



Review of last resort planning power guidelines

Final decision on amendments to last resort planning power guidelines

The Australian Energy Market Commission (AEMC) has made a final decision on amendments to its last resort planning power guidelines. The amendments incorporate a description of the three stage process the AEMC follows when deciding whether to exercise the last resort planning power. Some housekeeping amendments have also been made to the guidelines.

Background

The last resort planning power (LRPP) is provided for in the National Electricity Rules (NER). It allows the AEMC to direct one or more network service providers to apply the regulatory investment test for transmission to projects that are likely to relieve a forecast constraint on national transmission flow paths between regional reference nodes when these constraints are not being addressed. To date, the AEMC has not used this power.

To support the AEMC's last resort planning power role, the NER requires the AEMC to develop and publish last resort planning guidelines (the guidelines). In general the purpose of the guidelines is to provide information about the AEMC's approach to exercising the LRPP and establish the frameworks for information gathering and public communication to be followed by the AEMC.

Amendments to the guidelines

The AEMC has made two sets of changes to the current version of the guidelines.

First, a description of the three stage process the AEMC follows when deciding whether to exercise the last resort planning power has been incorporated into the guidelines. This process has been followed by the AEMC in LRPP reviews since 2010. The AEMC considers that including it in the guidelines will provide more transparency and certainty for stakeholders.

Second, the AEMC has made a number of "housekeeping" amendments to the guidelines including streamlining the guidelines and updating a number of out of date cross references to the NER.

The amended guidelines will take effect on 24 September 2015. This means that the AEMC will act in accordance with the amended guidelines when deciding whether to exercise the last resort planning power in 2015.

Drafting anomalies in the NER

In updating the guidelines, the AEMC has identified some drafting anomalies in the NER relating to the LRPP, in particular the definition of a "potential transmission project". The AEMC proposes to initiate a minor rule change to consult on resolving these anomalies.

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