



Draft National Electricity Amendment (Early application of a revised transmission Service Target Performance Incentive Scheme) Rule 2026

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

Draft National Electricity Amendment (Early application of a revised transmission Service Target Performance Incentive Scheme) Rule 2026

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Early application of a revised transmission Service Target Performance Incentive Scheme) Rule 2026*.

2 Commencement

Schedule 1 of this Rule commences operation on 21 May 2026.

Schedule 2 of this Rule commences operation on 21 May 2026.

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.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 6A.7.4 Service target performance incentive scheme

Omit clause 6A.7.4(f), clause 6A.7.4(g), and clause 6A.7.4(h).

[2] Clause 6A.7.4A Amendment or replacement of a service target performance incentive scheme

After clause 6A.7.4, insert:

6A.7.4A Amendment or replacement of a service target performance incentive scheme

Definitions

(a) In this clause:

early application arrangements means arrangements for the application of a new scheme, or any part of a new scheme, to a *Transmission Network Service Provider* before the new scheme would otherwise have applied.

new scheme means a *service target performance incentive scheme* that amends or replaces the current *service target performance scheme*.

old scheme means the *service target performance incentive scheme* amended or replaced by a new scheme.

The AER may make a new scheme

(b) The *AER*:

(1) may, in accordance with clause 6A.7.4 and the *transmission consultation procedures*, publish a new scheme; and

(2) may include early application arrangements in a new scheme.

(c) Without limiting paragraph (b), the early application arrangements in a new scheme may:

(1) require or permit:

(i) early application of components of a new scheme;

(ii) early termination of components of an old scheme;

(iii) amendment to the values that are attributed to the *performance incentive scheme parameters* under the old scheme;

(2) be different for different *Transmission Network Service Providers*;

- (3) leave matters to be determined after the new scheme is made, which may include the values that are to be attributed to new *performance incentive scheme parameters*;
- (4) specify a time by which a *Transmission Network Service Provider* must submit to the *AER* information or the proposed values that are to be attributed to *performance incentive scheme parameters*;
- (5) set out a process for the *AER* to approve or not approve the proposed values that are to be attributed to *performance incentive scheme parameters*.

Revocation and substitution of the revenue determination

- (d) The *AER* may *revoke* a *revenue determination* if:
 - (1) the *AER* has published a new scheme;
 - (2) the *revenue determination* is subject to an old scheme; and
 - (3) the *AER* is satisfied that it is necessary to revoke and substitute a *revenue determination* to implement the early application arrangement in the new scheme.
- (e) If the *AER* revokes a *revenue determination* under paragraph (d), the *AER* must make a new *revenue determination* in substitution for the revoked *revenue determination*, to apply for the remainder of the *regulatory control period* of the revoked *revenue determination*.
- (f) If the *AER* revokes and substitutes a *revenue determination* under this clause, the substituted *revenue determination* must only vary from the revoked *revenue determination* to the extent necessary to implement the early application arrangements in the new scheme as applied to the relevant *Transmission Network Service Provider*.
- (g) The *AER* may only revoke and substitute a *revenue determination* under this clause if the *AER* has first consulted with the relevant *Transmission Network Service Provider* and such other persons as the *AER* considers appropriate.
- (h) The *AER* must make its decision on revocation and substitution of a *revenue determination* within 40 *business days* from the later of:
 - (1) the date it published the new scheme;
 - (2) if required by a notice under paragraph (k), the date the relevant *Transmission Network Service Provider* provides its proposed values that are to be attributed to *performance incentive scheme parameters*; and
 - (3) the date the *AER* receives any information required by the *AER* in a notice under paragraph (k).

- (i) If the *AER* is satisfied that the revocation and substitution of a *revenue determination* under this clause involves issues of such complexity or difficulty that the 40 *business day* period in paragraph (h) should be extended, the *AER* may extend that period by a further period of up to 60 *business days*.
- (j) The *AER* must:
 - (1) give notice to the relevant *Transmission Network Service Provider* of an extension under paragraph (i) not later than 10 *business days* before the expiry of the 40 *business day* period under paragraph (h); and
 - (2) *publish* notice of that extension as soon as is reasonably practicable.

Information required for a substitute revenue determination

- (k) The *AER* may, by notice, require a *Transmission Network Service Provider* to provide to the *AER* within the time specified in the notice any information the *AER* requires for the purpose of making a substitute *revenue determination or proposed* values that are to be attributed to *performance incentive scheme parameters*.
- (l) A *Transmission Network Service Provider* must comply with a notice under paragraph (k).

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Part ZZZZZK Savings and Transitional Rules

11.[XXX] Rules consequential on the making of the National Electricity Amendment (Early application of a revised transmission Service Target Performance Incentive Scheme) Rule 2026

11.[XXX].1 Definitions

(a) In this rule 11.[XXX]:

Amending Rule means the *National Electricity Amendment (Early application of a revised transmission Service Target Performance Incentive Scheme) Rule 2026*.

AusNet means AusNet Transmission Group Pty Ltd ABN 78 079 798 173.

effective date means the date of commencement of Schedule 2 of the Amending Rule, being 21 May 2026.

ElectraNet means ElectraNet Pty Ltd ABN 41 094 482 416.

market impact component means the market impact component described in the old scheme.

Murraylink means Murraylink Transmission Company Pty Ltd ABN 42 089 875 605.

new scheme means version 6 of the *service target performance incentive scheme* made in April 2025.

old scheme means version 5 of the *service target performance incentive scheme* made in September 2015 as corrected in October 2015.

old scheme revenue determination means a *revenue determination* that applies values for *performance incentive scheme parameters* under the old scheme.

Powerlink means Queensland Electricity Transmission Corporation Limited ABN 82 078 849 233.

rounding requirement means the requirement in paragraph 3.2(k) of the old scheme that unless a performance deadband is applied, performance targets, floors and caps for loss of supply event frequency parameters must be rounded to the nearest integer number.

service component means the service component described in the old scheme.

TasNetworks means Tasmanian Networks Pty Ltd ACN 167 357 299.

Transgrid means NSW Electricity Networks Operations Pty Limited as Trustee for the NSW Electricity Networks Operations Trust ABN 70 250 995 390.

- (b) This rule applies despite anything to the contrary in the old scheme or an old scheme revenue determination.

11.[XXX].2 Early application of the new scheme – market impact component

- (a) This clause applies to the following *Transmission Network Service Providers* with respect to the specified *regulatory years*:
- (1) Ausnet with respect to the *regulatory years* commencing 1 April 2027 and 1 April 2028;
 - (2) Powerlink with respect to the *regulatory years* commencing 1 July 2027 and 1 July 2028;
 - (3) Transgrid with respect to the *regulatory years* commencing 1 July 2027, 1 July 2028 and 1 July 2029;
 - (4) Electranet with respect to the *regulatory years* commencing 1 July 2027, 1 July 2028 and 1 July 2029;
 - (5) Murraylink with respect to the *regulatory years* commencing 1 July 2027, 1 July 2028 and 1 July 2029;
 - (6) TasNetworks with respect to the *regulatory years* commencing 1 July 2027, 1 July 2028, 1 July 2029 and 1 July 2030.
- (b) The purpose of this clause is to disapply the market impact component of the old scheme for performance on and from 1 January 2026, to be consistent with the new scheme.
- (c) In determining the *maximum allowed revenue* of a *Transmission Network Service Provider* for a *regulatory year* specified for that *Transmission Network Service Provider* under paragraph (a), no adjustment must be made for the market impact component of the old scheme.
- (d) Nothing in this clause prevents an adjustment being made to the *maximum allowed revenue* of a *Transmission Network Service Provider* under a revised or substituted *service target performance incentive scheme* made after the effective date.

11.[XXX].3 Early application of the new scheme service component

- (a) This clause applies to the following *revenue determinations* (each a **specified revenue determination**):
- (1) the *revenue determination* made for AusNet for the period ending 31 March 2027;

- (2) the *revenue determination* made for Powerlink for the period ending 30 June 2027;
 - (3) the *revenue determination* made for Transgrid for the period ending 30 June 2028;
 - (4) the *revenue determination* made for Electranet for the period ending 30 June 2028;
 - (5) the *revenue determination* made for Murraylink for the period ending 30 June 2028; and
 - (6) the *revenue determination* made for TasNetworks for the period ending 30 June 2029.
- (b) The purpose of this clause is to align the service component in the specified revenue determinations with the new scheme by enabling, for performance on and from 1 July 2026, values to be attributed to the loss of supply event frequency *performance incentive scheme parameters* without applying the rounding requirement.

Revocation and substitution of specified revenue determination

- (c) By 30 June 2026, the *AER* must:
- (1) revoke the specified revenue determinations; and
 - (2) make a new *revenue determination* in substitution for each of the revoked *revenue determinations*, to apply for the remainder of the *regulatory control period* of the revoked *revenue determination*.
- (d) A substituted *revenue determination* under subparagraph (c)(2) must only vary from the revoked *revenue determination* to the extent necessary to:
- (1) substitute the values to be attributed to the loss of supply event frequency *performance incentive scheme parameters* with the values they would have been if the rounding requirement had not applied; and
 - (2) apply the new values for performance during the period years commencing 1 July 2026 to 31 December 2026 and each later year to which the substituted value applies.
- (e) The *AER* may only revoke and substitute a *revenue determination* under this clause, if the *AER* has first consulted with the relevant *Transmission Network Service Provider*.
- (f) Consultation undertaken by the *AER* before the effective date in anticipation of the Amending Rule is taken to satisfy paragraph (e) to the same extent it would have done if undertaken after the effective date.