



Draft National Electricity Amendment (Early Application of Service Target Performance Incentive Scheme (STPIS) Components for Transmission Businesses) Rule 2014

Under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (b) the Electricity (National Scheme) Act 1997 of the Australian Capital Territory;
- (c) the Electricity - National Scheme (Queensland) Act 1997 of Queensland;
- (d) the Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria; and
- (g) the Australian Energy Market Act 2004 of the Commonwealth,

the Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Pierce
Chairman
Australian Energy Market Commission

Draft National Electricity Amendment (Early Application of Service Target Performance Incentive Scheme (STPIS) Components for Transmission Businesses) Rule 2014

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Early Application of Service Target Performance Incentive Scheme (STPIS) Components for Transmission Businesses) Rule 2014*.

2 Commencement

This Rule commences operation on [COMMENCEMENT_DATE].

3 Amendment of the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Chapter 11 Savings and transitional rules

After rule 11.76, insert:

Part ZZE Earlier Application of Network Capability Component (STPIS)

11.77 Rules consequent on the making of the National Electricity Amendment (Early Application of Service Target Performance Incentive Scheme (STPIS) Components for Transmission Businesses) Rule 2014

11.77.1 Definitions

For the purposes of this rule 11.77:

Amending Rule means the National Electricity Amendment (Early Application of Service Target Performance Incentive Scheme (STPIS) Components for Transmission Businesses) Rule 2014.

commencement date means the day on which the Amending Rule commences operation.

current regulatory control period means, for a *Transmission Network Service Provider*, a *regulatory control period* that commenced before the commencement date and, as at the commencement date, has not ended.

network capability component means the network capability component described in the relevant STPIS.

priority project has the meaning set out in the glossary of the relevant STPIS.

proposal means the proposal described in clause 11.77.3 (b).

relevant STPIS means version 4 of the *service target performance incentive scheme* dated December 2012.

start date means the date from which the network capability component will apply to a *Transmission Network Service Provider*.

11.77.2 Purpose

The purpose of this rule 11.77 is to allow a *Transmission Network Service Provider* to apply to the AER for the application of the network capability component during its current regulatory control period.

11.77.3 Earlier application of the network capability component of the service target performance incentive scheme

- (a) The Amending Rule applies to a *Transmission Network Service Provider* which will be subject to the network capability component at its next *regulatory control period* for the current regulatory control period.

Submission of proposal

- (b) If a *Transmission Network Service Provider* wishes the network capability component to apply to it during its current regulatory control period, the *Transmission Network Service Provider* must submit a proposal to the *AER* setting out:
 - (1) the proposed start date for the network capability component, which must be a date no earlier than 60 *business days* after the application is made;
 - (2) if relevant, information on whether the *Transmission Network Service Provider* can apply the network capability component earlier than the proposed start date; and
 - (3) its network capability incentive parameter action plan (NCIPAP) covering the period from the proposed start date to the end of its current regulatory control period that sets out the matters referred to in clause 5.2(b) of the relevant STPIS; and
 - (4) a description of how the *Transmission Network Service Provider* has engaged with electricity consumers in relation to its NCIPAP and how the *Transmission Network Service Provider* has sought to address any relevant concerns identified as a result of that engagement.
- (c) Prior to submitting the NCIPAP to the *AER*, the *Transmission Network Service Provider* seeking the earlier application of the network capability component must consult with *AEMO* with respect to the matters set out in clause 5.2(h) of the relevant STPIS.

Publication and consultation on proposal

- (d) The *AER* must, as soon as practicable after receiving a proposal under paragraph (b), *publish*:
 - (1) the proposal; and
 - (2) an invitation for written submissions from any person on the proposal within a period specified by the *AER*, being a period not less than 20 *business days* from the date of publication of the invitation for submissions.

- (e) Any person may make a written submission to the *AER* on the proposal, within the period specified in the invitation referred to in paragraph (d)(2).

Making of final decision

- (f) In making its final decision, the *AER* must consider the proposal, submitted under paragraph (b), and any written submissions made on the proposal.
- (g) The *AER* must make its final decision in accordance with paragraphs (h) - (l).
- (h) In determining whether to approve a priority project and the ranking of such projects, the *AER* is to apply clauses 5.2(k)-(q) of the relevant STIPS and is to consider any submissions made pursuant to paragraph (d)(2).

Requirements relating to final decision

- (i) A final decision under paragraph (g) is a decision by the *AER* on whether to apply the network capability component to a *Transmission Network Service Provider* during its current regulatory control period and (where relevant) must include a decision on:
 - (1) the start date; and
 - (2) the *Transmission Network Service Provider's* priority projects, and set out reasons for the decision.
- (j) The *AER* may make a decision on a start date which is different to the proposed start date, provided the start date is not later than the proposed start date.
- (k) If the *AER* makes a final decision that the network capability component will apply to a *Transmission Network Service Provider* then it will apply to the relevant *Transmission Network Service Provider* from the start date.

Notice of final decision

- (l) The *AER* must, at least 1 *business day* before the start date, but not later than 20 *business days* before the proposed start date, *publish*:
 - (1) notice of the making of the final decision; and
 - (2) the final decision, including its reasons.

Actions performed prior to the commencement date

- (m) Any of the actions set out in paragraphs (c)-(f) or (h) that are performed prior to the commencement date are taken, where such actions fulfil the respective requirements of those paragraphs, to be validly done and to fulfill the respective requirements of those paragraphs, notwithstanding they were done prior to the commencement date.
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