

Making of National Electricity Rules

National Electricity (South Australia) Law – Section 90F

I, Daniel Cornelis van Holst Pellekaan, Minister for Energy and Mining for the Crown in right of the State of South Australia, as the Minister administering the *National Electricity (South Australia) Act 1996* of South Australia, hereby make the National Electricity Amendment (Renewable energy zone planning) Rule 2021 under section 90F of the *National Electricity (South Australia) Law* on the recommendation of the Energy Ministers sitting as the Ministerial Council on Energy for the purposes of that section.

This Rule has been signed by me for the purposes of identification of the National Electricity Amendment (Renewable energy zone planning) Rule 2021 and commences operation on 13 May 2021.



Hon Daniel Cornelis van Holst Pellekaan MP
MINISTER FOR ENERGY AND MINING

10/5/2021

National Electricity Amendment (Renewable energy zone planning) Rule 2021

1 Title of Rule

This Rule is the *National Electricity Amendment (Renewable energy zone planning) Rule 2021*.

2 Commencement

This Rule commences operation on 13 May 2021.

3 Amendment to the National Electricity Rules

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

4 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 2.

5 Savings and Transitional Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 5.10.1 Content of Part D

In clause 5.10.1, after paragraph (p), insert:

- (q) Rule 5.24 relates to *REZ design reports* and joint REZ planning.

[2] Clause 5.10.2 Definitions

In clause 5.10.2, omit the definition "preparatory activities" and substitute:

preparatory activities means activities to design and to investigate the costs and benefits of *actionable ISP projects*, future ISP projects and REZ stages (as applicable), including:

- (a) detailed engineering design;
- (b) route selection and easement assessment work;
- (c) cost estimation based on engineering design and route selection;
- (d) preliminary assessment of environmental and planning approvals; and
- (e) council and stakeholder engagement.

[3] Clause 5.10.2 Definitions

In clause 5.10.2, insert in alphabetical order:

REZ (renewable energy zone) means a geographic area in one or more *participating jurisdictions* that is the proposed location for the efficient development of renewable energy sources and associated electricity infrastructure.

REZ design parameters means the parameters specified in an *ISP* pursuant to clause 5.24.1(a)(4)(i) or as updated by *AEMO* under clause 5.24.2(b).

REZ stage means a stage of development of the *transmission network* for the purposes of a REZ.

[4] Clause 5.14.4 Joint planning by Transmission Network Service Providers and AEMO

In clause 5.14.4, omit the heading and substitute:

Clause 5.14.4 Joint ISP planning by Transmission Network Service Providers and AEMO

[5] Clause 5.14.4 Joint planning by Transmission Network Service Providers and AEMO

In clause 5.14.4(a), at the beginning of the paragraph, insert "Subject to paragraph (d),".

[6] Clause 5.14.4 Joint planning by Transmission Network Service Providers and AEMO

In clause 5.14.4, after paragraph (c), insert:

- (d) For the purposes of paragraph (a), where a *Transmission Network Service Provider* is not the *jurisdictional planning body*, AEMO must provide to the *Transmission Network Service Provider* information in relation to the preparation of any *REZ design report* under clause 5.24.1(b)(1).

[7] Clause 5.22.6 Content of Integrated System Plan

In clause 5.22.6, after paragraph (b)(2), substitute:

- (2) identify potential REZs;

[8] Clause 5.22.6 Content of Integrated System Plan

In clause 5.22.6, after paragraph (b)(2), insert:

- (2A) for any REZs for which a *REZ design report* is being prepared under clause 5.24.1(b)(1), include an update as to the current plan for the development of the *transmission network* for the relevant REZ stages; and

[9] Clause 5.22.6 Content of Integrated System Plan

In clause 5.22.6(c), omit "by *Transmission Network Service Providers*".

[10] Clause 5.22.6 Content of Integrated System Plan

In clause 5.22.6, omit paragraph (d) and substitute:

- (d) A *Transmission Network Service Provider* must:
 - (1) in the case of an *actionable ISP project* for which preparatory activities have not yet commenced, commence preparatory activities as soon as practicable; and
 - (2) in the case of a future ISP project, if the *Integrated System Plan* provides that preparatory activities must be undertaken for that project, commence preparatory activities in accordance with the timeframes specified in the *Integrated System Plan* for that project,provided that where preparatory activities are required to be undertaken pursuant to clause 5.24.1(b)(2), a *jurisdictional planning body* must ensure that preparatory activities are commenced in accordance with the timeframes described in subparagraph (1) or (2) (as applicable).

[11] Clause 5.22.10 Preparation of ISP

In clause 5.22.10(b)(8), omit "and".

[12] Clause 5.22.10 Preparation of ISP

In clause 5.22.10, after paragraph (b)(8), insert:

- (8A) any *REZ design reports* published under clause 5.24.1(b)(1); and

[13] New rule 5.24 REZ design reports and joint REZ planning

After rule 5.23, insert:

5.24 REZ design reports and joint REZ planning

5.24.1 REZ design reports

- (a) For each REZ which is identified in an *Integrated System Plan* pursuant to clause 5.22.6(b)(2) as:
- (1) including *transmission network* development which is on the *optimal development path* within 12 years of publication of that *Integrated System Plan*; and
 - (2) being reasonably considered by *AEMO* to have the support of the *Minister of the participating jurisdiction* with respect to the preparation of a *REZ design report* under paragraph (b)(1),
- the *Integrated System Plan* may also:
- (3) require a *REZ design report* to be prepared in accordance with paragraph (c); and
 - (4) if a *REZ design report* is required to be prepared, specify:
 - (i) the following parameters, which the REZ must meet (and which the REZ may outperform, where applicable):
 - (A) a description of the proposed location for the REZ;
 - (B) the minimum *generation* capacity, in MW, that is projected to be developed in the REZ;
 - (C) the forecast date or dates by which tranches of *generation* capacity may be developed;
 - (D) the proposed location or locations where the REZ stages to be identified in the *REZ design report* may *connect* to or become integrated with the existing *transmission network*; and
 - (E) any other matters that *AEMO* considers relevant, together, the 'REZ design parameters'; and
 - (ii) the date by which the *REZ design report* must be completed.
- (b) For each REZ for which an *Integrated System Plan* requires a *REZ design report* to be prepared in accordance with paragraph (c), the *jurisdictional planning body* of the relevant *participating jurisdiction*:
- (1) must prepare and publish a *REZ design report* in accordance with paragraph (c); and
 - (2) in preparing the *REZ design report*:

- (i) must ensure that preparatory activities are undertaken (in accordance with paragraph (e), where applicable), and
 - (ii) in determining the appropriate approach to the preparatory activities to be undertaken under subparagraph (i), may have regard to the forecast date or dates for the delivery of the tranches of *generation* capacity specified as part of the REZ design parameters.
- (c) A *REZ design report* must set out a plan for the development of the *transmission network*, in one or more REZ stages, which:
 - (1) reflects the REZ design parameters;
 - (2) is consistent with the achievement of power system needs;
 - (3) contributes to the efficient development of the *power system*, consistent with the purpose of the *Integrated System Plan* set out at clause 5.22.2;
 - (4) has regard to the anticipated location and configuration of *connection assets*, together with any associated infrastructure, for each of those REZ stages;
 - (5) identifies for each of those REZ stages:
 - (i) the outputs of any preparatory activities undertaken pursuant to paragraph (b)(2)(i);
 - (ii) the reasons for the proposed engineering design, including any consideration of *non-network options*; and
 - (iii) if appropriate, an assessment of potential variations.
- (d) Subject to paragraph (e), in preparing a *REZ design report*, the relevant *jurisdictional planning body* must:
 - (1) ensure that a public consultation is conducted with the following stakeholders:
 - (A) interested parties wishing to register their interest in developing one or more projects in the REZ; and
 - (B) local council, local community members, members of the public and any other relevant stakeholders wishing to express their views about the development of projects within the REZ; and
 - (2) prepare a draft of the *REZ design report* and, over a period of not less than six weeks; invite the stakeholders described at subparagraph (1) to make written submissions on the draft *REZ design report*;
 - (3) take into account the following, a summary of which must be included in the *REZ design report*:
 - (A) the results of the public consultation undertaken in accordance with subparagraph (1);
 - (B) any written submissions received under subparagraph (2);
 - (C) the results of any council and stakeholder engagement undertaken as part of preparatory activities pursuant to

- paragraph (b)(2)(i);
- (D) an assessment of the key community impacts of the REZ as identified in the results, submissions and stakeholder engagement described at subparagraphs (A), (B) and (3)(C); and
- (E) a preliminary estimate of the costs associated with managing the impacts described at subparagraph (D); and
- (4) take reasonable steps to cooperate and consult with *AEMO* as necessary to ensure that any relevant joint planning undertaken pursuant to clause 5.14.4 is captured.
- (e) In undertaking any public consultation pursuant to paragraph (d)(1), seeking written submissions in accordance with paragraph (d)(2) and undertaking the council and stakeholder engagement as part of preparatory activities pursuant to paragraph (b)(2)(i), the *jurisdictional planning body* must ensure that:
 - (1) stakeholders receive information that is clear, accurate, relevant and timely;
 - (2) stakeholders have sufficient opportunity to consider and respond to the information provided;
 - (3) targeted consultation materials, and methods of communication tailored to the needs of different stakeholders, are used; and
 - (4) stakeholders' role in the engagement process is clearly explained to them, including how their input will be taken into account.
- (f) The relevant *jurisdictional planning body* must publish a *REZ design report* by the date set out in the *Integrated System Plan* pursuant to paragraph (a)(4)(ii) or as updated by *AEMO* under clause 5.24.2(b).
- (g) Following the publication of a *REZ design report* under this clause, the REZ stage or REZ stages identified in that *REZ design report* may be specified in an *Integrated System Plan* or an *ISP update* as *actionable ISP projects* or future *ISP projects*.

5.24.2 Joint REZ planning by jurisdictional planning bodies and AEMO

- (a) *Jurisdictional planning bodies* and *AEMO* (the joint planning parties) must take reasonable steps to cooperate and consult with each other to enable the *jurisdictional planning body* to prepare and publish a *REZ design report* where required by clause 5.24.1(b)(1).
- (b) As part of the cooperation and consultation undertaken under paragraph (a), *AEMO* may in consultation with the *jurisdictional planning body* update any of the matters set out in the *Integrated System Plan* pursuant to clause 5.24.1(a)(4).
- (c) Any update pursuant to paragraph (b) must be reflected in the next *Integrated System Plan* or *ISP update*.

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Chapter 10 Glossary

In Chapter 10, insert in alphabetical order:

REZ design report

A report prepared by the relevant *jurisdictional planning body* under clause 5.24.1(b)(1).

Schedule 3 Savings and Transitional Amendment to the National Electricity Rules

(Clause 5)

[Drafting note: Numbering of transitional provisions has been inserted in square brackets pending confirmation from AEMC closer to publication. Please confirm with the AEMC the numbering of these transitional rules prior to publication.]

[1] New Part ZZZZ[XX] Rules consequential on the making of the National Electricity Amendment (Renewable energy zone planning) Rule 2021

After Part ZZZZ[XX-1] insert:

Part ZZZZ[XX] Renewable energy zone planning

11.[xxx] Rule consequential on the making of the National Electricity Amendment (Renewable energy zone planning) Rule 2021

11.[xxx].1 Definitions

For the purposes of this rule 11.[xxx]:

Amending Rule means the National Electricity Amendment (Renewable energy zone planning) Rule 2021.

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

11.[xxx].2 Cost pass through for renewable energy zone planning

- (a) If during the *regulatory control period* in which the commencement date falls:
- (1) an *Integrated System Plan* or *ISP update* is published which imposes upon a *Transmission Network Service Provider* one or more obligations under clause 5.24.1(b)(1); and
 - (2) the obligation or obligations described in paragraph (a) together entail the *Transmission Network Service Provider* incurring *materially* higher costs in providing *prescribed transmission services* than it would have incurred if the obligation or obligations had not been imposed;

then, for the purposes of the *Transmission Network Service Provider's transmission determination* for that *regulatory control period*, the publication of *Integrated System Plan* or *ISP Update* constitutes a *positive change event* under clause 6A.7.3.

11.[xxx].3 AEMC review of REZ planning rules

- (a) The *AEMC* must complete a review of the REZ planning framework as set out in rules 5.14, 5.22 and 5.24 by 1 July 2025.

- (b) In conducting its review under paragraph (a), the *AEMC*:
 - (1) may undertake the review together with the *AEMC*'s review of the *Integrated System Plan* framework required pursuant to clause 11.126.10; and
 - (2) must *publish* the terms of reference of its review on its website.

Note

This clause does not preclude the *AEMC* from conducting a review in accordance with section 45 of the *National Electricity Law*.

