

Proposed Rule changes: TPIR Stage 2

1 Financeability

6A.2.3 Guidelines

- (a) The *AER*:
 - (1) must make and *publish* the *Shared Asset Guidelines*, the *Capital Expenditure Incentive Guidelines*, the *Expenditure Forecast Assessment Guidelines*, the *Transmission Confidentiality Guidelines*, the *Cost Allocation Guidelines*, the *information guidelines* and the *pricing methodology guidelines* in accordance with the *Rules*; and
 - (2) may, in accordance with the *transmission consultation procedures*, make and publish guidelines as to any other matters relevant to this Chapter.
- (b) A guideline may relate to a specified *Transmission Network Service Provider* or *Transmission Network Service Providers* of a specified class.
- (c) Except as otherwise provided in this Chapter, a guideline is not mandatory (and so does not bind the *AER* or anyone else) but, if the *AER* makes a *transmission determination* that is not in accordance with the guideline, the *AER* must state, in its reasons for the *transmission determination*, the reasons for departing from the guideline.
- (d) If a guideline indicates that there may be a change of regulatory approach in future *transmission determinations*, the guideline should also (if practicable) indicate how transitional issues are to be dealt with.
- (e) Subject to paragraph (f), the *AER* may, from time to time and in accordance with the *transmission consultation procedures*, amend or replace a guideline.
- (f) The *AER* may make administrative or minor amendments to any guideline without complying with the *transmission consultation procedures*.
- (g) This clause 6A.2.3 does not apply to the *Transmission Ring-Fencing Guidelines*.

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6A.4.2 Contents of revenue determination

- (a) A *revenue determination* for a *Transmission Network Service Provider* is to specify, for a *regulatory control period*, the following matters:
 - (1) the amount of the estimated *total revenue cap* for the *regulatory control period* or the method of calculating that amount;
 - (2) the *annual building block revenue requirement* for each *regulatory year* of the *regulatory control period*;
 - (3) the amount of the *maximum allowed revenue* for each *regulatory year* of the *regulatory control period* or the method of calculating that amount;
 - (3A) the regulatory asset base as at the commencement of the *regulatory control period*;

- (4) appropriate methodologies for the indexation of the regulatory asset base;
 - (5) the values that are to be attributed to the *performance incentive scheme parameters* for the purposes of the application to the *Transmission Network Service Provider* of any *service target performance incentive scheme* that applies in respect of the *regulatory control period*;
 - (6) the values that are to be attributed to the *efficiency benefit sharing scheme parameters* for the purposes of the application to the *Transmission Network Service Provider* of any *efficiency benefit sharing scheme* that applies in respect of the *regulatory control period*;
 - (6A) how any *capital expenditure sharing scheme*, *small-scale incentive scheme* or *demand management innovation allowance mechanism* is to apply to the *Transmission Network Service Provider*; and
 - (7) the commencement and length of the *regulatory control period*.
 - (8) **[Deleted]**
- (a1) A *revenue determination* for a *Transmission Network Service Provider* is also to specify whether depreciation for establishing the regulatory asset base as at the commencement of the following *regulatory control period* is to be based on actual or forecast capital expenditure.
 - (b) Unless otherwise determined by the *AER*:
 - (1) the *total revenue cap* may not relate to more than one *transmission system* that is owned, controlled or operated by a *Transmission Network Service Provider*; and
 - (2) there is to be a separate *total revenue cap* for each such *transmission system*.
 - (c) A *regulatory control period* in respect of a *Transmission Network Service Provider* must be not less than 5 *regulatory years*.

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6A.5A Capital expenditure incentive mechanisms

- (a) The *capital expenditure incentive objective* is to ensure that, where the value of a regulatory asset base is subject to adjustment in accordance with the *Rules*, then the only capital expenditure that is included in an adjustment that increases the value of that regulatory asset base is capital expenditure that reasonably reflects the *capital expenditure criteria*.
- (b) The *AER* must, in accordance with the *transmission consultation procedures*, make and *publish* guidelines (the *Capital Expenditure Incentive Guidelines*) that set out:
 - (1) any *capital expenditure sharing schemes* developed by the *AER* in accordance with clause 6A.6.5A, and how the *AER* has taken into account the *capital expenditure sharing scheme principles* in developing those schemes;
 - (2) the manner in which it proposes to make determinations under clause S6A.2.2A(a) if the *overspending requirement* is satisfied;

- (3) the manner in which it proposes to determine whether depreciation for establishing a regulatory asset base as at the commencement of a *regulatory control period* is to be based on actual or forecast capital expenditure;
 - (4) the manner in which it proposed to make determinations under clause S6A.2.2A(i) if the *margin requirement* is satisfied;
 - (5) the manner in which it proposes to make determinations under clause S6A.2.2A(j) if the *capitalisation requirement* is satisfied; and
 - (6) how each scheme and proposal referred to in subparagraphs (1) to (5), and all of them taken together, are consistent with the *capital expenditure incentive objective*.
- (c) There must be *Capital Expenditure Incentive Guidelines* in force at all times after the date on which the *AER* first publishes the *Capital Expenditure Incentive Guidelines* under the *Rules*.

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6A.6.3 Depreciation

- (a) The depreciation for each *regulatory year*:
- (1) must be calculated on the value of the assets as included in the regulatory asset base, as at the beginning of that *regulatory year*, for the relevant *transmission system*; and
 - (2) must be calculated:
 - (i) providing such depreciation schedules conform with the requirements set out in paragraph (b), using the depreciation schedules for each asset or category of assets that are nominated in the relevant *Transmission Network Service Provider's Revenue Proposal*; or
 - (ii) to the extent the depreciation schedules nominated in the provider's Revenue Proposal do not so conform, using the depreciation schedules determined for that purpose by the *AER* in its final decision on the *Transmission Network Service Provider's Revenue Proposal*.
- (b) The depreciation schedules referred to in paragraph (a) must conform to the following requirements:
- (1) except as provided in paragraph (c), the schedules must depreciate using a profile that reflects the nature of the assets or category of assets over the economic life of that asset or category of assets;
 - (2) the sum of the real value of the depreciation that is attributable to any asset or category of assets over the economic life of that asset or category of assets (such real value being calculated as at the time the value of that asset or category of assets was first included in the regulatory asset base for the relevant *transmission system*) must be equivalent to the value at which that asset or category of assets was first included in the regulatory asset base for the relevant *transmission system*; and

- (3) the economic life of the relevant assets and the depreciation methodologies and rates underpinning the calculation of depreciation for a given *regulatory control period* must be consistent with those determined for the same assets on a prospective basis in the *transmission determination* for that period.
- (c) To the extent that:
- (1) an asset (or group of assets) the value of which forms part of the regulatory asset base for a *transmission system* is dedicated to one *Transmission Network User* (not being a *Distribution Network Service Provider*) or a small group of *Transmission Network Users*; and
 - (2) the value of the assets (or group of assets), as included in the value of that regulatory asset base as at the beginning of the first *regulatory year* of the current *regulatory control period*, exceeds the *indexed amount*, as at the commencement of that *regulatory control period*, of \$20 million,
- that asset (or group of assets) must be depreciated on a straight line basis over the life at which that asset (or group of assets) was first included in the regulatory asset base for that *transmission system*.
- (d) Where an asset (or group of assets) forms part of an *actionable ISP project*, a *Transmission Network Service Provider* may submit a request to the *AER* to approve that the asset (or group of assets) is depreciated on a basis other than on a straight line basis.
- (e) A request under paragraph (d) must be made at the same time as submitting an application under clause 6A.8.2(a) in relation to that asset (or group of assets).
- (f) In making a determination under paragraph (d), the *AER* must have regard to:
- (1) the relative consumer benefits from the provision of *network services* over time;
 - (2) the capacity of the *network service provider* to efficiently finance its overall regulatory asset base, including efficient capital expenditure; and
 - (3) any other factors the *AER* considers relevant, having regard to subparagraphs (1) and (2) above.
- (g) The *AER* may, in accordance with the *transmission consultation procedures*, develop and *publish* guidelines that set out:
- (1) the approach the *AER* proposes to use to make a determination under paragraph (d);
 - (2) the information the *AER* requires for the purposes of that determination;
 - (3) the information the *AER* requires for the purposes of developing and publishing the issues paper in accordance with paragraph (h); and
 - (4) any other matters the *AER* considers appropriate.
- (h) A *Transmission Network Service Provider* may, prior to submitting a request under paragraph (d), submit a request (an *initial request*) to the *AER* to develop and *publish* an issues paper that:

- (1) provides an indication on whether the asset (or group of assets) should be depreciated on a basis other than on a straight line basis and, if so, may indicate a range of depreciation profiles; and
- (2) identifies key matters that the AER considers necessary to have regard to in making a determination under paragraph (d) for the asset (or group of assets).
- (i) An initial request must be made no earlier than 6 months, and no later than 4 months, prior to the Transmission Network Service Provider submitting an application under clause 6A.8.2(a) in relation to the relevant asset (or group of assets).
- (j) If a Transmission Network Service Provider makes an initial request under paragraph (h), then, subject to paragraph (l), the AER must develop and publish an issues paper on the initial request within 2 months of receiving the initial request.
- (k) The AER may request from the Transmission Network Service Provider additional information or analysis that the AER considers reasonably necessary to assist it in publishing an issues paper under paragraph (j).
- (l) If the AER requests additional information or analysis under paragraph (k), then the period of time for publishing an issues paper under paragraph (j) is automatically extended by the period of time it takes the Transmission Network Service Provider to provide the additional information or analysis to the AER.

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6A.10.1A AER's framework and approach paper

- (a) The AER must make and publish a document (a *framework and approach paper*) that applies in respect of a *revenue determination* for a matter listed in paragraph (b) in accordance with this clause if:
 - (1) there is no *framework and approach paper* that applies in respect of that *revenue determination* for that matter; or
 - (2) there is a *framework and approach paper* that would apply in respect of that *revenue determination* for that matter, but the AER has published a notice under paragraph (c)(3) stating that it will make an amended or replacement *framework and approach paper* with respect to that matter.
- (b) A *framework and approach paper* that applies in respect of a *revenue determination* must set out the AER's proposed approach (together with its reasons for the proposed approach), in the forthcoming *revenue determination*, to the following matters:
 - (1) the application to the *Transmission Network Service Provider* of any *service target performance incentive scheme*;
 - (2) the application to the *Transmission Network Service Provider* of any *efficiency benefit sharing scheme*;

- (3) the application to the *Transmission Network Service Provider* of any *capital expenditure sharing scheme*;
- (4) the application to the *Transmission Network Service Provider* of any *small-scale incentive scheme*;
- (5) the application to the *Transmission Network Service Provider* of the *Expenditure Forecast Assessment Guidelines*;
- (6) whether depreciation for establishing the regulatory asset base for the relevant *transmission system* as at the commencement of the following *regulatory control period* is to be based on actual or forecast capital expenditure in accordance with clause S6A.2.2B; and
- (7) the application to the *Transmission Network Service Provider* of any *demand management innovation allowance mechanism*.

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6A.14 Requirements relating to draft and final decisions

6A.14.1 Contents of decisions

A draft decision under rule 6A.12 or a final decision under rule 6A.13 is a decision by the *AER*:

- (1) on the *Transmission Network Service Provider's* current *Revenue Proposal* in which the *AER* either approves or refuses to approve:
 - (i) the *total revenue cap* for the provider for the *regulatory control period*;
 - (ii) the *maximum allowed revenue* for the provider for each *regulatory year* of the *regulatory control period*;
 - (iii) the values that are to be attributed to the *performance incentive scheme parameters* for any *service target performance incentive scheme* that is to apply to the provider in respect of the *regulatory control period*;
 - (iv) the values that are to be attributed to the *efficiency benefit sharing scheme parameters* for any *efficiency benefit sharing scheme* that is to apply to the provider in respect of the *regulatory control period*; and
 - (v) the commencement and length of the *regulatory control period* that has been proposed by the provider,
 as set out in the *Revenue Proposal*, setting out the reasons for the decision;
- (2) in which the *AER* either:
 - (i) acting in accordance with clause 6A.6.7(c), accepts the total of the forecast capital expenditure for the *regulatory control period* that is included in the current *Revenue Proposal*; or
 - (ii) acting in accordance with clause 6A.6.7(d), does not accept the total of the forecast capital expenditure for the *regulatory control period* that is included in the current *Revenue Proposal*, in which case the *AER* must set out its reasons for that decision and an estimate of the total of the *Transmission Network Service Provider's* required capital expenditure for the *regulatory control period* that the *AER* is satisfied reasonably reflects

the *capital expenditure criteria*, taking into account the *capital expenditure factors*;

- (3) in which the *AER* either:
 - (i) acting in accordance with clause 6A.6.6(c) or clause 6A.6.6(c1), accepts the total of the forecast operating expenditure for the *regulatory control period* that is included in the current *Revenue Proposal*; or
 - (ii) acting in accordance with clause 6A.6.6(d), does not accept the total of the forecast operating expenditure for the *regulatory control period* that is included in the current *Revenue Proposal*, in which case the *AER* must set out its reasons for that decision and an estimate of the total of the *Transmission Network Service Provider's* required operating expenditure for the *regulatory control period* that the *AER* is satisfied reasonably reflects the *operating expenditure criteria*, taking into account the *operating expenditure factors*;
- (4) in which the *AER* determines:
 - (i) whether each of the *proposed contingent projects* (if any) described in the current *Revenue Proposal* are *contingent projects* for the purposes of the *revenue determination* in which case the decision must clearly identify each of those *contingent projects*;
 - (ii) the capital expenditure that it is satisfied reasonably reflects the *capital expenditure criteria*, taking into account the *capital expenditure factors*, in the context of each *contingent project* as described in the current *Revenue Proposal*;
 - (iii) the *trigger events* in relation to each *contingent project* (in which case the decision must clearly specify those *trigger events*); and
 - (iv) if the *AER* determines that such a *proposed contingent project* is not a *contingent project* for the purposes of the *revenue determination*, its reasons for that conclusion, having regard to the requirements of clause 6A.8.1(b);
- (5) **[Deleted]**
- (5A) in which the *AER* determines how any applicable *capital expenditure sharing scheme*, *small-scale incentive scheme* or *demand management innovation allowance mechanism* is to apply to the *Transmission Network Service Provider*;
- (5B) on the *allowed rate of return* for each *regulatory year* of the *regulatory control period*;
- (5C) on the *allowed imputation credits* for each *regulatory year* of the *regulatory control period*;
- (5D) on the regulatory asset base as at the commencement of the *regulatory control period* in accordance with clause 6A.6.1 and Schedule 6A.2;
- (5E) on whether depreciation for establishing the regulatory asset base as at the commencement of the following *regulatory control period* is to be based on actual or forecast capital expenditure;

Note: See clause S6A.2.2B.

- (6) [Deleted]
- (7) [Deleted]
- (8) on the *Transmission Network Service Provider's* current proposed *pricing methodology*, in which the *AER* either approves or refuses to approve that methodology and sets out reasons for its decision; and
- (9) on the additional *pass through events* that are to apply for the *regulatory control period* in accordance with clause 6A.6.9.

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S6A.1.3 Additional information and matters

A *Revenue Proposal* must contain at least the following additional information and matters:

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- (7) the depreciation schedules nominated by the *Transmission Network Service Provider* for the purposes of clause 6A.6.3, which categorise the relevant assets for these purposes by reference to well accepted categories such as:
 - (i) asset class (eg *transmission lines* and *substations*); or
 - (ii) category driver (eg *regulatory obligations or requirements*, replacement, *reliability*, net market benefit, and business support),and also by location and whether or not the assets form part of an *actionable ISP project*, together with:
 - (iii) details of all amounts, values and other inputs used by the *Transmission Network Service Provider* to compile those depreciation schedules;
 - (iv) a demonstration that those depreciation schedules conform with the requirements set out in clause 6A.6.3~~(b)~~; and
 - (v) an explanation of the calculation of the amounts, values and inputs referred to in subparagraph (iii);

...

10. Glossary

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initial request

Has the meaning given to it in clause 6A.6.3(h).

2 Social Licence

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5.10.2 Definitions

In this Part D and schedules 5.8, 5.9 and 5.4A:

...

preparatory activities means activities to design and to investigate the costs and benefits of *actionable ISP projects, future ISP projects* and REZ stages (as applicable), including:

- (a) detailed engineering design;
- (b) route selection and easement assessment work;
- (c) cost estimation based on engineering design and route selection;
- (d) preliminary assessment of environmental and planning approvals; and

~~(e) council and stakeholder engagement,~~

~~which are undertaken prior to the identification of the preferred option for the relevant project or stage.~~

(e) engagement with local council, local community members, members of the public and any other relevant stakeholders wishing to express their views about the development of the *actionable ISP project, future ISP project, or project within a REZ stage, in accordance with the community engagement expectations.*

...

community engagement expectations means ensuring that:

- (a) stakeholders receive information that is clear, accurate, relevant and timely;
- (b) stakeholders have sufficient opportunity to consider and respond to the information provided;
- (c) consultation materials and methods of communication tailored to the needs of different stakeholders are used; and
- (d) the stakeholders' role in the engagement process is clearly explained to them, including how their input will be taken into account.

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10. Glossary

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community engagement expectations

Has the meaning given to it in clause 5.10.2.

...

5.15.1 Interested parties

- (a) In clauses 5.16.4, 5.16A.4, rule 5.16B and clauses 5.17.4 and 5.17.5, *interested party* means a person including an end user or its representative who, in the AER's opinion, has the potential to suffer a material and adverse NEM impact from the investment identified as the preferred option in the project assessment conclusions report or the final project assessment report (as the case may be).
- (b) For the purpose of the *regulatory investment test for transmission for an actionable ISP project*, an *interested party* includes a local council, local community member, member of the public and any other relevant stakeholder wishing to express their views about the development of the *actionable ISP project*.

5.16A.4 Regulatory investment test for transmission procedures

Project assessment draft report

- (a) If a *Transmission Network Service Provider* is identified as a *RIT-T proponent* in an *Integrated System Plan* for an *actionable ISP project*, then that *Transmission Network Service Provider* is the *RIT-T proponent* for that *RIT-T project* and must apply the *regulatory investment test for transmission* to, and consult all *Registered Participants*, *AEMO* and *interested parties* on, that *RIT-T project* in accordance with this clause 5.16A.4.
...
- (c) The *RIT-T proponent* must prepare a report in accordance with paragraphs (d) to (h) (*project assessment draft report*) and publish it by the date specified in the *Integrated System Plan* for that *RIT-T project* or such longer time period as is agreed in writing by the *AER* and make that report available to all *Registered Participants*, *AEMO* and *interested parties*.
...
- (f) The *RIT-T proponent* must seek submissions from *Registered Participants*, *AEMO* and *interested parties* on the proposed *preferred option* presented, and the issues addressed, in the *project assessment draft report*.
...
- (h) Within 4 weeks after the end of the consultation period required under paragraph (g), at the request of an *interested party*, a *Registered Participant* or *AEMO* (each being a relevant party for the purposes of this paragraph), the *RIT-T proponent* must meet with the relevant party if a meeting is requested by two or more relevant parties and may meet with a relevant party if after having considered all submissions, the *RIT-T proponent*, acting reasonably, considers that the meeting is necessary.

Project assessment conclusions report

- (i) As soon as practicable after the end of the consultation period on the *project assessment draft report* referred to in paragraph (g), the *RIT-T proponent* must, having regard to the submissions received, if any, under paragraph (f) and the

matters discussed at any meetings held, if any, under paragraph (h), prepare and make available to all *Registered Participants*, *AEMO* and *interested parties* and *publish* a report (the *project assessment conclusions report*).

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Consultation with communities

- (r) To the extent that consultations under paragraphs (a) and (f) include engagement with *interested parties* as defined in clause 5.15.1(b), that engagement must be undertaken in accordance with the *community engagement expectations*.

5.22.6 Content of Integrated System Plan

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Preparatory activities

- (c) An *Integrated System Plan* may specify whether preparatory activities must be carried out for *future ISP projects* and the timeframes for carrying out preparatory activities.
- (d) A *Transmission Network Service Provider* must:
- (1) in the case of an *actionable ISP project* for which preparatory activities have not yet commenced, commence preparatory activities as soon as practicable; and
 - (2) in the case of a *future ISP project*, if the *Integrated System Plan* provides that preparatory activities must be undertaken for that project, commence preparatory activities in accordance with the timeframes specified in the *Integrated System Plan* for that project,
- provided that where preparatory activities are required to be undertaken pursuant to clause 5.24.1(b)(2), a *jurisdictional planning body* must ensure that preparatory activities are commenced in accordance with the timeframes described in subparagraph (1) or (2) (as applicable).

5.24.1 REZ design reports

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- (e) In undertaking any public consultation pursuant to paragraph (d)(1), seeking written submissions in accordance with paragraph (d)(2) and undertaking the council and stakeholder engagement as part of preparatory activities pursuant to paragraph (b)(2)(i), the *jurisdictional planning body* must ensure that: do so in accordance with the *community engagement expectations*.
- ~~(1) stakeholders receive information that is clear, accurate, relevant and timely;~~
 - ~~(2) stakeholders have sufficient opportunity to consider and respond to the information provided;~~
 - ~~(3) targeted consultation materials, and methods of communication tailored to the needs of different stakeholders, are used; and~~
 - ~~(4) stakeholders' role in the engagement process is clearly explained to them, including how their input will be taken into account.~~

3 Feedback loop

5.16A.2 Cost Benefit Analysis Guidelines

- (a) The *Cost Benefit Analysis Guidelines* developed and *published* by the AER in accordance with clause 5.22.5 must include guidelines for the operation and application of the *regulatory investment test for transmission to actionable ISP projects* in accordance with rule 5.15A and this rule 5.16A.
- (b) The *Cost Benefit Analysis Guidelines* must in relation to the application of the *regulatory investment test for transmission* by a *RIT-T proponent* to an *actionable ISP project*:
 - (1) give effect to and be consistent with rule 5.15A and clauses 5.16A.3, 5.16A.4 and 5.16A.5; and
 - (2) specify requirements for *actionable ISP projects* on:
 - (i) the operation and application of the *regulatory investment test for transmission*;
 - (ii) the process to be followed in applying the *regulatory investment test for transmission*; and
 - (iii) how disputes raised in relation to the *regulatory investment test for transmission* and its application will be addressed and resolved.
- (c) The *Cost Benefit Analysis Guidelines* must provide guidance as to:
 - (1) what constitutes a *credible option* for the purposes of clause 5.15A.3(b)(7)(iii)(C);
 - (2) acceptable methodologies for valuing the costs of a *credible option*; and
 - (3) how the *RIT-T proponent* must apply the *ISP parameters*; and
 - (4) the timing of any request made by a *RIT-T proponent* under clause 5.16A.5(b).

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5.16A.5 Actionable ISP project trigger event

In order to be eligible to submit a *contingent project* application in relation to an *actionable ISP project* (or a stage of an *actionable ISP project* if the *actionable ISP project* is a staged project) under clause 6A.8.2, all of the following criteria must be satisfied ("**trigger event**"):

- (a) the *RIT-T proponent* must issue a *project assessment conclusions report* that meets the requirements of clause 5.16A.4 and which identifies a project as the *preferred option* (which may be a stage of an *actionable ISP project* if the *actionable ISP project* is a staged project);
- (b) the *RIT-T proponent* must obtain request written confirmation from AEMO that:
 - (1) the *preferred option* addresses the relevant *identified need* specified ~~in the most recent *Integrated System Plan*~~, and aligns with the *optimal development path* referred to ~~in~~ the most recent draft or final *Integrated System Plan*; and

- (2) the cost of the *preferred option* does not change the status of the *actionable ISP project* as part of the *optimal development path* as updated in accordance with clause 5.22.15 where applicable in the most recent draft or final *Integrated System Plan*;
- (c) no *dispute notice* has been given to the *AER* under rule 5.16B(c) or, if a *dispute notice* has been given, then in accordance with rule 5.16B(d), the dispute has been rejected or the *project assessment conclusions report* has been amended and identifies that project as the *preferred option*; and
- (d) the cost of the *preferred option* set out in the *contingent project* application must be no greater than the cost considered in *AEMO's* assessment in subparagraph (b).

5.16A.5A Feedback loop timeframes

- (a) *AEMO* must:
 - (1) consider any request made; and
 - (2) make a decision on whether or not to provide written confirmation,
under clause 5.16A.5(b), within 40 *business days* from the later of the date *AEMO* receives the request and the date *AEMO* receives any information required by *AEMO* under paragraph (b).
- (b) *AEMO* may request by written notice, and the *RIT-T proponent* must provide to *AEMO* within such time as specified in that notice, any additional information *AEMO* considers reasonably necessary to make a decision on a request made by that *RIT-T proponent* under clause 5.16A.5(b).
- (c) If *AEMO* is satisfied that making a decision on whether or not to issue written confirmation under clause 5.16A.5(b) involves issues of sufficient complexity or difficulty that the time period fixed in paragraph (a) should be extended, *AEMO* may extend that time period by a further period of up to 60 *business days*, by providing written notice to the *RIT-T proponent* of that extension no later than 7 *business days* prior to the expiry of the relevant period.

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6A.8.2 Amendment of revenue determination for contingent project

- (a) 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:
 - (1) for a *contingent project* in a *revenue determination*, a *trigger event* for a *contingent project* in relation to that *revenue determination* has occurred; or
 - (2) for an *actionable ISP project*, the *trigger event* under clause 5.16A.5 has occurred.
- (a1) An application referred to in paragraph (a) must be made as soon as practicable after the occurrence of the *trigger event*.
- (b) An application made under paragraph (a) must contain the following information (as applicable):

- (1) an explanation that substantiates the occurrence of the *trigger event*;
 - (2) a forecast of the total capital expenditure for the *contingent project*;
 - (3) 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*;
 - (4) 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);
 - (5) the intended date for commencing the *contingent project* (which must be during the *regulatory control period*);
 - (6) the anticipated date for completing the *contingent project* (which may be after the end of the *regulatory control period*);
 - (7) 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 subparagraph (3), which must be calculated:
 - (i) in accordance with the requirements 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;
 - (v) on the basis of the capital expenditure and incremental operating expenditure referred to in subparagraph (b)(3); and
 - (8) if paragraph (n) applies, a forecast of the total capital expenditure and the total incremental operating expenditure for the *contingent project* for the subsequent *regulatory control period*.
- (c) As soon as practicable after its receipt of an application made in accordance with paragraphs (a), (a1) and (b), the *AER* must *publish* the application, together with an invitation for written submissions on the application.
 - (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-;
 - (1A) the trigger event has occurred, ~~and that-;~~

(1B) 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:~~;

(1C) the *Transmission Network Service Provider* has complied with its obligations under clauses 5.16.4(z5D), 5.16.4(z5E), and 5.16A.4(t) and 5.16A.4(u) (as applicable); and

[Note: this subclause will commence on 9 October 2023 as part of the *Material change in network infrastructure project costs rule change (ERC0325).*]

(1D) for an *actionable ISP project*, AEMO has provided the written confirmation requested under clause 5.16A.5(b).

then it must:

(1) determine (as applicable):

- (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*;
- (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); and
- (v) if paragraph (n) applies, the total capital expenditure and the total incremental operating expenditure which the *AER* considers is reasonably required for the purpose of undertaking the *contingent project* in the subsequent *regulatory control period*;

(2) calculate the estimate referred to in subparagraph (1)(iv):

- (i) on the basis of the capital expenditure referred to in subparagraph (1)(i);
- (ii) to include the incremental operating expenditure referred to in subparagraph (1)(i); and
- (iii) otherwise in accordance with paragraph (b); and

(3) amend the relevant *revenue determination* in accordance with paragraph (h) and if applicable paragraph (n).

...

4 Transitional provisions (as necessitated by Rule changes for financeability, feedback loop and social licence – refer above)

11.[xxx].1.1 Definitions

For the purposes of this Part [XX]:

Amending Rule means the National Electricity Amendment ([TPIR Stage 2]) Rule.

commencement date means the date on which the Amending Rule commences operation.

11.[xxx].2.2 Existing actionable ISP projects prior to the clause 5.16A.5 stage

- (a) This clause 11.[xxx].2 applies if, at the commencement date, for an existing actionable ISP project the RIT-T proponent has requested written confirmation from AEMO under clause 5.16A.5(b).
- (b) For an existing actionable ISP project referred to in clause 11.xxx.2.2(a), rule 5.16A continues to apply as if the Amending Rule had not been made.

11.[xxx].2.3 Cost Benefit Analysis Guidelines

- (a) Within 12 months after the commencement date, the AER must update and publish on its website the Cost Benefit Analysis Guidelines required under clause 5.22.5 to comply with the requirements set out in clause 5.16A.2(c)(4), and in doing so must comply with the Rules consultation procedures.
- (b) If, prior to the commencement date, and for the purposes of updating the Cost Benefit Analysis Guidelines in anticipation of the Amending Rule, the AER undertook consultation or steps equivalent to that as required in the Rules consultation procedures, then that consultation or steps undertaken is taken to satisfy the equivalent consultation or steps under the Rules consultation procedures.

11.[xxx].2.4 Preparatory activities

- (a) This clause 11.[xxx].2.4 applies if, at the commencement date, for an existing actionable ISP project or a future ISP project, the Transmission Network Service Provider has commenced the preparatory activities referred to in clause 5.22.6(d).
- (b) For an existing actionable ISP project or future ISP project referred to in clause 11.xxx.2.4(a), the definition of preparatory activities continues to apply as if the Amending Rule had not been made, unless the Transmission Network Service Provider elects for the Amending Rule to apply.

11.[xxx].2.5 Community engagement expectations

- (a) This clause 11.[xxx].2.5 applies if, at the commencement date, for an existing actionable ISP project the Transmission Network Service Provider has commenced the consultation referred to in clauses 5.16A.4(a) and (f).

- (b) For an existing actionable ISP project referred to in clause 11.xxx.2.5(a), clauses 5.16A.4(a) and (f) continue to apply as if the Amending Rule had not been made, unless the Transmission Network Service Provider elects for the Amending Rule to apply.
- (c) If the Transmission Network Service Provider makes this election, then it must confirm this in the project assessment draft report or project assessment conclusions report as relevant

