 2021 to 30 June 2021 and which were not recovered in transmission prices in the year commencing 1 July 2020; and
 - (2) a gross up of the fees referred to in sub-paragraph (1) for the time cost of money for that period based on the *allowed rate of return* for that *Co-ordinating Network Service Provider* at the time when the adjustment is to be made.
- (e) As soon as practicable, AEMO must amend its revenue methodology to take into account the [Amending Rule]. AEMO is not required to consult with the public in making the amendments.
- (f) Clause 6A.29.1(g) applies to references to a *Co-ordinating Network Service Provider* in this clause 11.126.11.

4.5.2 Explanation

Paragraph (a) is required to enable AEMO to charge CNSPs rather than Market Customers as provided for under the current Participant Fees Structure Determination which ends on 30 June 2021.

Paragraph (a) also provides that the same fee structure will apply for NTP function fees for the first year of the next participant fee determination (2021-2022). AEMO is due to start the consultation shortly for the next participant fee determination. Ordinarily, the outcomes from this review would be applied and commence from 1 July 2021.

The proposed approach is to defer the application of the revised participant fee structure to NTP function fees until 1 July 2022. This will mean the charges for 2021-22 that AEMO advises individual CNSPs on 15 February 2021 will not be impacted by any potential NTP fee structure changes.

Paragraph (b) is required to enable AEMO to formalise the inclusion of NTP function fees that AEMO will charge as participant fees to relevant CNSPs (ie excluding Victoria where NTP costs have already been included in current pricing) for part of the NTP costs for the remainder of the 2020-21 financial year. Given the transition, AEMO has not formally set out a fee in the current budget for 2020-21 and paragraph (b) provides a mechanism to formally set out the NTP function fees for 1 January 2021 to 30 June 2021.



Paragraph (c) clarifies that AEMO can add the unrecovered share of 2020-21 NTP costs (which includes deficits from prior years) that were not charged to CNSPs in that year, and AEMO's financing costs for those amounts for that year, to the NTP function fees advised to CNSPs for 2021-22.

Paragraph (d) clarifies that CNSPs can add the unrecovered share of the NTP function fees that were not recovered in transmission prices in 2020-2021 to the amount of NTP function fees to be recovered through transmission prices in 2021-2022 as well as the carrying costs for those unrecovered fees for that period.

Paragraph (e) addresses a procedural matter requiring AEMO to amend its revenue methodology in relation to Victorian transmission pricing to reflect the amendments. Given it is procedural, it removes the need for consultation with the public otherwise required under clause S6A.4.2(c)(3).

Paragraph (f) clarifies that any references to CNSPs in this section applies to the TNSP in a region in which there is no CNSP.

4.6 Expedited rule change

AEMO considers the proposed changes set out above will not have a significant effect on the NEM and are therefore non-controversial. This is because the proposed changes are consequential to those changes made in the ISP Rule (and are required to fully implement its intent). The allocation of NTP function fees to TNSPs is already provided for pursuant to clause 2.11.1(c)(5A) and as such the proposed amendments are simply providing the mechanics to achieve the existing allocation. Furthermore, the necessary financing and carry costs the amendments provide for are negligible on a per customer basis.

Energy Networks Australia on behalf of the CNSPs/TNSPs will provide a separate letter supporting the rules drafting.

AEMO therefore requests that the AEMC considers this proposal as a request for a non-controversial Rule in accordance with section 96 of the National Electricity Law.

Furthermore, because some of these changes relate to budgeting by AEMO and TNSP for the current financial year, a timely rule change would assist AEMO and CNSPs/TNSPs in implementing those changes relevant to this financial year.

AEMO actively sought input from CNSPs/TNSPs on this rule change request through engagement with Energy Networks Australia, the peak representative body for NSPs.

5. HOW THE PROPOSED RULE CONTRIBUTES TO THE NATIONAL ELECTRICITY OBJECTIVE (NEO)

The AEMC may only make a rule if it will or is likely to achieve the National Electricity Objective (NEO):

"to promote efficient investment in, and efficient operation and use of, electricity services for the long-term interests of consumers of electricity with respect to:

- *price, quality, safety and reliability and security of supply of electricity*
- *the reliability, safety and security of the national electricity system."*

The proposed Rule contributes to the national electricity objective because:

- it ensures the policy intent of the ISP Rule is successfully applied, a Rule that helps achieve the NEO, by ensuring that the costs associated with the ISP Rule (i.e. NTP function costs) are recovered from TNSPs and automatically adjusted in transmission prices in the same year as originally envisaged in that Rule;
- it clarifies administrative arrangements surrounding the recovery of NTP costs incurred in the 2020-2021 financial year; and



- it clarifies administrative arrangement surrounding the recovery of NTP costs in Victoria by AEMO.

Therefore the proposed Rule promotes:

- the reliability, safety and security of the NEM or long-term planning for the NEM as it is an integral part of the introduction of the Integrated System Planning Rules Framework; and
- appropriate and efficient pricing of the supply of electricity by allocating NTP costs to CNSPs/TNSPs to reflect that the costs of the National Transmission Planning primarily involve functions in relation to the transmission sector to accommodate the change in the generation mix.

6. EXPECTED BENEFITS AND COSTS OF THE PROPOSED RULE

Benefits

The expected benefits of the proposed rule is to:

- Update the NER to address the misalignment between AEMO's budget process and TNSP pricing brought about by amendments to the NER in the ISP Rule;
- Clarify administrative arrangements around the recovery of 2020-21 NTP costs by AEMO from CNSPs/TNSPs;
- Clarify administrative arrangements and timing issues about how TNSPs can recover 2020-21 NTP function fees through transmission pricing;
- Clarify administrative arrangements around the recovery of NTP function costs by AEMO in Victoria; and
- Eliminate any interpretive risks associated with the current NER arrangements. A lack of certainty can cause confusion and lead to time consuming clarifications and debate.

Costs

The proposed rule does not impose any new material costs on consumers beyond those identified in the original ISP Rule.



Attachment A

1. PROPOSED RULE DRAFTING

1.1 Development of participant fee structure

1.1.1 Proposed change

Amend clause 2.11.1(c)(5A) as follows:

(c) The components of the Participant fees may include, but are not limited to:

(5A) *NTP function* fees to recover AEMO's budgeted revenue requirement as described in clause 2.11.3(b)(4A), such fees to be allocated to Co-ordinating ~~Transmission~~ Network Service Providers, including AEMO in its capacity as a Co-ordinating Network Service Provider providing shared transmission services;

1.2 AEMO's budgeted revenue requirements

1.2.1 Proposed change

Amend clause 2.11.3 as follows:

(a) AEMO must prepare and *publish* before the beginning of each *financial year* a budget of the revenue requirements for AEMO for that *financial year*.

(b) The budget prepared by AEMO under clause 2.11.3(a) must take into account and separately identify projected revenue requirements in respect of:

(1)

(4A) AEMO's expenditures in carrying out *NTP functions*;

(ba) AEMO must advise each Co-ordinating Network Service Provider of AEMO's budgeted NTP function fees to recover its projected revenue requirement identified under subparagraph (b)(4A) by 15 February each year for the next financial year to allow Co-ordinating Network Service Providers to publish transmission prices in accordance with clause 6A.24.2.

...

(d) AEMO's expenditures in carrying out declared network functions, and the NTP function fees applicable to AEMO as a Co-ordinating Network Service Provider under clause 2.11.3(ba), are to be recovered through fees charged as a Transmission Network Service Provider and not through Participant fees.



1.3 Allocation of the annual service revenue requirement to connection points

1.3.1 Proposed change

Amend clause 6A.23.3(e) as follows:

- (e) The pre-adjusted non-locational component is to be adjusted by:
 - (1)....
 - (6) adding the amount of *NTP function* fees advised to the *Co-ordinating Network Service Provider* in accordance with clause 2.11.43(ba),

1.4 Multiple Transmission Network Service Providers

Amend clause 6A.29.1 by adding a new paragraph (g) as follows:

- (g) If *prescribed transmission services* within a *region* are provided by only one *Transmission Network Service Provider*, then references in rule 2.11 and clause 6A.23.3 to a *Co-ordinating Network Service Provider* in respect of *NTP function* expenditure and fees are to be read as a reference to that *Transmission Network Service Provider*.

1.5 Transitional arrangements

1.5.1 Proposed change

A new transitional Rule would be inserted after clause 11.126.10 of the Rules, being the transitional rules for the *National Electricity Amendment (Integrated System Plan) Rule 2020*.

11.126.11 Allocation of NTP costs

- (a) On and from 1 January 2021 until 30 June 2022, notwithstanding AEMO's determination of the structure of *Participant fees*, AEMO may charge *NTP function* fees to a *Co-ordinating Network Service Provider* during that period based on the GWh consumed in the year commencing 1 July 2019 in the relevant *region* as a proportion of the GWh consumed in all *regions* in that year.
- (b) AEMO must publish on its website by 1 January 2021 the *NTP function* fees to be charged to each relevant *Co-ordinating Network Service Provider* for the period of 1 January 2021 to 30 June 2021 and such fees are taken to be *Participant fees* payable by those providers.
- (c) To avoid doubt, AEMO may include in the *NTP function* fees advised to a *Co-ordinating Network Service Provider* under clause 2.11.3(ba) for the year commencing 1 July 2021:
 - (1) the share of AEMO's expenditures in carrying out *NTP functions* (as specified in AEMO's published 2020-2021 AEMO Budget and Fees document, which to avoid doubt includes expenditures not recovered in previous years) that AEMO has not charged each *Co-ordinating Network Services Provider* in the year commencing 1 July 2020; and



- (2) AEMO's costs of financing the amounts referred to in sub-paragraph (1).
- (d) For the purposes of making the adjustment under clause 6A.23.3(e)(6) in relation to transmission prices for the year commencing 1 July 2021, a *Co-ordinating Network Service Provider* may add to the *NTP function* fees advised for that *financial year*:
 - (1) the *NTP function* fees charged for the period from 1 January 2021 to 30 June 2021 and which were not recovered in transmission prices in the year commencing 1 July 2020; and
 - (2) a gross up of the fees referred to in sub-paragraph (1) for the time cost of money for that period based on the *allowed rate of return* for that *Co-ordinating Network Service Provider* at the time when the adjustment is to be made.
- (e) As soon as practicable, AEMO must amend its revenue methodology to take into account the [Amending Rule]. AEMO is not required to consult with the public in making the amendments.
- (f) Clause 6A.29.1(g) applies to references to a *Co-ordinating Network Service Provider* in this clause 11.126.11.