Rule change request

To remove the requirement to publish transmission information guidelines

October 2024



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Contents

1	Proposal summary1					
	1.1	AER's proposed rule change	1			
2	Name and address of rule change proponent					
3 Background						
	3.1	Transmission information guideline	3			
	3.2	AER's Network information requirements review	3			
4	Nature and scope of the problem					
5 Eligibility for expedited process						
	5.1	Expedited rule change	7			
	5.2	Timing	7			
6 AER consultation overview and process						
	6.1	Networks information requirements review	9			
	6.2	Targeted consultation	10			
7	Nation	nal energy objectives	12			
7 8		nal energy objectives t of the rule change				
			13			
	Impac	t of the rule change	13 13			
	Impac 8.1	t of the rule change On the Market or interconnected national electricity system	13 13 13			
	Impac 8.1 8.2	t of the rule change On the Market or interconnected national electricity system On Consumers	13 13 13 13			
	Impac 8.1 8.2 8.3 8.4	t of the rule change On the Market or interconnected national electricity system On Consumers On transmission networks.	13 13 13 13 13			
8	Impac 8.1 8.2 8.3 8.4	t of the rule change On the Market or interconnected national electricity system On Consumers On transmission networks Risk	13 13 13 13 13 15			
8	Impac 8.1 8.2 8.3 8.4 Chang	t of the rule change On the Market or interconnected national electricity system On Consumers On transmission networks Risk ges required to the NER	13 13 13 13 13 15			
8	Impac 8.1 8.2 8.3 8.4 Chang 9.1	t of the rule change On the Market or interconnected national electricity system On Consumers On transmission networks Risk Risk Delete 6A.17	13 13 13 13 13 13 15 15			
8	Impac 8.1 8.2 8.3 8.4 Chang 9.1 9.2	t of the rule change On the Market or interconnected national electricity system On Consumers On transmission networks Risk ges required to the NER Delete 6A.17 Delete the term and definition from the Glossary in Chapter 10 of the NER	13 13 13 13 13 15 15 17			
8	Impac 8.1 8.2 8.3 8.4 Chang 9.1 9.2 9.3 9.4	t of the rule change On the Market or interconnected national electricity system On Consumers On transmission networks Risk ges required to the NER Delete 6A.17 Delete the term and definition from the Glossary in Chapter 10 of the NER Amend clauses that refer to the information guidelines	13 13 13 13 13 13 13 15 17 17			

1 Proposal summary

The Australian Energy Regulator (AER) is proposing an amendment to the National Electricity Rules (NER) relating to transmission information guidelines. The AER requests this rule change proposal be expedited under Division 3 of the National Electricity Law (NEL) following consultation undertaken with stakeholders on the proposal forming the basis of this rule change request. We consider the proposed rule change is a non-controversial rule change as it is unlikely to have a significant impact on the national electricity market. Its non-controversial nature is evidenced by the support for the rule change offered by directly impacted stakeholders and lack of concerns raised by other stakeholders throughout our consultation processes.

The proposed amendment addresses an issue identified by the AER that the requirement for the AER to publish an *Electricity Transmission Information Guideline*¹ (*Information Guideline*) is no longer necessary, given the new Annual Information Orders applying to transmission networks and interconnectors.²

The AER's Annual Information Orders (published 5 April 2024) apply to transmission networks for the 2024-25 regulatory year onwards. The information requirements set out in the current transmission *Information Guideline* were assessed as part of the consultation process to develop Annual Information Orders. Information required by the AER has been incorporated into the Annual Information Orders for transmission networks and supersedes the information requirements in the *Information Guideline*. As such we consider the *Information Guideline* is redundant and are requesting a rule change to address this issue.

1.1 AER's proposed rule change

We are proposing a rule change to amend the NER to remove rule 6A.17, and hence remove the obligations:

- on the AER to publish the Information Guideline and
- the TNSPs to report against the Information Guideline.

There will be consequential amendments to other rules, to remove references to Rule 6A.17. Appendix A sets out the amendments to rule 6A.17 and consequential amendments.

We are requesting the rule change be an expedited process and take effect by 31 March 2025. This date is the date that, in the absence of an amendment to the NER, the dual information reporting obligations noted above will impact participants in the national electricity market.³

¹ AER, *Final electricity transmission information guideline (version 2),* April 2025.

² The Information guidelines apply to both transmission network service providers and transmission interconnectors. Similarly, the AER has issued Annual Information Orders to both transmission network service providers and interconnectors. For simplicity, we use transmission network service provider throughout this proposal to include interconnectors.

³ Ausnet Services Transmission is currently required to report against the Information Guideline and the Annual Information Orders for the period ending 31 March 2025. That dual obligation will be removed if the rule change takes effect by 31 March 2025.

2 Name and address of rule change proponent

Australian Energy Regulator GPO Box 3131 Canberra ACT 2601

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3 Background

3.1 Transmission information guideline

Under NER 6A.17.2, the AER is required to publish an information guideline for electricity transmission network service providers. The *Information Guideline* sets out the information that must be provided by a transmission network service provider to the AER under clause 6A.17.1 of the NER.

The *Information Guideline* sets out requirements for reporting specific financial information (regulatory accounts) and other information, including operating and capital expenditure, corporate details and audit/review reports. The AER first published the *Information Guideline* in 2007 and most recently revised it in 2015.

The current rule 6A.17 has two parts:

- rule 6A.17.1 sets out the information to be provided to the AER by transmission network service providers
- rule 6A.17.2 requires the AER to prepare, publish and amend the Information Guideline for electricity transmission network service providers. Rule 6A.17.2 also sets out the contents of the *Information Guideline*.

There is no similar clause relating to distribution networks in Chapter 6 of the NER.

The AER made its final decision on the *Information Guideline* with effect from 28 September 2007 as required under clause 6A.17 of the NER and the transitional provisions in clause 11.6.17 of the NER.⁴

The *Information Guideline* detailed the basis on which transmission network service providers must provide annual and other ad hoc information to the AER during the course of a regulatory control period. This information is separate from that which transmission network service providers must provide under the NER as part of their revenue proposals or negotiating framework.

In 2015 the AER updated the *Information Guideline* to eliminate duplicate information requirements arising from the introduction of the AER's economic benchmarking and category analysis RINs, served on the distribution and transmission network service providers. The AER's RINs did not apply to interconnectors, and annual information requirements for interconnectors continued to be specified in the *Information Guideline*.

3.2 AER's Network information requirements review

The AER initiated a review of our consolidated information requirements in March 2022. We undertook the review to ensure the information we collect from and about regulated electricity

⁴ The AER made its final decision on Electricity Transmission Network Service Providers information guideline with effect from 28 September 2007 as required under chapter 6A of the National Electricity Rules (NER) and the transitional provisions in clause 11.6.17 of the NER. The *Information Guideline* was updated in 2015. See: AER, Electricity Transmission Network Service Providers information guidelines, April 2015. <u>https://www.aer.gov.au/industry/registers/resources/guidelines/information-guideline-2015/final-decision</u>

transmission and distribution networks is robust, accessible and fit for purpose into the future.

The need for the review was driven both by the energy sector transformation and by recognition that our current information requirements and collection processes needed to be refreshed.

Prior to the review, we used multiple, separate information requests and regulatory information notices (RINs) to collect information from regulated networks, including the transmission *Information Guideline*. The network businesses stated, and we concurred, that this arrangement was inefficient and imposed additional costs on network businesses and the AER. The bulk of our current information requirements were developed as part of the 'Better Regulation Review' undertaken in 2013. Those requirements were set in place for 10 years and due to expire in 2024.

The impending expiry of current requirements, the administrative inefficiency of current arrangements, changes in the energy sector and changes to our information requirements were all reasons for the review of our network information requirements.

The key outputs from this review were new Annual Information Orders (Orders) which set out our information requirements and a clear process and timing for future updates to information requirements. The new Orders impose annual reporting obligations on the regulated network businesses and were issued by us using our information gathering powers under the National Electricity Law (NEL).

We expect the review to deliver a range of benefits including improved data quality; streamlined information requirements; more efficient information collection and management for both the AER and regulated networks; and better information sharing by the AER with all stakeholders.

4 Nature and scope of the problem

Under clause 6A.17 of the NER the *Information Guideline* must be in force at all times and is binding on both the AER and each transmission network service provider to which it applies.⁵

However, the AER is now using its powers to collect information under the NEL provisions relating to regulatory information instruments: NEL, *Division 3, subdivision 4 – Compliance with regulatory information instruments*.

This means that for electricity transmission network service providers we have the power under the NEL to issue Regulatory Information Instruments such as RINs and Orders to obtain information we consider reasonably necessary for the performance or exercise of our functions or powers.⁶

On 5 April, the AER published Annual Information Orders to update our information requirements, which are currently set out in various regulatory information notices, information requests and the *Information Guideline*. Information that is required by the AER and is currently collected under the *Information Guideline* will in the future be collected under the Order that applies to transmission networks.

Section 10 sets out a mapping of information requirements under the Information Guideline to the new information requirements in the Annual information orders.

As the requirement on the AER to publish the *Information Guideline* is set out in the NER (clause 6A.17), the AER is unable to remove the reporting obligation from transmission network service providers to report against the *Information Guideline* even though the relevant information requirements are now set out in the Order.

This means from 1 April 2025 for AusNet Services and from 1 July 2025 for the other transmission network service providers, duplicate reporting requirements will exist.

Duplicate reporting obligations are an example of unnecessary regulatory burden. Duplication arises where we seek the same information from the regulated networks under multiple reporting frameworks. Our process to develop Annual Information Orders included an assessment of all existing information requirements, removal of redundant reporting requirements, and integration of new information requirements. Section 10 compares the data requirements set out in the *Information Guidelines* against the future data requirements in the Annual Orders.

While there is considerable overlap between the frameworks relating to data requirements, the regulatory burden increases where the data structures or reporting tools differ, or the detailed disaggregation of data differs under each framework. That creates a requirement to duplicate effort in data compilation and submission. In addition, the regulatory burden encompasses assurance requirements set out under each reporting framework, which differs between the information guideline (Board certification) and the annual Orders (statutory declaration by a company officer).

⁵ NER, cl. 6A.17.2(c), cl. 6A.17.2(i).

⁶ NEL, s.28F.

We are proposing this rule change to reduce the regulatory burden facing TNSPs arising from the duplication of information reporting obligations under the existing Information Guidelines and the newly issued Annual Information Orders.

The rule change will remove the obligation on the AER to publish, and on transmission network service providers to report against, the *Information Guidelines* in the NER (sections 6A.17.1 and 6A.17.2) by 1 April 2025. Drafting options are included in section 9 of this proposal. Without this rule change the transmission network service providers will face additional costs relating to the duplication of data compilation and assurance requirements. Clause 6A.17, originally promulgated to clarify the AER's information gathering powers is now not necessary, increases regulatory burden and has the potential to create ambiguity in the regulatory framework.

5 Eligibility for expedited process

5.1 Expedited rule change

We encourage the AEMC to apply an expedited process to this matter on the basis that we consider our proposal is non-controversial. Under the NEL a non-controversial rule is one that is unlikely to have a significant effect on the wholesale electricity market or the interconnected national electricity system.⁷

Annual information is required from transmission networks to enable the AER to perform its functions and exercise its powers as set out in section 28F of the NEL. The functions and powers of the AER include making transmission determinations, preparing and publishing reports on transmission network financial and operational performance, and monitoring compliance with transmission determinations.

The impact of this proposed rule change on the wholesale electricity market or interconnected national electricity system is not likely to be significant as the rule change does not detract from the AER's ability to collect information required for the performance of its functions or exercise of its powers. Section 10 of this proposal shows the strong alignment of information requirements set out in the Information Guideline, and those now included in the Annual Information Orders. The proposed rule change is administrative in nature, as it removes duplication of the reporting obligations facing transmission networks, but does not impact the information available to the AER or other stakeholders through ongoing annual reporting processes.

Our consultation process is described in section 6. The outcome of the consultation process supports our contention the proposed rule change is non-controversial. It was well supported by transmission networks in the public consultation process undertaken to develop annual information orders. It was also described as 'unlikely to impact consumers' by the Energy Consumers Association of Australia (ECA), although it did not support or oppose the rule change. Given the administrative nature of the proposed rule change we also consider it will not have a significant effect on the NEM or the interconnected national electricity system.

5.2 Timing

We consider this rule change should be prioritised, so it can be progressed as soon as possible and take effect prior to 1 April 2025. The duplicate reporting obligations will start to impact on transmission networks from 1 April 2025. Ausnet Transmission Services is required to preparing its annual information submissions to the AER for the regulatory period commencing 1 April 2024 and ending 31 March 2025.⁸ If the rule change takes effect on or by 31 March 2025 the duplicate reporting obligations will not impact Ausnet Transmission Services.

⁷ See the National Electricity Law section 87.

⁸ Other transmission networks report on a financial year ending 30 June basis. As such the duplicate reporting obligation will not impact the remaining 6 transmission networks until 1 July 2025.

5.2.1 Alternative process

Should the expedited process not be considered appropriate, we request the proposal is considered for a fast-track process, to ensure the rule change (if implemented) can take effect prior to the duplicate reporting obligations impacting the electricity transmission network service providers.

The fast-track process can be used where the request is made by a market regulatory body, and the market regulatory body can demonstrate it has undertaken adequate consultation on the proposed rule change.⁹

The AER is one of the agencies that is defined an as *electricity market regulatory body* under the NEL.¹⁰

The AER's consultation process is set out in section 6 of this proposal. We describe our public consultation process that led to the development of Annual Information Orders for transmission networks. The process included publishing information on the AER website relating to reasons for changing the existing annual information reporting framework, and explicitly addressed the need to amend the rules relating to the Information Guideline. In addition we undertook a targeted consultation specifically about the proposed rule change with a consumer advocacy group.¹¹

This rule change proposal is suitable for fast-track consideration as the AER is an *electricity market regulatory body* and our consultation on this rule change has been adequate, given the nature of the rule change.

⁹ See the National Electricity Law section 96A.

¹⁰ See the National Electricity Law, Part 7, section 87 – Definitions.

¹¹ The detailed steps in our consultation process are set out in section 6, including links to the AER website.

6 AER consultation overview and process

Our consultation on this rule change was addressed in two stages:

- the public consultation process on the Networks information requirements review addressed the issue of duplicate reporting requirement and indicated the AER would seek a rule change
- a targeted consultation on the proposed rule change

6.1 Networks information requirements review

Discussion paper

To initiate the networks information requirement review, we published a public Discussion paper.¹² The Discussion paper set out our preliminary views on a variety of topics pertaining to the Orders including our view to put forward a rule change to remove the obligation for the AER to publish an *Information Guideline* (thus removing the obligation for TNSPs to report against the *Information Guideline*) if we were to incorporation the existing reporting requirements into the new annual information Orders.

Our Discussion paper stated:

Developing an information order that includes the information currently reported against the guideline will mean the guideline becomes redundant, and we will put forward a rule change to amend the NER to remove the obligation to publish and report against the guideline.¹³

Our paper posed the following question to stakeholders:

Do you consider the transmission information guideline should be retained in its current form or for any other purpose?

None of the stakeholders responding to the Discussion paper objected to the AER's preliminary view. Some stakeholders actively supported the rule change proposal noting the efficiencies inherent in the development of a single instrument.¹⁴ TasNetworks' comments reflect those of other stakeholders that addressed the issue:¹⁵

TasNetworks supports the proposed removal of the obligation to publish a transmission information guideline, as this information can be efficiently provided under the current RIN process or, presumably, using a regulatory information order. We also support the AER's goals of eliminating duplication and redundant data requirements from future consultation templates and, to that end, would be supportive of the information currently

¹² AER, Network Information Requirements Review – Discussion paper, 23 March 2022.

¹³ AER, *Network Information Requirements Review – Discussion paper*, 23 March 2022, pp. 11.

¹⁴ See Energy Networks Australia, Response to AER – Network Information Requirements Review – Discussion paper, 6 May 2022; TasNetworks, Submission to AER re Network Information Requirements Review, 6 May 2022; AusNet Services, Response to Network Information Requirements Review, 6 May 2022; and Powerlink, Submission to AER Network Information Requirements Review Discussion Paper, 11 May 2022.

¹⁵ TasNetworks, *Submission to AER re Network Information Requirements Review*, 6 May 2022.

gathered from transmission network service providers through their regulatory accounts being incorporated into an information notice. Ultimately the costs of providing information is borne by consumers and TasNetworks supports all measures to reduce this burden.

All submissions to the discussion paper have been published on the AER's website.¹⁶

Preliminary Orders

On 25 January 2023, we published our preliminary annual information orders and an accompanying explanatory statement.¹⁷ In our explanatory statement we stated:

Our preliminary thinking is to propose a rule change to delete rule 6A.17 and address any consequential amendments arising from the deletion of the rule. We will propose the rule change to take effect from the date the final Orders are issued. Stakeholders are welcome to provide feedback during this consultation process, but we will run a separate process when we have more certainty over the contents and timing of the Orders (after the draft Orders are published).

We only received one submission in response, from Powerlink, stating:¹⁸

We support the AER's intention to consult with stakeholders on a proposal to remove the preparation and publication of the Information Guideline from clause 6A.17.2 of the Rules.

Draft Orders

We did not receive any further feedback on the issue, in response to our draft Annual Information Orders (draft Orders) and an accompanying explanatory statement. In our explanatory statement we noted:¹⁹

Rule 6A.17.2 requires the AER to develop and publish the Information Guidelines and states the guidelines must apply from 28 September 2007 (National Electricity Rules, Rule 6A.17.2(a) and 6A.17.2(c)). We consider the development of the Orders renders this rule redundant, and we have flagged our intention to propose a rule change to remove the obligation on the AER to develop and publish the Information Guidelines.

6.2 Targeted consultation

Despite the Networks information requirements review being open to all stakeholders, we did not receive any feedback on the proposed rule change from consumers or consumer advocates during that process. We have since contacted the ECA and advised them of the proposed rule change. We noted we consider the rule change is administrative in nature and would have limited benefit (but no detriment) for consumers, although it is expected to reduce the administrative burden on the AER and transmission network service providers.

¹⁶ <u>AER website - Networks information requirements review - initiation.</u>

¹⁷ AER, Preliminary annual information order – TNSPs, 25 January 2023; AER, Preliminary annual information order – Interconnectors, 25 January 2023; AER, Preliminary annual information orders - Explanatory statement, 25 January 2023.

¹⁸ Powerlink, Submission - NIRR - Preliminary Draft Decision, 31 March 2023.

¹⁹ AER, *Draft Annual Information Orders - Explanatory statement*, December 2023.

The ECA advised it neither supported or opposed the rule change, noting it would likely have minimal consumer impacts.²⁰

²⁰ Email to the AER, from Brian Spak, Energy Consumers Australia, 20 June 2024.

7 National energy objectives

The National Electricity Objective is:

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

- a) price, quality, safety, reliability and security of supply of electricity; and
- b) the reliability, safety and security of the national electricity system; and
- c) the achievement of targets set by a participating jurisdiction
 - i) for reducing Australia's greenhouse gas emissions; or
 - ii) that are likely to contribute to reducing Australia's greenhouse gas emissions

The proposed rule change will contribute to the National Energy Objective by supporting the provision of information required by the AER to undertake its regulatory functions in a more efficient manner when compared to the status quo. We note the administrative nature of the proposed rule change means its impact is likely to be low, but by removing duplicate reporting obligations, and redundant guidelines, the change will help reduce the regulatory burden facing transmission network service providers, and potentially the costs they face. The proposed rule change will contribute to the long-term interests of consumers through downward price pressures, albeit in a very small way.

8 Impact of the rule change

8.1 On the Market or interconnected national electricity system

The proposed rule change concerns reporting requirements for transmission network service providers and is administrative in nature. We do not consider it will impact the energy market or the operation of the interconnected national electricity system.

8.2 On Consumers

We have not identified any impact on consumers from the proposed rule change. We consider that information that consumers or broader stakeholder groups may have relied upon will still be collected under the Orders, so the rule change will not impact access to data.

We also consider the potential benefits to consumers are likely to be minimal. To the extent the rule change reduces administrative costs on the transmission networks, there will be a reduction in expenditures arising from more efficient information reporting processes. That reduction in expenditures (compared to expenditures required if the rule change doesn't go forward) may increase downward pressure of transmission prices – but we don't consider that will be material.

8.3 On transmission networks

Transmission networks are directly impacted by the rule change proposal. There are benefits to them from the removal of duplicate reporting obligations, including:

- Information will not have to be prepared under different reporting frameworks
- Assurance requirements will not need to be duplicated
- They will be able to implement a single submission process, and single reporting date.

Additional benefits arise from the implementation of the Annual Information Orders, relating to streamlined data collation, improvements in data consistency and administrative simplicity of a single reporting framework. The transmission networks are clear in their support of the rule change and have not identified any offsetting issues.

8.4 Risk

There is little to no risk arising from the proposed rule change. The change will not impact the information requirements specified by the AER, as we will still consider and request relevant information using the Orders. The change does not impact the AER's ability to enforce compliance with annual information requirements, as the new Orders apply under the section 28F of the NEL.

The removal of rule 6A.17 will not facilitate 'regulatory creep' – one of the original concerns addressed by the AEMC when it introduced the *Information Guideline* – as the AER must always take into account the cost of information requests and be clear about which of our powers and functions the information will support.

So while there are residual risks relating to the AER collecting redundant information, or not including relevant information in its Annual Orders, the process to develop the Annual Order has mitigated those risks, and hence the removal of rule 6A.17 of the NER imposes limited risks on consumers, or the market.

9 Changes required to the NER

9.1 Delete 6A.17

6A.17.1 Information to be provided to AER

- (a) In this rule 6A.17, 'certified annual statement' means an annual statement provided by a Transmission Network Service Provider under this rule 6A.17 and certified in accordance with the information guidelines.
- **(b)** A Transmission Network Service Provider must submit to the AER, in the manner and form set out in the information guidelines, annual statements that:
 - (1) provide a true and fair statement of the financial and operating performance of the Transmission Network Service Provider;
 - (2) are certified in accordance with the information guidelines; and
 - (3) otherwise comply with the requirements of this clause and the information guidelines.
- (c) In addition to the certified annual statements, the AER may require a Transmission Network Service Provider to provide, by a date and in the form and manner specified by the AER, any additional information the AER reasonably requires for a purpose set out in paragraph (d).
- (d) The certified annual statements and additional information provided by a Transmission Network Service Provider to the AER under this rule 6A.17 may be used by the AER only for the following purposes:
 - (1) to monitor, report on and enforce the compliance of the Transmission Network Service Provider with the total revenue cap for the Transmission Network Service Provider for a regulatory control period, the maximum allowed revenue for the Transmission Network Service Provider for each regulatory year, and any requirements that are imposed on the Transmission Network Service Provider under a transmission determination;
 - (2) to monitor, report on and enforce compliance with the provider's Cost Allocation Methodology;
 - (3) as an input regarding the financial, economic and operational performance of the Transmission Network Service Provider, to inform the AER's decision-making for the making of revenue determinations or other regulatory controls to apply in future regulatory control periods;
 - (4) to monitor and report on the performance of the Transmission Network Service Provider under any incentive scheme that applies to the Transmission Network Service Provider under clauses <u>6A.6.5</u>, <u>6A.6.5A, 6A.7.4</u>, <u>6A.7.5</u> or <u>6A.7.6</u>; and
 - (5) for the preparation of a network service provider performance report.

(e) The AER may request or undertake verification or independent audit of any information sought by it, or provided to it, under this rule 6A.17.

6A.17.2 Information Guidelines

Preparation, publication and amendment of the Information Guidelines

- (a) The AER must, in accordance with the transmission consultation procedures, make and publish guidelines (information guidelines) that comply with this clause 6A.17.2.
- (b) [Deleted]
- (c) The AER must publish the first information guidelines by 28 September 2007, and there must be information guidelines in force at all times after that date.

Contents of information guidelines

- (d) The information guidelines must provide for the manner and form in which Transmission Network Service Providers must submit certified annual statements to the AER, including the date each year by which those statements must be submitted to the AER.
- (e) The information guidelines may only require the inclusion in the certified annual statements of:
 - (1) such information as the AER reasonably requires for a purpose set out in <u>clause</u> <u>6A.17.1(d)</u>;
 - (2) information on the amount of each instance, during the relevant reporting period, of a reduction under <u>clause 6A.26.1(c)</u> in the prices payable by a Transmission Customer for prescribed TUOS services or prescribed common transmission services provided by the Transmission Network Service Provider;
 - (3) information on each instance, during the relevant reporting period, of a reduction in the prices payable by a Transmission Customer for prescribed TUOS services or prescribed common transmission services (or both) that were recovered under <u>rule 6A.26</u> from other Transmission Customers for prescribed TUOS services or prescribed common transmission services; and
 - (4) information to substantiate any claim by the Transmission Network Service Provider that the information provided to the AER with respect to reductions in the prices payable by a Transmission Customer for the relevant prescribed transmission services under subparagraph (2) or (3) is confidential information.

(f) [Deleted].

- (g) The information guidelines may specify the information that must be submitted with any application made under <u>clause 6A.26.2(b)</u>, including:
 - (1) details of the circumstances in which a discount amount has arisen and of the calculation of the proposed recovery amount; and

- (2) the information necessary to substantiate how the requirements of <u>clause 6A.26.1(f)</u> are satisfied.
- (h) The information guidelines may provide, for the purposes of <u>rule 6A.27</u>, <u>rule 6A.28</u> and <u>rule</u> <u>6A.29</u>, for:
 - (1) the information that each Transmission Network Service Provider must supply to a Coordinating Network Service Provider and other Transmission Network Service Providers for the purposes of cost allocation under the provider's pricing methodology, including:
 - (i) electrical parameters for each optimised element of the network and the network configuration;
 - (ii) hourly load data for each exit point for the survey period;

 - (iv) voltage control arrangements and voltage profile; and
 - (v) the ASRR for the categories of prescribed TUOS services and prescribed common transmission services.
 - (2) the derivation of hourly load data from metering data by the aggregation of the energy meter reading figures in respect of each hour.

(i) The information guidelines are binding on the AER and each Transmission Network Service Provider to which they apply.

9.2 Delete the term and definition from the Glossary in Chapter 10 of the NER

information guidelines

Guidelines made by the AER for the purpose of guiding a Transmission Network Service Provider in the submission of certified annual statements and other related information in accordance with clause 6A.17.2.

9.3 Amend clauses that refer to the information guidelines

For completeness, we propose that references to the information guidelines in other sections of the NER be removed. These are:

6A.2.3 Guidelines

Remove the information guidelines from the list of guidelines mentioned in 6A.2.3(a)

(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.

6A.26.2 Application to AER for approval of proposed prudent discount amounts

Clause 6A.26.2(c) can be removed from the NER as there is no specific information required in the in the *Information Guideline* around proposed prudent discount amounts besides the annual data collection. This means there are no existing "relevant requirements of the information guidelines in force under clause 6A17.2." In addition to this, clause 6A.26.2(g) states the TNSP must provide the AER with the information it requires in a 'notice' therefore the TNSP must submit a 'written application' as described in 6A26.2(c). As 6A.26.2(c) only contains duplicate or redundant instructions we see no benefit in keeping this paragraph in the NER.

- (a) This clause applies where a Transmission Network Service Provider has agreed or proposes to agree, to reduced charges in accordance with <u>clause 6A.26.1</u> and seeks to recover greater than 70 per cent of the discount amount through the charges referred to in <u>clause 6A.26.1(d)</u> to its other Transmission Customers (the **proposed recovery amount**).
- (b) A Transmission Network Service Provider may apply to the AER for approval to recover the proposed recovery amount.
- (c) A Transmission Network Service Provider seeking approval must submit to the AER a written application in accordance with any relevant requirements of the information guidelines in force under <u>clause 6A.17.2</u>.
- (d) If the AER determines that the requirements of <u>clause 6A.26.1(f)</u> are satisfied, the AER may approve the recovery of the proposed recovery amount, taking into account the matters referred to in paragraph (i).
- (e) If the AER determines that the requirements of <u>clause 6A.26.1(f)</u> are not satisfied, the AER may refuse the recovery of the proposed recovery amount, and must set out its reasons.
- (f) If the AER does not make a decision referred to in paragraph (d) or (e) within 60 business days from the date it receives the Transmission Network Service Provider's application and accompanying evidence under paragraph (c), then, on the expiry of that period, the AER is taken to have approved the recovery of the proposed recovery amount.
- (g) A Transmission Network Service Provider must provide the AER with such information as the AER requires for the purpose of making a determination under paragraphs (d) or (e) within the time specified by the AER in a notice provided to the provider by the AER for that purpose.

11.6.22 Interim arrangements pricing-related information

The interim arrangements for pricing-related information are no longer relevant and paragraph 11.6.22(b) can be deleted from the NER.

- (a) Clause 6.2.5(a1) as in force immediately before the commencement date continues to apply during the current regulatory control period.
- (b) The information guidelines may, in addition to the matter referred to in <u>clause 6A.17.2(e)</u>, require the inclusion in the certified annual statements of:
 - (1) information on the amount of each instance, during the relevant reporting period, of any reduction in the prices payable by a Transmission Customer for prescribed transmission services provided by the Transmission Network Service Provider;
 - (2) information on each instance, during the relevant reporting period, of a reduction in the prices payable by a Transmission Customer for prescribed TUOS services or prescribed common transmission services (or both) that were recovered from other Transmission Customers for prescribed TUOS services or prescribed common transmission services; and
 - (3) information to substantiate any claim by the Transmission Network Service Provider that the information provided to the AER with respect to reductions in the prices payable by a Transmission Customer for the relevant prescribed transmission services under subparagraphs (2) or (3) is confidential information.

9.4 Transition to the new rules

If made, we propose the rule come into effect as soon as possible before 1 April 2025.

10 Information requirements

Table 1: Comparison of information requirements

Information Guidelines		Annual Information Order	
Data worksheet	Table	AIO reference	Worksheet or section
INCOME STATEMENT	RFS INC DISAGG INC	Section 3 - Data category 09 - Revenue and financial statements	Regulatory accounts – PTS; Audited statutory accounts
OPERATIONS AND MAINTENANCE EXPENDITURE	DISAGG OPEX	Section 3 - Data category 06 - Operating expenditure	Regulatory accounts – PTS; Audited statutory accounts
CAUSAL ALLOCATIONS	DISAGG ALOC1	Section 4 – Supporting information	Section 4.5.1
NON-CAUSAL ALLOCATIONS	DISAGG ALOC2	Section 4 – Supporting information	Section 4.5.2
REGULATORY ADJUSTMENT JOURNALS	PTS ADJ	Section 4 – Supporting information	Section 4.3
PRICE REDUCTION/RECOVERY	PTS PRICEREDN	Section 3 - Data category 09 - Revenue and financial statements	Other financial information
DISCOUNT	PTS DISC	Omitted – provided to AER applications	in discount recovery
REVENUE ANALYSIS	PTS REV	Section 3 - Data category 09 - Revenue and financial statements	Other financial information
ASSET AGING SCHEDULE	PTS ASSET AGING	Section 3 - Data category 03 – Network metrics	Network assets - volume
PROVISIONS SUMMARY	DISAGG PROVSUM	Section 3 - Data category 09 - Revenue and financial statements	Provisions
PROVISIONS RECONCILIATION	PTS PROVREC	Section 3 - Data category 09 - Revenue and financial statements	Provisions
RELATED PARTY TRANSACTIONS	INF REL PART TRANS	Section 3 - Data category 09 - Revenue and financial statements	Other financial information

REVENUE RECONCILIATION	INF REV REC	Section 3 - Data categoryOther financial09 - Revenue andinformationfinancial statements	
HISTORIC OPEX BY CATEGORY - SUMMARY	HOE SUM	Omitted – not required as historical information has been previously submitted to AER; and captured for current period under Data category 06 - Operating expenditure	
HISTORIC OPEX BY CATEGORY 1ST FY	HOE 1ST FY	Omitted – not required as historical information has been previously submitted to AER; and captured for current period under Data category 06 - Operating expenditure	
HISTORIC CAPEX BY CATEGORY	HCE CAT	Omitted – not required as historical information has been previously submitted to AER; and captured for current period under Data category 07 - Capital expenditure	
HISTORIC CAPEX BY ASSET CLASS	HCE ASS CLS	Section 3 - Data category Capex by asset class 07 - Capital expenditure	
HISTORIC CAPEX - NETWORK	HCE NETW	Section 3 - Data category Capex by purpose 07 - Capital expenditure	
HISTORIC CAPEX - NON-NETWORK	HCE NON NETW	Section 3 - Data categoryNon-Network07 - Capital expenditureExpenditure	
HISTORIC CAPEX - NCIPAP	HCE NCIPAP	Section 3 - Data category NCIPAP projects 07 - Capital expenditure	

Glossary

Term	Definition
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
ECA	Energy Consumers Association of Australia
electricity market regulatory body	As defined in the NEL, section 87
Information Guideline	AER's 'Electricity transmission networks service providers - Information Guidelines', September 2007, as amended April 2015
NEL	National Electricity Law
NEM	National Electricity Market
NEO	National Electricity Objective
NER	National Electricity Rules
NSP	Network service provider
Orders	Annual Information Orders, issued 5 April 2024.
RIN	Regulatory information notice
Transmission network	Transmission network service provider and Interconnectors
TNSP	Transmission network service provider