



Last resort planning power – 2015 review

Publication of decision report

The Australian Energy Market Commission (AEMC) has decided not to exercise the last resort planning power in 2015. Analysis undertaken by the AEMC shows that transmission network service providers (TNSPs) in the national electricity market are adequately considering inter-regional transmission constraints in their planning of investment in the network.

Background

The last resort planning power is provided for in the National Electricity Rules. It allows the AEMC to require one or more network service providers to apply the regulatory investment test for transmission to augmentation projects that are likely to relieve a forecast constraint on a national transmission flow path.

The purpose of the power is to ensure timely and efficient inter-regional transmission investment when other mechanisms to provide for the planning of this investment appear to have failed.

The AEMC must exercise the last resort planning power in accordance with requirements in the National Electricity Rules and the last resort planning power guidelines. The AEMC is also required to report annually on the matters which it has considered during that year in deciding whether to exercise the last resort planning power. To date, the AEMC has not exercised the last resort planning power.

Decision

To assist it in determining whether to exercise the last resort planning power in 2015, the AEMC has reviewed the TNSPs' annual planning reports, published in 2015, against the constraints on the network forecast by the Australian Energy Market Operator (AEMO) in the National Transmission Network Development Plans (NTNDPs) for 2014 and 2015, published in 2013 and 2014 respectively. The AEMC has also considered other relevant information published by AEMO and the TNSPs.

With the exception of the upgrade of the Heywood interconnector between Victoria and South Australia, the NTNDPs for 2014 and 2015 did not identify a requirement for augmentation to the infrastructure connecting the different regions in the national electricity market. The upgrade of the Heywood interconnector is due for completion in July 2016.

In addition, transmission network service providers continue to address or monitor constraints on the infrastructure connecting the national electricity market regions and the transmission infrastructure within their networks that could limit inter-regional electricity flows. For example, TransGrid and Powerlink have committed to continue to monitor constraints on the Queensland-NSW interconnector. ElectraNet is actively monitoring constraints in the south east of South Australia.

In summary, the AEMC has decided not to exercise the last resort planning power in 2015 because its analysis has not identified any inter regional flow constraints that are not being appropriately considered by TNSPs in their 2015 transmission annual planning reports.

NTNDP for 2016

In November 2015, AEMO published the NTNDP for 2016. The AEMC will assess whether TNSPs are addressing constraints identified by AEMO in this NTNDP after they have published their 2016 transmission annual planning reports. At a high level, in the NTNDP for 2016 AEMO predicts that minimal new transmission infrastructure is required to transport power to consumers, continuing the trend seen in recent NTNDPs.

Transmission
network
companies
continue to
address or
monitor
constraints on the
network that may
impact on
electricity flows
between regions.

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