Energy Networks Australia

26 June 2026

Anna Collyer
Chair
Australian Energy Market Commission
GPO Box 2603
Sydney NSW 2001

Submitted via AEMC lodgement process

Dear Anna,

Rule change request - Limited cost pass throughs in Contingent Project Applications

Energy Networks Australia (ENA) is submitting the attached National Electricity Rule change request to enable nominated pass through events to be proposed in a Contingent Project Application (CPA) and approved by the Australian Energy Regulator (AER), providing that it is limited to the relevant Contingent Project.

In submitting this Rule change request, ENA notes that:

- A pass through event is a standard regulatory tool that should be available to the AER in considering a CPA, as it provides for the appropriate allocation of risks between a TNSP and consumers for specific events that are uncertain and beyond the TNSP's control. There is a gap in the current Rules because the AER is precluded from considering a nominated pass through event for a Contingent Project, even though it may be the optimal method for allocating risk and, therefore, consistent with achieving the lowest cost outcome for consumers.

- Actionable ISP projects are major infrastructure projects that are urgently needed to facilitate the energy transition so that consumers' energy requirements, and Federal and State emissions reduction targets, can be met at the lowest cost. In this context, it is particularly important that the standard regulatory tools are made available to the AER.

- Under the proposed Rule, the AER would apply the 'nominated pass through considerations', as specified in the current Rules, to assess a pass through event proposal in relation to a Contingent Project. This approach will ensure that Contingent Projects are subject to the same regulatory framework, and treated no more or less favourably, than any other capital expenditure project that is included in a TNSP's Revenue Proposal.

As explained in Attachment 1, the proposed Rule change addresses the identified issue with the current Rules in a manner that will promote the achievement of the National Electricity Objective.

Attachment 2 sets out the proposed Rule, including Savings and Transitional Provisions.

In preparing the proposed Rule, ENA engaged with several consumer advocacy groups, reflecting small and large energy users, as well as the AER, to seek informal feedback. In response to feedback, ENA has refined the proposal to emphasise and ensure any TNSP proposal and AER decision in relation to a nominated pass through event for a Contingent Project is subject to the same

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transparent regulatory process and stakeholder consultation as would ordinarily apply. ENA is grateful to all stakeholders we have engaged with who have helped shape this proposal.

ENA considers the request is non-controversial in nature as defined by the National Electricity Law and requests that it be treated as an expedited rule change. The proposal is straightforward and resolves an inflexibility in the current arrangements that has no clear purpose or rationale. We also note our engagement with stakeholders has identified no objections to this change.

ENA looks forward to working with you and your team in relation to this Rule change request. Any questions on this Rule change request should be directed in the first instance to Catherine Gip by email, to cgip@energynetworks.com.au.

Yours sincerely,

Dominic Adams

Acting CEO

Attachment 1 – Rule change request

1. Summary

The purpose of this Rule change request is to enable a TNSP to propose, and the AER to approve a nominated pass through event as part of a CPA. A nominated pass through event is a standard regulatory tool for allocating risk between the TNSP and consumers. The current Rules allow nominated pass through events to apply to capital expenditure projects that are included in a TNSP's Revenue Proposal. However, the Rules prevent a nominated pass through event being proposed by the TNSP and accepted by the AER in relation to a Contingent Project.

Contingent Projects are large transmission projects that are approved by the AER outside the 5-yearly regulatory cycle. Furthermore, actionable ISP projects, which are essential to achieving Australia's energy transition at the lowest cost to consumers, typically proceed as Contingent Projects. ENA's position is that these projects should be subject to the same regulatory framework as other transmission projects. As explained in this Rule change request, however, this is not the case in relation to the nominated pass through arrangements. For expenditure that is included in a TNSP's revenue proposal, the TNSP is able to propose a nominated pass through event in relation to risks (and the associated costs) that arise in relation to those expenditure programs. However, the same opportunity is not afforded to Contingent Projects under the current Rules. As a consequence, the allocation of risk in relation to Contingent Projects may be sub-optimal, leading to higher costs for consumers than necessary.

This Rule change request addresses all of the requirements set out in the National Electricity Law and the Commission's guidance. In particular, it explains how:

- The proposed Rule will promote the achievement of the National Electricity Objective and the revenue and pricing principles in the National Electricity Law.
- The proposed Rule will benefit consumers and TNSPs, without imposing any material costs.

ENA looks forward to working with the Commission in progressing the Rule change request, and based on targeted stakeholder feedback, is considered to be non-controversial. As explained in section 8, ENA is therefore proposing that this Rule change request is expedited.

2. Background and statement of issue

In accordance with the Commission's Rule request guide for stakeholders[1], this section explains the issues that this Rule change request is intended to address.

2.1. Background

Clause 6A.7.3 of the National Electricity Rules (**the Rules**) enables a TNSP to pass through efficient costs to consumers arising from a 'pass through event'. A pass through event is an uncertain event, beyond the TNSP's control, which may materially affect (positively or negatively) the costs of

[1] AEMC, The rule change process, A guide for stakeholders, 20 June 2017.

providing transmission services. Clause 6A.7.3 lists the pass through events that may apply to a TNSP (similar provisions apply to distribution networks in clause 6.6.1) as:

(1) a regulatory change event;

(2) a service standard event;

(3) a tax change event;

(4) an insurance event; and

(5) any other event specified in a transmission determination as a pass through event for the determination.

In the above list, event (5) is referred to as a 'nominated' pass through event because the event is nominated by a TNSP as part of its Revenue Proposal for a regulatory period. The Rules require the AER to decide whether or not to approve a nominated pass through event having regard to the 'nominated pass through event considerations', which are defined in Chapter 10 of the Rules. These considerations include matters such as whether a prudent service provider could reasonably prevent an event of that nature or type from occurring or substantially mitigate the cost impact of such an event.

To date, AER approved nominated pass through events include:

- Insurance coverage event;
- Terrorism event;
- Natural disaster event; and
- Insurer credit risk event.

The provisions that allow the TNSP to nominate a pass through event apply to a revenue determination do not apply to a CPA determination. Specifically, clause 6A.8 of the Rules allows a revenue determination to be amended if the AER approves a TNSP's Contingent Project. However, the AER's scope for amending the revenue determination is limited to increasing the capital and operating expenditure allowance, but not to allow a pass through event for project-specific costs that are uncertain and beyond the TNSP's control. This issue was considered by the AER in its determination for Transgrid's CPA for HumeLink, where the AER stated:[2]

> "In response to an information request, Transgrid suggested it could instead recover some risk costs related to planning approval delays and biodiversity offset costs via a cost pass through mechanism and sought to define new cost pass through events in our determination for this contingent project. However, this is not possible under the NER. We may only vary Transgrid's revenue determination by adjusting forecast capex and opex and making subsequent adjustments to the maximum allowed revenue and X factor for each regulatory year."

2 AER Determination, Transgrid's HumeLink Stage 2 Delivery Contingent Project Application, August 2024, page 29.

In the same determination, however, the AER also determined that biodiversity offset costs should be excluded from the application of the Capital Expenditure Sharing Scheme (CESS) for HumeLink because these costs are uncertain and beyond Transgrid's control. The AER noted that: [3]

> "Biodiversity offset costs will be excluded from the CESS altogether, as we consider they are highly uncertain in nature and can be driven by factors outside Transgrid's control."

The AER's decision in relation to the treatment of biodiversity offset costs highlights that there is an issue with the current Rules. Specifically, while the AER concluded that biodiversity offset costs are sufficiently uncertain and beyond the TNSP's control to be excluded from the CESS, the current Rules precluded the AER from considering whether a pass through event should be allowed in relation to biodiversity costs on the same basis.

2.2. Statement of issue

The Rules do not allow the AER to approve a nominated pass through event in its determination for a Contingent Project, even if it satisfies the nominated pass through event considerations in the Rules. As a consequence, the standard regulatory tool of providing a pass through event in relation to costs that are uncertain and beyond the TNSP's control, is not available to the AER in a Contingent Project decision. ENA considers that the AER should be able to allow a pass through event in relation to a Contingent Project, providing that the event:

- satisfies the nominated pass through event considerations, as defined in Chapter 10 of the Rules; and
- is limited in scope to the Contingent Project and, therefore, does not reopen the revenue determination more broadly than necessary to address the expenditure requirements for that Contingent Project, including the associated risks and uncertainty.

These conditions ensure that:

- the treatment of risk is consistent between Contingent Projects and other capital expenditure projects, noting currently that nominated pass through events may be proposed to address project-specific risks for projects that are included in the Revenue Proposal but not for Contingent Projects;
- costs to consumers are minimised by ensuring that risks are allocated in accordance with best practice regulatory principles; and
- the incentive properties of a 5-yearly revenue determination process continue to be maintained.

ENA notes the importance of addressing the Rule change request so that the benefits of the changes can be delivered, particularly for actionable ISP projects, as soon as practicable. In making this observation, ENA considers that the change is modest in scope because it permits (rather than requires) nominated pass through events to be proposed by the TNSP and approved by the AER. The proposed Rule change therefore corrects an anomaly with the current Rules which prevents the

[3] AER Determination, Transgrid's HumeLink Stage 2 Delivery Contingent Project Application, August 2024, page 29.

adoption of a nominated pass through event in circumstances where it would provide the optimal allocation of risk, consistent with the efficiency objectives in the NEO.

3. How the proposed Rule will address the issue

The proposed Rule addresses the issues described in section 2 by allowing the TNSP to propose, and the AER to approve, a nominated pass through event in a CPA, providing that its application is limited to the relevant Contingent Project. The nominated pass through event considerations specified in the current Rules would continue to apply to both the TNSP's proposal for a pass-through event and the AER's decision on whether to approve that proposal.

A pass through event is a standard regulatory tool for managing uncertain events that are outside a TNSP's control. The proposed Rule will ensure that this standard tool is applied consistently to all risks, including those risks that are specific to a particular Contingent Project. By applying a consistent approach to assessing risks and applying the full range of available regulatory tools, the proposed Rule will deliver a more appropriate treatment of risk which will minimise costs for consumers in accordance with the National Electricity Objective.

By limiting the scope of the pass through event to the specific Contingent Project, ENA's approach supports the principle that a CPA should not reopen the revenue determination more broadly than necessary to accommodate the Contingent Project.

ENA is also proposing Savings and Transitional Provisions that will enable a TNSP to propose and the AER to approve a nominated pass through event in relation to an existing Contingent Project, where the CPA has been lodged on or before the commencement date of the new Rule. ENA considers that the proposed Savings and Transitional Provisions will ensure that a consistent approach is applied to all Contingent Projects, including those for which the CPA pre-dates the Rule change. These Savings and Transitional provisions would not apply to Contingent Projects that have been completed.

In conducting its assessment of a nominated pass through proposal in accordance with the Savings and Transitional Provisions, the AER will apply the same process as would apply under a CPA. This approach ensures that the AER's assessment is fully transparent and consistent with its assessment of other nominated pass through decisions, and provides an opportunity for stakeholder feedback.

4. Description of proposed Rule

The proposed Rule would:

- allow a TNSP to propose a pass through event as part of a CPA, providing that the application of the pass through event is limited to that Contingent Project;
- require a TNSP to have regard to the nominated pass through event considerations in making a proposal for a pass through event; and
- enable the AER to approve a pass through event for a Contingent Project, having regard to the nominated pass through event considerations.

It is proposed that the Rule would apply to both categories of Contingent Projects in clause 6A.8.A1 of the Rules, which are:

(a) a proposed Contingent Project that is determined by the AER to be a Contingent Project for the purposes of a revenue determination; or

(b) an actionable ISP project for which the trigger event under clause 5.16A.5 has occurred.

As already noted, ENA is also proposing Savings and Transitional Provisions so that the Rule can be applied consistently across existing and future Contingent Projects, without undue delay.

The proposed Rule drafting is provided as an appendix. In summary, the proposed changes are:

- an amendment to clause 6A.8.2(b) to allow a TNSP to propose a pass through event as part of its CPA, providing that its application is limited to the relevant Contingent Project;
- an amendment to clause 6A.8.2(h) to allow the AER to include a pass through event in its decision for a Contingent Project;
- a consequential amendment to the pass through event provisions in clause 6A.6.9 to enable a TNSP to propose a pass through event in a Contingent Project application;
- a consequential amendment to expand the definition of pass through events in clause 6A.7.3 to include an event specified in a Contingent Project application; and
- a clause for inclusion in Chapter 11 Savings and Transitional Provisions so that a pass through event may apply in circumstances where a CPA has previously been lodged, including where the AER has made a decision in relation to that CPA.

5. How the proposed Rule contributes to the National Electricity Objective

Section 7 of the National Electricity Law states that the National Electricity Objective is:

> *'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;*
>
> *(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.'*

AEMO's 2026 Draft ISP highlighted the significant value that actionable ISP projects are expected to deliver.

> *'The weighted net market benefits of the proposed ODP to consumers, across all scenarios, compared to there being no major new transmission at all, would be $24 billion. In other words, the actionable and future ISP transmission projects would repay their investment*

costs, and collectively save consumers a further $22 billion in additional costs (weighted across all scenarios), and deliver emissions reductions valued at a further $2 billion (also weighted across all scenarios)'[4].

In this context, it is essential that the regulatory framework applying to ISP projects and other Contingent Projects can apply the standard regulatory tools that are available to the AER in regulating other transmission projects. As explained in section 2.2, the current Rules preclude the AER from approving a pass through event in relation to a Contingent Project.

The pass through event provisions provide a mechanism for appropriately allocating risk between the TNSP and consumers in a manner that promotes the National Electricity Objective. Specifically, pass through events allow risks that are beyond the TNSP's control to be borne by consumers, rather than the TNSP. As a consequence, pass through events protect consumers in relation to price, safety, reliability and security of supply by ensuring that a TNSP is able to recover the costs associated with a pass through event, such as a natural disaster if, and only if, that event occurs. Furthermore, the AER is able to review the TNSP's application to recover a pass through amount to ensure that only the prudent and efficient costs incurred in responding to the event are allowed to be recovered from consumers.

In the absence of a pass through mechanism, the risk of events that are beyond the TNSP's control would be borne by the TNSP rather than consumers. While that may initially appear attractive from the perspective of consumers, such an approach will lead to higher prices than necessary for the following reasons:

- TNSPs would need to be remunerated for taking on risk in circumstances where it has no control over that risk; and
- Consumers would pay for risks that may not occur.

It follows that it is important to allow a TNSP to propose and the AER to approve a nominated pass through event for a Contingent Project so that risks can be allocated in a manner that minimises total costs to consumers. Achieving that objective, which is consistent with the NEO, requires that risks that are beyond the TNSP's reasonable control may be passed through to consumers. Furthermore, the Rules set out the following 'nominated pass through event considerations' which the AER must have regard to in deciding whether to approve a pass through event, which ensure that any approval of a nominated pass through event is consistent with the NEO:

(a) whether the event proposed is an event covered by [an existing] category of *pass through event* specified in [...] clause 6A.7.3(a1)(1) to (4);

(b) whether the nature or type of event can be clearly identified at the time the determination is made for the service provider;

(c) whether a prudent service provider could reasonably prevent an event of that nature or type from occurring or substantially mitigate the cost impact of such an event;

(d) whether the relevant service provider could insure against the event, having regard to:

4 AEMO Draft 2026 ISP, December 2025, p18

(1) the availability (including the extent of availability in terms of liability limits) of insurance against the event on reasonable commercial terms; or

(2) whether the event can be self-insured on the basis that:

(ii) it is possible to calculate the self-insurance premium; and

(ii) the potential cost to the relevant service provider would not have a significant impact on the service provider's ability to provide network services.

(e) any other matter the *AER* considers relevant and which the *AER* has notified *Network Service Providers* is a nominated pass through event consideration.

The effect of the proposed Rule is to extend the application of the above provisions to specific risks that arise in relation to a Contingent Project, thereby leading to a better allocation of risk in relation to Contingent Projects compared to the current Rules. The proposed Rule will promote the National Electricity Objective compared to the current Rules, which place an unreasonable restriction on the application of pass through events.

6. Revenue and pricing principles

As the proposed Rule change relates to Chapter 6A, section 88B of the National Electricity Law states that the Commission must take into account the revenue and pricing principles in making a Rule. ENA considers that the following revenue and pricing principles are relevant to this Rule change:[5]

> "A regulated network service provider should be provided with a reasonable opportunity to recover at least the efficient costs the operator incurs in—
>
> (a) providing direct control network services; and
>
> (b) complying with a regulatory obligation or requirement or making a regulatory payment."
>
> […]
>
> "A regulated network service provider should be provided with effective incentives in order to promote economic efficiency with respect to direct control network services the operator provides. The economic efficiency that should be promoted includes—
>
> (a) efficient investment in a distribution system or transmission system with which the operator provides direct control network services; and
>
> (b) the efficient provision of electricity network services; and
>
> (c) the efficient use of the distribution system or transmission system with which the operator provides direct control network services."

ENA considers that the proposed Rule will promote the achievement of these principles by ensuring that a TNSP's revenue is more closely aligned with the efficient costs of providing direct control network services. As already explained, the appropriate allocation of risk ensures that costs to consumers are lower than would otherwise be the case. By the same token, misallocating risk may

5 National Electricity Law, section 7A(2) and 7A(3).

create inefficient incentives to mitigate or transfer the risk to another party (for example, through contractual arrangements with service providers), with adverse cost consequences for consumers.

7. Expected benefits and costs of the proposed Rule

This section outlines the expected benefits and costs to those likely to be affected by the proposed Rule change.

7.1. Consumers

As explained above, consumers will benefit from the proposed Rule because the prudent and efficient costs associated with specified events will only be reflected in transmission charges if those events occur. For events that are beyond the TNSP's control, this cost recovery mechanism is expected to result in lower costs for consumers.

In accordance with the existing arrangements for pass through events, the AER would assess the appropriateness of the event proposed by the TNSP. If a pass through event occurs, the AER would assess the prudency and efficiency of the costs incurred by the TNSP, providing appropriate assurance to consumers that only prudent and efficient costs would be recoverable. The incentive properties provided by the regulatory framework would be unaffected by the proposed Rule, as pass through events only apply to costs that are beyond the TNSP's control. ENA's assessment, therefore, is that there are no material costs to consumers from the proposed Rule change.

7.2. TNSPs

The observations that apply to consumers in section 7.1 have a corresponding impact on TNSPs. In summary, TNSPs will be able to propose a pass through for project-specific risks that are beyond their control. This should reduce the TNSP's exposure to windfall gains or losses that result from the AER setting an allowance that is higher or lower than the actual costs. This outcome benefits TNSPs and consumers as it reflects a more appropriate allocation of risk than the status quo.

7.3. Distribution Network Service Providers

This Rule change proposal is focused on transmission Contingent Projects, rather than distribution, given the materiality of the expenditure and risk exposure. Unless the Commission considers that the Rule change should be extended to distributors, this Rule change proposal would not impact distributors.

7.4. Retailers

The request will not directly impact retailers.

7.5. Generators

The request will not directly impact generators.

7.6. AER

The Rule change would potentially result in increased administrative costs in approving a pass through event for a project and subsequently assessing an application. However, these increases would be mitigated by a reduced effort in setting an appropriate risk allowance for highly uncertain events that are beyond the TNSP's control. These latter costs are typically significant as the TNSP, the AER and other stakeholders undertake significant work to estimate an appropriate allowance. The Rule change would avoid this effort by allowing the actual prudent and efficient costs to be passed through to consumers.

8. Expedited rule change process

ENA notes that the Commission may expedite the Rule making process if the request is for a non-controversial or urgent rule (as defined in the National Electricity Law). Under the expedited process there is only one round of written consultation on the Rule change, and no draft determination is required. ENA considers that the proposed Rule change is non-controversial, which is defined in the National Electricity Law as

> "a Rule that is unlikely to have a significant effect on the National Electricity Market"

ENA considers that the proposed Rule change satisfies this definition of non-controversial because the Rule would allow existing pass through event provisions to apply to Contingent Projects. ENA does not consider that the Rule change would affect transmission investment, although it may reduce the total cost of that investment by better allocating risk. As such, the proposed Rule is unlikely to have a significant effect on the National Electricity Market.

Furthermore, ENA notes that the proposed Rule would also satisfy the standard meaning of 'non-controversial', as it resolves an inflexibility in the current Rules that has no particular purpose or reason, and is of no benefit to any group of interested parties or industry sector.

This is supported by the feedback ENA heard during targeted stakeholder consultation with a number of consumer advocacy groups reflecting both small and large energy users, as well as the AER.

Broadly, no material concerns were raised in these meetings, with some stakeholders observing the rule change was addressing an apparent "oversight" and in-principle appeared "reasonable". Feedback also emphasised a number of important clarifications in the operation of the rule:

- the rule change does not expand the scope or types of event that would qualify as a 'cost pass through event' and would remain subject to the same assessment criteria;
- any nominated pass through remains subject to approval by the AER as is currently the case;
- transparency would be maintained in the application process with the same propose-respond approach and stakeholder consultation as would ordinarily apply;
- a Contingent Project nominated pass through event would be limited to that Contingent Project;
- the transitional provisions would enable the AER to approve a nominated pass through event for Contingent Project applications already on foot, but do not deem such a decision.

9. Contact details

This Rule change proposal is submitted by Energy Networks Australia (in this Rule change proposal referred to as "ENA"). ENA's address is Level 33, 285 Bourke Street, Melbourne, Victoria.

The ENA contact for this Rule change proposal is Catherine Gip, Head of Transmission, who can be contacted by email at cgip@energynetworks.com.au.

Attachment 2 – Proposed Rule drafting

A draft of ENA's proposed Rule is set out below, which is a mark-up of version 248 of the Rules.

6A.6.9 Pass through events

(a) A *Revenue Proposal* may include a proposal as to the events that should be defined as *pass through events* under clause 6A.7.3(a1)(5) having regard to the *nominated pass through event considerations*.

(a1) A *contingent project application* may include a proposal as to the events that should be defined as *pass through events* under clause 6A.7.3(a1)(6) having regard to the *nominated pass through event considerations*.

(b) In determining whether to accept the *pass through events* nominated by a *Transmission Network Service Provider* in its *Revenue Proposal* or *contingent project application* under paragraph(a) or (a1), the AER must take into account the *nominated pass through event considerations*.

6A.7.3 Cost pass through

(a1) Any of the following is a *pass through event* for a *transmission determination*:

(1) a *regulatory change event*;

(2) a *service standard event*;

(3) a *tax change event*;

(4) an *insurance event*; ~~and~~

(5) any other event specified in a *transmission determination* as a *pass through event* for the determination; and

(6) any other event specified in a *contingent project application* as a *pass through event*, providing that its application is limited to the relevant *contingent project*.

6A.8.2 Amendment of revenue determination for contingent project

[…]

(b) An application made under paragraph (a) must contain the following information (as applicable):

(1) an explanation that substantiates the occurrence of the *trigger event*;

(2) a forecast of the total capital expenditure for the *contingent project*;

(3) a forecast of the capital and incremental operating expenditure for each remaining *regulatory year* which the *Transmission Network Service Provider* considers is reasonably required for the purpose of undertaking the *contingent project*;

(4) how the forecast of the total capital expenditure for the *contingent project* meets the threshold as referred to in clause 6A.8.1(b)(2)(iii);

<u>(4A) details of any pass through events that are proposed to apply to the *contingent project* in accordance with clause 6A.6.9(a1);</u>

(5) the intended date for commencing the *contingent project* (which must be during the *regulatory control period*);

(6) the anticipated date for completing the *contingent project* (which may be after the end of the *regulatory control period*);

(7) an estimate of the incremental revenue which the *Transmission Network Service Provider* considers is likely to be required to be earned in each remaining *regulatory year* of the *regulatory control period* as a result of the *contingent project* being undertaken as described in subparagraph (3), which must be calculated:

(i) in accordance with the requirements of the *post-tax revenue model* referred to in clause 6A.5.2;

(ii) in accordance with the requirements of the *roll forward model* referred to in clause 6A.6.1(b);

(iii) using the allowed rate of return for that *Transmission Network Service Provider* for the *regulatory control period* as determined in accordance with clause 6A.6.2;

(iv) in accordance with the requirements for depreciation referred to in clause 6A.6.3;

(v) on the basis of the capital expenditure and incremental operating expenditure referred to in subparagraph (b)(3);

(8) if paragraph (n) applies, a forecast of the total capital expenditure and the total incremental operating expenditure for the *contingent project* for the subsequent *regulatory control period*; and

(9) if clause 6A.6.3A(b)(1) applies, the information in clauses 6A.6.3A(c) and (f).

[…]

(h) Amendments to a *revenue determination* referred to in paragraph (e)(3) must only vary the determination to the extent necessary:

(1) to adjust the forecast capital expenditure for the relevant *regulatory control period* to accommodate the amount of capital expenditure determined under subparagraphs (e)(1)(i) or (e)(1)(v) (in which case the amount of that adjustment will be taken to be accepted by the AER under clause 6A.6.7(c));

(2) to adjust the forecast operating expenditure for the relevant *regulatory control period* to accommodate the amount of incremental operating expenditure determined under subparagraphs (e)(1)(i) or (e)(1)(v) (in which case the amount of that adjustment will be taken to be accepted by the AER under clause 6A.6.6(c));

(2A) if clause 6A.6.3A(b)(1) applies, to address a *financeability issue* in accordance with clause 6A.6.3A(m); and

(3) to reflect the effect of any resultant increase in forecast capital and operating expenditure on:

(i) the *maximum allowed revenue* for each *regulatory year* in the remainder of the relevant *regulatory control period*; and

(ii) the X factor for each *regulatory year* in the remainder of the relevant *regulatory control period*; and

(4) to include any *pass through events* in accordance with clause 6A.6.9(b).

11. Savings and Transitional Provisions

11.XXX To ensure that the *Limited Pass Through Events for Contingent Projects Rul*e is implemented consistently for existing and future determinations if, at the Rule commencement date:

(a) A *contingent project application* has been lodged; and

(b) The relevant *Contingent Project* has not been completed

then

(c) The *Transmission Network Service Provider* may submit to the *AER* an application for any pass through events that are proposed to apply to the *contingent project* in accordance with clause 6A.6.9(a1);

(d) The AER must conduct the same assessment process, including stakeholder consultation, as if the application referred to in paragraph (c) had been made as part of the relevant *contingent project application*.