



National Electricity Amendment (Scale Efficient Network Extensions) Rule 2011 No. 7

under the National Electricity Law as applied by:

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

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Pierce
Chairman
Australian Energy Market Commission

National Electricity Amendment (Scale Efficient Network Extensions) Rule 2011 No. 7

1 Title of Rule

This Rule is the *National Electricity Amendment (Scale Efficient Network Extensions) Rule 2011 No.7*.

2 Commencement

This Rule commences operation on 1 July 2011.

3 Amendment of the National Electricity Rules

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

Schedule 1 Amendments of the National Electricity Rules

(Clause 3)

[1] Clause 5.1.2 Purpose

After rule 5.1.2(f)(3), insert:

(4) rule 5.5A.

[2] New Clause 5.5A SENE Design and Costing Study

After rule 5.5, insert:

5.5A SENE Design and Costing Study

5.5A.1 Definitions

In this rule 5.5A:

forecast generation scenarios means different assumptions made by the *Transmission Network Service Provider* conducting a SENE Design and Costing Study about the likely timing and capacity of future *connections of generating systems* in the geographic area relevant to the study and the probability of that capacity materialising.

Scale Efficient Network Extension means an *augmentation* to a *transmission network* which is capable of facilitating the future *connection* to the *transmission network* of two or more *generating systems* in the same geographic area that have different owners, operators or controllers.

SENE Design and Costing Study means a study undertaken by a *Transmission Network Service Provider* in accordance with this rule 5.5A which compares the cost of forecast *connections of generating systems* to a *transmission network augmented* by a Scale Efficient Network Extension and the cost of those forecast *connections connecting* to the *national grid* in the same geographic area in the absence of the Scale Efficient Network Extension.

SENE Study Proponent means a person that makes a request under clause 5.5A.2(a).

SENE study information means:

- (a) any data or information provided to a *Transmission Network Service Provider* by a *Network Service Provider* under clause 5.5A.4 for the purposes of a SENE Design and Costing Study;
- (b) any data or information provided to a *Transmission Network Service Provider* by a person for the purposes of a SENE Design and

Costing Study, provided that the person has registered its interest in response to an invitation under clause 5.5A.2(e)(3); and

- (c) any data or information contained in a SENE Design and Costing Study published under clause 5.5A.5.

5.5A.1A Interpretation

In this rule 5.5A:

- (a) a reference to a *Transmission Network Service Provider* does not include a *Distribution Network Service Provider* in its capacity as owner, controller or operator of a *dual function asset*; and
- (b) a reference to a *transmission network* does not include *dual function assets*.

5.5A.2 Request for SENE Design and Costing Study

- (a) Any person may request a *Transmission Network Service Provider* to undertake a SENE Design and Costing Study in relation to the construction of a Scale Efficient Network Extension for *connection* to its *transmission network*.
- (b) If the *Transmission Network Service Provider* receives a request under paragraph (a), the *Transmission Network Service Provider* must undertake a SENE Design and Costing Study if the following conditions are satisfied:
 - (1) at the time the study is requested, the *Transmission Network Service Provider* is not undertaking another SENE Design and Costing Study in relation to the same geographic area;
 - (2) it has agreed the scope and timing of the SENE Design and Costing Study with the SENE Study Proponent in accordance with paragraph (c); and
 - (3) the SENE Study Proponent or any other person or group of persons (which may include the SENE Study Proponent) has agreed to pay all the reasonable costs incurred by the *Transmission Network Service Provider* in undertaking the study, including any costs it incurs in meeting its obligation under clause 5.5A.4(b).
- (c) The *Transmission Network Service Provider*:
 - (1) must in accordance with clause 5.5A.3, negotiate with the SENE Study Proponent in good faith to reach agreement on the cost, scope and timeframes for undertaking the SENE Design and Costing Study; and

- (2) without limiting subparagraph (1), must not unreasonably withhold its consent to undertake a SENE Design and Costing Study in accordance with the scope and timeframes for the study proposed by the SENE Study Proponent.
- (d) The *Transmission Network Service Provider* must undertake the SENE Design and Costing Study in accordance with the agreement reached with the SENE Study Proponent under paragraph (c).
- (e) As soon as practicable after the conditions referred to in paragraph (b) are satisfied in relation to a SENE Design and Costing Study, the relevant *Transmission Network Service Provider* must publish on its website a notice of the commencement of the study. A notice under this paragraph (e) must:
 - (1) specify the geographic area that is being considered in the study;
 - (2) specify the dates agreed between the *Transmission Network Service Provider* and the SENE Study Proponent for completion of the study and any other milestones for the study;
 - (3) invite any person who may be interested in providing SENE study information to the *Transmission Network Service Provider* to register their interest by written notice to the *Transmission Network Service Provider* within a period specified in the notice, being a period not less than 10 *business days* from the date the notice is published; and
 - (4) include a statement to the effect that by registering with the *Transmission Network Service Provider* in accordance with subparagraph (3), the person is giving consent to the use and disclosure of the SENE study information subsequently provided by that person in accordance with clause 5.5A.6.

5.5A.3 Content of SENE Design and Costing Study

In negotiating the scope of the SENE Design and Costing Study with the SENE Study Proponent under clause 5.5A.2(c), the *Transmission Network Service Provider* must consider the following matters:

- (a) the construction of future *generating systems* and the capacity of those *generating systems* in the relevant geographic area that are considered likely to require *connection* to the *national grid*, based on forecast generation scenarios;
- (b) having regard to each forecast generation scenario:

- (1) the most appropriate location of the point of *connection* of the Scale Efficient Network Extension to the present *transmission network*;
- (2) the configuration of the Scale Efficient Network Extension including the point at which *generating systems* may connect to the Scale Efficient Network Extension;
- (3) the capacity and technical specifications of the Scale Efficient Network Extension;
- (4) indicative development, operating and other costs for the Scale Efficient Network Extension, based on an indicative timetable for development of the Scale Efficient Network Extension;
- (5) opportunities for developing the Scale Efficient Network Extension incrementally;
- (6) the likely impact of the Scale Efficient Network Extension on its *transmission network*, including the type and estimated cost of any other *augmentation* that would be required to ensure that the Scale Efficient Network Extension did not increase congestion on its *transmission network*;
- (7) a comparison between:
 - (i) the estimated total project expenditure (excluding any revenue impact) of forecast *connections* of *generating systems* to the *Transmission Network Service Provider's network* as *augmented* by a Scale Efficient Network Extension; and
 - (ii) the estimated total project expenditure (excluding any revenue impact) of forecast *connections* of *generating systems* to the *Transmission Network Service Provider's network*, or, if different, the *Local Network Service Provider's network*, in the same geographic area in the absence of the Scale Efficient Network Extension; and
- (c) the most recent *NTNDP* and the *Transmission Network Service Provider's* most recent *Annual Planning Report* (to the extent relevant).

5.5A.4 Co-operation of other Network Service Providers

- (a) A *Network Service Provider* must co-operate with any *Transmission Network Service Provider* that is undertaking a SENE Design and Costing Study to enable that *Transmission Network Service Provider* to undertake the study expeditiously and consider the matters referred to in clause 5.5A.3.

- (b) A *Transmission Network Service Provider* may request data or information (including *confidential information*) or assistance from another *Network Service Provider* for the purposes of undertaking a SENE Design and Costing Study but must meet the reasonable costs of the *Network Service Provider* in complying with the request.
- (c) A *Network Service Provider* may, but is not required to, provide such data, information or assistance as requested under paragraph (b). If a *Network Service Provider* provides such information or data it must identify any information or data that is *confidential information*.

5.5A.5 Publication of SENE Design and Costing Study report

As soon as practicable after the SENE Design and Costing Study is completed, the *Transmission Network Service Provider* that undertook the study must publish on its website a report of the study that includes:

- (a) a description of the scope of the SENE Design and Costing Study;
- (b) a description of the Scale Efficient Network Extension for each forecast generation scenario considered in the study, including its configuration;
- (c) any assumptions made as part of the study;
- (d) a summary of the key matters considered as part of the SENE Design and Costing Study; and
- (e) the study's conclusions as well as an explanation of the reasoning which underlies those conclusions.

5.5A.6 Provision and use of information

- (a) The SENE study information must:
 - (1) be prepared, given and used in good faith; and
 - (2) not be disclosed or made available by the relevant *Transmission Network Service Provider* to a third party except as set out in this clause 5.5A.6 or in accordance with rule 8.6 as if it were *confidential information* for the purposes of that rule.
- (b) A *Transmission Network Service Provider* conducting a SENE Design and Costing Study may disclose SENE study information to another *Network Service Provider* if the relevant *Transmission Network Service Provider* considers the data or information is materially relevant to that provider for the purposes of providing information or assistance under clause 5.5A.4.

- (c) If a *Transmission Network Service Provider* intends to disclose information under paragraph (b), it must first advise the relevant information provider of the extent of the disclosure, unless the information may be disclosed in accordance with rule 8.6.
- (d) A *Transmission Network Service Provider* may:
 - (1) use SENE study information to prepare the relevant SENE Design and Costing Study or any future SENE Design and Costing Study; and
 - (2) subject to paragraph (e), include SENE study information in a report published under clause 5.5A.5.
- (e) A *Transmission Network Service Provider* must not include in a report published under clause 5.5A.5, SENE study information which the relevant *Network Service Provider* has identified as *confidential information* under clause 5.5A.4(c).

[END OF RULE AS MADE]
