



Review of last resort planning power guidelines

Stakeholder submissions invited on proposed amendments to last resort planning power guidelines

The Australian Energy Market Commission (AEMC) has commenced consultation on proposed amendments to its last resort planning power guidelines. The amendments incorporate a description of a three stage process the AEMC follows when deciding whether to exercise the last resort planning power. Some housekeeping amendments are also proposed to the guidelines.

Background

The last resort planning power (LRPP) is provided for in the National Electricity Rules (NER). It allows the AEMC to direct one or more network service providers to apply the regulatory investment test for transmission to projects that are likely to relieve a forecast constraint on national transmission flow paths between regional reference nodes.

To support the AEMC's last resort planning power role, the NER requires the AEMC to develop and publish last resort planning guidelines (the guidelines). In general the purpose of the guidelines is to provide information about the AEMC's approach to exercising the LRPP and establish the frameworks for information gathering and public communication to be followed by the AEMC.

Proposed amendments to the guidelines

The AEMC has made two sets of changes to the current version of the guidelines.

First, a description of a three stage process the AEMC follows when deciding whether to exercise the last resort planning power has been incorporated into the guidelines. This process has been followed by the AEMC in LRPP reviews since 2010. The AEMC considers that including it in the guidelines will provide more transparency and certainty for stakeholders.

Second, the AEMC has made a number of housekeeping amendments to the guidelines including streamlining the guidelines and updating a number of out of date cross references to the NER.

Drafting anomalies in the NER

In updating the guidelines, the AEMC has identified some drafting anomalies in the NER relating to the LRPP, in particular the definition of a "potential transmission project". The AEMC proposes to deal with these anomalies through a minor rule change process later this year.

Submissions

Submissions on the proposed amendments to the guidelines are to be lodged by 3 September 2015.

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