



Draft National Electricity Amendment (Establishing revenue determinations for Intending TNSPs) Rule 2022

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.

Anna Collyer
Chairperson
Australian Energy Market Commission

Draft National Electricity Amendment (Establishing revenue determinations for Intending TNSPs) Rule 2022

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Establishing revenue determinations for Intending TNSPs) Rule 2022*.

2 Commencement

This Rule commences operation on 3 November 2022.

3 Amendment to the National Electricity Rules

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

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

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

In clause 6A.8.2, omit the heading and substitute "Incorporation of contingent project in revenue determination".

[2] Clause 6A.8.2 Incorporation of contingent project in revenue determination

After clause 6A.8.2(a1), insert:

- (a2) An *Intending TNSP* may, prior to the first *regulatory control period* of the first *revenue determination* that will apply to that *Intending TNSP*, apply to the *AER* to include in that *revenue determination* the amounts determined in accordance with this clause 6A.8.2 if, for an *actionable ISP project*, the *trigger event* under clause 5.16A.5 has occurred.
- (a3) An application may be made under paragraph (a2) at the same time as a request under clause 6A.10.2(a).

[3] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(b), omit "paragraph (a)" and substitute "paragraph (a) or (a2)".

[4] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(b), omit "remaining *regulatory year*" and substitute "relevant *regulatory year*", wherever occurring.

[5] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(c), after "(a1)", insert ", (a2)"

[6] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(e), omit "remaining *regulatory year*" and substitute "relevant *regulatory year*", wherever occurring.

[7] Clause 6A.8.2 Incorporation of contingent project in revenue determination

Omit clause 6A.8.2(e)(3) and substitute:

- (3) amend or incorporate amounts into the relevant *revenue determination* in accordance with paragraph (h) and if applicable paragraph (n) or (o).

[8] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(h), after "Amendments to" insert "or incorporation of amounts into".

[9] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(h)(3), omit "each *regulatory year* in the remainder of" and substitute "each relevant *regulatory year* in", wherever occurring.

[10] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(h1), after "paragraph (a)" insert "or (a2) (as relevant)".

[11] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(i), after "amending" insert "or incorporating amounts into".

[12] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(i), after "paragraph (n)" insert "or (o)".

[13] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(k), after "paragraph (a)" insert "or (a2)".

[14] Clause 6A.8.2 Incorporation of contingent project in revenue determination

In clause 6A.8.2(k1), after "paragraph (a)" insert "or (a2)".

[15] Clause 6A.8.2 Incorporation of contingent project in revenue determination

After clause 6A.8.2(k3), omit the heading "Amendment of revenue determination" and substitute:

Incorporation into revenue determination

[16] Clause 6A.8.2 Incorporation of contingent project in revenue determination

After clause 6A.8.2(n), insert:

- (o) If an *Intending TNSP* submits an application under paragraph (a2), then the *AER* must include in the *revenue determination* for the first *regulatory control period* the amounts determined under subparagraph (e)(1).

[17] Clause 6A.10.1A AER's framework and approach paper

In clause 6A.10.1A(a), omit "The *AER* must" and substitute "Subject to paragraph (a1), the *AER* must".

[18] Clause 6A.10.1A AER's framework and approach paper

After clause 6A.10.1A(a), insert:

- (a1) The *AER* may make and publish a *framework and approach paper* that applies in respect of a *revenue determination* for an *Intending TNSP* if the *AER* considers that it is necessary or desirable to do so.
- (a2) A *framework and approach paper* that applies in respect of a *revenue determination* under paragraph (a1) may set out the *AER*'s proposed approach (together with its reasons for the proposed approach), in the forthcoming *revenue determination*, to any of the matters set out in paragraph (b) as the *AER* considers appropriate.

[19] Clause 6A.10.1A AER's framework and approach paper

In clause 6A.10.1A(b), omit "A *framework and approach paper*" and substitute "Subject to paragraph (a2), a *framework and approach paper*".

[20] Clause 6A.10.2 New clause

Omit clause 6A.10.2 and substitute:

6A.10.2 Request to commence revenue determination process

- (a) An *Intending TNSP* may request the *AER* to commence the process of making a *revenue determination* by submitting a *Revenue Proposal* to the *AER* relating to the *prescribed transmission services* that are to

be provided by means of, or in connection with, a proposed *transmission system* that is to be owned, controlled or operated by that *Intending TNSP*.

- (b) A *Revenue Proposal* submitted under paragraph (a) must comply with the requirements set out in clause 6A.10.1 and Schedule 6A.1.
- (c) The *AER* must, as soon as practicable, determine whether or not to commence the process of making a *revenue determination* requested by an *Intending TNSP* under paragraph (a) and in doing so, may have regard to any matters it considers appropriate, such as:
 - (1) whether the *Intending TNSP* intends to deliver an *actionable ISP project* or a project that is not an *actionable ISP project* but has been subject to the *regulatory investment test for transmission*; and
 - (2) the likelihood of the *Intending TNSP* delivering that project.
- (d) The *AER* must notify the *Intending TNSP* of its decision under paragraph (c).
- (e) If the *AER* decides to commence the process of making a *revenue determination* for an *Intending TNSP* under paragraph (c) then Parts C, E and F of this Chapter 6A (and all relevant definitions and provisions referred to in those Parts) apply in relation to that *Intending TNSP* as if a reference to a *Transmission Network Service Provider* is a reference to that *Intending TNSP* in respect of its first *revenue determination*.

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

In clause 6A.11.1(a), omit "under clause 6A.10.1" and substitute "under rule 6A.10".

[22] Clause 6A.11.3 Consultation

After clause 6A.11.3(b)(1), insert:

- (1A) an issues paper not more than 40 *business days* after making a decision to commence the process of making a *revenue determination* under clause 6A.10.2(c);

[23] Chapter 10 Glossary

In the definition of "*contingent project*", omit "clause 6A.8.1A" and substitute "clause 6A.8.A1".

[24] Chapter 10 Glossary

In chapter 10, insert the following new definition in alphabetical order:

Intending TNSP

A Registered Participant who intends to provide prescribed transmission services.

[25] Chapter 10 Glossary

In the definition of "***Revenue Proposal***", after the existing paragraph, insert:

For an *Intending TNSP*, a proposal submitted by the *Intending TNSP* pursuant to clause 6A.10.2(a).

[26] Chapter 10 Glossary

In the definition of "***Transmission Network Service Provider***", after "operating a *transmission system*" insert the following:

Note:

In accordance with clause 6A.10.2(d), references to a *Transmission Network Service Provider* in Parts C, E and F of Chapter 6A are deemed to be references to an *Intending TNSP* for the purposes of the revenue determination process commenced under clause 6A.10.2(c).