

Draft rule determination

National Electricity Amendment (Bringing early works forward to improve transmission planning) Rule 2024

Proponent

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About the AEMC

The AEMC reports to the energy ministers. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the energy ministers.

Acknowledgement of Country

The AEMC acknowledges and shows respect for the traditional custodians of the many different lands across Australia on which we all live and work. We pay respect to all Elders past and present and the continuing connection of Aboriginal and Torres Strait Islander peoples to Country. The AEMC office is located on the land traditionally owned by the Gadigal people of the Eora nation.

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Citation

To cite this document, please use the following:

AEMC, Bringing early works forward to improve transmission planning, Draft rule determination, 23 May 2024

Summary

- 1 The Commission (AEMC) has decided to make a more preferable draft rule (draft rule) in response to a rule change request submitted by The Honourable Chris Bowen MP Minister for Climate Change and Energy. The rule change request proposes to improve cost recovery arrangements for early works to enhance planning for actionable projects in the Australian Energy Market Operator's (AEMO's) Integrated System Plan (ISP).
- 2 By improving cost recovery certainty, our draft rule would encourage Transmission Network Service Providers (TNSPs) to undertake early works to a greater extent and at an earlier stage.
- 3 Early works describe activities such as (but not limited to) stakeholder engagement, corridor assessment, procurement of equipment and assets with long lead times, preparation of jurisdictional planning approvals and easement acquisition.
- 4 Improved transmission planning through early works mitigates the risk of project delays and later cost increases and thus provides benefits for consumers.
- 5 We are seeking feedback on our draft determination and rule by 4 July 2024.

The draft rule supports better upfront transmission planning to minimise the risk of project delays and future cost increases

- 6 Improving cost recovery certainty for TNSPs provides an incentive to undertake early works concurrently with the Regulatory Investment Test for Transmission (RIT-T). This would allow TNSPs to better consider social, cultural, heritage and environmental factors when developing and assessing credible options as part of the RIT-T. These factors have the potential to significantly impact project costs and timeframes.
- 7 The draft rule would encourage more and earlier planning activities by:
 - enabling TNSPs to submit an early works contingent project application (CPA) to the Australian Energy Regulator (AER) without needing to complete a RIT-T and pass AEMO's feedback loop assessment
 - introducing a NER definition of early works and principles to guide TNSPs' preparation and the AER's assessment of an early works CPA, and protect consumers against inefficient expenditure
 - clarifying that AEMO can specify, in the ISP, examples of early works (and preparatory activities) for actionable ISP projects.
- 8 The draft rule also amends the NER to delay the AEMC's ISP review by two years. The AEMC's ISP review would need to be completed by 1 July 2027 under the draft rule. This delay would allow better alignment with:
 - **The Energy and Climate Change Ministerial Council's (ECCMC) review of the ISP:** The review made 15 recommendations to 'supercharge' the ISP, including undertaking a more robust assessment of gas market conditions and better integration of demand-side opportunities. The review recommendations are not fully within AEMO's remit and some require subsequent changes to the NER.
 - **The AEMC's Transmission Planning and Investment Review (TPIR) recommendations:** The AEMC's TPIR recommended improvements to the regulatory frameworks for transmission to support efficient investment in and timely delivery of ISP projects. The complementary rule changes that the AEMC has recently completed or is currently considering include *Improving*

the workability of the feedback loop, Enhancing community engagement in transmission building, Introducing a targeted ex post review for ISP projects, Accommodating financeability in the regulatory framework and Sharing concessional finance benefits with consumers.

The Commission has fast-tracked this rule change based on previous stakeholder consultation under TPIR

- 9 The rule change proposal reflects the recommendations from the AEMC's TPIR stage 3 final report, where we consulted with stakeholders on how to improve the economic assessment process to facilitate the timely and efficient delivery of ISP projects.
- 10 The review identified that the current economic assessment process does not provide the required cost recovery certainty for TNSPs and, as a result, may deter them from the timely commencement of early works. This compounds the risk to consumers of subsequent project cost increases and delays because of later consideration of critical factors.
- 11 The rule change request has been fast-tracked reflecting the extensive consultation carried out on these issues in TPIR.

We assessed our draft rule against the NEO and three assessment criteria

- 12 When making its more preferable draft rule, the Commission has considered the NEO¹ and assessed the draft rule against the rule change's assessment criteria.
- 13 We consider our more preferable draft rule better aligns with the NEO. In addition to the proposed rule in the rule change request, our draft rule provides additional guidance in the form of NER principles to protect consumers from the risks associated with undertaking early works concurrently with the RIT-T.
- 14 The more preferable draft rule would contribute to achieving the NEO by:
 - **Improving outcomes for consumers:** The draft rule improves outcomes for consumers by enabling TNSPs to undertake more planning activities, earlier in the economic assessment process. This would support TNSPs to develop options for transmission investment that more accurately reflect social, cultural, heritage and environmental impacts and assist them in mitigating the risk of later project cost increases and project delays. We consider that, on balance, incurring greater costs of planning earlier in the process will significantly benefit consumers by avoiding greater costs to consumers in the future due to project delays and later consideration of key impacting factors.
 - **Providing a stable, predictable and transparent framework:** The draft rule promotes simplicity of cost recovery arrangements for TNSPs. It further provides better information and transparency for stakeholders on what planning activities are beneficial and efficient to undertake, assisting TNSPs with preparing and the AER with assessing an early works CPA.
 - **Supporting emissions reduction:** The draft rule supports the transition to net zero by enabling timely investment in and delivery of actionable ISP projects that are required to support the timely connection of renewable generation and storage infrastructure.

The draft rule would apply to all actionable projects in the 2024 ISP

- 15 The draft rule would commence on 29 August 2024. This would allow TNSPs to use the new cost recovery arrangements for any actionable projects in the 2024 ISP.

¹ Section 7 of the NEL.

How to make a submission

We encourage you to make a submission

Stakeholders can help shape the solution by participating in the rule change process. Engaging with stakeholders helps us understand the potential impacts of our decisions and contributes to well-informed, high quality rule changes.

How to make a written submission

Due date: Written submissions responding to this draft determination and rule must be lodged with Commission by 4 July 2024.

How to make a submission: Go to the Commission's website, www.aemc.gov.au, find the "lodge a submission" function under the "Contact Us" tab, and select the project reference code **ERC0380**.²

Tips for making submissions on rule change requests are available on our website.³

Publication: The Commission publishes submissions on its website. However, we will not publish parts of a submission that we agree are confidential, or that we consider inappropriate (for example offensive or defamatory content, or content that is likely to infringe intellectual property rights).⁴

Next steps and opportunities for engagement

There are opportunities for you to engage with us, such as one-on-one discussions or industry briefing sessions. Please reach out to the project leader to schedule a discussion.

You can also request the Commission to hold a public hearing in relation to this draft rule determination.⁵

Due date: Requests for a hearing must be lodged with the Commission by 30 May 2024.

How to request a hearing: Go to the Commission's website, www.aemc.gov.au, find the "lodge a submission" function under the "Contact Us" tab, and select the project reference code **ERC0380**. Specify in the comment field that you are requesting a hearing rather than making a submission.⁶

For more information, you can contact us

Please contact the project leader with questions or feedback at any stage.

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² If you are not able to lodge a submission online, please contact us and we will provide instructions for alternative methods to lodge the submission.

³ See: <https://www.aemc.gov.au/our-work/changing-energy-rules-unique-process/making-rule-change-request/our-work-3>

⁴ Further information about publication of submissions and our privacy policy can be found here: <https://www.aemc.gov.au/contact-us/lodge-submission>

⁵ Section 101(1a) of the NEL.

⁶ If you are not able to lodge a request online, please contact us and we will provide instructions for alternative methods to lodge the request.

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1 The Commission has made a draft determination

This draft determination is to make a draft rule in response to a rule change request submitted by The Honourable Chris Bowen MP, Minister for Climate Change and Energy. The rule change request proposes to improve cost recovery arrangements for early works for actionable projects in the Australian Energy Market Operator's (AEMO's) Integrated System Plan (ISP).

The objective of this rule change request is to encourage transmission network service providers (TNSPs) to undertake more and earlier planning activities to improve cost estimate accuracy and timely delivery of actionable ISP projects. TNSPs commencing early works concurrently with the Regulatory Investment Test for Transmission (RIT-T) would allow for improved consideration of any social, cultural, heritage and environmental factors. Increased planning through early works mitigates the risk of later cost increases of transmission projects and thus provides benefits for consumers.

1.1 The draft rule would improve transmission planning

Early works describe activities⁷ such as (but not limited to) stakeholder engagement, corridor assessment, procurement of equipment and assets with long lead times, preparation of jurisdictional planning approvals and easement acquisition.⁸

Our draft rule would provide greater cost recovery certainty for early works and thereby encourage TNSPs⁹ to efficiently undertake more planning activities earlier in the economic assessment process. The draft rule does this by:

- Enabling a TNSP to submit an early works contingent project application (CPA) without needing to first complete a RIT-T and pass AEMO's feedback loop assessment. This provides TNSPs with earlier cost recovery certainty and an incentive to undertake early works concurrently with the RIT-T.¹⁰
- Introducing in the NER a definition of early works to guide the AER's assessment and TNSPs' preparation of an early works CPA and protect consumers against inefficient expenditure.¹¹
- Clarifying that AEMO can specify, in the ISP, examples of early works (and preparatory activities) for actionable ISP projects.¹²

The draft rule also amends the NER to delay the AEMC's ISP review by two years to allow better alignment with the Energy and Climate Change Ministerial Council's (ECMC) review of the ISP and allow for current reforms to settle. The AEMC's ISP review would need to be completed by 1 July 2027 under the draft rule.¹³

⁷ Early works are more substantial and distinct from preparatory activities. Preparatory activities generally occur at an earlier stage in terms of activities related to project design and investigation. Preparatory activities include (but are not limited to) desktop analysis, feasibility studies, development of stakeholder engagement plans, land use mapping, and concept design.

⁸ AEMC, *Transmission planning and invest review: Stage 3 final report*, 4 May 2023, p.18.

⁹ AEMO Victorian Planning (AVP) is responsible for the planning of the Victorian transmission network. In this chapter, for ease of reading, the term 'TNSP' encompasses AVP's Victorian planning role.

¹⁰ Clause 5.16A.7 of the draft rule.

¹¹ See definition of early works in Chapter 10 Glossary of the draft rule.

¹² Clause 5.22.6 of the draft rule.

¹³ Clause 11.126.10 of the draft rule.

1.2 The AEMC's Transmission Planning and Investment Review (TPIR) highlighted the importance of more and earlier planning activities

The findings of our Transmission Planning and Investment Review (TPIR) shaped our draft determination. The Commission found in TPIR that improvements could be made to the economic assessment process to better support the timely and efficient delivery of actionable ISP projects through changes that incentivise TNSPs to efficiently undertake more planning activities earlier in the process.

We concluded in TPIR that bringing forward planning activities could have significant benefits to consumers by reducing the risk of later increases in project costs and facilitate the timely delivery of ISP projects.¹⁴ This rule change implements TPIR recommendations, and will mean that TNSPs are better placed to make informed investment decisions, including based on increased information on social licence for major transmission projects. More and earlier planning activities would assist to:

- develop options for transmission investment that more accurately reflect social, cultural, heritage and environmental impacts
- mitigate the risk of later project cost increases and project delays caused by later consideration of key impacting factors and
- mitigate the risk of additional costs to consumers due to supply chain delays and labour supply issues.

Stakeholders expressed strong support during the consultation for TPIR for changes that incentivise TNSPs to efficiently undertake more planning earlier in the process to better inform investment decisions and reduce the risk of later cost increases.¹⁵ Stakeholders considered that planning activities help to build and maintain social licence for major transmission projects, which mitigates delivery risk, improves transparency for stakeholders, and improves confidence that the preferred option is deliverable.¹⁶ Stakeholders also considered that the recommendation in TPIR to introduce an early works CPA would encourage TNSPs to undertake more planning activities earlier by providing TNSPs with the certainty that they can recover the costs for efficient planning activities.¹⁷

In our TPIR stage 3 final report we outlined a number of complementary measures that would work to collectively improve timely and efficient delivery of major transmission assets. We recommended:

- guidance on the assessment of early works costs through the inclusion of a definition of early works in the NER to assist the AER in assessing an early works CPA
- clarifying in the NER that AEMO may include in the ISP examples of early works (and preparatory activities) for an actionable ISP project to support TNSPs in including efficient costs in their revenue proposals or early works CPA and the AER when assessing the efficiency and prudence of proposed costs
- further consideration of principles in the NER to manage the risk for consumers as a result of enabling a TNSP to submit an early works CPA prior to having completed a RIT-T.

¹⁴ AEMC, *Transmission planning and invest review: Stage 3 final report*, 4 May 2023, pp. 17-18.

¹⁵ Submission to the *Transmission Planning and Investment Review Stage 3 draft report*: AusNet, p. 2; Marinus Link Pty Ltd (MLPL), p. 3; TasNetworks, p. 2; Transgrid p. 2; RE-Alliance (REA) p. 2; Clean Energy Council (CEC), p. 2.

¹⁶ Submissions to the *Transmission Planning and Investment Review Stage 3 draft report*: AusNet, pp. 11-12; ENA, p. 5; AER, pp. 3-4; AGL, p. 3; Origin, p. 2; TasNetworks, p. 2; MLPL, p. 3.

¹⁷ Submissions to the Stage 3 draft report: Transgrid, p. 2; AEMO, p. 5-6.

The rule change request proposes a further amendment in terms of delaying the AEMC's ISP review required under clause 11.126.10 of the NER by two years, to be completed by 1 July 2027 (instead of the currently required completion date of 1 July 2025). The TPIR stage 3 final report canvassed the AEMC's ISP review and its overlapping nature with the TPIR Stage 3 work program, noting that recommendations from TPIR stage 2 and 3 should be implemented first before considering more substantive changes to the regulatory framework as part of the AEMC's ISP review.¹⁸

1.3 Our draft determination complements other reforms to support the timely and efficient delivery of major transmission projects

Transmission is a critical enabler for the transition to net zero, both in the national electricity market (NEM) and for the Australian economy more broadly. This transition will require an unprecedented level of investment in, and build of, transmission infrastructure to deliver power from renewable generation and energy storage to consumers, and to deliver it quickly.

The AEMC's TPIR recommended improvements to the regulatory frameworks for transmission investment and planning to support efficient investment in and timely delivery of major transmission projects. This rule change is a recommendation from TPIR and forms part of a set of reforms that support the efficient delivery of and investment in major transmission projects.¹⁹

Our draft determination and rule would improve the planning process for actionable ISP projects and complements the work being carried out by other entities to improve transmission investment and planning and more and earlier consideration of social, cultural, heritage and environmental impacts. Other complementary work includes:

- **The ECMC review of the ISP.** The ECMC's ISP review considered how the ISP could best support the energy transformation, identifying a series of improvement opportunities. The review made 15 recommendations to 'supercharge' the ISP, including undertaking a more robust assessment of gas market conditions and better integration of demand-side opportunities when developing the electricity ODP.²⁰ ECMC's *Statement on Integrated System Plan Policy Direction* recognises that the review recommendations are not fully within AEMO's remit, and some require changes to the NER.²¹
- **Energy Ministers' National Energy Transformation Partnership.** The partnership seeks to identify opportunities to accelerate delivery of priority transmission projects, and progress associated regulatory reforms to ensure they are fit-for-purpose and streamlined.²²
- **The Australian Energy Infrastructure Commissioner's (AEIC) Community Engagement Review.** The Review made recommendations to improve community engagement for renewable energy infrastructure developments²³

¹⁸ AEMC, *Transmission planning and investment review: Stage 3 final report*, pp. iv.

¹⁹ The complementary rule changes that have recently been completed or are currently being considered include the AEMC's *Improving the workability of the feedback loop, Enhancing community engagement in transmission building, Introducing a targeted ex post review for ISP projects, Accommodating financeability in the regulatory framework and Sharing concessional finance benefits with consumers* rule changes.

²⁰ <https://www.energy.gov.au/energy-and-climate-change-ministerial-council/energy-ministers-publications/energy-ministers-response-review-integrated-system-plan>.

²¹ See for the ECMC Statement on Integrated System Plan Policy Direction here: <https://www.energy.gov.au/sites/default/files/2024-04/ecmc-statement-on-isp-policy-direction.pdf>.

²² National Energy Transformation Partnership <https://www.energy.gov.au/sites/default/files/2022-08/National%20Energy%20Transformation%20Partnership.pdf>.

²³ DCCEEW Community Engagement Review, see under: <https://www.dcceew.gov.au/energy/renewable/community-engagement-review>.

2 The rule would contribute to the energy objectives

2.1 The Commission must act in the long-term interests of energy consumers

The Commission can only make a rule if it is satisfied that the rule will or is likely to contribute to the achievement of the relevant energy objectives.²⁴

For this rule change, the relevant energy objective is the NEO:

The NEO is:²⁵

to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to—

- (a) price, quality, safety, reliability and security of supply of electricity; and
- (b) the reliability, safety and security of the national electricity system; and
- (c) the achievement of targets set by a participating jurisdiction—
 - (i) for reducing Australia’s greenhouse gas emissions; or
 - (ii) that are likely to contribute to reducing Australia’s greenhouse gas emissions.

The targets statement, available on the AEMC website, lists the emissions reduction targets to be considered, as a minimum, in having regard to the NEO.²⁶

2.2 We must also take these factors into account

2.2.1 We have considered whether to make a more preferable rule

The Commission may make a rule that is different, including materially different, to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule is likely to better contribute to the achievement of the NEO.²⁷

For this rule change, the Commission has made a more preferable draft rule.

2.2.2 We have considered the revenue and pricing principles for this rule change

We have to take into account the revenue and pricing principles when making rules with respect to the regulation of revenues earned, or prices charged, by owners, controllers or operators of transmission systems, for the provision by them of services that are subject of a transmission determination.²⁸

Relevantly, the revenue and pricing principles provide that a regulated network service provider should be provided with a reasonable opportunity to recover at least the efficient costs the operator incurs in complying with a regulatory obligation or requirement, or making a regulatory payment.²⁹

²⁴ Section 88(1) of the NEL.

²⁵ Section 7 of the NEL.

²⁶ Section 32A(5) of the NEL.

²⁷ Section 91A of the NEL.

²⁸ Items 15 and 17 of Schedule 1 of the NEL.

²⁹ Section 7A of the NEL.

2.2.3 We have considered how the rule would apply in the Northern Territory

In developing the draft rule, the Commission has considered how it should apply to the Northern Territory according to the following questions:

- Should the NEO test include the Northern Territory electricity systems? For this rule change request, the Commission has determined that the reference to the “national electricity system” in the NEO includes the local electricity systems in the Northern Territory.
- Should the rule be different in the Northern Territory? The Commission has determined that a uniform rule should apply to the Northern Territory.

See appendix B for more detail on the legal requirements for the decision.

2.3 How we have applied the legal framework to our decision

The Commission must consider how to incentivise TNSPs to undertake more and earlier planning activities against the legal framework.

We identified the following criteria to assess whether the proposed rule change, no change to the rules (business-as-usual), or other viable, rule-based options are likely to better contribute to achieving the NEO:

- **Outcomes for consumers:** Does the draft rule improve planning for actionable ISP projects to ensure the best outcomes for consumers - in terms of mitigating the risk for project delays and later cost increases for consumers?
- **Principles of good regulatory practice:** Does the draft rule promote simplicity of cost recovery arrangements and better information and transparency on what planning activities are beneficial and efficient to undertake? And does it effectively complement other reforms underway?
- **Emissions reduction:** Does the draft rule support emissions reduction through more timely delivery of the transmission infrastructure required to facilitate increased grid connection of renewable energy?

These assessment criteria reflect the key potential impacts – costs and benefits – of the rule change request, for impacts within the scope of the NEO.

The rest of this section explains why the draft rule best promotes the long-term interest of consumers when compared to other options and assessed against the criteria.

2.3.1 Bringing early works forward improves outcomes for consumers by mitigating the risk of greater costs to consumers in the future.

The Commission’s draft rule would improve cost recovery certainty for efficient and earlier planning activities. Undertaking more planning activities, earlier in the process would enable TNSPs to develop options for transmission investment that more accurately reflect social, cultural, heritage and environmental impacts.

This would mitigate the risk of later project cost increases and delays because of later consideration of these factors. Bringing these activities forward could also mitigate the risk of additional costs to consumers due to supply chain delays and labour supply issues by enabling TNSPs to secure long lead time items earlier in the planning process.

We consider that, on balance, incurring greater costs of planning earlier in the process will significantly benefit consumers by avoiding greater costs to consumers in the future due to project delays and later consideration of key impacting factors.

2.3.2 **Simplicity of cost recovery arrangements and providing better information and transparency on what planning activities are beneficial and efficient to undertake**

Our draft rule provides a simple process for cost recovery for early works by allowing TNSPs to submit an early works CPA prior to completion of the RIT-T and without requiring AEMO to undertake a feedback loop assessment.

It further provides better information and improved transparency for stakeholders, assisting TNSPs with preparing and the AER with assessing an early works CPA. It does this by:

- Introducing a NER definition of early works to guide the AER's assessment of costs in an early works CPA, provide cost recovery certainty for TNSPs and protect consumers from inefficient expenditure³⁰ (see section 3.2.1 for further detail on this aspect of the draft rule).
- Embedding a set of principles into the NER that the AER must have regard to when assessing whether to approve the costs of early works, to address the potential risks for consumers if a TNSP undertakes early works prior to completing a RIT-T³¹ (see section 3.2.2 for further detail on this aspect of the draft rule).
- Clarifying in the NER that AEMO, in the ISP, can specify examples of early works (and preparatory activities) for actionable ISP projects to assist TNSPs with preparing an early works CPA, and the AER when assessing the early works costs in an early works CPA (see section 3.3.1 for further detail on this aspect of the draft rule).³²

Through these features, the draft rule strikes a balance between the need for prescription and flexibility for TNSPs to improve investment certainty and enable them to manage project timeframes and costs. This will assist in timely investment decisions being made for major transmission projects.

Additionally, our draft rule, proposes a two year delay of the AEMC's ISP review.³³ A delay would create alignment with other reforms from the TPIR work program³⁴ and more broadly with the outcomes of the ECMC 'supercharged' ISP Review. Given the wide-scale change to the economic assessment process underway, a delay allows the AEMC to embed the current suite of rule changes and then assess in detail how the reforms have performed when considering further reform.

2.3.3 **Supporting emissions reduction through more timely delivery of actionable ISP projects**

The draft rule would support more timely delivery of the transmission infrastructure. Timely delivery of transmission is an essential enabler of economy-wide emissions reduction. More and earlier planning activities would reduce the risk of transmission delays, supporting timely connection of the additional wind and solar generation required for the transition to net zero.

³⁰ See definition of early works in chapter 10 of the draft rule.

³¹ Clause 6A.8.2 (d)(d1) of the draft rule.

³² Clause 5.22.6 of the draft rule.

³³ Clause 11.126.10 of the draft rule.

³⁴ Including the following AEMC rule changes to implement the TPIR recommendations: *Improving the workability of the feedback loop, Enhancing community engagement in transmission building, Introducing a targeted ex post review for ISP projects, Accommodating financeability in the regulatory framework and Sharing concessional finance benefits with consumers.*

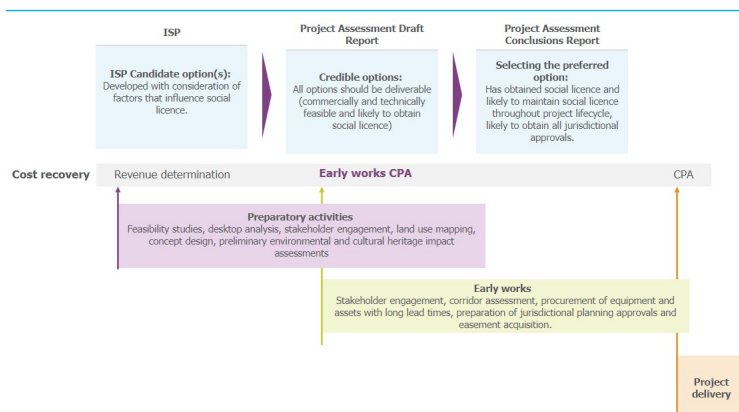
3 How the rule would operate

The Commission's draft determination would amend the regulatory framework to encourage TNSPs to efficiently undertake more planning activities earlier in the economic assessment process. The objective of the draft rule is to mitigate the risk of subsequent project cost increases and project delays due to later consideration of social, environmental, cultural and heritage impacts as well as supply chain delays and labour supply issues. The Commission's draft rule would:

- enable TNSPs to submit an early works CPA without needing to complete a RIT-T and pass AEMO's feedback loop assessment. This provides TNSPs with earlier cost recovery certainty and an incentive to undertake early works concurrently with the RIT-T process (section 3.1).
- introduce guidance for TNSPs' preparation and the AER's assessment of an early works CPA to protect consumers from inefficient expenditure by amending the NER to include:
 - a definition of early works (section 3.2.1).
 - principles that seeks to address the risks for consumers specifically associated with a TNSP undertaking early works concurrently with a RIT-T (section 3.2.2)
- clarify that AEMO may specify examples of early works and TNSPs must carry out preparatory activities (section 3.3)
 - AEMO can specify, in the ISP, examples of early works (and preparatory activities) (section 3.3.1)
 - In relation to preparatory activities, the draft rule clarifies that a TNSP must carry out preparatory activities for an actionable project, where these have not already commenced (section 3.3.2)
- allow for timely implementation with a commencement date of 29 August 2024 to allow the new arrangements to apply to all actionable ISP projects (section 3.4)
- delay the AEMC's ISP review by two years to enable alignment with the outcomes of the ECMC ISP Review and allow for other reforms recently completed or currently underway to embed (section 3.5).

Figure 3.1 illustrates how our early works draft determination could operate.

Figure 3.1: An example of early works occurring concurrently with the RIT-T



Source: AEMC

Note: This is an illustrative example of one possible outcome under the proposed process. In some circumstances, a TNSP may choose to submit an early works CPA directly after AEMO identifies a project as actionable in its ISP or a TNSP may choose to not submit an early works CPA at all. This is not an exhaustive list of preparatory and early works activities.

3.1 A TNSP could submit an early works CPA prior to completing the RIT-T

Draft recommendation 1: A TNSP could seek cost recovery for early works after the ISP identifies a project as actionable

Our draft determination would enable a TNSP to submit an early works CPA, for an actionable ISP project, without first having to complete a RIT-T and pass AEMO's feedback loop assessment.

We also clarify in our draft determination that a TNSP would have discretion not to bring early works/cost recovery forward. For example, for some projects a TNSP may determine that it is not beneficial or necessary to bring early works/cost recovery forward.

The Commission's draft determination is to enable a TNSP to submit an early works CPA, for an actionable ISP project, without having to complete a RIT-T and pass AEMO's feedback loop assessment.³⁵

This change would encourage TNSPs to commence early works concurrently with the RIT-T, by providing them with cost recovery certainty. Undertaking early works concurrently with the RIT-T would improve the information available to TNSPs during the identification and assessment of transmission investment options. This would mitigate the risk of later project cost increases and project delays that impact consumers because of earlier consideration of critical factors (such as social licence, environmental, cultural and heritage impacts). Bringing these activities forward could also mitigate the risk of additional costs to consumers due to supply chain delays and labour supply issues by enabling TNSPs to secure long lead time items earlier in the planning process. We consider that, on balance, incurring greater costs of planning earlier in the process will significantly benefit consumers by avoiding greater costs to consumers in the future.

Our draft rule clarifies that when preparing a RIT-T, feedback loop assessment and CPA (to recover the total project costs), a TNSP must reflect the costs approved in any prior early works CPA for the specific actionable ISP project to accurately reflect the total cost of the project.³⁶

Our draft rule also clarifies that the threshold for submitting an early works CPA: the CPA must exceed either \$30 million or 5% of the value of the maximum allowed revenue for the relevant TNSP for the first year of the relevant regulatory control period whichever is the larger amount.³⁷ This would ensure consistency with the existing requirements for a CPA more generally.

This aspect of our draft rule aligns with the following assessment criteria - outcomes for consumers and good regulatory practice - by supporting better outcomes for consumers through mitigating the risk of project delays and cost increased and ensuring consistency with existing regulatory arrangements as much as possible.

Under existing arrangements, a TNSP can only receive cost recovery certainty for early works after completing a RIT-T and passing AEMO's feedback loop assessments as these are preconditions to submit a CPA.³⁸ This may mean that TNSPs do not carry out early works concurrently with the RIT-T, when it would be most beneficial for the timely and efficient delivery of the ISP project.

Undertaking early works concurrently with the RIT-T would improve information available to TNSPs during the identification and assessment of transmission investment options, supporting the identification of the preferred option.

35 Clause 5.16A.7 of the draft rule.

36 Clauses 5.16A.7(d) & 6A.8.2(b)(10) of the draft rule.

37 Clause 6A.8.A1(b)(2) of the draft rule.

38 Clause 5.16A.5(a) & (b) of the NER.

In their submission to the TPIR Stage 3 draft report, AusNet Services noted that certainty in cost recovery for activities including corridor assessment and stakeholder engagement planning would help improve confidence in transmission planning activities and reduce the risk of project delays.³⁹

3.2 Guidance on early works to protect consumers from inefficient expenditure

Draft recommendation 2: Including a definition of early works and principles in the NER to guide the assessment of an early works CPA and protect consumers from inefficient expenditure

Our draft determination is to insert:

- a definition of ‘early works’ into chapter 10 the NER to guide TNSPs’ preparation and the AER’s assessment of an early works CPA.
- principles in the NER to protect consumers from inefficient expenditure and ensure optionality in the RIT-T if a TNSP undertakes early works concurrently with the RIT-T.

3.2.1 Our draft rule includes a definition of early works

The term early works is not defined in the National Electricity Rules (NER) but is referenced in several regulatory documents including the ISP, the AER’s *Cost Benefit Analysis (CBA) Guideline*⁴⁰ and the AER’s *Guidance Note on the Regulation of Actionable ISP Projects*.⁴¹ In their submission to the TPIR stage 2 draft report, Transgrid noted that the use of the terms ‘preparatory activities’ and ‘early works’ when related to ISP projects was confusing and suggested further clarification in the NER.⁴²

Our draft rule would introduce the following definition of early works in the NER to guide a TNSP’s preparation and the AER’s assessment of an early works CPA.⁴³

Early Works

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

- a) prior to 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*.

The draft rule definition would assist the AER in determining whether costs proposed in an early works CPA are for activities that improve the accuracy of cost estimates for that project or

³⁹ AusNet, submission to AEMC’s, *Transmission Planning and Investment Review: Stage 3 final report*, p. 11-12.

⁴⁰ See [AER CBA Guideline](#)

⁴¹ See [AER Guidance note on the Regulation of Actionable ISP Projects](#)

⁴² Transgrid submission AEMC’s *Transmission Planning and Investment Review stage 2 draft report*, p.3.

⁴³ See definition of early works under Chapter 10 of the draft rule.

facilitate delivery in line with the timeframes specified by the most recent ISP to ensure that any early works CPA decision is in the long term interests of consumers. This feature of our draft rule aligns with this rule change's *good regulatory practice* assessment criterion - by providing better information and improved transparency for stakeholders, thereby assisting TNSPs with preparing and the AER with assessing an early works CPA.

3.2.2 Our draft rule includes additional guidance in the NER to protect consumers

The Commission acknowledges stakeholder comments during the consultation on the AEMC's TPIR on the potential risks for consumers with bringing early works forward. The AER considers that bringing forward early works in terms of TNSPs undertaking early works concurrently with the RIT-T could potentially bias the assessment of options considered in the RIT-T or weaken the imperative for cost efficiency of these early works activities.⁴⁴ The AEMC's TPIR Stage 3 final report noted that the subsequent rule change process should further consider this issue related to undertaking early works concurrently with the RIT-T.⁴⁵ The Minister's rule change request asked the AEMC to consider the need for further guidance to mitigate the risks for consumers.⁴⁶

We consider it prudent to provide further guidance in the form of NER principles to aid the AER's assessment and a TNSP's preparation of an early works CPA.⁴⁷

We consider including principles in the rules to mitigate the risk for consumers is preferable compared to the alternative option of addressing this risk through AER guidelines, as this policy position aligns with:

- the AEMC's drafting philosophy by implementing a principles-based approach, which accounts for the unique design characteristics of different actionable ISP projects
- this rule change's assessment criterion of good regulatory practice, by improving transparency and predictability of the regulatory framework for stakeholders.

The proposed NER principles aim to address risks specifically associated with bringing early works forward (i.e. in the case of an early works CPA occurring before a TNSP completes a RIT-T). The draft rule requires the AER, when assessing an early works CPA, to have regard to the two proposed principles - both have to be met - to ensure it only approves a regulatory allowance for activities where the benefits to consumers outweigh the potential harms.

In assessing whether to approve the costs of early works for an actionable ISP project where that project has not been the subject of a completed regulatory investment test for transmission, the AER must have regard to whether the:

- a) early works are common to all ISP candidate options and any other options that would be identified in a regulatory investment test for transmission for the actionable ISP project; and*
- b) outcome of the early works activities can be sold or utilised to support other projects.*

⁴⁴ AER, submission to the Stage 3 final report, p. 3.

⁴⁵ See AEMC *Transmission Planning and Investment review: Stage 3 final report*, pp. 19-20.

⁴⁶ Rule change request, p. 5.

⁴⁷ We note that a TNSP could also choose to submit a CPA for recovering the costs for early works after it has completed a RIT-T. In this case, the proposed NER principles would not apply.

Mitigating the risk of restricting option comparison through early works unreasonably favouring one credible option or set of credible options over others

Principle (a) seeks to mitigate the risk of any early works activities included in an early works CPA restricting the comparison of options considered in the RIT-T by unreasonably favouring one (or a set of) credible option(s) over others. Where activities are common across options considered in the RIT-T (e.g. placing an order for a synchronous condenser if it is needed across all RIT-T options), then undertaking those early works activities is a 'no regrets' action, regardless of the RIT-T outcome.

The Commission's understanding is that during a RIT-T, credible options will always be network build and/or non-network options.⁴⁸ We consider that the proposed wording of the principles grants the AER with sufficient flexibility to approve costs for early works activities that are common across multiple options (including network non-network options), whilst not favouring one credible option over another.⁴⁹

Protecting consumers and ensuring they are not paying more than necessary

Principle (b) seeks to protect consumers by ensuring they are not paying more than necessary. To achieve this outcome, early works activities that a TNSP undertakes concurrently with a RIT-T must be of value to all options considered in the respective RIT-T (as per principle a) and must also have value for projects outside of the respective RIT-T so that the early works can be sold or utilised to support other projects (examples of such early works could be ordering equipment with long lead times, investigating the technical feasibility of a new non-network technology).

Question 1: Do the proposed principles adequately address the risks associated with submitting an early works CPA and undertaking early works prior to completing a RIT-T?

3.3 AEMO and the AER may specify examples of early works

Draft recommendation 3: Clarifying that AEMO can include examples of early works (and preparatory activities) in the ISP

Our draft determination is to clarify in the NER that AEMO, in the ISP, can provide specific examples of early works (and preparatory activities). This would assist:

- TNSPs in including efficient costs in their revenue proposal or early works CPA, and
- the AER when assessing the costs for early works and preparatory activities.

Any examples of early works that AEMO would include in its ISP would not represent an exhaustive list of early works activities nor obligate TNSPs to complete specific activities.

In relation to preparatory activities, the draft determination further clarifies that a TNSP must carry out preparatory activities for an actionable ISP project, where these have not already commenced.

To support our draft rule on early works, we consider it would be beneficial if the AER would update its *Guidance note on the regulation of actionable ISP projects* and provide further examples of early

⁴⁸ A no-build outcome is always possible from a RIT-T but is not defined as an 'option'. This is because the NER requires a preferred option to show a positive net benefit. Therefore, we consider that in assessing an early works CPA, the AER will only need to consider network build and/or non-network options and may disregard the no-build option.

⁴⁹ Clauses 6A.8.2(d) and (d1) of the draft rule.

works to assist TNSPs with preparing an early works CPA.

3.3.1 AEMO can include examples of early works (and preparatory activities) in the ISP

The ISP also currently includes examples of early works that a TNSP may undertake for an ISP staged project. Our draft rule clarifies that the ISP may specify early works for all actionable ISP projects.⁵⁰

We consider AEMO providing examples of beneficial early works for a specific actionable ISP project would assist TNSPs when preparing their early works CPA. However, we note that any early works activities specified in the ISP would only provide guidance to a TNSP - a TNSP may choose to undertake other activities or no activities at all.

With regard to preparatory activities, our draft rule clarifies that the ISP may specify the preparatory activities that must be carried out for a future ISP project.⁵¹ These are activities that investigate the costs and benefits of projects that would likely be needed in the future but have not been deemed actionable by the ISP. In their submission to the TPIR stage 2 draft report, ENA noted that it would be desirable for AEMO in the ISP to provide clarity on what implementation-related planning activities it considers should be progressed.⁵² The Commission's draft rule further clarifies that a TNSP must carry out preparatory activities for actionable ISP projects, that the TNSP considers beneficial, where these activities have not already commenced.⁵³ Our draft rule thereby clarifies that TNSPs must carry out preparatory activities for actionable ISP projects regardless of whether these activities are specified in the ISP or not.

Clarifying in the NER that AEMO, in the ISP, can provide specific examples of early works and preparatory activities for an actionable ISP project aligns with our assessment criterion of good regulatory practice - by promoting predictability and stability in the regulatory framework for TNSPs and the AER alike. AEMO specifying beneficial early works would assist TNSPs when preparing a CPA to recover the costs for early works and the AER when assessing a TNSP's early works CPA.

3.3.2 The AER may provide examples of early works in its *Guidance note on the regulation of actionable ISP projects*

The AER's *Guidance note on the regulation of actionable ISP projects* outlines the expectations of what TNSPs should demonstrate to aid the AER in its assessment of a CPA.⁵⁴ It provides information on how the AER will approach the regulatory assessment for actionable ISP projects under the economic regulatory framework set out in the NER.

The Commission considers it would be beneficial if the AER would update its guidance note to reflect the proposed changes to the regulatory framework. We further consider it would be beneficial to include examples of early works in the AER guidance note to assist TNSPs when preparing an early works CPA.

⁵⁰ Clause 5.22.6(6)(vii) of the draft rule.

⁵¹ Clause 5.22.6(c) of the draft rule.

⁵² ENA, Submission to AEMCs, *Transmission Planning and Investment Review, Stage 2 draft report*, p.3.

⁵³ Clause 5.22.6(d) of the draft rule.

⁵⁴ [AER Guidance note on actionable ISP projects](#)

3.4 The new arrangements would apply to all actionable projects in the 2024 ISP

Draft recommendation 4: The rule would commence on 29 August 2024 to ensure the framework can be used for actionable ISP projects in the 2024 ISP

Our draft determination is for the rule to commence on 29 August 2024. This would ensure any TNSP with an actionable ISP project yet to complete a RIT-T and feedback loop can apply for an early works CPA.

The intent of this rule change is to encourage TNSPs to efficiently undertake more planning activities earlier in the economic assessment process to mitigate the risk of later project cost increases and project delays. The Commission considers that for the rule to effectively do this, it should commence shortly after publication of the final determination to allow for a TNSP to use the new framework for any ISP project that is actionable in the 2024 ISP.

3.5 Delaying the AEMC's ISP review by two years

Draft recommendation 5: Delaying the AEMC's ISP review by two years would ensure alignment with recently completed and ongoing reforms

Our draft determination is to delay the AEMC's ISP review by two years, which would see its completion by 1 July 2027.

Our draft determination is to delay the AEMC's ISP review by two years (currently due to be completed by 1 July 2025 under the NER).⁵⁵

In identifying further reform opportunities to improve the economic assessment process during the TPIR process, the Commission engaged extensively with the market bodies, network businesses, the jurisdictional reference group, the consumer reference group and other stakeholders. This process uncovered a range of issues and considerations for further design development to be undertaken during the AEMC's ISP review.

We consider a delay to this review would enable better alignment with the outcomes of the ECMC ISP Review and allow for the suite of TPIR rule changes to the economic assessment process to settle, including:

- *Bringing early works forward to improve transmission planning* - This rule change would amend the regulatory framework to encourage TNSPs to efficiently undertake more planning activities earlier in the economic assessment process.
- *Enhancing community engagement in transmission building* - The Commission's final rule amended the NER to improve social licence for transmission through enhancing engagement with local communities.
- *Improving the workability of the feedback loop* - The Commission's final rule amended the NER to ensure the feedback loop process is workable and fit for purpose, while also providing a clear and consistent regulatory framework to efficiently deliver ISP projects.

⁵⁵ Clause 11.126.10 of the NER.

- *Managing ISP project uncertainty through targeted ex-post reviews* - This rule change would enable the AER to specifically review potential capex overspend on ISP projects, while also providing a clear and consistent regulatory framework that supports the efficient delivery of transmission projects.
- *Accommodating financeability in the regulatory framework* - The Commission's final rule amended the NER by improving the ability of TNSPs to efficiently access finance, where needed, to deliver actionable ISP projects in a timely and efficient way.
- *Sharing concessional finance benefits with consumers* - The Commission's final rule amended the NER to enable the benefits of concessional finance provided to transmission and distribution network service providers (NSPs) to be shared with consumers in the form of lower network tariffs.

Given the wide-scale change to the economic assessment process underway, a two-year delay would allow the AEMC to embed the current suite of rule changes and then assess in detail how the reforms have performed when considering further reform.

In making the draft rule, the Commission has also considered other options to the proposed two-year delay, including extending the timeframe by which we are required to complete a review of the ISP framework or providing the AEMC with increased flexibility to consider the need for an AEMC ISP review in the context of the ongoing reform of the ISP framework (see for further detail on this section 1.3). We are interested in stakeholders' views on this aspect of the draft rule.

Question 2: Do stakeholders agree with delaying the AEMC ISP review by two years, which would mean the AEMC has to complete its ISP review by 1 July 2027? Or do stakeholders prefer an alternative to the two year delay? If so, why?

A Rule making process

A fast track rule change request includes the following stages:

- a proponent submits a rule change request
- the Commission initiates the rule change process by publishing a notice which communicates the Commission's decision to fast track the rule change
- the Commission publishes a draft determination and draft rule (if relevant)
 - stakeholders lodge submissions on the draft determination and engage through other channels to make their views known to the AEMC project team
- the Commission publishes a final determination and final rule (if relevant).

You can find more information on the rule change process on our website.⁵⁶

A.1 The rule change request proposes a rule to improve the economic assessment process for actionable ISP projects

The proposal seeks to implement the TPIR stage 3 recommendations to improve the economic assessment process for actionable ISP projects by incentivising a TNSP to undertake early works earlier in the planning process, leading to better upfront planning and outcomes for consumers whilst increasing the pace of transmission delivery. It also seeks to delay the AEMC's ISP review to allow time to embed the current suite of rule changes and then assess in detail how the reforms have performed.

A.2 The proposal seeks to support timely and efficient delivery of major projects and improve outcomes for consumers

The proposal outlines that the NER does not provide the required certainty for TNSPs to conduct early works earlier in the planning process and fails to appropriately balance the need for both timeliness and rigour. It highlights that under current arrangements TNSPs do not carry out early works when it would be most beneficial for the timely and efficient delivery of the ISP project - concurrently with the RIT-T - contributing to the risk of project delays and cost increases that are ultimately worn by consumers.

A.3 The proposal improves cost recovery certainty for early works

The proposal suggests amendments to the NER that provide TNSPs with greater cost recovery certainty for early works by:

- Enabling TNSPs to submit a separate early works specific CPA to the AER without needing to first complete a RIT-T and AEMO's feedback loop assessment.
- Introducing in the NER a definition of early works to guide the AER's assessment of an early works CPA, provide cost recovery certainty for TNSPs, and protect consumers from inefficient expenditure.
- Clarifying in the NER that AEMO, in the ISP, can specify examples of early works and preparatory activities for actionable ISP projects.

⁵⁶ See our website for more information on the rule change process: <https://www.aemc.gov.au/our-work/changing-energy-rules>

A.4 The process to date

FAST TRACK PROCESS

On 9 May 2024, the Commission published a notice advising of its intention to initiate the rule making process in respect of the rule change request.⁵⁷ The Commission decided to fast-track this rule change request. This is because it concluded that the rule change request is consistent with the relevant recommendation of the TPIR Stage 3 Final Report and adequate consultation with the public was undertaken during that review on the relevant recommendation.⁵⁸

Accordingly, the Commission did not publish a consultation paper upon initiation of the rule change process and there has been no formal consultation carried out in this rule change process to date.

⁵⁷ This notice was published under section 95 of the NEL.

⁵⁸ The decision to fast-track the rule change request was made under section 96A(1)(b) of the NEL.

B Legal requirements to make a rule

This appendix sets out the relevant legal requirements under the NEL for the Commission to make a draft rule determination.

B.1 Draft rule determination and draft rule

In accordance with section 99 of the NEL, the Commission has made this draft rule determination for a more preferable draft rule in relation to the rule proposed by the proponent.

The Commission's reasons for making this draft rule determination are set out in chapter 2.

A copy of the more preferable draft rule is attached to and published with this draft determination. Its key features are described in chapter 3.

B.2 Power to make the rule

The Commission is satisfied that the more preferable draft rule falls within the subject matter about which the Commission may make rules.

The more preferable draft rule falls within section 34 of the NEL as it relates to the activities of persons (including Registered participants) participating in the national electricity market under section 34(1)(a)(iii) of the NEL. Additionally, the more preferable draft rule falls within the matters set out in Schedule 1 to the NEL as it relates to items 15 and 17 because the draft rule relates to: the regulation of revenues by transmission network services providers; and principles to be applied by the AER in exercising or performing an AER economic regulatory function or power relating to the making of a transmission determination.

B.3 Commission's considerations

In assessing the rule change request the Commission considered:

- its powers under the NEL to make the draft rule
- the rule change request
- stakeholder input received as part of consultation undertaken by the TPIR
- the Commission's analysis as to the ways in which the draft rule will or is likely to contribute to the achievement of the NEO
- the application of the draft rule to the Northern Territory
- the revenue and pricing principles

There is no relevant Ministerial Council on Energy (MCE) statement of policy principles for this rule change request.⁵⁹

The Commission may only make a rule that has effect with respect to an adoptive jurisdiction if satisfied that the proposed rule is compatible with the proper performance of AEMO's declared network functions.⁶⁰ The more preferable draft electricity rule is compatible with AEMO's declared network functions because they would not affect those functions.

⁵⁹ Under s. 33 of the NEL and s. 73 of the NGL the AEMC must have regard to any relevant MCE statement of policy principles in making a rule. The MCE is referenced in the AEMC's governing legislation and is a legally enduring body comprising the Federal, State and Territory Ministers responsible for energy. On 1 July 2011, the MCE was amalgamated with the Ministerial Council on Mineral and Petroleum Resources. In December 2013, it became known as the Council of Australian Government (COAG) Energy Council. In May 2020, the Energy National Cabinet Reform Committee and the Energy Ministers' Meeting were established to replace the former COAG Energy Council.

⁶⁰ Section 91(8) of the NEL.

B.4 Making electricity rules in the Northern Territory

The NER, as amended from time to time, apply in the Northern Territory, subject to modifications set out in regulations made under the Northern Territory legislation adopting the NEL.⁶¹ Under those regulations, only certain parts of the NER have been adopted in the Northern Territory.

As the more preferable draft rule relates to parts of the NER that apply in the Northern Territory, the Commission is required to assess Northern Territory application issues, described below.

Test for scope of “national electricity system” in the NEO

Under the NT Act, the Commission must regard the reference in the NEO to the “national electricity system” as a reference to whichever of the following the Commission considers appropriate in the circumstances having regard to the nature, scope or operation of the proposed rule.⁶²

1. the national electricity system
2. one or more, or all, of the local electricity systems⁶³
3. all of the electricity systems referred to above.

Test for differential rule

Under the NT Act, the Commission may make a differential rule if it is satisfied that, having regard to any relevant MCE statement of policy principles, a differential rule will, or is likely to, better contribute to the achievement of the NEO than a uniform rule.⁶⁴ A differential rule is a rule that:

- varies in its term as between:
 - the national electricity systems, and
 - one or more, or all, of the local electricity systems, or
- does not have effect with respect to one or more of those systems

but is not a jurisdictional derogation, participant derogation or rule that has effect with respect to an adoptive jurisdiction for the purpose of s. 91(8) of the NEL.

A uniform rule is a rule that does not vary in its terms between the national electricity system and one or more, or all, of the local electricity systems, and has effect with respect to all of those systems.⁶⁵

The Commission’s draft determination in relation to the meaning of the “national electricity system” and whether to make a uniform or differential rule are set out in chapter 2.

B.5 Civil penalty provisions and conduct provisions

The Commission cannot create new civil penalty provisions or conduct provisions. However, it may recommend to the Energy Ministers’ Meeting that new or existing provisions of the NER be classified as civil penalty provisions or conduct provisions.

The more preferable draft rule does not amend any clauses that are currently classified as civil penalty provisions or conduct provisions under the National Electricity (South Australia) Regulations.

61 These regulations under the NT Act are the National Electricity (Northern Territory) (National Uniform Legislation) (Modifications) Regulations 2016

62 Clause 14A of Schedule 1 to the NT Act, inserting section 88(2a) into the NEL as it applies in the Northern Territory.

63 These are specified Northern Territory systems, listed in schedule 2 of the NT Act.

64 Clause 14B of Schedule 1 to the NT Act, inserting section 88AA into the NEL as it applies in the Northern Territory.

65 Clause 14 of Schedule 1 to the NT Act, inserting the definitions of “differential Rule” and “uniform Rule” into section 87 of the NEL as it applies in the Northern Territory.

Abbreviations and defined terms

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
Commission	See AEMC
CPA	Contingent Project Application
ECMC	Energy and Climate Ministerial Council
ISP	Integrated System Plan
NEL	National Electricity Law
NEO	National Electricity Objective
NER	National Electricity Rules
NERL	National Energy Retail Law
NERO	National Energy Retail Objective
NERR	National Energy Retail Rules
NGL	National Gas Law
NGO	National Gas Objective
NGR	National Gas Rules
NT Act	<i>National Electricity (Northern Territory) (National Uniform Legislation) Act 2015</i>
Proponent	The individual / organisation who submitted the rule change request to the Commission
RIT-T	Regulatory Investment Test for Transmission
TNSP	Transmission Network Service Provider