

Making transmission investment and delivery more timely and efficient – to enable the transition to net zero

RECOMMENDATIONS FROM THE AEMC TRANSMISSION REVIEW

The review has made recommendations for changes to the regulatory framework which promote the timely and efficient investment in and delivery of major transmission. These recommendations will help protect consumers against significant increases in future electricity prices as we transition to net zero.



Economic assessment process

Empowering TNSPs to undertake planning activities earlier in the process to safeguard interests of consumers. Consideration of further improvements to the economic assessment process for ISP projects.

Next steps: Expecting rule change request later in 2023. Upcoming AEMC ISP review to consider further reform opportunities.



Social licence

Clarifying the arrangements for:

1. cost recovery: AER will provide additional guidance for TNSPs on cost recovery for activities that build/maintain community acceptance for transmission projects, and
2. engagement: both AER and NER to clarify expectations regarding TNSP consultation with communities/affected stakeholders.

Next steps: AEMC rule change process underway.



Financeability

Providing the regulatory framework with flexibility to address the risk of financeability issues by providing the AER with authority to vary the depreciation profile for an actionable ISP project.

Next steps: AEMC rule change process underway.



Emissions reduction

Aligning the national energy rules with the inclusion of emissions reduction in the national energy objectives to lay the foundation for the decarbonisation of the sector.

Next steps: Expecting rule change request later in 2023.



Feedback loop

Improving the workability of AEMO's feedback loop as a consumer safeguard.

Next steps: Expecting rule change request later in 2023.



Concessional finance

Clarifying the regulatory treatment of concessional finance under the NER.

Next steps: AEMC rule change process underway.



Ex post review

Enabling the AER to perform a targeted review of capex of completed ISP projects.

Next steps: Expecting rule change request later in 2023.

