

## Indicative rule drafting for economic assessment process

*Note: This document is part of the AEMC’s Transmission Planning and Investment Review (TPIR) Stage 3 final report, published on 4 May 2023. It shows indicative amendments to the National Electricity Rules (NER) to improve the economic assessment process for ISP projects, as recommended in chapter 2 of the report.*

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### 5. Network Connection Access, Planning and Expansion

#### Part D Network Planning and Expansion

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#### 5.15A Regulatory investment test for transmission

##### 5.15A.1 General principles and application

- (a) The *AER* must develop and *publish* the *regulatory investment test for transmission* in accordance with the *transmission consultation procedures* and this rule 5.15A.
- (b) The *regulatory investment test for transmission* will apply to *RIT-T projects* which are not *actionable ISP projects* (in accordance with rule 5.16) and to *RIT-T projects* which are *actionable ISP projects* (in accordance with rule 5.16A) but will differ in its application to each of those types of projects.
- (c) The purpose of the *regulatory investment test for transmission* in respect of its application to both types of projects 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) to the extent the *identified need* is for *reliability corrective action* or the provision of *inertia network services* required under clause 5.20B.4.
- (d) The *regulatory investment test for transmission application guidelines* under clause 5.16.2 apply to *RIT-T projects* which are not *actionable ISP projects*.
- (e) The *Cost Benefit Analysis Guidelines* under clause 5.22.5 apply to *RIT-T projects* which are *actionable ISP projects*.

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## 5.16A Application of the RIT-T to actionable ISP Projects

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### 5.16A.4 Regulatory investment test for transmission procedures

- (a) If a *Transmission Network Service Provider* is identified as a *RIT-T proponent* in an *Integrated System Plan* for an *actionable ISP project*, then that *Transmission Network Service Provider* is the *RIT-T proponent* for that *RIT-T project* and must apply the *regulatory investment test for transmission* to, and consult all *Registered Participants*, *AEMO* and *interested parties* on, that *RIT-T project* in accordance with this clause 5.16A.4.
- (b) A *Transmission Network Service Provider's* obligations under paragraphs (a) and (c) cease if *AEMO* publishes an *Integrated System Plan* or an *ISP update* that shows that the *actionable ISP project* no longer forms part of the *optimal development path*.

(b1) A *Transmission Network Service Provider* may, but is not obliged to, undertake *early works*. If the *Transmission Network Service Provider* elects to undertake *early works*, it may commence the application of the *regulatory investment test for transmission* in parallel with any *early works contingent project application* or after the approval of that application (at its discretion).

#### Project assessment draft report

- (c) The *RIT-T proponent* must prepare a report in accordance with paragraphs (d) to (h) (*project assessment draft report*) and publish it by the date specified in the *Integrated System Plan* for that *RIT-T project* or such longer time period as is agreed in writing by the *AER* and make that report available to all *Registered Participants*, *AEMO* and *interested parties*.
- (d) The *project assessment draft report* must:
  - (1) include the matters required by the *Cost Benefit Analysis Guidelines*;
  - (2) adopt the *identified need* set out in the *Integrated System Plan* (including, in the case of proposed *reliability corrective action*, why the *RIT-T proponent* considers *reliability corrective action* is necessary);
  - (3) describe each *credible option* assessed;
  - (4) include a quantification of the costs, including a breakdown of operating and capital expenditure for each *credible option*;
  - (5) assess market benefits with and without each *credible option* and provide accompanying explanatory statements regarding the results;
  - (6) if the *RIT-T proponent* has varied the *ISP parameters*, provide demonstrable reasons in accordance with 5.15A.3(b)(7)(iv);
  - (7) identify the proposed *preferred option* that the *RIT-T proponent* proposes to adopt; and
  - (8) for the proposed *preferred option* identified under subparagraph (7), the *RIT-T proponent* must provide:

- (i) details of the technical characteristics; and
  - (ii) the estimated construction timetable and commissioning date.
- (e) The *RIT-T proponent* must publish on its website the *project assessment draft report* within 5 business days of the *project assessment draft report* being made. The *RIT-T proponent* must promptly provide the *project assessment draft report* to *AEMO* after it is made and *AEMO* must publish on its website the report within 5 business days of receipt.
- (f) The *RIT-T proponent* must seek submissions from *Registered Participants*, *AEMO* and *interested parties* on the proposed *preferred option* presented, and the issues addressed, in the *project assessment draft report*.
- (g) The period for consultation referred to in paragraph (f) must be not less than 6 weeks from the date that *AEMO* publishes the report on its website.
- (h) Within 4 weeks after the end of the consultation period required under paragraph (g), at the request of an *interested party*, a *Registered Participant* or *AEMO* (each being a relevant party for the purposes of this paragraph), the *RIT-T proponent* 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 *RIT-T proponent*, acting reasonably, considers that the meeting is necessary.

#### **Project assessment conclusions report**

- (i) As soon as practicable after the end of the consultation period on the *project assessment draft report* referred to in paragraph (g), the *RIT-T proponent* must, having regard to the submissions received, if any, under paragraph (f) and the matters discussed at any meetings held, if any, under paragraph (h), prepare and make available to all *Registered Participants*, *AEMO* and *interested parties* and publish a report (the *project assessment conclusions report*).
- (j) The *project assessment conclusions report* must set out:
  - (1) the matters detailed in the *project assessment draft report* as required under paragraph (d); and
  - (2) a summary of, and the *RIT-T proponent's* response to, submissions received, if any, from *interested parties* sought under paragraph (f).
- (k) The *RIT-T proponent* must publish on its website the project conclusions report within 5 business days of the *project assessment conclusions report* being made. The *RIT-T proponent* must promptly provide the *project assessment conclusions report* to *AEMO* after it is made and *AEMO* must publish on its website the report within 5 business days of receipt.
- (l) A *RIT-T proponent* may discharge its obligation under paragraph (i) 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 publishing the *project assessment conclusions report* under paragraph (i).

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### 5.16A.5 Actionable ISP project trigger event

In order to be eligible to submit a *contingent project* application in relation to an *actionable ISP project* (or a stage of an *actionable ISP project* ~~if the *actionable ISP project* is a staged project~~) under clause 6A.8.2, ~~all of~~ the following criteria must be satisfied ("**trigger event**") for each category:

#### Category 1 – contingent project application for an actionable ISP project

- (a) the *RIT-T proponent* must issue a *project assessment conclusions report* that meets the requirements of clause 5.16A.4 and which identifies a project as the *preferred option* (which may be a stage of an *actionable ISP project* ~~if the *actionable ISP project* is a staged project~~);
- (b) the *RIT-T proponent* must obtain written confirmation from *AEMO* that:
  - (1) the *preferred option* addresses the relevant *identified need* specified in the most recent *Integrated System Plan* and aligns with the *optimal development path* referred to in the most recent *Integrated System Plan*; and
  - (2) the cost of the *preferred option* does not change the status of the *actionable ISP project* as part of the *optimal development path* as updated in accordance with clause 5.22.15 where applicable;
- (c) no *dispute notice* has been given to the *AER* under rule 5.16B(c) or, if a *dispute notice* has been given, then in accordance with rule 5.16B(d), the dispute has been rejected or the *project assessment conclusions report* has been amended and identifies that project as the *preferred option*; and
- (d) the cost of the *preferred option* set out in the *contingent project* application must be no greater than the cost considered in *AEMO's* assessment in subparagraph (b); or

#### Category 2 – early works contingent project application

- (e) the *contingent project* application is an *early works contingent project* application.

### 5.16A.6 Actionable ISP projects and contingent project applications

- (a) A *Transmission Network Service Provider* may submit more than one *contingent project application* in respect of an *actionable ISP project*.
- (b) A *Transmission Network Service Provider* may submit an *early works contingent project application* notwithstanding that the provider has not commenced, or completed, the *regulatory investment test for transmission* for the relevant *actionable ISP project*.
- (c) A *Transmission Network Service Provider* may, but is not obliged to, submit an *early works contingent project application*:
  - (1) where the first stage of the *actionable ISP project* relates to *early works* in the latest *Integrated System Plan*; or

(2) notwithstanding the actionable ISP project in the latest Integrated System Plan does not contemplate early works.

(d) In applying the regulatory investment test for transmission for an actionable ISP project, the Transmission Network Service Provider must include the costs of early works notwithstanding those costs may have been approved by the AER under an early works contingent project application.

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## 5.22 Integrated System Plan

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### 5.22.6 Content of Integrated System Plan

#### Contents of an Integrated System Plan

- (a) An *Integrated System Plan* must:
- (1) identify a range of *development paths*;
  - (2) for each *development path*, identify the group of projects that form part of the *development path*;
  - (3) describe how each *development path* performs under any sensitivities *AEMO* considers reasonable;
  - (4) identify the *optimal development path* which must be based on a quantitative assessment of the costs and benefits of various options across a range of scenarios, in accordance with *Cost Benefit Analysis Guidelines*;
  - (5) for the *optimal development path*, identify the *actionable ISP projects*, *future ISP projects* and *ISP development opportunities*;
  - (6) for each *actionable ISP project* specify:
    - (i) the date by which the *project assessment draft report* must be published and made available to relevant persons, which date must be:
      - (A) at least 6 months after, and within 24 months of, the date of publication of the *Integrated System Plan*; and
      - (B) based on the anticipated commencement date of the *actionable ISP project*;
    - (ii) the relevant *Transmission Network Services Providers* who will be the *RIT-T proponent* for the *actionable ISP project*;
    - (iii) the *ISP candidate option or ISP candidate options*;
    - (iv) the *non-network options* that were considered by *AEMO* as part of the *Integrated System Plan* process in relation to that *actionable ISP project* (where relevant);
    - (v) the *identified need* related to that *actionable ISP project* and whether it is *reliability corrective action*;

- (vi) whether the *actionable ISP project* is a staged project and, if so, the stages;
- (vii) if applicable, any preparatory activities or early works that AEMO considers would be beneficial for a Transmission Network Service Provider to undertake for that project; and
- (7) include the results of a net present value analysis for each *development path* for each scenario, together with an explanatory statement regarding the results.
- (b) An *Integrated System Plan* may:
  - (1) include relevant information about ISP development opportunities;
  - (2) identify potential REZs;
  - (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
  - (3) include sensitivities showing the impacts of energy or environmental policies of a *participating jurisdiction* where AEMO has been requested to do so by that *participating jurisdiction*. These sensitivities are in addition to those sensitivities considered in clause 5.22.6(a)(3) and do not form part of any *development path*.

#### Preparatory activities

- (c) An *Integrated System Plan* may specify ~~whether the~~ preparatory activities that must be carried out for *future ISP projects* and the timeframes for carrying out *preparatory activities*.
- (d) Subject to paragraph (e), Aa *Transmission Network Service Provider* must:
  - (1) in the case of an *actionable ISP project* for which preparatory activities have not yet commenced, ~~commence~~ carry out the preparatory activities which the Transmission Network Service Provider considers are reasonably necessary 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~~ carry out those preparatory activities in accordance with the timeframes specified in the *Integrated System Plan* for that project.<sup>5</sup>
- (e) ~~provided that where~~ If 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~~ carried out in accordance with the timeframes described in subparagraph (1) or (2) (as applicable).

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## 6A. Economic Regulation of Transmission Services

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### 6A.8 Contingent Projects

#### 6A.8.A1 Eligibility for consideration as a contingent project

A *contingent project* in relation to a *revenue determination* means:

- (a) a *proposed contingent project* that is determined by the *AER*, in accordance with clause 6A.8.1(b), to be a *contingent project* for the purposes of that *revenue determination*; or
- (b) an *actionable ISP project* for which:
  - (1) ~~the a~~ *trigger event* under clause 5.16A.5 has occurred (which may be for a stage of an *actionable ISP project* or *early works*); and
  - (2) the *actionable ISP project*, stage of an *actionable ISP project* or *early works* the subject of the application (as relevant) exceeds either \$30 million or 5% of the value of the *maximum allowed revenue* for the relevant *Transmission Network Service Provider* for the first year of the relevant *regulatory control period* whichever is the larger amount.

#### 6A.8.1 Acceptance of a Contingent Project in a revenue determination

- (a) A *Revenue Proposal* may include *proposed contingent capital expenditure*, which the *Transmission Network Service Provider* considers is reasonably required for the purpose of undertaking a *proposed contingent project*.
- (b) The *AER* must determine that a *proposed contingent project* is a *contingent project* if the *AER* is satisfied that:
  - (1) the *proposed contingent project* is reasonably required to be undertaken in order to achieve any of the *capital expenditure objectives*;
  - (2) the *proposed contingent capital expenditure*:
    - (i) is not otherwise provided for (either in part or in whole) in the total of the forecast capital expenditure for the relevant *regulatory control period* which is accepted in accordance with clause 6A.6.7(c) or substituted in accordance with clauses 6A.13.2(b)(4) and (5) (as the case may be);
    - (ii) reasonably reflects the *capital expenditure criteria*, taking into account the *capital expenditure factors*, in the context of the *proposed contingent project* as described in the *Revenue Proposal*; and
    - (iii) exceeds either \$30 million or 5% of the value of the *maximum allowed revenue* for the relevant *Transmission Network Service Provider* for the first year of the relevant *regulatory control period* whichever is the larger amount;
  - (3) the *proposed contingent project* and the *proposed contingent capital expenditure*, as described or set out in the *Revenue Proposal*, and the

- information provided in relation to these matters, complies with the requirements of any relevant *regulatory information instrument*; and
- (4) the *trigger events* in relation to the *proposed contingent project* which are proposed by the *Transmission Network Service Provider* in its *Revenue Proposal* are appropriate.
- (c) In determining whether a *trigger event* in relation to a *proposed contingent project* is appropriate for the purposes of subparagraph (b)(4), the *AER* must have regard to the need for a *trigger event*:
- (1) to be reasonably specific and capable of objective verification;
  - (2) to be a condition or event, which, if it occurs, makes the undertaking of the *proposed contingent project* reasonably necessary in order to achieve any of the *capital expenditure objectives*;
  - (3) to be a condition or event that generates increased costs or categories of costs that relate to a specific location rather than a condition or event that affects the *transmission network* as a whole;
  - (4) to be described in such terms that the occurrence of that event or condition is all that is required for the *revenue determination* to be amended under clause 6A.8.2; and
  - (5) to be an event or condition, the occurrence of which is probable during the *regulatory control period*, but the inclusion of capital expenditure in relation to it under clause 6A.6.7 is not appropriate because:
    - (i) it is not sufficiently certain that the event or condition will occur during the *regulatory control period* or if it may occur after that *regulatory control period* or not at all; or
    - (ii) subject to the requirement to satisfy clause 6A.8.1(b)(2)(iii), the costs associated with the event or condition are not sufficiently certain.

### 6A.8.2 Amendment of revenue determination for contingent project

- (a) A *Transmission Network Service Provider* may, during a *regulatory control period*, apply to the *AER* to amend a *revenue determination* that applies to that *Transmission Network Service Provider* where:
- (1) for a *contingent project* in a *revenue determination*, a *trigger event* for a *contingent project* in relation to that *revenue determination* has occurred; or
  - (2) for an *actionable ISP project*, ~~the~~ a *trigger event* under clause 5.16A.5 has occurred.
- (a1) An application referred to in paragraph (a) must be made as soon as practicable after the occurrence of the *trigger event*.
- (b) An application made under paragraph (a) must contain the following information (as applicable):
- (1) an explanation that substantiates the occurrence of the *trigger event*;
  - (2) a forecast of the total capital expenditure for the *contingent project*;



- (3) a forecast of the capital and incremental operating expenditure, for each remaining *regulatory year* which the *Transmission Network Service Provider* considers is reasonably required for the purpose of undertaking the *contingent project*;
- (4) how the forecast of the total capital expenditure for:
  - (a) the *contingent project* meets the threshold as referred to in clause 6A.8.1(b)(2)(iii); or
  - (b) the *actionable ISP project, stage of an actionable ISP project or early works* the subject of the application (as relevant) meets the threshold as referred to in clause 6A.8.A1(b)(2);
- (5) the intended date for commencing the *contingent project* (which must be during the *regulatory control period*);
- (6) the anticipated date for completing the *contingent project* (which may be after the end of the *regulatory control period*);
- (7) an estimate of the incremental revenue which the *Transmission Network Service Provider* considers is likely to be required to be earned in each remaining *regulatory year* of the *regulatory control period* as a result of the *contingent project* being undertaken as described in subparagraph (3), which must be calculated:
  - (i) in accordance with the requirements of the *post-tax revenue model* referred to in clause 6A.5.2;
  - (ii) in accordance with the requirements of the *roll forward model* referred to in clause 6A.6.1(b);
  - (iii) using the *allowed rate of return* for that *Transmission Network Service Provider* for the *regulatory control period* as determined in accordance with clause 6A.6.2;
  - (iv) in accordance with the requirements for depreciation referred to in clause 6A.6.3;
  - (v) on the basis of the capital expenditure and incremental operating expenditure referred to in subparagraph (b)(3); ~~and~~
- (8) if paragraph (n) applies, a forecast of the total capital expenditure and the total incremental operating expenditure for the *contingent project* for the subsequent *regulatory control period*; ~~and~~
  - (9) if the application is in respect of an *actionable ISP project* which was previously the subject of an *early works contingent project application*, a summary of the total expenditure previously approved by the *AER* and the actual costs incurred in respect of that *actionable ISP project*.
- (c) As soon as practicable after its receipt of an application made in accordance with paragraphs (a), (a1) and (b), the *AER* must *publish* the application, together with an invitation for written submissions on the application.
- (d) The *AER* must consider any written submissions made under paragraph (c) and must make its decision on the application within 40 *business days* from the later of the date the *AER* receives the application and the date the *AER* receives any information required by the *AER* under paragraph (h1). In doing

so the *AER* may also take into account such other information as it considers appropriate, including any analysis (such as benchmarking) that is undertaken by it for that purpose.

- (e) If the *AER* is satisfied that the *trigger event* has occurred, and that the forecast of the total capital expenditure for the *contingent project* meets the threshold as referred to in clause 6A.8.1(b)(2)(iii), it must:
  - (1) determine (as applicable):
    - (i) the amount of capital and incremental operating expenditure, for each remaining *regulatory year* which the *AER* considers is reasonably required for the purpose of undertaking the *contingent project*;
    - (ii) the total capital expenditure which the *AER* considers is reasonably required for the purpose of undertaking the *contingent project*;
    - (iii) the likely commencement and completion dates for the *contingent project*;
    - (iv) the incremental revenue which is likely to be required by the *Transmission Network Service Provider* in each remaining *regulatory year* as a result of the *contingent project* being undertaken as described in clause 6A.8.2(e)(1)(i) and (ii), such estimate being calculated in accordance with subparagraph (2); and
    - (v) if paragraph (n) applies, the total capital expenditure and the total incremental operating expenditure which the *AER* considers is reasonably required for the purpose of undertaking the *contingent project* in the subsequent *regulatory control period*;
  - (2) calculate the estimate referred to in subparagraph (1)(iv):
    - (i) on the basis of the capital expenditure referred to in subparagraph (1)(i);
    - (ii) to include the incremental operating expenditure referred to in subparagraph (1)(i); and
    - (iii) otherwise in accordance with paragraph (b); and
  - (3) amend the relevant *revenue determination* in accordance with paragraph (h) and if applicable paragraph (n).
- (f) In making the determinations referred to in subparagraph (e)(1), the *AER* must accept the relevant amounts and dates, contained in the *Transmission Network Service Provider's* application, as referred to in subparagraphs (b)(2) to (8), if the *AER* is satisfied that:
  - (1) the forecast of the total capital expenditure for the *contingent project* meets the threshold as referred to in clause 6A.8.1(b)(2)(iii);
  - (2) the amounts of forecast capital expenditure and incremental operating expenditure reasonably reflect the *capital expenditure criteria* and the *operating expenditure criteria*, taking into account the *capital*

- expenditure factors* and the *operating expenditure factors* respectively, in the context of the *contingent project*;
- (3) the estimates of incremental revenue are reasonable; and
  - (4) the dates are reasonable.
- (g) In making the determinations referred to in subparagraph (e)(1) and paragraph (f), the *AER* must have regard to:
- (1) the information included in or accompanying the application;
  - (2) submissions received in the course of consulting on the application;
  - (3) such analysis as is undertaken by or for the *AER*;
  - (4) the expenditure that would be incurred in respect of a *contingent project* by an efficient and prudent operator in the circumstances of the *Transmission Network Service Provider*;
  - (5) the actual and expected capital expenditure of the *Transmission Network Service Provider* for *contingent projects* during any preceding *regulatory control periods*;
  - (6) the extent to which the forecast capital expenditure for the *contingent project* is referable to arrangements with a person other than the *Transmission Network Service Provider* that, in the opinion of the *AER*, do not reflect arm's length terms;
  - (7) the relative prices of operating and capital inputs in relation to the *contingent project*;
  - (8) the substitution possibilities between operating and capital expenditure in relation to the *contingent project*; and
  - (9) whether the capital and operating expenditure forecasts for the *contingent project* are consistent with any incentive scheme or schemes that apply to the *Transmission Network Service Provider* under clauses 6A.6.5, 6A.6.5A, 6A.7.4, 6A.7.5 or 6A.7.6.
- (h) Amendments to a *revenue determination* referred to in paragraph (e)(3) must only vary the determination to the extent necessary:
- (1) to adjust the forecast capital expenditure for the relevant *regulatory control period* to accommodate the amount of capital expenditure determined under subparagraphs (e)(1)(i) or (e)(1)(v) (in which case the amount of that adjustment will be taken to be accepted by the *AER* under clause 6A.6.7(c));
  - (2) to adjust the forecast operating expenditure for the relevant *regulatory control period* to accommodate the amount of incremental operating expenditure determined under subparagraphs (e)(1)(i) or (e)(1)(v) (in which case the amount of that adjustment will be taken to be accepted by the *AER* under clause 6A.6.6(c)); and
  - (3) to reflect the effect of any resultant increase in forecast capital and operating expenditure on:
    - (i) the *maximum allowed revenue* for each *regulatory year* in the remainder of the relevant *regulatory control period*; and

- (ii) the X factor for each *regulatory year* in the remainder of the relevant *regulatory control period*.
- (h1) A *Transmission Network Service Provider* must provide the *AER* with such additional information as the *AER* requires for the purpose of making a decision on an application made by that *Transmission Network Service Provider* under paragraph (a) within the time specified by the *AER* in a notice provided to the *Transmission Network Service Provider* by the *AER* for that purpose.

#### **Extension of time limit**

- (i) If the *AER* is satisfied that amending a *revenue determination* under subparagraph (e)(3) and paragraph (h) or if paragraph (n) applies, determining the total capital expenditure and the total incremental operating expenditure under subparagraph (e)(1)(v), involves issues of such complexity or difficulty that the time limit fixed in paragraph (d) should be extended, the *AER* may extend that time limit by a further period of up to 60 *business days*, provided that it gives written notice to the *Transmission Network Service Provider* of that extension no later than 10 *business days* before the expiry of that time limit.
- (j) If the *AER* extends the time limit under paragraph (i), it must make available on its website a notice of that extension as soon as is reasonably practicable.
- (k) Subject to paragraph (k3), if the *AER* gives a written notice to the *Transmission Network Service Provider* stating that it requires information from an *Authority* in order to make a decision on an application made by the *Transmission Network Service Provider* under paragraph (a) then, for the purpose of calculating elapsed time, the period between when the *AER* gives that notice to the *Transmission Network Service Provider* and when the *AER* receives that information from that *Authority* is to be disregarded.
- (k1) Subject to paragraph (k3), if the *AER* gives a written notice to the *Transmission Network Service Provider* stating that, in order to make a decision on an application made by the *Transmission Network Service Provider* under paragraph (a), it requires information from a judicial body or royal commission then, for the purpose of calculating elapsed time, the period between when the *AER* gives that notice to the *Transmission Network Service Provider* and when that information is made publicly available is to be disregarded.
- (k2) Where the *AER* gives a notice to the *Transmission Network Service Provider* under paragraph (k) or (k1), it must:
  - (1) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (k) or (k1), as the case may be, has commenced;
  - (2) as soon as is reasonably practicable make available on its website a notice stating when the period referred to in paragraph (k) or (k1), as the case may be, has ended; and
  - (3) if the information specified in that notice is required from an *Authority*, promptly request that information from the relevant *Authority*.

- (k3) Paragraphs (k) and (k1) do not apply if the *AER* gives the notice specified in those paragraphs to the *Transmission Network Service Provider* later than 10 *business days* before the expiry of the time limit fixed in paragraph (d).

**Amendment of revenue determination**

- (l) Except where paragraph (m) or (n) applies, if the *AER* amends a *revenue determination* under paragraph (h), that amendment must take effect from the commencement of the next *regulatory year*.
- (m) Except where paragraph (n) applies, if a *Transmission Network Service Provider* submits an application under paragraph (a) within 90 *business days* of the end of a *regulatory year*, an amendment to the *revenue determination* must take effect from the second *regulatory year* that commences after the application is submitted.
- (n) If a *Transmission Network Service Provider* submits an application under paragraph (a) in the final *regulatory year* of a *regulatory control period* or during the last 90 *business days* of the penultimate *regulatory year* of the *regulatory control period* and the *AER* makes a determination under subparagraph (e)(1)(v), then the *AER* must within 6 months following the making of the *revenue determination* for the subsequent *regulatory control period*, amend that *revenue determination*:
- (1) with effect from the second *regulatory year* of that subsequent *regulatory control period* in accordance with paragraphs (h) and (n);
  - (2) to include the incremental revenue which is likely to be required by the *Transmission Network Service Provider* in each *regulatory year* (other than the first *regulatory year*) as a result of the *contingent project*, such estimate being calculated on the basis of:
    - (i) the amounts determined under paragraph (e)(1)(v);
    - (ii) paragraph (b)(7) applying in respect of the subsequent *regulatory control period*; and
    - (iii) providing the *Transmission Network Service Provider* with the time cost of money based on the *allowed rate of return* for the provider for the relevant *regulatory control period* arising from the delay in the amendment of the current and/or subsequent *revenue determination*.

....

**6A.9.4 Transmission determinations for proposed transmission systems of Intending TNSPs**

- (a) A *revenue determination* for a proposed *transmission system* may, despite anything to the contrary in this Chapter, provide for capitalisation of a return on capital (calculated using the *allowed rate of return*) in respect of any period in a *regulatory control period* prior to the date on which *prescribed transmission services* are first provided.
- (b) A *transmission determination* for a proposed *transmission system* may:

- (1) despite clause 6A.4.2(c), specify a *regulatory control period* of less than 5 *regulatory years*;
  - (2) include amounts determined in accordance with clause 6A.8.2 if, for an *actionable ISP project*, ~~the~~a trigger event under clause 5.16A.5 has occurred; or
  - (3) if no *prescribed transmission services* are expected to be provided at any time during that *regulatory control period*, exclude from the *transmission determination* some of the decisions that would otherwise be made by the *AER* under rule 6A.14.
- (c) A *transmission determination* for a proposed *transmission system* or a converting transmission system must specify the date from which *prescribed transmission services* will commence or the manner in which the date is to be determined.

## 10. Glossary

...

### *contingent project*

In relation to a distribution determination, a *proposed contingent project* that is determined by the *AER*, in accordance with clause 6.6A.1(b), to be a *contingent project* for the purposes of that distribution determination.

In relation to a *revenue determination*, has the meaning given in clause 6A.8.~~A1~~**A**.

### *early works*

Activities undertaken by a *Transmission Network Service Provider* in respect of an *actionable ISP project*:

(a) prior to the construction of the *preferred option*; and

(b) which:

(i) improve the accuracy of cost estimates for that project; or

(ii) facilitate that project being delivered within the timeframes specified by the most recent *Integrated System Plan*.

### *early works contingent project application*

An application by a *Transmission Network Service Provider* to amend its *revenue determination* in respect of the costs of *early works*.

...

### *trigger event*

For a *Distribution Network Service Provider*, in relation to a *proposed contingent project* or a *contingent project*, a specific condition or event described in clause 6.6A.1(c), the occurrence of which, during the relevant *regulatory control period*, may result in the amendment of a distribution determination under clause 6.6A.2.

For a *Transmission Network Service Provider*, in relation to:

- (a) a *proposed contingent project* or a *contingent project* in a *revenue determination*, a specific condition or event described in clause 6A.8.1(c), the occurrence of which, during the relevant *regulatory control period*, may result in the amendment of a *revenue determination* under clause 6A.8.2; and
- (b) an *actionable ISP project*, ~~the~~an event specified in clause 5.16A.5, the occurrence of which, during the relevant *regulatory control period*, may result in the amendment of a *revenue determination* under clause 6A.8.2.