

Indicative changes to the National Electricity Rules

Note:

This document shows indicative changes to the relevant parts of the National Electricity Rules (NER) proposed to be made by the *Draft National Electricity Amendment (Improving the workability of the feedback loop) Rule 2024*. The changes are shown in a modified version of the NER that incorporates, where relevant, final rules made by 7 December 2024 which take effect as of 15 March 2024. This modified version of parts of the NER is provided for information only and should not be used for any other purpose. The Australian Energy Market Commission does not guarantee the accuracy, reliability or completeness of this version of the NER or the mark-up.

5.16A Application of the RIT-T to actionable ISP Projects

5.16A.1 Application

This rule 5.16A applies to the application of the *regulatory investment test for transmission* to RIT-T-projects that are *actionable ISP projects*.

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*, including any acceptable cost estimate classification systems;
 - (3) how the *RIT-T proponent* must apply the *ISP parameters*; ~~and~~
 - (4) the purpose of, and appropriate approach to developing, *RIT reopening triggers*, as well as examples of potential:
 - (i) *RIT reopening triggers*; and
 - (ii) actions that may be taken in response to a *RIT reopening trigger* being triggered; ~~and~~
 - (5) the timing of any request made by a *RIT-T proponent* under clause 5.16A.5(b).
- (d) The *Cost Benefit Analysis Guidelines* may provide guidance as to the timing of publication of a *project assessment conclusions report*.

5.16A.3 Actionable ISP projects subject to the RIT-T

- (a) A *RIT-T proponent* must apply the *regulatory investment test for transmission* to an *identified need* related to an *actionable ISP project* except if the circumstances set out in clause 5.16.3(a) apply to that *actionable ISP project*.
- (b) In addition to the circumstances under clause 5.16.3(a)(1), an *actionable ISP project* will also be taken to be required to address an urgent and unforeseen *network issue* that would otherwise put at risk the *reliability* of the *transmission network* where it is identified as such a project in the *Integrated System Plan*.
- (c) If a proposed relevant *network investment* is determined to be required to address an urgent and unforeseen *network issue* as described in paragraph (b), then the relevant *Transmission Network Service Provider* must provide the following information in its next *Transmission Annual Planning Report* following the identification of the need for the relevant *network investment*:
 - (1) the date when the proposed relevant *network investment* became or will become operational;
 - (2) the purposes of the proposed relevant *network investment*; and
 - (3) the total cost of the proposed relevant *network investment*.
- (d) With the exception of *funded augmentations*, for each *actionable ISP project* to which the *regulatory investment test for transmission* does not apply in accordance with paragraph (a), the *Network Service Providers* affected by the *actionable ISP project* must ensure, acting reasonably, that the investment required to address the *identified need* is planned and developed at least cost over the life of the investment.

5.16A.4 Regulatory investment test for transmission procedures

- (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.
- (b) A *Transmission Network Service Provider's* obligations under paragraphs (a) and (c) cease if *AEMO* publishes an *Integrated System Plan* or an *ISP update* that shows that the *actionable ISP project* no longer forms part of the *optimal development path*.

Project assessment draft report

- (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*.
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- (d) The *project assessment draft report* must:
- (1) include the matters required by the *Cost Benefit Analysis Guidelines*;
 - (2) adopt the *identified need* set out in the *Integrated System Plan* (including, in the case of proposed *reliability corrective action*, why the *RIT-T proponent* considers *reliability corrective action* is necessary);
 - (3) describe each *credible option* assessed;
 - (4) include a quantification of the costs, including a breakdown of operating and capital expenditure for each *credible option*;
 - (5) assess market benefits with and without each *credible option* and provide accompanying explanatory statements regarding the results;
 - (6) if the *RIT-T proponent* has varied the *ISP parameters*, provide demonstrable reasons in accordance with 5.15A.3(b)(7)(iv);
 - (7) identify the proposed *preferred option* that the *RIT-T proponent* proposes to adopt;
 - (8) for the proposed *preferred option* identified under subparagraph (7), the *RIT-T proponent* must provide:
 - (i) details of the technical characteristics; and
 - (ii) the estimated construction timetable and commissioning date; and
 - (9) if each of the following apply to the *RIT-T project*:
 - (i) the estimated capital cost of the proposed *preferred option* is greater than \$100 million (as varied in accordance with a *cost threshold determination*); and
 - (ii) *AEMO* is not the sole *RIT-T proponent*,
include the *RIT reopening triggers* applying to the *RIT-T project*.
- (e) The *RIT-T proponent* must publish on its website the *project assessment draft report* within 5 *business days* of the *project assessment draft report* being made. The *RIT-T proponent* must promptly provide the *project assessment draft report* to *AEMO* after it is made and *AEMO* must publish on its website the report within 5 *business days* of receipt.
- (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*.
- (g) The period for consultation referred to in paragraph (f) must be not less than 6 weeks from the date that *AEMO* publishes the report on its website.
- (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
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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) and subject to any timing requirements set out in the *Cost Benefit Analysis Guidelines* under clause 5.16A.2(d), 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*).
- (j) The *project assessment conclusions report* must set out:
 - (1) the matters detailed in the *project assessment draft report* as required under paragraph (d); and
 - (2) a summary of, and the *RIT-T proponent's* response to, submissions received, if any, from *interested parties* sought under paragraph (f).
- (k) The *RIT-T proponent* must publish on its website the project conclusions report within 5 *business days* of the *project assessment conclusions report* being made. The *RIT-T proponent* must promptly provide the *project assessment conclusions report* to *AEMO* after it is made and *AEMO* must publish on its website the report within 5 *business days* of receipt.
- (l) A *RIT-T proponent* may discharge its obligation under paragraph (i) to make the *project assessment conclusions report* available by including the *project assessment conclusions report* as part of its *Transmission Annual Planning Report* provided that the report is *published* within 4 weeks from the date of publishing the *project assessment conclusions report* under paragraph (i).

Exemption from drafting a project assessment draft report for RIT-T projects

- (m) A *RIT-T proponent* is exempt from paragraphs (c) to (h) if:
 - (1) the estimated capital cost of all *credible options* is less than \$35 million (as varied in accordance with a cost threshold determination);
 - (2) *AEMO* has identified in the relevant draft *Integrated System Plan* that the *identified need* to be addressed relates to *reliability corrective action* and will have the benefit of this exemption; and
 - (3) *AEMO* confirms that no submissions were received on the draft *Integrated System Plan* which identified additional *credible options* that could deliver a material market benefit.

Reapplication of regulatory investment test for transmission

- (n) If:
 - (1) a *RIT-T proponent* has *published* on its website a *project assessment conclusions report* in respect of a *RIT-T project*; and
 - (2) there has been either:
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- (i) any material change in circumstances; or
- (ii) *AEMO* has published an *Integrated System Plan* or *ISP update* that shows a change to the *identified need* in relation to the *actionable ISP project* the subject of the *project assessment conclusions report*,

then the *RIT-T proponent* must:

- (3) notify the *AER* in writing that there has been either a material change in circumstances or a change to the *identified need* (as applicable and each as contemplated in subparagraph (2)), which must also set out the nature of that material change in circumstances or change to the *identified need*, any actions the *RIT-T proponent* proposes to take as a result of that material change in circumstances or change to the *identified need* and the timeframes within which it proposes to complete any such actions;
 - (4) provide any information necessary to support any actions the *RIT-T proponent* proposes to take, including any information necessary to demonstrate that the *RIT-T proponent* has had regard to the matters in paragraph (o1); and
 - (5) take the actions (if any) approved or required by the *AER* in a determination made under paragraph (q) within the timeframe specified by the *AER* in its determination.
- (o0) For the purposes of paragraph (n)(2), a *RIT-T proponent* is only required to consider whether a material change in circumstances or change to the *identified need* has occurred if more than six months has elapsed since the later of the *RIT-T proponent* completing:
- (1) the analysis required to apply the *regulatory investment test for transmission*; or
 - (2) the analysis required for any reapplication (in whole or in part) of the *regulatory investment test for transmission*.
- (o) For the purposes of paragraph (n), a material change in circumstances includes, but is not limited to:
- (1) a change to the key inputs and assumptions (including as a result of an *ISP update*) used in identifying the *identified need* described in the *project assessment conclusions report*;
 - (2) for a *RIT-T project* contemplated by clause 5.16A.4(d)(9), one or more *RIT reopening triggers* applying to the project having been triggered; or
 - (3) a change in circumstances which, in the reasonable opinion of the *RIT-T proponent*, means that the *preferred option* identified in the *project assessment conclusions report* may no longer be the *preferred option*.
- (o1) When proposing any actions to take and/or associated timeframes under subparagraph (n)(3), the *RIT-T proponent* must have regard to:
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- (1) whether, in the *RIT-T proponent's* reasonable opinion, the reapplication of the *regulatory investment test for transmission* to the *RIT-T project* is justified in the circumstances;
 - (2) the costs and delay that may result from the actions the *RIT-T proponent* proposes to take as a result of the material change in circumstances or change to the *identified need* (as applicable and each as contemplated in subparagraph (n)(2)); and
 - (3) the costs and delay that may result from the reapplication (in whole or in part) of the *regulatory investment test for transmission* to the *RIT-T project*.
- (o2) The actions the *RIT-T proponent* proposes to take under subparagraph (n)(3) must at a minimum include:
- (1) *publishing* a statement that the *preferred option* identified remains the *preferred option*, as well as any supporting information necessary to demonstrate that the *preferred option* identified remains the *preferred option*; or
 - (2) *publishing* a statement that the *preferred option* is no longer the *preferred option* and identifying the new *preferred option*, as well as any supporting information necessary to demonstrate that the *preferred option* is no longer the *preferred option* and the reasons the new *preferred option* is the *preferred option*.
- (p) When making a determination under paragraph (q), the *AER*:
- (1) must have regard to:
 - (i) the *credible options* (other than the *preferred option*) identified in the *project assessment conclusions report*;
 - (ii) the material change in circumstances identified by the *RIT-T proponent* or *AEMO*;
 - (iii) whether a failure to promptly undertake the *RIT-T project* is likely to materially affect the *reliability* and *secure operating state* of the *transmission network* or a significant part of that *network*; and
 - (iv) whether the *RIT-T proponent* has had regard to the matters required under paragraph (o1); and
 - (2) may request additional information or analysis from the *RIT-T proponent* that the *AER* considers reasonably necessary to assist it in making a determination under paragraph (q).
- (q) Subject to paragraph (s), within 40 days of receipt by the *AER* of a notice referred to in subparagraph (n)(3), the *AER* must:
- (1) *publish* the notice referred to in subparagraph (n)(3);
 - (2) make a determination whether to approve or reject any actions (and/or associated timeframes) notified by the *RIT-T proponent* under subparagraph (n)(3) and, where the *AER* approves any such actions, specify a reasonable timeframe within which such actions must be completed;
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- (3) notify the *RIT-T proponent* of the determination;
 - (4) where the *AER* rejects the actions (and/or associated timeframes) notified by the *RIT-T proponent* under subparagraph (n)(3), specify the actions (if any) the *AER* requires the *RIT-T proponent* to take, which may include the *RIT-T proponent* reapplying (in whole or in part) the *regulatory investment test for transmission* to the *RIT-T project*, as well as a reasonable timeframe within which any such actions must be completed; and
 - (5) *publish* the determination made under subparagraph (q)(2) or subparagraph (q)(4) (as applicable).
- (r) If the *AER* does not make the determination within the time required by paragraph (q), then the *AER* is taken to have approved the actions notified by the *RIT-T proponent* under subparagraph (n)(3).
- (s) Where the *AER* requests additional information or analysis under subparagraph (p)(2), the period of time for making a determination under paragraph (q) is automatically extended by the time it takes the *RIT-T proponent* to provide the additional information or analysis to the *AER* provided that the *AER* makes the request for additional information at least seven days prior to the expiry of the period of time for making a determination under paragraph (q).
- (t) At the same time that a *RIT-T proponent* submits an application under clause 6A.8.2(a), the *RIT-T proponent* must provide the *AER* with a statement containing confirmation:
- (1) on whether or not there has been a material change in circumstances contemplated under subparagraph (n)(2)(i) and any supporting analysis;
 - (2) that the *RIT-T proponent* has complied with its obligations under paragraphs (n), (o1) and (o2);
 - (3) of the actions (if any) the *RIT-T proponent* was required to take pursuant to a determination by the *AER* under paragraph (q) and timeframe within which any such actions were to be completed; and
 - (4) of the actions (if any) the *RIT-T proponent* took as a result of the material change in circumstances and the date on which any such actions were completed.
- (u) At the same time, or as soon as reasonably practicable after, the *RIT-T proponent's* submission under paragraph (t), the *RIT-T proponent* must *publish* the statement referred to in paragraph (t).

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
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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.6 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 it receives the request and the date it receives any additional information required under paragraph (b).
- (b) *AEMO* may by written notice request a *RIT-T proponent* to provide *AEMO* with 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) and the *RIT-T proponent* must comply with that notice.
- (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 limit fixed in paragraph (a) should be extended, *AEMO* may extend that time limit 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 10 business days before the expiry of that time limit.
- (d) If:
 - (1) the *RIT-T proponent* has requested written confirmation from *AEMO* under clause 5.16A.5(b) and made an application to the *AER* under clause 6A.8.2(a); and
 - (2) *AEMO* has notified the *RIT-T proponent* of an extension under paragraph (c),

the RIT-T proponent must notify the AER of that extension within 1 business day of receiving notice under paragraph (c).

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;
 - (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); ~~and~~
 - (1C) the *Transmission Network Service Provider* has complied with its obligations under clauses 5.16.4(z5D), 5.16.4(z5E), 5.16A.4(t) and 5.16A.4(u) (as applicable); ~~and~~
 - (1D) for an *actionable ISP project*, *AEMO* has provided the written confirmation requested under clause 5.16A.5(b),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).
- (f) In making the determinations referred to in subparagraph (e)(1), the *AER* must accept the relevant amounts and dates, contained in the *Transmission Network Service Provider's* application, as referred to in subparagraphs (b)(2) to (8), if the *AER* is satisfied that:
- (1) 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);
 - (2) the amounts of forecast capital expenditure and incremental operating expenditure reasonably reflect the *capital expenditure criteria* and the *operating expenditure criteria*, taking into account the *capital expenditure factors* and the *operating expenditure factors* respectively, in the context of the *contingent project*;
 - (3) the estimates of incremental revenue are reasonable; and
 - (4) the dates are reasonable.
- (g) In making the determinations referred to in subparagraph (e)(1) and paragraph (f), the *AER* must have regard to:
- (1) the information included in or accompanying the application;
 - (2) submissions received in the course of consulting on the application;
 - (3) such analysis as is undertaken by or for the *AER*;
 - (4) the expenditure that would be incurred in respect of a *contingent project* by an efficient and prudent operator in the circumstances of the *Transmission Network Service Provider*;
 - (5) the actual and expected capital expenditure of the *Transmission Network Service Provider* for *contingent projects* during any preceding *regulatory control periods*;
 - (6) the extent to which the forecast capital expenditure for the *contingent project* is referable to arrangements with a person other than the *Transmission Network Service Provider* that, in the opinion of the *AER*, do not reflect arm's length terms;
 - (7) the relative prices of operating and capital inputs in relation to the *contingent project*;
 - (8) the substitution possibilities between operating and capital expenditure in relation to the *contingent project*; and
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- (9) whether the capital and operating expenditure forecasts for the *contingent project* are consistent with any incentive scheme or schemes that apply to the *Transmission Network Service Provider* under clauses 6A.6.5, 6A.6.5A, 6A.7.4, 6A.7.5 or 6A.7.6.
- (h) Amendments to a *revenue determination* referred to in paragraph (e)(3) must only vary the determination to the extent necessary:
- (1) to adjust the forecast capital expenditure for the relevant *regulatory control period* to accommodate the amount of capital expenditure determined under subparagraphs (e)(1)(i) or (e)(1)(v) (in which case the amount of that adjustment will be taken to be accepted by the *AER* under clause 6A.6.7(c));
 - (2) to adjust the forecast operating expenditure for the relevant *regulatory control period* to accommodate the amount of incremental operating expenditure determined under subparagraphs (e)(1)(i) or (e)(1)(v) (in which case the amount of that adjustment will be taken to be accepted by the *AER* under clause 6A.6.6(c)); and
 - (3) to reflect the effect of any resultant increase in forecast capital and operating expenditure on:
 - (i) the *maximum allowed revenue* for each *regulatory year* in the remainder of the relevant *regulatory control period*; and
 - (ii) the *X factor* for each *regulatory year* in the remainder of the relevant *regulatory control period*.
- (h1) A *Transmission Network Service Provider* must provide the *AER* with such additional information as the *AER* requires for the purpose of making a decision on an application made by that *Transmission Network Service Provider* under paragraph (a) within the time specified by the *AER* in a notice provided to the *Transmission Network Service Provider* by the *AER* for that purpose.

Extension of time limit

- (i) If the *AER* is satisfied that amending a *revenue determination* under subparagraph (e)(3) and paragraph (h) or if paragraph (n) applies, determining the total capital expenditure and the total incremental operating expenditure under subparagraph (e)(1)(v), involves issues of such complexity or difficulty that the time limit fixed in paragraph (d) should be extended, the *AER* may extend that time limit by a further period of up to 60 *business days*, provided that it gives written notice to the *Transmission Network Service Provider* of that extension no later than 10 *business days* before the expiry of that time limit.

(i1) If:

- (1) a *Transmission Network Service Provider* has made an application to the *AER* under paragraph (a);
 - (2) the *Transmission Network Service Provider* has requested written confirmation from *AEMO* under clause 5.16A.5(b); and
 - (3) *AEMO* extends the time limit under clause 5.16A.6(c),
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the period of time for the AER to amend a revenue determination under subparagraph (e)(3) and paragraph (h), or if paragraph (n) applies, determining the total capital expenditure and the total incremental operating expenditure under subparagraph (e)(1)(v), is automatically extended by the further period notified by AEMO to the Transmission Network Service Provider under clause 5.16A.6(c).

- (j) If the AER extends the time limit under paragraph (i), it must make available on its website a notice of that extension as soon as is reasonably practicable.
- (k) Subject to paragraph (k3), if the AER gives a written notice to the *Transmission Network Service Provider* stating that it requires information from an *Authority* in order to make a decision on an application made by the *Transmission Network Service Provider* under paragraph (a) then, for the purpose of calculating elapsed time, the period between when the AER gives that notice to the *Transmission Network Service Provider* and when the AER receives that information from that *Authority* is to be disregarded.
- (k1) Subject to paragraph (k3), if the AER gives a written notice to the *Transmission Network Service Provider* stating that, in order to make a decision on an application made by the *Transmission Network Service Provider* under paragraph (a), it requires information from a judicial body or royal commission then, for the purpose of calculating elapsed time, the period between when the AER gives that notice to the *Transmission Network Service Provider* and when that information is made publicly available is to be disregarded.
- (k2) Where the AER gives a notice to the *Transmission Network Service Provider* under paragraph (k) or (k1), it must:
 - (1) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (k) or (k1), as the case may be, has commenced;
 - (2) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (k) or (k1), as the case may be, has ended; and
 - (3) if the information specified in that notice is required from an *Authority*, promptly request that information from the relevant *Authority*.
- (k3) Paragraphs (k) and (k1) do not apply if the AER gives the notice specified in those paragraphs to the *Transmission Network Service Provider* later than 10 *business days* before the expiry of the time limit fixed in paragraph (d).

Amendment of revenue determination

- (l) Except where paragraph (m) or (n) applies, if the AER amends a *revenue determination* under paragraph (h), that amendment must take effect from the commencement of the next *regulatory year*.
 - (m) Except where paragraph (n) applies, if a *Transmission Network Service Provider* submits an application under paragraph (a) within 90 *business days* of the end of a *regulatory year*, an amendment to the *revenue*
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determination must take effect from the second *regulatory year* that commences after the application is submitted.

- (n) If a *Transmission Network Service Provider* submits an application under paragraph (a) in the final *regulatory year* of a *regulatory control period* or during the last 90 *business days* of the penultimate *regulatory year* of the *regulatory control period* and the *AER* makes a determination under subparagraph (e)(1)(v), then the *AER* must within 6 months following the making of the *revenue determination* for the subsequent *regulatory control period*, amend that *revenue determination*:
- (1) with effect from the second *regulatory year* of that subsequent *regulatory control period* in accordance with paragraphs (h) and (n);
 - (2) to include the incremental revenue which is likely to be required by the *Transmission Network Service Provider* in each *regulatory year* (other than the first *regulatory year*) as a result of the *contingent project*, such estimate being calculated on the basis of:
 - (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*.
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11. Savings and Transitional Rules

11.[XXX].1 Definitions

For the purposes of this rule 11.[XXX]:

Amending Rule means the *National Electricity Amendment (Improving the workability of the feedback loop) Rule 2024*.

commencement date means [15 March 2024], being the commencement date of the Amending Rule.

11.[XXX].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* (or a stage of an *actionable ISP project* if the *actionable ISP project* is a staged project) the *RIT-T proponent* has requested written confirmation from *AEMO* under clause 5.16A.5(b).
- (b) For an existing *actionable ISP project* (or a stage of an *actionable ISP project* if the *actionable ISP project* is a staged project) referred to in paragraph (a), rule 5.16A continues to apply as if the Amending Rule had not been made.

11.[XXX].3 Cost Benefit Analysis Guidelines

- (a) By [15 March 2025], 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)(5), 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 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*.