

6 June 2017

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Attention Mr Neil Howes

Dear John

Re: Draft Rule Determination – Replacement Expenditure Planning Arrangements (ERC0209)

AusNet Services welcomes the opportunity to provide a submission into the AEMC's consultation on its draft determination on the replacement expenditure planning arrangements rule change.

AusNet Services supports the objective of enhanced transparency in network asset replacement planning sought by the rule change proposal and the draft determination. In considering the practical implementation of the Rules, we encourage the AEMC's further consideration of two matters:

- the assignment of responsibilities in Victoria, for new transmission asset planning rules obligations; and
- the transition arrangements for application of the Regulatory Investment Test (RIT) to asset replacements.

AusNet Services is a member of Energy Networks Australia (ENA), and in addition to the matters discussed in this submission, we strongly support the submission made by ENA.

The remainder of our submission addresses the two matters noted above, in turn.

1. Assignment of responsibilities in Victoria for new transmission asset planning rules obligations

The proposed extension of the RIT-T to asset replacements gives rise to some unique considerations for application in Victoria. The responsibilities of the Transmission Network Service Provider in Victoria are divided between AEMO (as the Victorian transmission network planner and provider of shared network services) and one or more declared transmission system operators (DTSOs) (the network owners and operators). AusNet Services owns the majority of the Victorian transmission network, and is a DTSO. The division of responsibilities between AEMO and AusNet Services is a legacy of the evolution of the energy markets in this state.

In this submission and in the proposed amendments to the draft Rule, we refer to the 'relevant DTSO'. However, the nature of the obligations which the relevant DTSO is required to comply with under the draft Rule (either as made by the AEMC or as jointly amended by AEMO and AusNet Services) are such that only AusNet Services would currently be bound by them. This is because AusNet Services is the only DTSO that operates a network which provides services that are subject to revenue regulation by the AER (i.e. the DTSO provides prescribed

transmission services). Services from other DTSOs are typically procured by AEMO on long-term fixed terms contracts, such that all costs of providing the services are contained within the agreed commercial arrangements.

It is appropriate that the National Electricity Rules (Rules) recognise and accommodate the division of roles and functions between AEMO and a relevant DTSO. The draft rule assigns responsibility for conducting the RIT to the DTSO in circumstances where the RIT-T project is for a replacement of network assets (draft rule 5.1.2 (f1)). This is the appropriate assignment, as it is consistent with the existing allocation of responsibilities for transmission functions in Victoria.

However, the operability of the Victorian arrangements requires considerable coordination and information sharing between AEMO and AusNet Services to meet our respective obligations in fulfilling the complete TNSP role in Victoria. For the purposes of transparency and accountability, and to enable AEMO and AusNet Services to secure adequate funding for these activities, the draft rule should reflect this interdependence in the roles and responsibilities of the organisations. The draft Rule as currently drafted does not achieve this objective.

Planning

(a) Acknowledgement of Division of Roles in Victoria

Under the current Rules framework, AEMO is required to publish the annual planning report for Victoria (TAPR) by 30 June each year. The outputs currently specified for the report focus on service functions relevant to AEMO as the provider of shared transmission services in Victoria and planner of the declared shared network (DSN). Asset management, including replacements, de-rating and retirements are managed by the asset owner, taking into account input from AEMO as regards the future service level needs of the DSN. AusNet Services, as the asset owner and operator, provides a 10 year asset management plan overview to AEMO which AEMO incorporates in the TAPR.

In response to the AEMC's Consultation Paper, AEMO commented that AusNet Services should be responsible for the additional reporting requirements relating to asset replacement. As noted in the previous paragraph, AEMO's suggestion is consistent with current practice, as AusNet Services provides the information which is currently included in the TAPR to AEMO. We anticipate this approach would continue to apply for the expanded reporting obligations set out in the draft determination.

Similarly, the outputs of the planning review relating to asset replacements, retirements and de-ratings would be provided to AEMO by the relevant asset owner for inclusion in the annual planning report.

We propose that the Rules acknowledge these complementary roles of AEMO and the asset owner and operator in Victoria. Working with AEMO, we have considered what amendments to the draft Rule would be required to reflect these roles. The proposed drafting is expressly acknowledges that, consideration of de-ratings, replacements and retirements necessarily requires the asset owner to provide information to AEMO about these matters, and that AEMO utilises this information in conducting the annual planning review. For the benefit of the AEMC and stakeholders, AEMO and AusNet Services have jointly prepared marked-up amendments to the draft Rule, and a table summarising the rationale and intent of each amendment. The amended draft Rule and that table are attached as appendices to this submission.

(b) Integrated Planning

As discussed above, AusNet Services, as a DTSO, is responsible for asset management decisions and is accountable for safety, security, reliability and environmental risks in respect of the age, condition of assets. AusNet Services prepares an asset replacement plan each year setting out its approach to managing these risks across a 10 year horizon. These plans are not made in isolation from AEMO's assessment of the on-going service needs of the DSN. Currently, AusNet Services works closely with AEMO in the development of its plans, and AEMO publishes AusNet Services' 10 year asset replacement outlook in its transmission annual planning report. AusNet Services and AEMO propose to reflect this established cooperative

approach in the new clause 5.14A, which requires AEMO and the relevant DTSO to conduct joint planning in relation to a proposed replacement, retirement or de-rating of a network asset. The proposed drafting prepared provides for AEMO to notify the DTSO of its system needs in relation to the services provided by an asset replacement decision that would become subject to a RIT-T. This would also lead into the conduct of a market benefits test by AEMO (see below). The proposal is consistent with current practice, and would be consistent with the enhanced processes for asset replacement planning intended by the rule change.

RIT-T for Asset Replacement

(a) Market Benefits Assessment

For augmentation projects, the RIT-T in Victoria is conducted by AEMO. Under the draft Rule, the RIT-T for projects involving the replacement of a network asset which forms part of the DSN will be performed by the DTSO. We consider this is appropriate as the DTSO, as the asset owner, is best placed to assess asset condition, asset failure risk and asset replacement needs.

A consequence of extending the RIT-T to replacement decisions is that the RIT-T proponent will be required, amongst other things, to undertake a market benefits analysis of the credible options. As the transmission planner for Victoria, AEMO has the skills, tools and core assumptions required to assess and quantify the market benefits of a proposed RIT-T project, even if the project relates to a network asset replacement. We consider there is merit in providing for consistent assumptions regarding forecast load and generation developments, as well as network developments, to be applied across all augmentation and replacement decisions where possible.

The scenarios to be modelled and other assumptions and parameters necessary for the purpose of the market benefits assessment would be the subject of joint planning discussions between AEMO and the DTSO. This would include for example, consideration of future energy sourcing scenarios that are relevant to the RIT-T project, including future closure of coal-fired power stations, and emerging renewables generation.

This would be consistent with current joint planning processes which informally occur between AEMO and AusNet Services. AEMO has provided market benefits assessments to facilitate AusNet Services' asset replacement planning for its current regulatory control period (2017 – 2022), and previously. For the current period, AEMO assessed market benefits for replacement projects at Brooklyn, Heywood, Loy Yang, South Morang and Hazelwood terminal stations. Allowing AEMO to undertake the market benefits assessment promotes efficiency in that it utilizes and maintains industry skill sets (AEMO's in this case) and facilitates joint planning with AEMO, providing transparency to AEMO and further opportunity for it to ensure that its DTS needs are appropriately reflected in the modelling.

AusNet Services supports codifying this approach in the Rules, as this will clarify the Victorian arrangements for the benefit of all NEM participants. Accordingly, AusNet Services and AEMO propose a process in new clause 5.14A whereby, where a RIT-T project is for replacement of network assets, the relevant DTSO provides information to AEMO about the DTSO's proposed RIT-T project. Using that information, AEMO conducts the market benefits assessment as provided for under clauses 5.16.4 and 5.16.5 of the Rules and in the RIT-T guidelines. AEMO submits its findings to the relevant DTSO, who considers them as part of the RIT-T.

2. Transitional Arrangements

The draft determination sets out transitional arrangements to apply, as follows:

- new annual planning reporting requirements to apply for Dec 2017 DAPRs and June 2018 TAPRs
- RIT for asset replacement projects to be applied to projects that have not been committed to by 30 June 2018
- Annual planning reports will be used to identify whether a project is committed before 1 July 2018. For distribution networks, projects committed in the period between the

2017 DAPR and 30 June 2018 must be notified to the AER if the DNSP does not wish to undertake a RIT for the project.

AusNet Services supports the timetable for transitioning to the new rules as outlined in the draft determination. If any shorter transition period were to apply, there is significant potential for disruption to timely investment in essential asset management and the imposition of undue risks in safety, security and reliability of network services. These risks are outlined in greater detail in this section. The dates proposed by the AEMC are, in any event, extremely tight and any proposal to bring them forward would be impact network and supply risk in Victoria.

Transition was raised by the AEMC in its consultation paper, released in October 2016. The disruption that could be caused by a short transition period was captured in networks sector submissions, whilst the EUAA and AGL commented that the arrangements should be introduced as quickly as possible. The AEMC's proposed approach appears to have regard to both of these valid perspectives.

To provide some perspective, we are able to outline the circumstances applicable to the AusNet Services transmission network, and the flow on implications of transition to the new arrangements. AusNet Services received its final revenue determination for its April 2017 to March 2022 regulatory control period was delayed for three months and published at the end of April 2017. This created uncertainty in our capital investment plans for the period.

With this uncertainty only recently resolved, AusNet Services is now working to ensure that necessary projects achieve business case approval and are commenced, to address the risks identified and outlined in our published asset management plans. The projects address both safety and reliability risks, and have been demonstrated to be prudent and economically efficient.

In addition, the closure of Hazelwood Power Station at very short notice has increased the reliance on old circuit breakers at Loy Yang switchyard which had been planned for replacement in the future. This work must now be advanced to support reliability and security of supply in Victoria and the NEM. Scoping of this work and business case preparation is proceeding.

Any advancement of the transition period for introduction of the RIT-T would effectively wipe out a lengthy period in the planned works program by delaying the projects whilst the RIT-T consultation processes are conducted for these priority near term projects. To avoid such delays, AusNet Services should be required to apply the RIT-T to only those projects that will become committed in the future years of the regulatory control period, i.e. after July 2018.

We advise that there are similar implications for AusNet Services distribution network. In particular, the scope for a number of projects currently in planning must take into account the implications of the obligation placed on AusNet Services by the Victorian government, to deploy Rapid Earth Fault Current Limiter (REFCL) technology on its network. These projects coordinate with the REFCL program, which is subject to strict establishment milestones, and severe penalties if performance is not achieved. It would not be feasible to include RIT consultation processes for these projects and achieve the requisite service dates.

The hiatus occurring in the works program would cause unacceptable delay to necessary works to maintain the safety of our employees and the public, and appropriately address supply risk. As well, the loss of a smooth work program would have serious implications for continuity in project design service and construction activity. These factors would be common across networks businesses, and would be expected to ultimately cause an increase in project costs.

We therefore support the AEMCs proposed transition arrangements as currently expressed in the draft determination, with project commitment to be identified via the forthcoming annual planning reports. For the purposes of transition, the term commitment would appropriately refer to a business case being approved and the project allocated into the NSP's pipeline of works with a material proportion of expenditure scheduled for the 6 month period following the date of the annual planning report. The criteria listed in the AER's RIT Application Guidelines as evidencing commitment is not a suitable basis for determining exclusion from the RIT, and

would be inconsistent with the transition path as many already planned projects would become subject to the RIT process, experience delays.

3. Government Directed Programs

From time to time network service providers are directed to carry out works on their assets by government directive. This has been the case in Victoria arising from the implementation of recommendations of the Powerline Bushfire Safety Taskforce, enacted through the Electricity Safety (Bushfire Mitigation) Regulations. The Regulations require the establishment of REFCL technology on the distribution networks for 22 zone substations, with the first tranche to be established by April 2019, and two further tranches to follow shortly after. As noted in the preceding section, failure to meet the timeframes will incur severe penalty. At the end of March 2017 AusNet Services submitted a Contingent Project Application to the AER for its tranche 1 REFCL program.

We propose to the AEMC that the opportunity is taken in this review to clarify that government directed programs may not require RIT processes be undertaken. This is because these programs are very specific, the network service must deliver the specified investment, and short periods to achieve compliance must be expected. The programs are directed at network infrastructure, and so non-network solutions are not a consideration once the regulation has been enacted.

In our view a clarifying amendment would be no more than a clarification, necessary due to expansion of the scope of the RIT to cover a broader range of investments than it currently does. The necessary drafting amendment should, therefore, be considered in scope for this review.

Please find attached draft amendments to the AEMCs mark-up of the Rules, to incorporate provisions in the Rules to acknowledge the complementary roles of AEMO and the transmission network owner and operator in Victoria. These are referred to in Section 1 of this submission.

Please contact Kelvin Gebert, our Manager Regulatory Frameworks, if we can assist you further in relation to this submission.

Sincerely,



Tom Hallam
General Manager Regulation and Network Strategy
AusNet Services

APPENDIX 1: Mark-up of Draft Rule for Victorian Transmission Arrangements

This appendix sets out drafting amendments to the AEMCs mark-up of the Rules, jointly prepared by AEMO and AusNet Services, to incorporate provisions in the Rules to acknowledge the complementary roles of AEMO and the transmission network owner and operator in Victoria.

A table summarising the rationale and intent of each amendment is also provided.

5. Network Connection, Planning and Expansion

Part A Network Connection

5.1 Statement of Purpose

5.1.1 [Deleted]

5.1.2 Purpose and Application

...

- (d) Subject to paragraphs (e) and (g), the following *Rules* apply in the application of this Part A to *transmission services* provided by means of, or in connection with, the *declared transmission system* of an *adoptive jurisdiction*:
- (1) a reference to a *Network Service Provider* is, in relation to the provision of *connection services*, to be read as a reference to a *declared transmission system operator*; and
 - (2) a reference to a *Network Service Provider* is, in relation to the provision of *shared transmission services*, to be read as a reference to *AEMO*.
- (e) A reference in any of the following provisions to a *Network Service Provider* will, in relation to the *declared transmission system* of an *adoptive jurisdiction*, be construed as a reference to *AEMO*:
- (1) clause 5.2.3(b);
 - (2) clause 5.2.6;
 - (3) rule 5.4AA;
 - (4) clause 5.7.6;
 - (5) clause 5.7.7 (except clause 5.7.7(c));
 - (6) rule 5.11;
 - (7) clause 5.12.1;
 - (8) clause 5.12.2 (except clause 5.12.2(c)(2));
 - (9) clause 5.14.1;
 - (10) schedule 5.1, clause S5.1.2.3;
 - (11) schedule 5.3, clause S5.3.5.

- (f) ~~Subject to clause (f1), a~~ reference in any of the following provisions to a *Transmission Network Service Provider* will, in relation to the *declared transmission system* of an *adoptive jurisdiction*, be construed as a reference to *AEMO*:

~~(1) clause 5.16.4;~~

~~(2) clause 5.16.5;~~

(31) rule 5.18;

(42) rule 5.19.

- (f1) A reference in any of:

(1) the definition of RIT-T proponent in clause 5.10.2;

(2) clause 5.16.4; or and-

(3) clause 5.16.5;

to a *Transmission Network Service Provider* will, in relation to the *declared transmission system* of an *adoptive jurisdiction*, be construed as a reference to:

(4) the declared transmission system operator where the RIT-T project is driven by asset retirement or asset de-rating and at least one of the credible options of the RIT-T project (as defined in clause 5.10.2) is replacement of network assets;

(5) in any other case, AEMO.

- (g) A reference in any of the following provisions to a *Network Service Provider* will, in relation to the *declared transmission system* of an *adoptive jurisdiction*, be construed as a reference to the relevant *declared transmission system operator*:

(1) clause 5.2.3(d)(12), (e) and (e1)(except 5.2.3(e1)(2));

(2) clause 5.3.4A(c) and (d);

(3) clause 5.9.3;

(4) clause 5.9.4;

(5) clause 5.9.6;

(6) Schedule 5.1, clause S5.1.10.3(a);

(7) Schedule 5.2 clause S5.2.3(a)(8).

...

Part B Network Planning and Expansion

5.10 Network development generally

5.10.2 Definitions

In this Part B and schedules 5.8, 5.9 and 5.4A:

asset management means the development and implementation of plans and processes, encompassing management, financial, consumer, engineering, information technology and other business inputs to ensure assets achieve the expected level of performance and minimise costs to consumers over the expected life cycle of the assets.

cost threshold means a cost threshold specified in clause 5.15.3(b) or 5.15.3(d) (as relevant).

cost threshold determination means a final determination under clause 5.15.3(i).

cost threshold review means a review conducted under clause 5.15.3(e).

credible option has the meaning given to it in clause 5.15.2(a).

demand side engagement document means the document *published* by the *Distribution Network Service Provider* under clause 5.13.1(g).

demand side engagement register means a facility by which a person can register with a *Distribution Network Service Provider* their interest in being notified of developments relating to *distribution network* planning and expansion.

demand side engagement strategy means the strategy developed by a *Distribution Network Service Provider* under clause 5.13.1(e) and described in its demand side engagement document.

de-rate means, in respect of a *Network Service Provider*, a reduction in the *network capability of a network element in the network of that Network Service Provider*.

design fault level means the maximum level of fault current that a *facility* can sustain while maintaining operation at an acceptable *performance standard*.

dispute notice has the meaning given in clause 5.16.5(c)(1) and 5.17.5(c)(1).

disputing party has the meaning given in clause 5.16.5(c) and 5.17.5(c).

distribution asset means the apparatus, equipment and plant, including *distribution lines, substations* and sub-transmission lines, of a *distribution system*.

draft project assessment report means the report prepared under clause 5.17.4(i).

final project assessment report means the report prepared under clauses 5.17.4(o) or (p).

firm delivery capacity means the maximum allowable output or load of a *network* or *facility* under *single contingency* conditions, including any short term overload capacity having regard to external factors, such as ambient temperature, that may affect the capacity of the *network* or *facility*.

forward planning period means the period determined by the *Distribution Network Service Provider* under clause 5.13.1(a)(1).

joint planning project means a project the purpose of which is to address a need identified under clause 5.14.1(d)(3) or clause 5.14.2(a).

load transfer capacity means meeting the *load* requirements for a *connection point* by the reduction of *load* or group of *loads* at the *connection point* and increasing the *load* or group of *loads* at a different *connection point*.

non-network options report means the report prepared under clause 5.17.4(b).

non-network provider means a person who provides *non-network options*.

normal cyclic rating means the normal level of allowable *load* on a primary distribution feeder having regard to external factors, such as ambient temperature and wind speed, that may affect the capacity of the primary distribution feeder.

potential credible option means an option which a RIT-D proponent or RIT-T proponent (as the case may be) reasonably considers has the potential to be a credible option based on its initial assessment of the *identified need*.

potential transmission project means investment in a transmission asset of a *Transmission Network Service Provider* which:

- (a) is an *augmentation*; and
- (b) has an estimated capital cost in excess of \$5 million (as varied in accordance with a cost threshold determination); and
- (c) the person who identifies the project considers is likely, if constructed, to relieve forecast constraints in respect of *national transmission flow paths* between *regional reference nodes*.

preferred option has the meaning given in clause 5.16.1(b) and 5.17.1(b).

primary distribution feeder means a *distribution line* connecting a sub-transmission asset to either other *distribution lines* that are not sub-transmission lines, or to distribution assets that are not sub-transmission assets.

project assessment conclusions report means the report prepared under clause 5.16.4(t) or (u).

project assessment draft report means the report prepared under clause 5.16.4(j).

project specification consultation report means the report prepared under clause 5.16.4(b).

protected event EFCS investment means investment by a *Transmission Network Service Provider* or a *Distribution Network Service Provider* for the purposes of installing or modifying an *emergency frequency control scheme* applicable in respect of the *Network Service Provider's transmission or distribution system* in accordance with a *protected event EFCS standard*.

reconfiguration investment has the meaning given to it in clause 5.16.3(a)(5).

regulatory investment test for distribution application guidelines means the guidelines developed and *published* by the *AER* in accordance with clause 5.17.2 as in force from time to time, and include amendments made in accordance with clause 5.17.2(e).

regulatory investment test for transmission application guidelines means the guidelines developed and *published* by the *AER* in accordance with clause 5.16.2 as in force from time to time, and include amendments made in accordance with clause 5.16.2(e).

reliability corrective action means investment by a *Transmission Network Service Provider* or a *Distribution Network Service Provider* in respect of its *transmission network* or *distribution network* for the purpose of meeting the service standards linked to the technical requirements of schedule 5.1 or in *applicable regulatory instruments* and which may consist of *network options* or *non-network options*.

~~**replacement transmission network asset** mean a proposed new asset of a *Transmission Network Service Provider* which the relevant *Transmission Network Service Provider* reasonably estimates to have an estimated capital cost in excess of \$5 million (as varied in accordance with a cost threshold determination) and which will replace any existing element of its *transmission network*. For the avoidance of doubt, if the cost of replacing any existing element also results in an *augmentation* to the *network*, then such an asset must be included in this definition where the *Transmission Network Service Provider* has estimated that the asset will have an estimated capital cost in excess of \$5 million.~~

RIT-D project means:

- (a) a project the purpose of which is to address an *identified need* identified by a *Distribution Network Service Provider*; or
- (b) a joint planning project that is not a RIT-T project.

RIT-D proponent means the *Network Service Provider* applying the *regulatory investment test for distribution* to a RIT-D project to address an *identified need*. The RIT-D proponent may be:

- (a) if the *identified need* is identified during joint planning under clause 5.14.1(d)(3), a *Distribution Network Service Provider* or a *Transmission Network Service Provider*; or
- (b) in any other case, a *Distribution Network Service Provider*.

RIT-T project means:

- (a) a project the purpose of which is to address an *identified need* identified by a *Transmission Network Service Provider*; or
- (b) a joint planning project if:
 - (1) at least one potential credible option to address the *identified need* includes investment in a *network* or *non-network option* on a *transmission network* (other than *dual function assets*) with an estimated capital cost greater than the cost threshold that applies under clause 5.16.3(a)(2); or
 - (2) the *Network Service Providers* affected by the joint planning project have agreed that the *regulatory investment test for transmission* should be applied to the project.

RIT-T proponent means the *Network Service Provider* applying the *regulatory investment test for transmission* to a RIT-T project to address an *identified need*. The RIT-T proponent may be:

- (a) if the *identified need* is identified during joint planning under clause 5.14.1(d)(3), a *Distribution Network Service Provider* or a *Transmission Network Service Provider*; or
- (b) in any other case, a *Transmission Network Service Provider*.

sub-transmission means any part of the *power system* which operates to deliver electricity from the *transmission system* to the *distribution network* and which may form part of the *distribution network*, including zone substations.

sub-transmission line means a power line connecting a sub-transmission asset to either the *transmission system* or another sub-transmission asset.

system limitation means a limitation identified by a *Distribution Network Service Provider* under clause 5.13.1(d)(2).

total capacity means the theoretical maximum allowable output or *load* of a *network* or *facility* with all network components and equipment intact.

transmission asset means the apparatus, equipment and plant, including *transmission lines* and *substations* of a *transmission system*.

transmission-distribution connection point means:

- (a) subject to paragraph (b), the agreed point of supply established between a *transmission network* and a *distribution network*;
- (b) in relation to the *declared transmission system* of an *adoptive jurisdiction*, the agreed point of supply between the transmission assets of the *declared transmission system operator* and a *distribution network*.

zone substation means a *substation* for the purpose of connecting a *distribution network* to a *sub-transmission network*.

5.10.3 Interpretation

The terms *Network Service Provider*, *Transmission Network Service Provider* and *Distribution Network Service Provider* when used in rules 5.11 to 5.17 and schedules 5.8 and 5.9 are not intended to refer to, and are not to be read or construed as referring to, any *Network Service Provider* in its capacity as a *Market Network Service Provider*.

5.11 Forecasts of connection to transmission network and identification of system limitations

....

5.12 Transmission annual planning process

5.12.1 Transmission annual planning review

- (a) Each *Transmission Network Service Provider* must analyse the expected future operation of its *transmission networks* over an appropriate planning period, taking into account the relevant forecast *loads*, any future *generation*, *market network service*, demand side and *transmission* developments and any other relevant data.
- (b) Each *Transmission Network Service Provider* must conduct an annual planning review which must:
 - (1) incorporate the forecast *loads* as submitted or modified in accordance with clause 5.11.1; and
 - (2) include a review of the adequacy of existing *connection points* and relevant parts of the *transmission system* and planning proposals for future *connection points*; and
 - (3) take into account the most recent *NTNDP* and *power system frequency risk review*; and
 - (4) consider the potential for *augmentations* ~~or replacement of network assets~~, or non-*network* alternatives to *augmentations* ~~or replacement of network assets~~ that are likely to provide a net economic benefit to all those who produce, consume and transport electricity in the market; and

(5) consider the potential for replacements, or non-*network* alternatives to replacements, that are likely to provide a net economic benefit to all those who produce, consume and transport electricity in the market;

(6) consider:

(a) the age and condition of *network* assets; or

(b) in relation to the *declared transmission system* of an *adoptive jurisdiction*, the age and condition of the *network* assets as advised by the relevant *declared transmission system operator*.

(c) The minimum planning period for the purposes of the annual planning review is 10 years for *transmission networks*.

5.12.2 Transmission Annual Planning Report

(a) Subject to paragraph (b), by 30 June each year all *Transmission Network Service Providers* must *publish* a *Transmission Annual Planning Report* setting out the results of the annual planning review conducted in accordance with clause 5.12.1.

(b) If a *Network Service Provider* is a *Transmission Network Service Provider* only because it owns, operates or controls *dual function assets* then it may *publish* its *Transmission Annual Planning Report* in the same document and at the same time as its *Distribution Annual Planning Report*.

(c) The *Transmission Annual Planning Report* must set out:

(1) the forecast *loads* submitted by a *Distribution Network Service Provider* in accordance with clause 5.11.1 or as modified in accordance with clause 5.11.1(d);

(1A) for all *network asset retirements* and *network asset de-ratings* that would result in a *network constraint*, that are planned over the minimum planning period specified in clause 5.12.1(c), the following information in sufficient detail relative to the size or significance of the project and the proposed operational date of the project:

(i) a description of the *network* asset, including location;

(ii) the reasons, including methodologies and assumptions used by the *Transmission Network Service Provider* for deciding that it is necessary or prudent for the *network* asset to be retired or de-rated, taking into account factors such as the age and condition of the *network* asset;

(iii) the date from which the *Transmission Network Service Provider* proposes that the *network* asset will be retired or de-rated; and

- (iv) a statement of whether the *Transmission Network Service Provider* plans to issue a request for proposals for augmentation, replacement of a network asset or a *non-network option* identified by the annual planning review conducted under clause 5.12.1(b) and if so, the expected date the request will be issued;
- (5) for all proposed *augmentations* to the *network* and replacements of network assets, the following information, in sufficient detail relative to the size or significance of the project and the proposed operational date of the project:
 - (i) project/asset name and the month and year in which it is proposed that the asset will become operational;
 - (ii) the reason for the actual or potential *constraint*, if any, or inability, if any, to meet the *network* performance requirements set out in schedule 5.1 or relevant legislation or regulations of a *participating jurisdiction*, including *load* forecasts and all assumptions used;
 - (iii) the proposed solution to the *constraint* or inability to meet the *network* performance requirements identified in subparagraph (ii), if any;
 - (iv) total cost of the proposed solution;
 - (v) whether the proposed solution will have a *material inter-network impact*. In assessing whether an *augmentation* to the *network* will have a *material inter-network impact* a *Transmission Network Service Provider* must have regard to the objective set of criteria *published* by AEMO in accordance with clause 5.21 (if any such criteria have been *published* by AEMO); and
 - (vi) other reasonable *network options* and *non-network options* considered to address the actual or potential *constraint* or inability to meet the *network* performance requirements identified in subparagraph (ii), if any. Other reasonable *network* and *non-network options* include, but are not limited to, *interconnectors*, *generation options*, *demand side options*, *market network service options* and options involving other *transmission* and *distribution networks*;
- (6) the manner in which the proposed *augmentations* and replacements of network assets relate to the most recent *NTNDP* and the development strategies for current or potential *national transmission flow paths* that are specified in that *NTNDP*;
- (6A) for proposed new or modified *emergency frequency control schemes*, the manner in which the project relates to the most recent *power system frequency risk review*;

- ~~(7) for all proposed replacement transmission network assets:~~
- ~~(i) a brief description of the new replacement transmission network asset project, including location;~~
 - ~~(ii) the date from which the *Transmission Network Service Provider* proposes that the proposed new replacement transmission network asset will become operational;~~
 - ~~(iii) the purpose of the proposed new replacement transmission network asset;~~
 - ~~(iv) a list of any reasonable *network options* or *non-network options* to the proposed new replacement transmission network asset which are being, or have been, considered by the *Transmission Network Service Provider* (if any). Those alternatives include, but are not limited to, *interconnectors*, *generation options*, *demand side options*, *market network service options* and options involving other *transmission or distribution networks*; and~~
 - ~~(v) the *Transmission Network Service Provider's* estimated total capitalised expenditure on the proposed new replacement transmission network asset;~~
- (78) any information required to be included in an *Transmission Annual Planning Report* under clause 5.16.3(c) in relation to a *network* investment which is determined to be required to address an urgent and unforeseen *network* issue; and
- (8) information on the *Transmission Network Service Provider's* asset management approach, including:
- (i) a summary of any asset management strategy employed by the *Transmission Network Service Provider*;
 - (ii) a summary of any issues that may impact on the system constraints identified in the *Transmission Annual Planning Report* that has been identified through carrying out asset management; and
 - (iii) information about where further information on the asset management strategy and methodology adopted by the *Transmission Network Service Provider* may be obtained;:-
- (9) emergency controls in place under clause S5.1.8, including the *Network Service Provider's* assessment of the need for new or altered emergency controls under that clause; and
- (10) *facilities* in place under clause S5.1.10.
- (d) In relation to the *declared transmission system* of an *adoptive jurisdiction*:

- (1) the relevant *declared transmission system operator* must provide to AEMO the information necessary to enable the *Transmission Annual Planning Report* to address the matters set out in:
 - (i) clause 5.12.2(c)(1A);
 - (ii) clause 5.12.2(c)(1B);
 - (iii) clauses 5.12.2(c)(4), (5) and (6) in relation to replacement of *network assets*; and
 - (iv) clause 5.12.2(c)(8);
- (2) the relevant *declared transmission system operator* must use best endeavours to comply with clause 5.12.2(d)(1) by a time which is sufficient to enable AEMO to meet its obligation under 5.12.2(a);
- (3) AEMO will publish the information supplied by the relevant *declared transmission system operator* as part of the *Transmission Annual Planning Report* pursuant to clauses 5.12.2 (c).

5.13 Distribution annual planning process

...

5.14 Joint planning

5.14.1 Joint planning obligations of Transmission Network Service Providers and Distribution Network Service Providers

- (a) Subject to paragraphs (b) and (c):
 - (1) each *Distribution Network Service Provider* must conduct joint planning with each *Transmission Network Service Provider* of the *transmission networks* to which the *Distribution Network Service Provider's networks* are connected; and
 - (2) each *Transmission Network Service Provider* must conduct joint planning with each *Distribution Network Service Provider* of the *distribution networks* to which the *Transmission Network Service Provider's networks* are connected.
- (b) In the case of the *declared shared network* of an *adoptive jurisdiction*, the relevant *declared transmission system operator*, the relevant *Distribution Network Service Provider*, AEMO and any *interested party* that has informed AEMO of its interest in the relevant plans, shall conduct joint planning.
- (c) For the purposes of this clause 5.14.1, a *Transmission Network Service Provider* does not include a *Network Service Provider* that is a *Transmission*

Network Service Provider only because it owns, controls or operates *dual function assets*.

- (d) The relevant *Distribution Network Service Provider* and *Transmission Network Service Provider* must:
- (1) assess the adequacy of existing *transmission* and *distribution networks* and the assets associated with transmission-distribution connection points over the next five years and to undertake joint planning of projects which relate to both *networks* (including, where relevant, *dual function assets*);
 - (2) use best endeavours to work together to ensure efficient planning outcomes and to identify the most efficient options to address the needs identified in accordance with subparagraph (4);
 - (3) identify any limitations or constraints:
 - (i) that will affect both the *Transmission Network Service Provider's* and *Distribution Network Service Provider's network*; or
 - (ii) which can only be addressed by corrective action that will require coordination by the *Transmission Network Service Provider* and the *Distribution Network Service Provider*; and
 - (4) where the need for a joint planning project is identified under subparagraph (3):
 - (i) jointly determine plans that can be considered by relevant *Registered Participants, AEMO, interested parties*, and parties registered on the demand side engagement register of each *Distribution Network Service Provider* involved in joint planning;
 - (ii) determine whether the joint planning project is a RIT-T project or a RIT-D project; and
 - (iii) may agree on a lead party to be responsible for carrying out the *regulatory investment test for transmission* or the *regulatory investment test for distribution* (as the case may be) in respect of the joint planning project.
- (e) If a *Network Service Provider*, as the lead party for one or more *Network Service Providers*, undertakes the *regulatory investment test for transmission* or the *regulatory investment test for distribution* (as the case may be) in respect of a joint planning project, the other *Network Service Providers* will be taken to have discharged their obligation to undertake the relevant test in respect of that project.

5.14.2 Joint planning obligations of Distribution Network Service Providers and Distribution Network Service Providers

- (a) *Distribution Network Service Providers* must undertake joint planning with other *Distribution Network Service Providers* where there is a requirement to consider the need for any *augmentation* or *non-network options* that affect more than one *Distribution Network Service Provider's network*.
- (b) *Distribution Network Service Providers* involved in joint planning may agree on a lead party to be responsible for carrying out the *regulatory investment test for distribution* in respect of the joint planning project.
- (c) If a *Distribution Network Service Provider*, as the lead party for one or more *Distribution Network Service Providers*, undertakes the *regulatory investment test for distribution* in respect of a joint planning project, the other *Distribution Network Service Providers* will be taken to have discharged their obligation to undertake the *regulatory investment test for distribution* in respect of that project.

5.14A Joint planning in relation to the replacement, retirement or de-rating of network assets which form part of the Declared Shared Network

- (a) In the case of a proposed replacement, retirement or de-rating of a network asset which forms part of the declared shared network of an adoptive jurisdiction, the relevant declared transmission system operator and AEMO shall conduct joint planning.
- (b) In conducting joint planning both the relevant declared transmission system operator and AEMO will use best endeavours to work together to identify the most efficient options to address the needs identified to enable AEMO to provide shared transmission services in accordance with section 50C(1)(d) of the NEL (AEMO shared services requirements).
- (c) The relevant declared transmission system operator must use its best endeavours to provide to AEMO during joint planning information about:
 - (1) the potential for replacements, or non-network alternatives to replacements, that are likely to provide a net economic benefit to all those who produce, consume and transport electricity in the market;
 - (2) the age and condition of network assets;
 - (3) such information about the proposed RIT-T project which AEMO reasonably requires in order to comply with clause 5.14A(d).
- (d) As soon as reasonably practicable after receiving the information in clause 5.14A(c)(3), AEMO shall notify the relevant declared transmission system operator of:

(1) the market benefits that could be delivered by the credible option, considered in accordance with the regulatory investment test for transmission application guidelines; and

(2) the AEMO shared services requirements.

(e) In conducting the regulatory investment test for transmission for the RIT-T project, the relevant declared transmission system operator must have regard to the matters notified to it under clause 5.14A(d).

5.15 Regulatory investment tests generally

5.15.1 Interested parties

In clauses 5.16.4, 5.16.5, 5.17.4 and 5.17.5, *interested party* means a person including an end user or its *representative* who, in the AER's opinion, has the potential to suffer a material and adverse *National Electricity Market* impact from the investment identified as the preferred option in the project assessment conclusions report or the final project assessment report (as the case may be).

5.15.2 Identification of a credible option

(a) A credible option is an option (or group of options) that:

- (1) addresses the *identified need*;
- (2) is (or are) commercially and technically feasible; and
- (3) can be implemented in sufficient time to meet the *identified need*,

and is (or are) identified as a credible option in accordance with paragraphs (b) or (d) (as relevant).

(b) In applying the *regulatory investment test for transmission*, the RIT-T proponent must consider, in relation to a RIT-T project other than those described in clauses 5.16.3(a)(1)-(7), all options that could reasonably be classified as credible options taking into account:

- (1) energy source;
- (2) technology;
- (3) ownership;
- (4) the extent to which the credible option enables *intra-regional* or *inter-regional* trading of electricity;
- (5) whether it is a *network option* or a *non-network option*;
- (6) whether the credible option is intended to be regulated;
- (7) whether the credible option has a proponent; and

- (8) any other factor which the RIT-T proponent reasonably considers should be taken into account.
- (c) In applying the *regulatory investment test for distribution*, the RIT-D proponent must consider, in relation to a RIT-D project other than those described in clauses 5.17.3(a)(1)-(6), all options that could reasonably be classified as credible options, without bias as to:
 - (1) energy source;
 - (2) technology;
 - (3) ownership; and
 - (4) whether it is a *network option* or a *non-network option*.
- (d) The absence of a proponent does not exclude an option from being considered a credible option.

5.15.3 Review of costs thresholds

Regulatory investment test for transmission thresholds

- (a) Every 3 years the AER must undertake a review of the changes in the input costs used to calculate the estimated capital costs in relation to:

~~(1) replacement transmission network assets; and~~

~~(2) transmission investment as referred to in paragraphs (b)(2) to (6),~~

for the purposes of determining whether the cost thresholds specified in paragraph (b) need to be changed to maintain the appropriateness of the cost thresholds over time by adjusting those cost thresholds to reflect any increase or decrease in the input costs since:

~~(13) July 2009 in respect of the first cost threshold review; and~~

~~(24) the date of the previous review in respect of every subsequent cost threshold review.~~

Note

The cost thresholds are regularly reviewed by the AER under paragraph (b). The current thresholds are specified in the latest cost threshold determination available on the AER's website www.aer.gov.au.

- (b) For the purposes of paragraph (a), the cost thresholds for review are the following amounts:

~~(1) in excess of \$5 million in relation to replacement transmission network assets;~~

~~(12) of less than \$5 million referred to in clause 5.16.3(a)(2);~~

- ~~(3)~~ of less than \$5 million referred to in clause 5.16.3(a)(4);
- (24) of less than \$5 million referred to in clause 5.16.3(a)(5);
- ~~(35)~~ of less than \$35 million referred to in clause 5.16.4(z1)(1); and
- (46) in excess of \$5 million in relation to investment in transmission assets of the type referred to in the definition of potential transmission project in clause 5.10.2.

Regulatory investment test for distribution costs thresholds

- (c) Subject to paragraph (f)(2), every 3 years, and at the same time as it undertakes its review of the cost thresholds for *regulatory investment test for transmission* under paragraph (a), the AER must undertake a review of the changes in the input costs used to calculate the estimated capital costs in relation to:
 - (1) projects subject to the *regulatory investment test for distribution*; and
 - (2) the cost threshold for committed investments that are to address ~~a refurbishment or replacement need, or~~ an urgent and unforeseen network need subject to the *Distribution Annual Planning Report*,

for the purposes of determining whether the costs thresholds specified in paragraph (d) need to be changed to maintain the appropriateness of the cost thresholds over time by adjusting those cost thresholds to reflect any increase or decrease in the input costs since:
 - (3) 1 January 2013 in respect of the first cost threshold review; and
 - (4) the date of the previous review in respect of every subsequent cost threshold review.
- (d) For the purposes of paragraph (c), the cost thresholds for review are the following amounts:
 - (1) \$5 million referred to in clause 5.17.3(a)(2);
 - ~~(2)~~ \$5 million referred to in clause 5.17.3(a)(6);
 - (23) \$10 million referred to in clause 5.17.4(n)(2);
 - (34) \$20 million referred to in clause 5.17.4(s);
 - ~~(45)~~ \$2 million referred to in S5.8(g).

Note

The cost thresholds are regularly reviewed by the AER under paragraph (b). The current thresholds are specified in the latest cost threshold determination available on the AER's website www.aer.gov.au.

Cost threshold reviews

- (e) Each cost threshold review is to be commenced by the *AER* by 31 July of the relevant year.
- (f) The first review of the cost thresholds for: :
 - (1) the *regulatory investment test for transmission* under paragraph (a) must be initiated in 2012; and
 - (2) the *regulatory investment test for distribution* under paragraph (c) must be initiated in 2015.
- (g) Within six weeks following the commencement of a cost threshold review, the *AER* must *publish* a draft determination outlining:
 - (1) whether the *AER* has formed the view that any of the cost thresholds need to be amended to reflect increases or decreases in the input costs to ensure that the appropriateness of the cost thresholds is maintained over time;
 - (2) its reasons for determining whether the cost thresholds need to be varied to reflect increases or decreases in the input costs;
 - (3) if there is to be a variation in a cost threshold, the amount of the new cost threshold and the date the new cost threshold will take effect; and
 - (4) its reasons for determining the amount of the new cost threshold.
- (h) At the same time as it *publishes* the draft determination under paragraph (f), the *AER* must *publish* a notice seeking submissions on the draft determination. The notice must specify the period within which written submissions can be made (the cost threshold consultation period) which must be no less than 5 weeks from the date of the notice.
- (i) The *AER* must consider any written submissions received during the cost threshold consultation period in making its final determination in respect of the matters outlined in paragraph (g).
- (j) The final determination on cost thresholds must be made and *published* by the *AER* within 5 weeks following the end of the cost threshold consultation period.
- (k) The *AER* may *publish* a draft determination under paragraph (g), a notice under paragraph (h), or a final determination under paragraph (j) for any cost threshold reviews under paragraphs (a) and (c) as a single document.

5.15.4 Costs determinations

- (a) Where the *AER* engages a consultant to assist in making a determination under clauses 5.16.5, 5.16.6 or 5.17.5 the *AER* may make a costs determination.
- (b) Where a costs determination is made, the *AER* may:

- (1) render the RIT-T proponent or the RIT-D proponent (as the case may be) an invoice for the costs; or
- (2) determine that the costs should:
 - (i) be shared by all the parties to the dispute, whether in the same proportion or differing proportions; or
 - (ii) be borne by a party or parties to the dispute other than the RIT-T proponent or the RIT-D proponent (as the case may be) whether in the same proportion or differing proportions; and
 - (iii) the *AER* may render invoices accordingly.
- (c) If an invoice is rendered under subparagraph (b)(2)(iii), the *AER* must specify a time period for the payment of the invoice that is no later than 30 *business days* from the date the *AER* makes a determination under paragraph (a).

5.16 Regulatory investment test for transmission

5.16.1 Principles

- (a) The *AER* must develop and *publish* the *regulatory investment test for transmission* in accordance with the *transmission consultation procedures* and this rule 5.16.1.
- (b) The purpose of the *regulatory investment test for transmission* is to identify the credible option that maximises the present value of net economic benefit to all those who produce, consume and transport electricity in the *market* (the preferred option). For the avoidance of doubt, a preferred option may, in the relevant circumstances, have a negative net economic benefit (that is, a net economic cost) where the *identified need* is for reliability corrective action.
- (c) The *regulatory investment test for transmission* must:
 - (1) be based on a cost-benefit analysis that is to include an assessment of reasonable scenarios of future supply and demand if each credible option were implemented compared to the situation where no option is implemented;
 - (2) not require a level of analysis that is disproportionate to the scale and likely impact of each of the credible options being considered;
 - (3) be capable of being applied in a predictable, transparent and consistent manner;
 - (4) require the RIT-T proponent to consider the following classes of market benefits that could be delivered by the credible option:

- (i) changes in fuel consumption arising through different patterns of *generation dispatch*;
 - (ii) changes in voluntary *load* curtailment;
 - (iii) changes in involuntary *load shedding*, with the market benefit to be considered using a reasonable forecast of the value of electricity to consumers;
 - (iv) changes in costs for parties, other than the RIT-T proponent, due to:
 - (A) differences in the timing of new *plant*;
 - (B) differences in capital costs; and
 - (C) differences in the operating and maintenance costs;
 - (v) differences in the timing of expenditure;
 - (vi) changes in *network* losses;
 - (vii) changes in *ancillary services* costs;
 - (viii) competition benefits;
 - (ix) any additional option value (where this value has not already been included in the other classes of market benefits) gained or foregone from implementing that credible option with respect to the likely future investment needs of the *market*; and
 - (x) other classes of market benefits that are:
 - (A) determined to be relevant by the RIT-T proponent and agreed to by the *AER* in writing before the date the relevant project specification consultation report is made available to other parties under clause 5.16.4; or
 - (B) specified as a class of market benefit in the *regulatory investment test for transmission*;
- (5) require a RIT-T proponent to include a quantification of all classes of market benefits which are determined to be material in the RIT-T proponent's reasonable opinion;
- (6) require a RIT-T proponent to consider all classes of market benefits as material unless it can, in the project assessment draft report, or in respect of a proposed preferred option which is subject to the exemption contained in clause 5.16.4(z1), in the project specification consultation report, provide reasons why:

- (i) a particular class of market benefit is likely not to affect materially the outcome of the assessment of the credible options under the *regulatory investment test for transmission*; or
 - (ii) the estimated cost of undertaking the analysis to quantify the market benefit is likely to be disproportionate to the scale, size and potential benefits of each credible option being considered in the report;
- (7) with respect to the classes of market benefits set out in subparagraphs (4)(ii) and (iii), ensure that, if the credible option is for reliability corrective action, the quantification assessment required by paragraph (5) will only apply insofar as the market benefit delivered by the credible option exceeds the minimum standard required for reliability corrective action;
- (8) require the RIT-T proponent to quantify the following classes of costs:
- (i) costs incurred in constructing or providing the credible option;
 - (ii) operating and maintenance costs in respect of the credible option;
 - (iii) the cost of complying with laws, regulations and applicable administrative requirements in relation to the construction and operation of the credible option; and
 - (iv) any other class of costs that are:
 - (A) determined to be relevant by the RIT-T proponent and agreed to by the AER in writing before the date the relevant project specification consultation report is made available to other parties under clause 5.16.4; or
 - (B) specified as a class of cost in the *regulatory investment test for transmission*;
- (9) provide that any cost or market benefit which cannot be measured as a cost or market benefit to *Generators, Distribution Network Service Providers, Transmission Network Service Providers* or consumers of electricity may not be included in any analysis under the *regulatory investment test for transmission*;
- (10) specify:
- (i) the method or methods permitted for estimating the magnitude of the different classes of market benefits;
 - (ii) the method or methods permitted for estimating the magnitude of the different classes of costs;

- (iii) the method or methods permitted for estimating market benefits which may occur outside the region in which the *networks* affected by the RIT-T project are located; and
 - (iv) the appropriate method and value for specific inputs, where relevant, for determining the discount rate or rates to be applied;
- (11) specify that a sensitivity analysis is required of any modelling relating to the cost-benefit analysis; and
- (12) reflect that the credible option that maximises the present value of net economic benefit to all those who produce, consume or transport electricity in the market may, in some circumstances, have a negative net economic benefit (that is, a net economic cost) where the *identified need* is for reliability corrective action.

5.16.2 Regulatory investment test for transmission application guidelines

- (a) At the same time as the *AER* develops and *publishes* a proposed *regulatory investment test for transmission* under the *transmission consultation procedure*, the *AER* must also develop and *publish* guidelines for the operation and application of the *regulatory investment test for transmission* (the regulatory investment test for transmission application guidelines) in accordance with the *transmission consultation procedures* and this rule 5.16.
- (b) The regulatory investment test for transmission application guidelines must:
- (1) give effect to and be consistent with this clause 5.16.2 and clauses 5.15.2, 5.16.3, 5.16.4 and 5.16.5; and
 - (2) provide guidance 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 regulatory investment test for transmission application guidelines must provide guidance and worked examples as to:
- (1) what constitutes a credible option;
 - (2) acceptable methodologies for valuing the costs of a credible option;
 - (3) what may constitute an externality under the *regulatory investment test for transmission*;

- (4) the classes of market benefits to be considered for the purposes of clause 5.16.1(c)(4);
 - (5) the suitable modelling periods and approaches to scenario development;
 - (6) the acceptable methodologies for valuing the market benefits of a credible option referred to clause 5.16.1(c)(4), including the option value, competition benefits and market benefits that accrue across regions;
 - (7) the appropriate approach to undertaking a sensitivity analysis for the purposes of clause 5.16.1(c)(11);
 - (8) the appropriate approaches to assessing uncertainty and risks; and
 - (9) when a person is sufficiently committed to a credible option for reliability corrective action to be characterised as a proponent for the purposes of clause 5.15.2(b)(7).
- (d) The *AER* must ensure that there is a *regulatory investment test for transmission* and regulatory investment test for transmission application guidelines in force at all times.
 - (e) The *AER* may, from time to time, amend or replace the *regulatory investment test for transmission* and regulatory investment test for transmission application guidelines in accordance with the *transmission consultation procedures*, provided the *AER publishes* any amendments to, or replacements of, the *regulatory investment test for transmission* or regulatory investment test for transmission application guidelines at the same time.
 - (f) An amendment referred to in paragraph (e) does not apply to a current application of the *regulatory investment test for transmission* and the regulatory investment test for transmission application guidelines under the *Rules* by RIT-T proponent.
 - (g) For the purposes of paragraph (f), a "current application" means any action or process initiated under the *Rules* which relies on or is referenced to the *regulatory investment test for transmission* and/or the regulatory investment test for transmission application guidelines and is not completed at the date of the relevant amendment to the *regulatory investment test for transmission* and/or the regulatory investment test for transmission application guidelines.

5.16.3 Investments subject to the regulatory investment test for transmission

- (a) A RIT-T proponent must apply the *regulatory investment test for transmission* to a RIT-T project except in circumstances where:

- (1) the RIT-T project is required to address an urgent and unforeseen *network* issue that would otherwise put at risk the *reliability* of the *transmission network* as described in paragraph (b);
 - (2) the estimated capital cost of the most expensive option to address the *identified need* which is technically and economically feasible is less than \$5 million (as varied in accordance with a cost threshold determination);
 - (3) the proposed expenditure relates to maintenance ~~or replacement~~ and is not intended to augment the *transmission network* ~~(including replacement transmission network assets)~~ or replace *network assets*;
 - (4) ~~[deleted]the maintenance or replacement expenditure also results in an augmentation to the network, and the estimated capital cost for the augmentation component of the proposed expenditure is less than \$5 million (as varied in accordance with a cost threshold determination);~~
 - (5) the proposed relevant *network* investment is an investment undertaken by a *Transmission Network Service Provider* which:
 - (i) re-routes one or more paths of a *network* for the long term; and
 - (ii) has a substantial primary purpose other than the need to *augment a network*,(a reconfiguration investment) and which the RIT-T proponent reasonably estimates to have an estimated capital cost of less than \$5 million (as varied in accordance with a cost threshold determination) or which has, or is likely to have, no material impact on *network* users;
 - (6) the *identified need* can only be addressed by expenditure on a *connection asset* which provides services other than *prescribed transmission services* or *standard control services*;
 - (7) the cost of addressing the *identified need* is to be fully recovered through charges other than charges in respect of *prescribed transmission services* or *standard control services*; or
 - (8) the proposed expenditure relates to protected event EFCS investment and is not intended to *augment the transmission network* ~~(including replacement transmission network assets)~~.
- (b) For the purposes of paragraph (a)(1), a RIT-T project will be required to address an urgent and unforeseen *network* issue that would otherwise put at risk the *reliability* of the *transmission network* if:
- (1) it is necessary that the assets or services to address the issue be operational within 6 months of the issue being identified;

- (2) the event or circumstances causing the *identified need* was not reasonably foreseeable by, and was beyond the reasonable control of, the *Network Service Provider(s)* that identified the *identified need*;
 - (3) a failure to address the *identified need* is likely to materially adversely affect the *reliability* and *secure operating state* of the *transmission network*; and
 - (4) it is not a *contingent project*.
- (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), and the *Network Service Provider* making the investment is a *Transmission Network Service Provider*, then the *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 purpose 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 RIT-T project to which the *regulatory investment test for transmission* does not apply in accordance with subparagraphs (a)(1)-(7), the *Network Service Providers* affected by the RIT-T 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.
- (e) A RIT-T proponent must not treat different parts of an integrated solution to an *identified need* as distinct and separate options for the purposes of determining whether the *regulatory investment test for transmission* applies to each of those parts.

5.16.4 Regulatory investment test for transmission procedures

- (a) If a RIT-T project is subject to the *regulatory investment test for transmission* under clause 5.16.3, then the RIT-T proponent must consult all *Registered Participants*, *AEMO* and *interested parties* on the RIT-T project in accordance with this clause 5.16.4.

Project specification consultation report

- (b) A RIT-T proponent must prepare a report (the project specification consultation report), which must include:
 - (1) a description of the *identified need*;

- (2) the assumptions used in identifying the *identified need* (including, in the case of proposed reliability corrective action, why the RIT-T proponent considers reliability corrective action is necessary);
- (3) the technical characteristics of the *identified need* that a non-network option would be required to deliver, such as:
 - (i) the size of *load* reduction or additional supply;
 - (ii) location; and
 - (iii) operating profile;
- (4) if applicable, reference to any discussion on the description of the identified need or the credible options in respect of that *identified need* in the most recent *NTNDP*;
- (5) a description of all credible options of which the RIT-T proponent is aware that address the *identified need*, which may include, without limitation, alternative *transmission* options, *interconnectors*, *generation*, demand side management, *market network services* or other *network options*;
- (6) for each credible option identified in accordance with subparagraph (5), information about:
 - (i) the technical characteristics of the credible option;
 - (ii) whether the credible option is reasonably likely to have a *material inter-network impact*;
 - (iii) the classes of market benefits that the RIT-T proponent considers are likely not to be material in accordance with clause 5.16.1(c)(6), together with reasons of why the RIT-T proponent considers that these classes of market benefits are not likely to be material;
 - (iv) the estimated construction timetable and commissioning date; and
 - (v) to the extent practicable, the total indicative capital and operating and maintenance costs.
- (c) The RIT-T proponent must make the project specification consultation report available to all *Registered Participants*, *AEMO* and other *interested parties*.
- (d) The RIT-T proponent must:
 - (1) provide a summary of the project specification consultation report to *AEMO* within 5 *business days* of making the project specification consultation report; and

- (2) upon request by an *interested party*, provide a copy of the project specification consultation report to that person within 3 *business days* of the request.
- (e) Within 3 *business days* of receipt of the summary, *AEMO* must *publish* the summary of the project specification consultation report on its website.
- (f) The RIT-T proponent must seek submissions from *Registered Participants*, *AEMO* and *interested parties* on the credible options presented, and the issues addressed, in the project specification consultation report.
- (g) The period for consultation referred to in paragraph (f) must be not less than 12 weeks from the date that *AEMO publishes* the summary of the project specification consultation report on its website.
- (h) A RIT-T proponent that is a *Transmission Network Service Provider* may discharge its obligation under paragraph (c) to make the project specification consultation report available by including the project specification consultation report as part of its *Transmission Annual Planning Report*.
- (i) A RIT-T proponent that is a *Distribution Network Service Provider* may discharge its obligation under paragraph (c) to make the project specification consultation report available by including the project specification consultation report as part of its *Distribution Annual Planning Report*.

Project assessment draft report

- (j) If one or more *Network Service Providers* wishes to proceed with a RIT-T project, within 12 months of the end date of the consultation period referred to in paragraph (g), or such longer time period as is agreed in writing by the *AER*, the RIT-T proponent for the relevant RIT-T project must prepare a report (the project assessment draft report), having regard to the submissions received, if any, under paragraph (f) and make that report available to all *Registered Participants*, *AEMO* and *interested parties*.
- (k) The project assessment draft report must include:
 - (1) a description of each credible option assessed;
 - (2) a summary of, and commentary on, the submissions to the project specification consultation report;
 - (3) a quantification of the costs, including a breakdown of operating and capital expenditure, and classes of material market benefit for each credible option;
 - (4) a detailed description of the methodologies used in quantifying each class of material market benefit and cost;

- (5) reasons why the RIT-T proponent has determined that a class or classes of market benefit are not material;
- (6) the identification of any class of market benefit estimated to arise outside the *region* of the *Transmission Network Service Provider* affected by the RIT-T project, and quantification of the value of such market benefits (in aggregate across all regions);
- (7) the results of a net present value analysis of each credible option and accompanying explanatory statements regarding the results;
- (8) the identification of the proposed preferred option;
- (9) for the proposed preferred option identified under subparagraph (8), the RIT-T proponent must provide:
 - (i) details of the technical characteristics;
 - (ii) the estimated construction timetable and commissioning date;
 - (iii) if the proposed preferred option is likely to have a *material inter-network impact* and if the *Transmission Network Service Provider* affected by the RIT-T project has received an *augmentation technical report*, that report; and
 - (iv) a statement and the accompanying detailed analysis that the preferred option satisfies the *regulatory investment test for transmission*.
- (l) If a *Network Service Provider* affected by a RIT-T project elects to proceed with a project which is for reliability corrective action, it can only do so where the proposed preferred option has a proponent. The RIT-T proponent must identify that proponent in the project assessment draft report.
- (m) A RIT-T proponent that is a *Transmission Network Service Provider* may discharge its obligation under paragraph (j) to make the project assessment draft report available by including the project assessment draft report as part of its *Transmission Annual Planning Report* provided that report is *published* within 12 months of the end date of the consultation period required under paragraph (g) or within 12 months of the end of such longer time period as is agreed by the *AER* in writing under paragraph (j).
- (n) A RIT-T proponent that is a *Distribution Network Service Provider* may discharge its obligation under paragraph (j) to make the project assessment draft report available by including the project assessment draft report as part of its *Distribution Annual Planning Report* provided that report is *published* within 12 months of the end date of the consultation period required under paragraph (g) or within 12 months of the end of such longer time period as is agreed by the *AER* in writing under paragraph (j).
- (o) The RIT-T proponent must:

- (1) provide a summary of the project assessment draft report to *AEMO* within 5 *business days* of making the project assessment draft report; and
 - (2) upon request by an *interested party*, provide a copy of the project assessment draft report to that person within 3 *business days* of the request.
- (p) Within 3 *business days* of receipt of the summary, *AEMO* must *publish* the summary of the project assessment draft report on its website.
- (q) The RIT-T proponent must seek submissions from *Registered Participants*, *AEMO* and *interested parties* on the preferred option presented, and the issues addressed, in the project assessment draft report.
- (r) The period for consultation referred to in paragraph (q) must be not less than 6 weeks from the date that *AEMO publishes* the summary of the report on its website.
- (s) Within 4 weeks after the end of the consultation period required under paragraph (r), at the request of an *interested party*, a *Registered Participant* or *AEMO* (each being a relevant party for the purposes of this paragraph), the relevant *Network Service Provider* must meet with the relevant party if a meeting is requested by two or more relevant parties and may meet with a relevant party if after having considered all submissions, the relevant *Network Service Provider*, acting reasonably, considers that the meeting is necessary.

Project assessment conclusions report

- (t) As soon as practicable after the end of the consultation period on the project assessment draft report referred to in paragraph (r), the RIT-T proponent must, having regard to the submissions received, if any, under paragraph (q) and the matters discussed at any meetings held, if any, under paragraph (s), prepare and make available to all *Registered Participants*, *AEMO* and *interested parties* and *publish* a report (the project assessment conclusions report).
- (u) If:
- (1) the RIT-T proponent is exempt from making a project assessment draft report under paragraph (z1); and
 - (2) a *Network Service Provider* affected by a RIT-T project, within 12 months of the end date of the period for consultation referred to in paragraph (g), or within 12 months of the end date of such longer time period as is agreed in writing by the *AER* elects to proceed with the proposed *transmission investment*,

the relevant *Network Service Provider* must, having regard to the submissions received, if any, under paragraph (g) as soon as practicable prepare and make available to all *Registered Participants*, *AEMO* and

interested parties and *publish* a report (the project assessment conclusions report).

- (v) The project assessment conclusions report must set out:
 - (1) the matters detailed in the project assessment draft report as required under paragraph (k); and
 - (2) a summary of, and the RIT-T proponent's response to, submissions received, if any, from *interested parties* sought under paragraph (q).
- (w) The RIT-T proponent must:
 - (1) provide a summary of the project assessment conclusions report to *AEMO* within 5 *business days* of making the project assessment conclusions report; and
 - (2) upon request by an *interested party*, provide a copy of the project assessment conclusions report to that person within 3 *business days* of the request.
- (x) Within 3 *business days* of receipt of the summary, *AEMO* must *publish* the summary of the project assessment conclusions report on its website.
- (y) A RIT-T proponent that is a *Transmission Network Service Provider* may discharge its obligation under paragraph (t) and (u) 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 making available the project assessment conclusions report under paragraph (t) or (u), as the case may be.
- (z) A RIT-T proponent that is a *Distribution Network Service Provider* may discharge its obligation under paragraph (t) and (u) to make the project assessment conclusions report available by including the project assessment conclusions report as part of its *Distribution Annual Planning Report* provided that the report is *published* within 4 weeks from the date of making available the project assessment conclusions report under paragraph (t) or (u), as the case may be.

Exemption from drafting a project assessment draft report for RIT-T projects without material market benefits

- (z1) A RIT-T proponent is exempt from paragraphs (j) to (s) if:
 - (1) the estimated capital cost of the proposed preferred option is less than \$35 million (as varied in accordance with a cost threshold determination);
 - (2) the relevant *Network Service Provider* has identified in its project specification consultation report:

- (i) its proposed preferred option;
 - (ii) its reasons for the proposed preferred option; and
 - (iii) that its RIT-T project has the benefit of this exemption;
- (3) the RIT-T proponent considers, in accordance with clause 5.16.1(c)(6), that the proposed preferred option and any other credible option in respect of the *identified need* will not have a material market benefit for the classes of market benefit specified in clause 5.16.1(c)(4) except those classes specified in clauses 5.16.1(c)(4)(ii) and (iii), and has stated this in its project specification consultation report; and
- (4) the RIT-T proponent forms the view that no submissions were received on the project specification consultation report which identified additional credible options that could deliver a material market benefit;
- (z2) The RIT-T proponent must address in the project assessment conclusions report any issues that were raised in relation to a proposed preferred option to which paragraph (z1) applies during the consultation on the project specification consultation report.

(z3) If:

- (1) a RIT-T proponent has published a final project assessment conclusions report in respect of a RIT-T project;
- (2) a Network Service Provider still wishes to undertake the RIT-T project to address the *identified need*; and
- (3) there has been a material change in circumstances which, in the reasonable opinion of the RIT-T proponent means that the preferred option identified in the final project assessment conclusions report is no longer the preferred option,

then the RIT-T proponent must reapply the *regulatory investment test for transmission* to the RIT-T project, unless otherwise determined by the AER.

(z4) For the purposes of paragraph (z3), a material change in circumstances may include, but is not limited to, a change to the key assumptions used in identifying:

- (1) the *identified need* described in the final project assessment conclusions report; or
- (2) the credible options assessed in, the final project assessment conclusions report.

(z5) When making a determination under paragraph (z3) the AER must have regard to:

- (1) the credible options (other than the preferred option) identified in the final project assessment conclusions report;
- (2) the change in circumstances identified by the RIT-T proponent; and
- (3) 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.

5.16.5 Disputes in relation to application of regulatory investment test for transmission

- (a) *Registered Participants, the AEMC, Connection Applicants, Intending Participants, AEMO and interested parties* may, by notice to the *AER*, dispute conclusions made by the RIT-T proponent in the project assessment conclusions report in relation to:
 - (1) the application of the *regulatory investment test for transmission*;
 - (2) the basis on which the RIT-T proponent has classified the preferred option as being for reliability corrective action; or
 - (3) the RIT-T proponent's assessment regarding whether the preferred option will have a *material inter-network impact*, in accordance with any criteria for a *material inter-network impact* that are in force at the time of the preparation of the project assessment conclusions report.
- (b) A dispute under this clause 5.16.5 may not be raised in relation to any matters set out in the project assessment conclusions report which:
 - (1) are treated as externalities by the *regulatory investment test for transmission*; or
 - (2) relate to an individual's personal detriment or property rights.
- (c) Within 30 days of the date of *publication* of the project assessment conclusions report under clause 5.16.4 (t), (u), (y) or (z) (as the case may be), the party disputing a conclusion made in the project assessment conclusions report (a disputing party) must:
 - (1) give notice of the dispute in writing setting out the grounds for the dispute (the dispute notice) to the *AER*; and
 - (2) at the same time, give a copy of the dispute notice to the RIT-T proponent.
- (d) Subject to paragraph (f)(3), within 40 days of receipt of the dispute notice or within an additional period of up to 60 days where the *AER* notifies *interested parties* that the additional time is required to make a determination because of the complexity or difficulty of the issues involved, the *AER* must either:

- (1) reject any dispute by written notice to the person who initiated the dispute if the *AER* considers that the grounds for the dispute are misconceived or lacking in substance; and
- (2) notify the RIT-T proponent that the dispute has been rejected; or
- (3) subject to paragraph (f), make and *publish* a determination:
 - (i) directing the RIT-T proponent to amend the matters set out in the project assessment conclusions report; or
 - (ii) stating that, based on the grounds of the dispute, the RIT-T proponent will not be required to amend the project assessment conclusions report.
- (e) The RIT-T proponent must comply with an *AER* determination made under paragraph (d)(3)(i) within a timeframe specified by the *AER* in its determination.
- (f) In making a determination under paragraph (d)(3), the *AER*:
 - (1) must only take into account information and analysis that the RIT-T proponent could reasonably be expected to have considered or undertaken at the time that it performed the *regulatory investment test for transmission*;
 - (2) must *publish* its reasons for making a determination;
 - (3) may request further information regarding the dispute from the disputing party or the RIT-T proponent in which case the period of time for rejecting a dispute or making a determination under paragraph (d) is extended by the time it takes the relevant party to provide the requested further information to the *AER*;
 - (4) may disregard any matter raised by the disputing party or the RIT-T proponent that is misconceived or lacking in substance; and
 - (5) where making a determination under subparagraph (d)(3)(i), must specify a reasonable timeframe for the RIT-T proponent to comply with the *AER*'s direction to amend the matters set out in the project assessment conclusions report.
- (g) The *AER* may only make a determination under subparagraph (d)(3)(i) if it determines that:
 - (1) the RIT-T proponent has not correctly applied the *regulatory investment test for transmission* in accordance with the *Rules*;
 - (2) the RIT-T proponent has erroneously classified the preferred option as being for reliability corrective action;

- (3) the RIT-T proponent has not correctly assessed whether the preferred option will have a *material inter-network impact*; or
 - (4) there was a manifest error in the calculations performed by the RIT-T proponent in applying the *regulatory investment test for transmission*.
- (h) A disputing party or the RIT-T proponent (as the case may be) must as soon as reasonably practicable provide any information requested under paragraph (f)(3) to the *AER*.
- (i) The relevant period of time in which the *AER* must make a determination under paragraph (d)(3) is automatically extended by the period of time taken by the RIT-T proponent or a disputing party to provide any additional information requested by the *AER* under this clause 5.16.5, provided:
- (1) the *AER* makes the request for the additional information at least 7 *business days* prior to the expiry of the relevant period; and
 - (2) the RIT-T proponent or the disputing party provides the additional information within 14 *business days* of receipt of the request.

5.16.6 Determination that preferred option satisfies the regulatory investment test for transmission

- (a) After the expiry of the 30 day period referred to in clause 5.16.5(c) and where a preferred option is not for reliability corrective action, the RIT-T proponent may request, in writing to the *AER*, that the *AER* make a determination as to whether the preferred option satisfies the *regulatory investment test for transmission*.
- (b) The *AER*:
- (1) must, within 120 *business days* of receipt of the request from the applicant, subject to paragraph (c), make and *publish* a determination, including reasons for its determination;
 - (2) must use the findings and recommendations in the project assessment conclusions report in making its determination under subparagraph (1);
 - (3) may request further information from the RIT-T proponent; and
 - (4) may have regard to any other matter the *AER* considers relevant.
- (c) The relevant period of time in which the *AER* must make a determination under paragraph (b) is automatically extended by the period of time taken by the RIT-T proponent to provide any additional information requested by the *AER* under this clause 5.16.6, provided:
- (1) the *AER* makes the request for the additional information at least 7 *business days* prior to the expiry of the relevant period; and

- (2) the RIT-T proponent provides the additional information within 14 *business days* of receipt of the request.

[Note: No changes are proposed to the remainder of the draft Rule]

Summary table of AEMO and AusNet Services proposed amendments to draft rule

Clause reference	Nature of proposed amendment	Rationale for proposed amendment
5.1.2 Purpose and Application		
Clause 5.1.2(f)	Delete 'Subject to clause (f1), a'	The proposed amendments to the new clause 5.1.2(f1) mean that the opening phrase of this clause and paragraphs (1) and (2) are not required.
	Delete paragraphs (1) and (2)	
New clause 5.1.2(f1)	Insert reference to the definition of 'RIT-T proponent'	In the draft Rule, clause 5.1.2(f1) applied to references to a <i>Transmission Network Service Provider</i> is clauses 5.16.4 and 5.16.5. However, those clauses refer only infrequently to a TNSP, instead using the concept of a 'RIT-T proponent', which is in turn defined to be a TNSP. It is therefore necessary to specify the circumstances in a TNSP as a RIT-T proponent is AEMO and when it is a relevant DTSO. The new paragraph (1) is proposed to meet this need. The amendments to the chapeau of clause 5.1.2(f1) and the creation of paragraphs (2) and (3) are consequential to the inclusion of paragraph (1).
	Consequential editorial amendments to the chapeau and paragraphs (2) and (3)	
	Insert new paragraph (4)	This amendment defines more precisely the circumstances in which the relevant DTSO will be responsible for conducting the RIT-T, namely in circumstances where: 1. an asset retirement or asset de-rating creates an <i>identified need</i> which is the subject of the RIT-T project; and 2. at least one of the credible options that addresses that need is a network asset replacement.
	Insert new paragraph (5)	Clarifies that AEMO responsible for conducting the RIT-T in all circumstances other than those identified in paragraph (4). The effect of inserting paragraph (5) is that clauses 5.1.2(f)(1) and (2) are no longer required.
5.12.1 Transmission annual planning review		
5.12.1(b)	Delete references in paragraph (4) to 'replacement of <i>network assets</i> '	Consequential upon the insertion of new paragraph (5) (see below).
	Insert new paragraph (5)	This paragraph duplicates paragraph (4) and applies it to replacement of <i>network assets</i> . This amendment has two benefits: 1. It improves the clarity of the drafting, for the benefit of all TNSPs. 2. It simplifies the drafting required in the new clause 5.12.2(d) (see further

Clause reference	Nature of proposed amendment	Rationale for proposed amendment
		below) which, in sub-paragraph (1), creates an obligation on the relevant DTSO to provide information about the replacement of <i>network assets</i> to AEMO through the use of cross-references, including to this clause 5.12.1(b)(5).
	Renumber paragraph (5) as sub-paragraph (6)(a)	Consequential amendment arising from the insertion of new sub-paragraph (6)(b).
	Insert new sub-paragraph (6)(b)	AEMO is not appropriately resourced to conduct its own assessments of the age and condition of network assets in Victoria. Rather, AEMO relies on the assessments undertaken and reported to it by the relevant DTSO. The new sub-paragraph (6)(b) reflects this. The new sub-paragraph (6)(b) is supported by the new clause 5.14A(c)(2), which, as part of the obligation on AEMO and the relevant DTSO to undertake joint planning, requires the relevant DTSO to provide information about age and condition of network assets to AEMO. This is the information which AEMO will consider in accordance with sub-paragraph (6)(b).
5.12.2 Transmission annual planning report		
New clause 5.12.2(d)	Insert new paragraph (d)(1)	As noted in the submission, the division of roles and responsibilities between AEMO and the relevant DTSOs in Victoria means AEMO relies on the DTSOs to provide to it certain categories of information for the purpose of preparing the transmission annual planning report (TAPR). New clause 5.12.2(d)(1) identifies those categories.
	Insert new paragraph (d)(2)	Paragraph (1) recognises AEMO's obligation to publish the TAPR by 30 June each year, and creates an obligation on the relevant DTSO to provide the information specified in clause 5.12.2(d)(1) in sufficient time to enable AEMO to meet that deadline.
	Insert new paragraph (d)(3)	This paragraph requires AEMO to publish the information provided to it by the relevant DTSO in accordance with paragraph (1).
New clause 5.14A	Insert new paragraph (a)	Paragraph (a) requires AEMO and the relevant DTSO to undertake joint planning in relation to proposed replacements, retirements or de-ratings of a network asset which forms part of the declared shared network in Victoria.
	Insert new paragraph (b)	Paragraph (b) requires AEMO and the relevant DTSO to use best endeavours to work together to identify credible options to enable AEMO to provide

Clause reference	Nature of proposed amendment	Rationale for proposed amendment
		shared transmission services in accordance with section 50C(1)(d) of the NEL.
	Insert new paragraph (c)	Paragraph (c) requires the relevant DTSO to use best endeavours to provide to AEMO information about certain matters during joint planning. This information will assist AEMO in its performance of the market benefits assessment.
	Insert new paragraph (d)	As explained in the submission, AEMO is best placed to perform the market benefits assessment of the credible options being considered as part of a RIT-T project for replacement. Paragraph (d) reflects this view.
	Insert new paragraph (e)	Paragraph (e) requires the relevant DTSO to have regard to the market benefit assessment conducted by AEMO in accordance with paragraph (d) in conducting the RIT-T project for replacement.