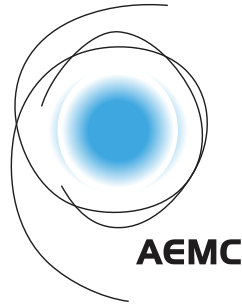


The **National Electricity Amendment (Minor changes 1) Rule 2025 No 7** has amended Schedule 1, Item 10 of the National Electricity Amendment (Providing flexibility in the allocation of interconnector costs) Rule 2024 No. 18. The amendment is to omit “(3)” and substitute “(c)”.



## **National Electricity Amendment (Providing flexibility in the allocation of interconnector costs) Rule 2024 No.18**

The Australian Energy Market Commission makes the following Rule under the National Electricity Law to the extent applied by:

- (a) the *National Electricity (South Australia) Act 1996* of South Australia;
- (b) the *Electricity (National Scheme) Act 1997* of the Australian Capital Territory;
- (c) the *Electricity - National Scheme (Queensland) Act 1997* of Queensland;
- (d) the *National Electricity (New South Wales) Act 1997* of New South Wales;
- (e) the *Electricity - National Scheme (Tasmania) Act 1999* of Tasmania;
- (f) the *National Electricity (Victoria) Act 2005* of Victoria;
- (g) the *National Electricity (Northern Territory) (National Uniform Legislation) Act 2015* of the Northern Territory; and
- (h) the *Australian Energy Market Act 2004* of the Commonwealth.

Anna Collyer  
Chairperson  
Australian Energy Market Commission

## **National Electricity Amendment (Providing flexibility in the allocation of interconnector costs) Rule 2024 No.18**

### **1 Title of Rule**

This Rule is the *National Electricity Amendment (Providing flexibility in the allocation of interconnector costs) Rule 2024 No.18*.

### **2 Commencement**

Schedules 1 and 2 of this Rule commence operation on 3 July 2025.

Schedule 3 of this Rule commences operation on 10 October 2024.

### **3 Amendment to the National Electricity Rules**

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

### **4 Amendment to the National Electricity Rules**

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

### **5 Savings and Transitional Amendment to the National Electricity Rules**

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

## **Schedule 1      Amendment to the National Electricity Rules**

(Clause 3)

### **[1] Clause 6A.1.1      Economic regulation of transmission services generally**

Omit clause 6A.1.1(c) and substitute:

- (c) Part D of this Chapter 6A deals with Intending TNSPs;

### **[2] Clause 6A.10.1      Submission of proposal, pricing methodology and information**

In clause 6A.10.1(f)(2), omit "pricing methodology" and substitute "*pricing methodology*".

### **[3] Clause 6A.10.1      Submission of proposal, pricing methodology and information**

After clause 6A.10.1(i), insert:

- (j) If the *Transmission Network Service Provider* has been given an *interconnector cost allocation agreement* in which it is named as the *Transmission Network Service Provider* for the *specified interconnector* under the agreement, the proposed *pricing methodology* must be accompanied by a copy of the relevant *interconnector cost allocation agreement*.

### **[4] Clause 6A.11.1      Preliminary examination and determination of non-compliance with relevant requirements**

Omit clause 6A.11.1(a)(7) and substitute:

- (7) if applicable, the implementation criteria for *interconnector cost allocation agreements* in clause 6A.29.4(b);

### **[5] Clause 6A.14.3      Circumstances in which matters must be approved or rejected**

After clause 6A.14.3(f), insert:

- (f1) The *AER* must not approve a proposed *pricing methodology* for the *Transmission Network Service Provider* for a *specified interconnector* under an *interconnector cost allocation agreement* unless the *AER* is satisfied that the *interconnector cost allocation agreement* satisfies all the implementation criteria in clause 6A.29.4(b).

**[6] Rule 6A.15                    Revocation of revenue determination or amendment of pricing methodology for wrong information or error**

In the heading of rule 6A.15, omit "for wrong information or error".

**[7] Rule 6A.15                    Revocation of revenue determination or amendment of pricing methodology**

In rule 6A.15, before paragraph (a), insert a new clause heading:

**6A.15.1    Where there is wrong information or error**

**[8] Clause 6A.15.1    Where there is wrong information or error**

In clause 6A.15.1(f), omit "rule 6A.15" and substitute "clause 6A.15.1".

**[9] Rule 6A.15                    Revocation of revenue determination or amendment of pricing methodology**

After clause 6A.15.1, insert:

**6A.15.2    Where an interconnector cost allocation agreement is made or amended**

- (a) The *AER* may on the application of a *Transmission Network Service Provider* approve an amendment to an existing *pricing methodology* of the *Transmission Network Service Provider* during a *regulatory control period* if:
  - (1) an *interconnector cost allocation agreement* is made or amended; and
  - (2) the applicant is the *Transmission Network Service Provider* for the *specified interconnector* under the *interconnector cost allocation agreement* or a *Co-ordinating Network Service Provider* responsible for allocating an *interconnector transfer amount* under the agreement; and
  - (3) the *AER* receives the application at least 9 months before the start of:
    - (i) for a new *interconnector cost allocation agreement*, the *first implementation year*; or
    - (ii) for an amended *interconnector cost allocation agreement*, the *first implementation year* that the amendment will take effect; and
  - (4) the application is accompanied by a copy of the *interconnector cost allocation agreement* (where applicable, as amended).

- (b) The *AER* must promptly notify the applicant if it considers that:
  - (1) the proposed amended *pricing methodology* does not comply with the requirements for a *pricing methodology* under this Chapter 6A; or
  - (2) the *interconnector cost allocation agreement* does not satisfy the implementation criteria in clause 6A.29.4(b).
- (c) The *AER* must publish an application under paragraph (a) and the new or amended *interconnector cost allocation agreement* the subject of the application.
- (d) The *AER* must not approve an amendment to a *pricing methodology* under paragraph (a) unless:
  - (1) the *AER* is satisfied that the *interconnector cost allocation agreement* satisfies all the implementation criteria in clause 6A.29.4(b); and
  - (2) the amended *pricing methodology*:
    - (i) continues to comply with the requirements for a *pricing methodology* under this Chapter 6A; and
    - (ii) only varies from the existing *pricing methodology* to the extent necessary, having regard to the provisions in Part J relating to *interconnector cost allocation agreements*.
- (e) Before it approves an amendment to a *pricing methodology* under this clause, the *AER* must consult with the other *Transmission Network Service Providers* responsible for implementing the *interconnector cost allocation agreement* and may, in its discretion, consult with such other persons as it considers appropriate.

**[10] Clause 6A.22.1 Aggregate annual revenue requirement (AARR)**

Omit clause 6A.22.1(3) and substitute:

- (3) [Deleted].

**[11] Clause 6A.22.2 Annual service revenue requirement (ASRR)**

Omit clause 6A.22.2 and substitute:

For the purposes of this Part J, the *annual service revenue requirement (ASRR)* for a *category of prescribed transmission services* is calculated by:

- (a) allocating the *AARR* or the *total regional AARR* (as applicable) to each *category of prescribed transmission services* in accordance with the

applicable *attributable cost share* for that *category of prescribed transmission services* calculated under clause 6A.22.3; and

- (b) applying the principles in clause 6A.23.2.

## **[12] Clause 6A.22.3 Meaning of attributable cost share**

Omit clause 6A.22.3(b) and insert:

- (b) For a *Co-ordinating Network Service Provider* allocating the *total regional AARR* to each *category of prescribed transmission services* in a *region*, the *attributable cost share* for that *category of prescribed transmission services* must, subject to any adjustment required or approved under this Part, substantially reflect the ratio of:
- (1) the costs of the *transmission system* assets directly attributable to the provision of that *category of prescribed transmission services* in the *region*; to
  - (2) the total costs of all *Transmission Network Service Providers' transmission systems* and any other *transmission system* assets directly attributable to the provision of *prescribed transmission services* in the *region*.
- (c) Where, as a result of paragraph (a) or (b), any costs of a *transmission system* asset would be attributable to more than one *category of prescribed transmission services*, that *attributable cost share* is to be adjusted and applied such that any costs of a *transmission system* asset that would otherwise be attributed to the provision of more than one *category of prescribed transmission services* is allocated as follows:
- (1) to the provision of *prescribed TUOS services*, but only to the extent of the *stand-alone amount* for that *category of prescribed transmission services*;
  - (2) if any portion of the costs of a *transmission system* asset is not allocated to *prescribed TUOS services* under subparagraph (1), that portion is to be allocated to *prescribed common transmission services*, but only to the extent of the *stand-alone amount* for that *category of prescribed transmission services*;
  - (3) if any portion of the costs of a *transmission system* asset is not attributed to a *category of prescribed transmission services* under subparagraph (1) or (2), that portion is to be attributed to *prescribed entry services* and/or *prescribed exit services*.
- (d) The costs of the *transmission system* assets referred to in paragraphs (a), (b) and (c) refers to optimised replacement cost or to an accepted equivalent to optimised replacement cost that is referable to values contained in the accounts of the relevant *Transmission Network Service Provider*.

- (e) To avoid doubt, the *attributable cost share* for a *category of prescribed transmission services* in a *region* is calculated without regard to whether the *total regional AARR* is affected by an *interconnector transfer amount* (whether added under clause 6A.22.5(d) or deducted under clause 6A.29.1A(b)), and accordingly the *attributable cost share* for a *category of prescribed transmission services* in a *region* will be the same as it would have been had the *total regional AARR* for the *region* not been affected by an *interconnector transfer amount*.

### **[13] Clause 6A.22.5 Meaning of total regional AARR**

After clause 6A.22.4, insert:

#### **6A.22.5 Meaning of total regional AARR**

The *total regional AARR* for a *region* is the sum of the following amounts:

- (a) the *AARR* of the *Co-ordinating Network Service Provider* for the *region*;
- (b) for each other *Transmission Network Service Provider* providing *prescribed transmission services* within the *region*, the *AARR* for the *transmission system* assets which are used to provide those *prescribed transmission services* as notified to the *Co-ordinating Network Service Provider* for the *region* under clause 6A.29.1A(c);
- (c) any allocation of the *AARR* as agreed between *Co-ordinating Network Service Providers* as provided for in clause 6A.29.3; and
- (d) any *interconnector transfer amount* that the *Co-ordinating Network Service Provider* for the *region* is responsible for allocating as provided for in clause 6A.29.4.

### **[14] Clause 6A.23.2 Principles for the allocation of the aggregate annual revenue requirement**

Omit clause 6A.23.2 and substitute:

- (a) The *AARR* for *prescribed transmission services* provided by a *Transmission Network Service Provider*, and the *total regional AARR* for a *region*, are to be allocated in accordance with the principles in this clause.
- (a1) As applicable:
  - (1) the *AARR* for a *Transmission Network Service Provider* must be allocated to each *category of prescribed transmission services* it provides by multiplying its *AARR* by the *attributable cost share* calculated under clause 6A.22.3(a) for that *category of prescribed transmission services*; and



- (2) the *total regional AARR* for a *region* must be allocated to each *category of prescribed transmission services* in the *region* by multiplying the *total regional AARR* by the *attributable cost share* calculated under clause 6A.22.3(b) for that *category of prescribed transmission services*.
- (b) This allocation results in the *annual service revenue requirement (ASRR)* for that *category of prescribed transmission services* for the *Transmission Network Service Provider* or *region* (as applicable).
- (c) The allocation of the *AARR* must be such that:
  - (1) every portion of the *AARR* is allocated; and
  - (2) the same portion of the *AARR* is not allocated more than once.
- (c1) The allocation of the *total regional AARR* must be such that:
  - (1) every portion of the *total regional AARR* is allocated; and
  - (2) the same portion of the *total regional AARR* is not allocated more than once.
- (d) **[Deleted]**.
- (e) An *interconnector transfer amount* (if any) will affect the *total regional AARR* for a *region* by being added under clause 6A.22.5(d) or deducted under clause 6A.29.1A(b) (as applicable to the *region*) and consequently will be accounted for through the allocation of the *total regional AARR* to each *category of prescribed transmission services* in accordance with the principles in this clause.

### **[15] Clause 6A.23.3 Principles for the allocation of the annual service revenue requirement**

In the introductory paragraph of clause 6A.23.3, omit "of a *Transmission Network Service Provider*".

### **[16] Clause 6A.23.3 Principles for the allocation of the annual service revenue requirement**

In clause 6A.23.3, omit "*annual service revenue requirement*" wherever appearing and substitute "*ASRR*".

### **[17] Clause 6A.23.3 Principles for the allocation of the annual service revenue requirement**

Omit clause 6A.23.3(h) and substitute:

- (h) The *ASRR* for *prescribed common transmission services* is to be adjusted by adding:

- (1) the operating and maintenance costs incurred in the provision of those services;
- (2) expected *system security network support payments*; and
- (3) any adjustments under clause 6A.7.2 that relate to a reconciliation in a previous *regulatory year* of expected *system security network support payments* with actual *system security network support payments*,

in each case to the extent that the relevant cost, payment or allowance was subtracted from the *maximum allowed revenue* in accordance with clause 6A.22.1.

**[18] Clause 6A.23.3 Principles for the allocation of the annual service revenue requirement**

In clause 6A.23.3(h1)(2), omit "or".

**[19] Clause 6A.23.3A Annual system strength revenue and system strength revenue for a System Strength Service Provider**

In clause 6A.23.3A(b), omit "*annual service revenue requirement*" and substitute "*ASRR*".

**[20] Clause 6A.23.4 Principles for the recovery of the Annual Service Revenue Requirement as prices**

In the introductory paragraph of clause 6A.23.4, omit "*annual service revenue requirement*" and substitute "*ASRR*".

**[21] Clause 6A.24.1 Pricing methodologies generally**

In clause 6A.24.1, omit "*annual service revenue requirement*" wherever appearing and substitute "*ASRR*".

**[22] Clause 6A.24.1 Pricing methodologies generally**

In clause 6A.24.1, omit "*aggregate annual revenue requirement*" wherever appearing and substitute "*AARR*".

**[23] Clause 6A.24.1 Pricing methodologies generally**

Omit clause 6A.24.1(b1)(1) and substitute:

- (1) the allocations and related adjustments for that *region* as provided for in clause 6A.29.2(a)(1);

**[24] Clause 6A.24.1 Pricing methodologies generally**

After clause 6A.24.1(b1), insert:

- (b2) In addition to complying with any other requirements under this Chapter 6A, a *pricing methodology* must provide for the recovery from the appropriate *region of interconnector transfer amounts* in accordance with this Chapter through:
  - (1) in the case of the *pricing methodology* of the *Transmission Network Service Provider* for a *specified interconnector* under an *interconnector cost allocation agreement*, the adjustment required by clause 6A.29.1A(b); or
  - (2) in the case of the *pricing methodology* of a *Co-ordinating Network Service Provider* responsible for allocation of an *interconnector transfer amount*, the inclusion of the amount in the *total regional AARR*.

**[25] Clause 6A.24.2 Publication of pricing methodology and transmission network prices**

Omit clause 6A.24.2(b) and substitute:

- (b) if that *Transmission Network Service Provider* is also a *Co-ordinating Network Service Provider*, details of:
  - (1) all *modified load export charges* to apply for the following *financial year* in accordance with the *pricing methodology guidelines* by 15 February each year; and
  - (2) all *interconnector transfer amounts* to be allocated by the *Co-ordinating Network Service Provider* for the following *financial year* by 15 March each year;

**[26] Clause 6A.24.2 Publication of pricing methodology and transmission network prices**

In clause 6A.24.2(c), at the end of the paragraph, omit "and".

**[27] Clause 6A.24.2 Publication of pricing methodology and transmission network prices**

In clause 6A.24.2(d), omit "." at the end of the paragraph and substitute "; and".

**[28] Clause 6A.24.2 Publication of pricing methodology and transmission network prices**

After clause 6A.24.2(d), insert:

- (e) for the *Transmission Network Service Provider* for a *specified interconnector* under an *interconnector cost allocation agreement*:
  - (1) the current *interconnector cost allocation agreement*; and
  - (2) at the same time it publishes its prices under paragraph (c), the total of the *interconnector transfer amounts* to be allocated by a *Co-ordinating Network Service Provider* for the following *financial year* in respect of that *specified interconnector*.

**[29] Clause 6A.24.3 Basis for setting prices pending approval of pricing methodology**

Omit clause 6A.24.3(a)(1) and substitute:

- (1) a *Transmission Network Service Provider* has:
  - (i) submitted or resubmitted a proposed *pricing methodology* to the *AER* under clause 6A.10.1, 6A.11.2 or 6A.12.3; or
  - (ii) applied for an amendment to its *pricing methodology* under clause 6A.15.2(a);

**[30] Clause 6A.24.3 Basis for setting prices pending approval of pricing methodology**

In clause 6A.24.3(a)(2), after "rule 6A.13", insert "or clause 6A.15.2 (as applicable)".

**[31] Clause 6A.24.3 Basis for setting prices pending approval of pricing methodology**

In clause 6A.24.3(b), after "clause 6A.24.1(d)," omit "a" and substitute "where this clause applies, the".

**[32] Clause 6A.24.3 Basis for setting prices pending approval of pricing methodology**

After clause 6A.24.3(b), insert:

- (b1) Where this clause applies and the proposed *pricing methodology* is intended to give effect to an *interconnector cost allocation agreement* in relation to a *specified interconnector* of the *Transmission Network Service Provider*, the *interconnector transfer amount* for the purposes of these *Rules* for the first pricing year (including for the purpose of making any adjustment required under clause 6A.29.1A(b)) is taken to be:
  - (1) in the case where subparagraph (b)(1) applies, the amount determined in accordance with the *interconnector cost allocation agreement*; and

- (2) in the case where subparagraph (b)(2) or (b)(3) applies, the amount determined in accordance with the *interconnector cost allocation agreement* for the *financial year* preceding the first pricing year, which in the case of a new *interconnector cost allocation agreement*, will be zero.

**[33] Clause 6A.24.3 Basis for setting prices pending approval of pricing methodology**

In clause 6A.24.3(c)(1), omit "and" at the end of the paragraph.

**[34] Clause 6A.24.3 Basis for setting prices pending approval of pricing methodology**

In clause 6A.24.3(c)(2), omit "." at the end of the paragraph and substitute "; and".

**[35] Clause 6A.24.3 Basis for setting prices pending approval of pricing methodology**

After clause 6A.24.3(c)(2), insert:

- (3) where applicable, none of the *Co-ordinating Network Service Providers* under the applicable *interconnector cost allocation agreement* are required to adjust, reverse or recompense any amounts to *Transmission Network Users* or their customers in connection with charges for services established pursuant to this clause 6A.24.3.

**[36] Clause 6A.25.2 Contents of pricing methodology guidelines**

Omit clause 6A.25.2(g)(1) and substitute:

- (1) the allocations and related adjustments for that *region* as provided for in clause 6A.29.2(a)(1);

**[37] Clause 6A.29.1 Multiple Transmission Network Service Providers within a region**

Omit the heading of clause 6A.29.1 and substitute:

**6A.29.1 Co-ordinating Network Service Provider for a region**

**[38] Clause 6A.29.1 Co-ordinating Network Service Provider for a region**

Omit clause 6A.29.1 in its entirety, excluding the heading, and substitute:

- (a) Subject to paragraph (b), if *prescribed transmission services* within a *region* are provided by more than one *Transmission Network Service*

*Provider, the Transmission Network Service Providers within that region must appoint a Co-ordinating Network Service Provider for that region.*

- (b) *AEMO is the Co-ordinating Network Service Provider for a region that includes the whole or the major part of the declared shared network.*
- (c) *If prescribed transmission services within a region are provided by only one Transmission Network Service Provider, that Transmission Network Service Provider is the Co-ordinating Network Service Provider for the region for the purposes of this Chapter 6A and NTP function expenditure under rule 2.11 and must liaise with the Transmission Network Service Provider similarly responsible in any other interconnected regions.*

### **[39] New clause 6A.29.1A Provision of AARR values to a Co-ordinating Network Service Provider**

After clause 6A.29.1, insert:

#### **6A.29.1A Provision of AARR values to a Co-ordinating Network Service Provider**

- (a) *Each Transmission Network Service Provider must determine the AARR for its own transmission system assets which are used to provide prescribed transmission services within each region.*
- (b) *Where required by clause 6A.29.4(h), the Transmission Network Service Provider must deduct the relevant interconnector transfer amount from the AARR for a region calculated under paragraph (a).*
- (c) *Each Transmission Network Service Provider within a region (not being the Co-ordinating Network Service Provider for the region) must provide its calculation of its AARR for the region and other information reasonably requested by the Co-ordinating Network Service Provider for that region to enable the Co-ordinating Network Service Provider to properly perform its functions under this Part J.*

### **[40] Clause 6A.29.2 Single Transmission Network Service Providers within a region**

Omit the heading of clause 6A.29.2 and substitute:

## **6A.29.2 Responsibilities of the Co-ordinating Network Service Provider**

### **[41] Clause 6A.29.2 Responsibilities of the Co-ordinating Network Service Provider**

Omit clause 6A.29.2 in its entirety, excluding the heading, and substitute:

- (a) The *Co-ordinating Network Service Provider* for a *region* is responsible for:
  - (1) in accordance with rule 6A.23 and clause 6A.24.1, the allocation of the *total regional AARR* for its *region* to services and the allocation of the *ASRR* for services in the *region* to *connection points* and related adjustments;
  - (2) the calculation of *modified load export charges* and any adjustments to the charges in accordance with the *Rules* payable by *Co-ordinating Network Service Providers* in *interconnected regions*; and
  - (3) the allocation of *modified load export charges* and any adjustments to the charges in accordance with the *Rules* payable or receivable to or from *Co-ordinating Network Service Providers* in *interconnected regions* to each *Transmission Network Service Provider* within its *region*.
- (b) The *Co-ordinating Network Service Provider* is responsible for making the allocation and other adjustments referred to in paragraph (a), in accordance with its *pricing methodology*, in relation to *Transmission Network Users'* and *Transmission Network Service Providers' transmission network connection points* located within the *region* and any other *Transmission Network Service Provider* within the *region* is not required to address the matters specified in clause 6A.24.1(b)(1) when preparing its *pricing methodology*.
- (c) The *Co-ordinating Network Service Provider* must provide sufficient information to any other *Transmission Network Service Provider* within the *region* to enable that provider:
  - (1) to understand the basis for the allocation and related adjustments referred to in paragraph (a); and
  - (2) to prepare its *pricing methodology* and replicate the pricing allocation.

### **[42] Clause 6A.29.3 Allocation over several regions**

Omit clause 6A.29.3(a) and substitute:

- (a) The *Co-ordinating Network Service Provider* responsible for the allocation of the *AARR* within a *region* may agree with one or more



other *Co-ordinating Network Service Providers* for *interconnected regions* to undertake the allocations of *AARR* and related adjustments as one process over all of those *regions*.

### **[43] New clause 6A.29.4 Allocation in accordance with an interconnector cost allocation agreement**

After clause 6A.29.3, insert:

#### **6A.29.4 Allocation in accordance with an interconnector cost allocation agreement**

##### **Defined terms and implementation criteria**

(a) In this clause:

**relevant Minister**, for a *region*, means the *Minister* of a *participating jurisdiction* (other than the Commonwealth and the Australian Capital Territory) that is wholly or partly within the boundaries of that *region*.

**qualifying interconnector** means an *interconnector* that satisfies at least one of the following criteria:

- (1) as at 3 October 2024, the *network services* provided by means of the *interconnector* were *market network services*;
  - (2) as at 3 October 2024, construction of the *interconnector* had not commenced; or
  - (3) after 3 October 2024, construction commenced on a project to materially upgrade the rated *power transfer capability* of the *interconnector* and that material upgrade was the subject of an *actionable ISP project*.
- (b) The following requirements are the implementation criteria that must be satisfied by an *interconnector cost allocation agreement*:
- (1) the agreement must be expressed to be made for the purposes of this clause 6A.29.4;
  - (2) the agreement must identify the *interconnector* that it relates to (the ***specified interconnector***);
  - (3) the *specified interconnector* must be a qualifying interconnector;
  - (4) the services provided by means of the *specified interconnector* must not, at any time after the start of the first *implementation year*, be *market network services*;
  - (5) without limiting which *Minister* may be a party to the agreement, the parties to the agreement must include all the following *Ministers*:



- (i) each relevant Minister for each *region* that is *interconnected* by the *specified interconnector*; and
  - (ii) the relevant Minister for any other *region* whose *Co-ordinating Network Service Provider* will be responsible for allocating an *interconnector transfer amount* calculated under the agreement;
- (6) the agreement must be binding and executed as a deed and must not be subject to any unfulfilled conditions;
- (7) the agreement must specify all the following matters:
  - (i) the *transmission system* assets, if any, to which paragraph (g) applies;
  - (ii) the *Transmission Network Service Provider* for the *specified interconnector*;
  - (iii) each *Co-ordinating Network Service Provider* responsible for allocation of an *interconnector transfer amount* calculated under the agreement as part of the allocation of the *total regional AARR* for the *region*, as provided for in clause 6A.29.2(a)(1);
  - (iv) each *implementation year* applicable to the agreement; and
  - (v) the *interconnector transfer amount* to be allocated by each responsible *Co-ordinating Network Service Provider* in each *implementation year*, or the manner in which that amount is to be calculated;
- (8) a certified copy of the agreement must have been provided to the *Transmission Network Service Provider* and each responsible *Co-ordinating Network Service Provider*; and
- (9) where the *region* of a responsible *Co-ordinating Network Service Provider* contains the Australian Capital Territory, the agreement must contain a statement confirming that the *Minister* for the Australian Capital Territory has been consulted in relation to the agreement and, where applicable, any amendment to it.

### **Implementation of an interconnector cost allocation agreement**

- (c) The remaining paragraphs of this clause apply where the approved *pricing methodology* of the *Transmission Network Service Provider* for the *specified interconnector* under an *interconnector cost allocation agreement* provides for giving effect to the *interconnector cost allocation agreement* in accordance with the *Rules*.

- (d) For each *implementation year* of the *interconnector cost allocation agreement*, by 15 February in the prior *financial year*, the *Transmission Network Service Provider* for the *specified interconnector* must:
  - (1) determine, in accordance with the *interconnector cost allocation agreement*, the *interconnector transfer amount* that each *Co-ordinating Network Service Provider* is responsible for allocating as part of the *total regional AARR* for its *region* in accordance with clause 6A.29.2(a)(1); and
  - (2) notify those amounts to each responsible *Co-ordinating Network Service Provider*.
- (e) A *Transmission Network Service Provider* for a *specified interconnector* must promptly provide information reasonably requested by a responsible *Co-ordinating Network Service Provider* to enable the *Co-ordinating Network Service Provider* to properly perform its functions with respect to implementation of an *interconnector cost allocation agreement*.
- (f) For each *implementation year* of an *interconnector cost allocation agreement*, each *Co-ordinating Network Service Provider* under the agreement must pay the *interconnector transfer amount* that it was responsible for to the *Transmission Network Service Provider* for the *specified interconnector* in equal monthly instalments.

**Other adjustments to avoid double counting and other distortions**

- (g) For each *implementation year* of an *interconnector cost allocation agreement*, for the purposes of calculating *modified load export charges* payable to or by the *Co-ordinating Network Service Providers* for the *regions* that are *interconnected* by the *specified interconnector*, the optimised replacement cost of the *transmission system* assets specified in the relevant *interconnector cost allocation agreement* must be taken to be zero.
- (h) When calculating its *AARR* for a *region* in accordance with clause 6A.29.1A(a), a *Transmission Network Service Provider* for a *specified interconnector* must deduct from its *AARR* for the *region* the total of the *interconnector transfer amounts* for the relevant period notified under paragraph (d) to the *Co-ordinating Network Service Provider* of any other *region*.
- (i) If, in respect of any *financial year*, a *Co-ordinating Network Service Provider* is required to pay an amount to a *Transmission Network Service Provider* under paragraph (f), it is not also required to pay the same amount to that entity under any other provision of this Chapter 6A.

### **Amendments to pricing methodologies for new or amended interconnector cost allocation agreements**

- (j) The *Transmission Network Service Provider* for the *specified interconnector* under an *interconnector cost allocation agreement* must (in addition to complying with clause 6A.10.1(j) for future *regulatory control periods*) apply to the *AER* under clause 6A.15.2(a) for an amendment to its current *pricing methodology* where:
- (1) the parties provide the *interconnector cost allocation agreement*, or an amendment to the agreement, to the *Transmission Network Service Provider* within sufficient time to enable the application to be made; and
  - (2) an *implementation year* under the agreement, or affected by the amendment to the agreement, falls in the current *regulatory control period* of the *Transmission Network Service Provider*.
- (k) A *Co-ordinating Network Service Provider* responsible for allocation of *interconnector transfer amounts* under an *interconnector cost allocation agreement* must (in addition to complying with clause 6A.10.1(j) for future *regulatory control periods*) apply to the *AER* under clause 6A.15.2(a) for an amendment to its current *pricing methodology* where:
- (1) the parties provide the agreement, or an amendment to the agreement, to the *Co-ordinating Network Service Provider* within sufficient time to enable the application to be made;
  - (2) an *implementation year* under the agreement, or affected by the amendment to the agreement, falls in the current *regulatory control period* of the *Co-ordinating Network Service Provider*; and
  - (3) the *Co-ordinating Network Service Provider* requires an amendment to its current *pricing methodology* to perform its responsibilities with respect to *interconnector transfer amounts* under the agreement during its current *regulatory control period*.

### **[44] Clause 6A.29A.1 Single Transmission Network Service Provider in a Region**

Omit the heading of clause 6A.29A.1 and substitute:

**6A.29A.1 [Deleted]**

### **[45] Clause 6A.29A.1 Deleted**

Omit the content of clause 6A.29A.1.

**[46] Clause 6A.29A.2 Modified load export charges**

In clause 6A.29A.2(a)(1), omit "*annual service revenue requirement*" and substitute "*ASRR*".

**[47] Clause S6A.4.2 Exclusions, qualifications and modifications**

In clause S6A.4.2(c)(4)(i), omit "*aggregate annual revenue requirement*" and substitute "*AARR*".

**[48] Clause S6A.4.2 Exclusions, qualifications and modifications**

Omit clause S6A.4.2(f)(1.)(b)(1) and substitute:

- (1) must be designed to recover no more than the *total regional AARR* for a *region* for which *AEMO* is the *Co-ordinating Network Service Provider*, taking into account the modification to the definition of *total regional AARR* made by clause S6A.4.2(k)(1.); and

**[49] Clause S6A.4.2 Exclusions, qualifications and modifications**

In clause S6A.4.2(f)(9.), omit "for wrong information or error".

**[50] Clause S6A.4.2 Exclusions, qualifications and modifications**

Omit clause S6A.4.2(k)(1.) and substitute:

1. Rule 6A.22 (Terms used in Part J)

Clause 6A.22.5 applies in relation to a region for which *AEMO* is the *Co-ordinating Network Service Provider* as if the following paragraphs were substituted for paragraphs (a) and (b):

- (a) *AEMO's maximum allowed revenue* for the provision of *prescribed shared transmission services* in the *region*;
- (b) or each other *Transmission Network Service Provider* (other than a *declared transmission system operator*) providing *prescribed transmission services* within the *region*, the *AARR* for the *transmission system* assets which are used to provide those *prescribed transmission services* as notified to the *Co-ordinating Network Service Provider* for the *region* under clause 6A.29.1A(c);

1A. Rule 6A.23 (Pricing Principles for Prescribed Transmission Services)

Clause 6A.23.4 applies as if it included the following additional paragraph:

- (a) A *declared transmission system operator* is not required to develop separate prices for recovery of the *ASRR* referable to *shared network capability services*.

1B. Rule 6A.23 (Pricing Principles for Prescribed Transmission Services)

For clause 6A.23.5, the definition of *system strength charging period* in paragraph (b) is replaced with the following definition:

**system strength charging period** means, for a *System Strength Service Provider*, the period from the commencement of this definition until 30 June 2027 and each subsequent period of 5 years except that if a *pricing methodology* of the *System Strength Service Provider* commences at the start of any such period and is in effect for longer than 5 years, the subsequent period ends when that *pricing methodology* ends.

**[51] Clause S6A.4.2 Exclusions, qualifications and modifications**

Omit clause S6A.4.2(k)(5.) and substitute "[Deleted]".

**[52] Clause S6A.4.2 Exclusions, qualifications and modifications**

After clause S6A.4.2(k)(5.), insert:

6. Clause 6A.29.2 (Responsibilities of the Co-ordinating Network Service Provider)

Clause 6A.29.2(a) applies subject to clause 6A.29.2A as inserted by subparagraph (k)(7.).

7. Inserted clause 6A.29.2A (Allocation responsibilities in an adoptive jurisdiction)

Rule 6A.29 applies as if it included the following additional clause after clause 6A.29.2:

**6A.29.2A Allocation responsibilities in an adoptive jurisdiction**

- (a) In relation to the *declared transmission system* of an *adoptive jurisdiction*:

- (1) *AEMO* is responsible for allocating the *ASRR* for *prescribed TUOS services* and *prescribed common transmission services*; and
  - (2) the relevant *declared transmission system operator* is responsible for allocating the *ASRR* for *prescribed entry services* and *prescribed exit services*.
- (b) *A declared transmission system operator* must:
  - (1) allocate costs between *shared network capability services* and *prescribed connection services*; and
  - (2) notify *AEMO* of its allocation (and the basis on which it was made) in sufficient time to calculate prices for *AEMO's* next *regulatory year* in accordance with its *pricing methodology*; and
  - (3) provide *AEMO* (as and when requested by *AEMO*) with the information *AEMO* reasonably requires to allocate *ASRR* for *prescribed TUOS services* and *prescribed common transmission services*.

### **[53] Clause S6A.4.2 Exclusions, qualifications and modifications**

In clause S6A.4.2(o), after "modification", insert "except as provided for in clause 6A.29.4(g)".

## Schedule 2      Amendment to the National Electricity Rules

(Clause 4)

### [1] Chapter 10      Omitted definitions

In Chapter 10, omit the definition "*categories of prescribed transmission services*", including the title, and substitute:

#### *category of prescribed transmission services*

For the purposes of pricing for *prescribed transmission services*, each of:

- (a) *prescribed entry services*;
- (b) *prescribed exit services*;
- (c) *prescribed common transmission services*; and
- (d) *prescribed TUOS services*;

### [2] Chapter 10      New definitions

In Chapter 10, insert the following new definitions in alphabetical order:

#### *implementation year*

For an *interconnector cost allocation agreement*, a *financial year* for which a *Co-ordinating Network Service Provider* is to allocate an *interconnector transfer amount* in respect of the *specified interconnector* to which the agreement relates.

#### *interconnected*

In relation to adjacent *regions*, *connected* by means of an *interconnector*.

#### *interconnector cost allocation agreement*

An agreement between two or more *Ministers* which is expressed in the agreement to be made for the purposes of clause 6A.29.4.

#### *interconnector transfer amount*

An amount specified in, or calculated in accordance with, an *interconnector cost allocation agreement* in respect of an *implementation year* that a *Co-ordinating Network Service Provider* is responsible for allocating in accordance with clause 6A.29.2(a) as part of the *total regional AARR*.

#### *specified interconnector*

Has the meaning given in clause 6A.29.4(b)(2).

***total regional AARR***

Has the meaning given in clause 6A.22.5.

**[3] Chapter 10            Amended definitions**

In Chapter 10, omit and substitute the following definitions:

***Co-ordinating Network Service Provider***

A *Transmission Network Service Provider* that is appointed or designated as the *Co-ordinating Network Service Provider* for a *region* under clause 6A.29.1.

***regulated interconnector***

An *interconnector* that is:

- (a) referred to in clause 11.8.2 of the *Rules* and is subject to transmission service regulation and pricing arrangements in Chapter 6A; or
- (b) a *specified interconnector*.



## **Schedule 3        Savings and Transitional Amendment to the National Electricity Rules**

(Clause 5)

### **[1] New Rule 11.175 Rules consequential on the making of the National Electricity Amendment (Providing flexibility in the allocation of interconnector costs) Rule 2024 No.18**

In Chapter 11, after rule 11.174, insert:

#### **11.175 Rules consequential on the making of the National Electricity Amendment (Providing flexibility in the allocation of interconnector costs) Rule 2024 No. 18**

##### **11.175.1 Definitions**

In this rule 11.175:

**affected revenue methodology** means *AEMO's* revenue methodology made under clause S6A.4.2(c)(2) that applies to the *regulatory year* commencing 1 July 2025.

**Amending Rule** means the *National Electricity Amendment (Providing flexibility in the allocation of interconnector costs) Rule 2024 No.18*.

##### **11.175.2 Amendments to guidelines**

(a) By 3 July 2025, the *AER* must review and, where it considers it necessary or desirable, amend and *publish* the following guidelines to take into account the Amending Rule:

- (1) the *pricing methodology guidelines*;
- (2) the *information guidelines*.

(b) In amending the guidelines referred to in paragraph (a), the *AER* must comply with the *transmission consultation procedures*.

##### **11.175.3 Amendments to AEMO's affected revenue methodology**

- (a) *AEMO* may review and, where it considers it necessary or desirable, amend and publish its affected revenue methodology to take into account the Amending Rule.
- (b) Despite clause S6A.4.2(c)(3), *AEMO* is not required to consult with the public in making any amendments under paragraph (a).