



Australian Energy Market Commission

LAST RESORT PLANNING POWER GUIDELINES

Final Decision

Commissioners

Tamblyn
Henderson
Spalding

18 May 2010

GUIDELINES

Inquiries

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

E: aemc@aemc.gov.au

T: (02) 8296 7800

F: (02) 8296 7899

Reference: EMO0005

Citation

AEMC, Last Resort Planning Power Guidelines: Final Decision, 18 May 2010 , Sydney

About the AEMC

The Council of Australian Governments, through its Ministerial Council on Energy (MCE), established the Australian Energy Market Commission (AEMC) in July 2005 to be the rule maker for national energy markets. The AEMC is currently responsible for rules and providing advice to the MCE on matters relevant to the national energy markets. We are an independent, national body. Our key responsibilities are to consider rule change proposals, conduct energy market reviews and provide policy advice to the Ministerial Council as requested, or on AEMC initiative.

This work is copyright. The Copyright Act 1968 permits fair dealing for study, research, news reporting, criticism and review. Selected passages, tables or diagrams may be reproduced for such purposes provided acknowledgement of the source is included.

Last Resort Planning Power Guidelines: Final Decision

Decision

Following consultation as required under the transmission consultation procedures, the Commission has decided to publish the final amended last resort planning power Guidelines (the Guidelines), and this accompanying final decision. These Guidelines are effective as of 4 June 2010 and replace the original Guidelines from that date onwards.

Last Resort Planning Power Background

The last resort planning power (LRPP) is provided for in clause 5.6.4 of the National Electricity Rules (the Rules). Its purpose is to ensure timely and efficient inter-regional transmission investment for the long term interests of consumers of electricity. It confers on the Australian Energy Market Commission (AEMC) the power to direct one or more Registered Participants to apply the Regulatory Investment Test for Transmission to a potential transmission project, for the purposes of relieving a forecast constraint on national transmission flow paths between regional reference nodes.

Last Resort Planning Power Guidelines

The Guidelines are made under clause 5.6.4(o) of the Rules, which require the AEMC to develop and publish guidelines for or with respect to the matters set out in that clause. In general terms, the Guidelines 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.

Clause 5.6.4(p) of the Rules requires the AEMC to develop and publish the Guidelines in accordance with the transmission consultation procedures contained in clause 6A.20 of the Rules. Clause 5.6.4(r) allows the AEMC to amend or replace the Guidelines from time to time, in accordance with the transmission consultation procedures.

Amendments made to the Last Resort Planning Power Guidelines

On 10 March 2010, the AEMC published draft amended Guidelines and an accompanying explanatory statement.

The AEMC identified a number of necessary "housekeeping" amendments which were included in the draft amended Guidelines. These allowed for name changes and the introduction of new regulatory structures in the NEM.

Other amendments involved minor adjustments to the AEMC's consultative processes for persons affected by advice received from AEMO, or otherwise likely to be affected by the exercise of the LRPP. The purpose of these changes was to clarify the AEMC's processes for consulting with these parties.

Stakeholders were invited to comment on the draft amended Guidelines. No stakeholder submissions were received.

The AEMC included some additional amendments in the final amended Guidelines. References to the AEMC's obligation to report on the exercise of the LRPP were removed, due to the fact that this obligation is already clearly described in clause 5.6.4(n) of the Rules. Some minor typographical changes were also made.

Conclusion

This concludes the AEMC's review of the Guidelines. The AEMC anticipates that it will review these Guidelines in 5 years from the date of the publication of the draft amended Guidelines, or earlier if it considers there is a need to do so.