

# AUSTRALIAN ENERGY MARKET COMMISSION

## EMBEDDING THE INTEGRATED SYSTEM PLAN IN THE REGULATORY FRAMEWORK

Coordination of generation and transmission investment – final report 21 December 2018

AEMO's 2018 Integrated System Plan (ISP) forecasts where and when network investment needs to happen to support the large amount of new generation connecting to the grid in the coming years. The AEMC has set out changes to the regulatory framework to deliver the ISP in the required timeframe - at the least cost to consumers.

### Overview of reform package to put the Integrated System Plan into action

Timing	Fast-tracking the network expansion: <b>Planning</b>	The right investment in the right place at the right time: <b>Access and congestion</b>	Payments system: <b>Charging</b>	Actions to integrate renewables and storage: <b>Connection</b>	Cutting red tape: <b>Economic regulation</b>
<b>DEC 2018</b>	<b>Faster approval of Group 1 projects:</b> Energy Security Board Chair to submit rule change request to AEMC to enable Australian Energy Regulator (AER) to speed up final stages of revenue approval process for Group 1 projects by 6-8 months				
<b>MAR 2019</b>	New rule for Group 1 projects in place <b>Improvement to RIT-T:</b> AER to submit rule change request to AEMC to reduce the time for completing project assessment draft report from 12 months to nine months			<b>Making it easier to connect storage:</b> AEMO to submit rule change request to the AEMC to create a new registration category for large-scale energy storage systems to help seamless integration	<b>Streamlining the RIT-T:</b> AER to submit rule change request to AEMC to streamline and remove duplication from post-RIT-T processes on an enduring basis
<b>JAN - JUN 2019</b>	<b>Embed the ISP in the regulatory framework:</b> AEMC, Energy Security Board, AER, AEMO and COAG Energy Council's Senior Committee of Officials redraft the National Electricity Rules and National Electricity Law to implement the ISP	<b>Managing congestion so consumers can get the cheapest power:</b> AEMC to develop rule change requests to progress phased reforms to network congestion and access, starting with dynamic regional pricing			
<b>AUG 2019</b>	NEL and NER changes in place to embed the ISP AEMO starts developing the 2020 ISP under the new framework				
<b>JUN - DEC 2019</b>		AEMC continues work on rule change requests to progress phased reforms to network congestion and access	AEMC to consider transmission use of system (TUOS) charges, including inter-regional arrangements, and develop rule change requests		
<b>JAN 2020</b>		COAG Energy Council to submit rule change requests to AEMC on network congestion and access reforms	COAG Energy Council to submit rule change requests to AEMC on TUOS and inter-regional TUOS reforms	AEMC final determination on AEMO rule change request on new registration category for large-scale energy storage	
<b>JUL 2022</b>	<b>More accurate ISP:</b> Information from dynamic regional pricing now used to inform the ISP's transmission planning	Dynamic regional pricing in place	Inter-regional TUOS reforms in place		
<b>JUL 2023</b>	Generators can pay for transmission infrastructure in exchange for access to it - enabling generators to influence transmission planning decisions	Generators can pay for transmission infrastructure in exchange for access to it - enabling generators to have more certainty and control about how they use the network	TUOS reforms in place	Renewable Energy Zones enabled through generators funding transmission infrastructure	Changes to economic regulatory framework in place, reflecting that generators can fund transmission infrastructure

