



National Electricity Amendment (Recovering the cost of AEMO's participant fees) Rule 2022 No. 9

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;
- (g) the National Electricity (Northern Territory) (National Uniform Legislation) Act 2015 of the Northern Territory; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

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

Anna Collyer
Chairperson
Australian Energy Market Commission

National Electricity Amendment (Recovering the cost of AEMO's participant fees) Rule 2022 No. 9

1 Title of Rule

This Rule is the *National Electricity Amendment (Recovering the cost of AEMO's participant fees) Rule 2022 No. 9*.

2 Commencement

This Rule commences operation on 27 October 2022.

3 Amendment to the National Electricity Rules

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

4 Savings and Transitional Amendment to the National Electricity Rules

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

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Chapter 10 Glossary

In Chapter 10, in the definition of "*Co-ordinating Network Service Provider*", omit "to allocate *AARR* in accordance with" and substitute "pursuant to".

[2] Chapter 10 Glossary

In Chapter 10, in the definition of "*over-recovery amount*", after "in previous *regulatory years*", insert "(excluding any revenue attributable to adjustments made under clause 6A.23.3(e)(6))".

[3] Chapter 10 Glossary

In Chapter 10, in the definition of "*under-recovery amount*", after "in those *regulatory years*", insert "(excluding any revenue attributable to adjustments made under clause 6A.23.3(e)(6))".

Schedule 2 Savings and Transitional Amendment to the National Electricity Rules

(Clause 4)

[1] New Part ZZZZZC Transitional arrangements for TNSPs to recover Participant fees

In Chapter 11, after Part ZZZZZB, insert a new Part:

Part ZZZZZC Transitional arrangements for TNSPs to recover Participant fees

11.153 Transitional rules in the National Electricity Amendment (Recovering the cost of AEMO's participant fees) Rule 2022

11.153.1 Definitions

In this rule 11.153:

AusNet means AusNet Transmission Group Pty Ltd ABN 78 079 798 173 or any successor to its business.

AusNet increment means for a relevant financial year, the amount calculated under clause 11.153.3(b)(2).

ElectraNet means ElectraNet Pty Ltd ABN 41 094 482 416 or any successor to its business.

Powerlink means Queensland Electricity Transmission Corporation Limited (ACN 078 849 233), trading as Powerlink Queensland or any successor to its business.

relevant financial year means, for a Specified TNSP, a *financial year* occurring during the Specified Period for that Specified TNSP.

Specified Period means, in respect of the following Specified TNSPs:

- (a) TasNetworks, 1 July 2023 to 30 June 2029;
- (b) Powerlink, 1 July 2023 to 30 June 2027;
- (c) AusNet, 1 July 2023 to 30 June 2027;
- (d) Transgrid, 1 July 2023 to 30 June 2028;
- (e) ElectraNet, 1 July 2023 to 30 June 2028.

Specified TNSP means each of the following entities in their capacity as a *Transmission Network Service Provider*:

- (a) TasNetworks;
- (b) Powerlink;

- (c) Transgrid; and
- (d) ElectraNet.

TasNetworks means Tasmanian Networks Pty Ltd ACN 167 357 299, trading as TasNetworks or any successor to its business.

Transgrid means NSW Electricity Networks Operations Pty Limited (ACN 609 169 959) as trustee for the NSW Electricity Networks Operations Trust, trading as Transgrid or any successor to its business.

11.153.2 Calculation and notification of Participant fees

In relation to *Participant fees* (excluding *NTP function fees*) allocated to a Specified TNSP under rule 2.11, *AEMO* must, by 15 February of each year before a relevant financial year:

- (a) calculate the amount of *Participant fees* (excluding *NTP function fees*) to be recovered from that Specified TNSP for the relevant financial year; and
- (b) advise each Specified TNSP of the amounts allocated to that Specified TNSP for the relevant financial year under paragraph (a), to allow that Specified TNSP (or *AEMO* in the case of AusNet) to reflect its allocation in the prices for *prescribed transmission services* it publishes for the relevant financial year in accordance with clause 6A.24.2(c).

11.153.3 Participant fees in the pre-adjusted non-locational component

- (a) For the purposes of clause 6A.23.3(e), the *pre-adjusted non-locational component* for each Specified TNSP (other than AusNet) for a relevant financial year is adjusted by adding the amount of the *Participant fees* (excluding *NTP function fees*) advised by *AEMO* to the Specified TNSP for that relevant financial year in accordance with clause 11.153.2(b).
- (b) If the Specified TNSP is AusNet:
 - (1) for the purposes of clause 6A.23.3(e), the *pre-adjusted non-locational component* for *AEMO* (in its capacity as a *Transmission Network Service Provider*) for a relevant financial year applicable to AusNet is adjusted by adding the AusNet increment for that relevant financial year;
 - (2) the AusNet increment for a relevant financial year is calculated as follows:

$$A = B - C$$

where:

- A = the AusNet increment for that relevant financial year and if A is a negative number, it is deemed to be zero;
- B = the *Participant fees* (excluding *NTP function fees*) for that relevant financial year advised by *AEMO* to AusNet under clause 11.153.2(b);
- C = the amount of the *Participant fees* (excluding *NTP function fees*) for that relevant financial year provided for in AusNet’s *revenue determination* for the period 1 April 2022 to 31 March 2027, calculated as follows:

$$C = D \times (CPI_a / CPI_b) \times (1 - X)$$

where:

- D = the amount set out in the table below for that relevant financial year;
- CPI_a = the *CPI* published for the quarter ending 30 September preceding that relevant financial year;
- CPI_b = the Consumer Price Index: All Groups Index Number, weighted average of eight capital cities published by the Australian Bureau of Statistics for the quarter ending 30 September 2021; and
- X = the x factor for the relevant financial year as determined pursuant to AusNet’s *revenue determination* for the period 1 April 2022 to 31 March 2027.

Relevant financial year ending	Amount (D)
2024	\$1,442,799
2025	\$1,551,210
2026	\$1,667,767
2027	\$1,793,082

- (c) *AEMO* must transfer the AusNet increment for a relevant financial year to AusNet as part of payments to be made by *AEMO* to AusNet under clause 6A.27.4(a) for that relevant financial year.

11.153.4 AEMO to review pricing and revenue methodologies

- (a) *AEMO* must, before 15 February 2023, review and where necessary amend and *publish* its *pricing methodology* to take into account clause 11.153.3. Rules 6A.11 to 6A.15 (as modified by clause S6A.4.2(f)) do not apply in respect of the making of these amendments.
- (b) *AEMO* must, before 15 February 2023, review and where necessary amend and *publish* the revenue methodology it prepared under clause S6A.4.2(c) to take into account clause 11.153.3. Despite clause S6A.4.2(c)(3), *AEMO* is not required to consult with the public in making the amendments.

11.153.5 Amendments to the Glossary

In respect of each relevant financial year, the following definitions apply in respect of each Specified TNSP in place of those definitions in Chapter 10:

over-recovery amount

Any amount by which the revenue earned from the provision of *prescribed transmission services* in previous *regulatory years* (excluding any revenue attributable to adjustments made under clause 6A.23.3(e)(6) and clause 11.153.3) exceeds the sum of the *AARR* in those *regulatory years*.

under-recovery amount

Any amount by which the sum of the *AARR* in previous *regulatory years* exceeds the revenue earned from the provision of *prescribed transmission services* in those *regulatory years* (excluding any revenue attributable to adjustments made under clause 6A.23.3(e)(6) and clause 11.153.3).

[END OF RULE AS MADE]
