



Australian Energy Market Commission

Amendments to the Last Resort Planning Power Guidelines

Explanatory Statement

(under clause 6A.20(b) of the National Electricity Rules)

Last Resort Planning Power and Last Resort Planning Power Guidelines

The last resort planning power (LRPP) is provided for in clause 5.6.4(c) of the National Electricity Rules (the Rules). It empowers the Australian Energy Market Commission (AEMC) to direct one or more Registered Participants to apply the regulatory investment test for transmission (RIT-T) in relation to a potential transmission project identified by the AEMC. Alternatively, the AEMC may require a Registered Participant to identify such a potential transmission project for the purposes of applying the RIT-T. Clause 5.6.4 of the Rules also provides for other matters necessary for the exercise of the LRPP, including the making of the last resort planning power guidelines (the Guidelines).

Together with the purpose of the LRPP contained in clause 5.6.4(b) of the Rules, the Guidelines provide processes to be followed by the AEMC when exercising the LRPP. The Guidelines provide AEMO with advice in its role in informing the AEMC, and any other persons who may be requested by the AEMC to provide information. The Guidelines also provide advice to market participants about the AEMC's processes when exercising the LRPP.

The AEMC has reviewed the LRPP Guidelines with the intention of updating a number of out of date references to changed regulatory processes and organizations. At this time, the AEMC also considers that some amendments could be made to improve the processes and outcomes of the Guidelines.

This explanatory statement sets out the provisions of the Rules under which the proposed amendments to these Guidelines are made and summarises the AEMC's reasoning in making the proposed amendments.

Requirements under clauses 5.6.4(o), (p) and (r)

These proposed amendments to the Guidelines are made under the following provisions of the Rules:

Clause 5.6.4(o) of the Rules, which requires the AEMC to develop and publish guidelines for or with respect to certain matters which are set out in detail in that clause.

Clause 5.6.4(p) of the Rules, which 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) of the Rules, which states that the AEMC may 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

The AEMC has identified a number of necessary “housekeeping” amendments to the Guidelines which allow for name changes and the introduction of new regulatory structures in the NEM. These changes also seek to bring the Guidelines closer in form to other Guidelines published by the AEMC.

Other amendments to the Guidelines involve 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 amendments is to clarify the AEMC’s process for consulting with these parties.

Invitation for submissions

Interested parties are invited to make written submissions to the AEMC on the proposed amendments to the Guidelines. Submissions should be received by **23 April 2010**.

Submissions may be lodged with the AEMC electronically (via email) or in hard copy (via ordinary mail).

To lodge a submission via email:

- the submission must be sent to submissions@aemc.gov.au;
- the submission must be on letterhead (if an organisation), signed and dated by the proponent;
- the submission must be in PDF format;
- upon receipt of the submission, the AEMC will issue a confirmation email. If this confirmation email is not received within 3 business days, it is the proponent’s responsibility to ensure successful delivery of the submission has occurred; and
- the submission should also be forwarded to the AEMC via ordinary mail.

To lodge a submission via ordinary mail:

- the submission must be on letterhead (if an organisation), signed and dated by the proponent;

- the submission should be sent to:

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

- upon receipt of the submission, the AEMC will issue a confirmation letter. If this confirmation letter is not received within 3 business days, it is the proponent's responsibility to ensure successful delivery of the submission has occurred.