

Guide to the Energy Network Australia’s proposed amendments to the Integrated System Plan Rule changes

| NER reference | Explanatory notes |
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| Chapter 10 (Glossary) | <p>Definition of ‘actionable ISP project’ has been moved from Chapter 5 into the Chapter 10 Glossary, because it is used in multiple chapters (including Chapter 6A). Definition of ‘optimal development path’, which is used in the ‘actionable ISP project’ definition, has also been moved. These definitions are unchanged from the ESB drafting. Both terms are italicised throughout the draft rules to reflect their new place in Chapter 10.</p> <p>New definition is included for ‘designated ISP planning costs’, because this term is used in the proposed new clause 6A.6.9A (see below).</p> <p>New definitions are included for ‘NTP cost event’ and ‘NTP function fees allowance’, because these terms are used in the proposed new clause 6A.7.2A (see below).</p> <p>Minor changes have been proposed to the definitions of ‘identified need’ and ‘trigger event’.</p> |
| Clause 5.10.2 | Definition of ‘ISP development opportunity’ has been simplified and aligned with the definition of ‘actionable ISP project’. |
| Clause 5.14.4 | <p>In relation to proposed changes to paragraphs (a) and (b) – refer to section 3.6 of the ENA submission.</p> <p>In relation to proposed new paragraph (d) – refer to section 4.3 of the ENA submission.</p> |
| Clauses 5.15A.1 and 5.15A.2 | The purpose of the RIT-T has been amended to align with the purpose of the ISP. Refer to section 3.2 of the ENA submission for discussion of this alignment issue. |
| Clause 5.15A.3(b) | <p>In relation to proposed changes to paragraph (7) – refer to section 4.2 of the ENA submission.</p> <p>In relation to proposed new paragraph (8) – refer to sections 3.4 and 4.2 of the ENA submission.</p> <p>In relation to proposed new paragraph (10) – refer to section 3.5 of the ENA submission.</p> |
| Clause 5.16A.4 | Refer to section 4.1 of the ENA submission. |
| Clause 5.16A.5 | In relation to proposed new paragraph (a) – refer to section 4.5 of the ENA submission. |

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| | In relation to proposed changes to paragraphs (b) to (d) (as renumbered) – refer to section 7.1 of the ENA submission. |
| Clause 5.22.4 | Refer to sections 1.3 and 3.6 of the ENA submission. |
| Clause 5.22.5(e) | <p>In relation to proposed changes to paragraph (3) – refer to section 3.2 of the ENA submission.</p> <p>In relation to proposed new paragraph (5) – refer to section 3.6 of the ENA submission.</p> |
| Clause 5.22.6(b) | Refer to section 1.2 of the ENA submission. |
| Clause 5.22.9 | Proposed additional obligation on AEMO in paragraph (a1) is intended to promote transparency and effective consultation on the draft ISP. Refer to section 2 of the ENA submission for discussion of the importance of transparency in developing the ISP. |
| Clause 5.22.10 | Refer to section 3.4 of the ENA submission. |
| Clause 5.22.12 | New paragraph (d) added to clarify that AEMO must publish an ISP update where it is required to do so following an AER determination in a dispute under clause 5.23.4. |
| New clause 6A.6.9A and consequential changes to clause 6A.5.4 | Refer to sections 3.5, 4.4 and 4.6 of the ENA submission, in relation to the need for a cost recovery mechanism to address particular circumstances which may arise under the proposed ISP framework. |
| Clause 6A.6.7 | Refer to section 7.2 of the ENA submission |
| New clause 6A.7.2A | Refer to section 1.4 of the ENA submission. |
| Clause 6A.8.2 | <p>In relation to proposed changes to paragraphs (b)(4) and (f)(1) – refer to section 7.1 of the ENA submission (in particular, the need to address circumstances where an ISP identifies actionable ISP projects that are below the contingent project threshold).</p> <p>In relation to proposed changes to paragraphs (b)(8) and (e)(1)(v) – refer to section 7.2 of the ENA submission. Changes to these paragraphs are designed to ensure that, where applicable, a forecast of capital expenditure for the subsequent regulatory control period will be provided in an application and determined by the AER, so as to facilitate its inclusion in the total forecast for that period under clause 6A.6.7(h) (as amended).</p> |
| Clause 11.xx.1 | Definition of ‘actionable ISP project’ has been removed from Chapter 11, because it is now in Chapter 10. |

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| | <p>Definition of 'existing actionable ISP project' has been amended to include Project EnergyConnect.</p> <p>New definition is included for 'existing contingent project trigger', because this term is used in the proposed new clause 11.xx.3A (see below).</p> |
| <p>Clause 11.xx.3</p> | <p>Paragraph (b) has been amended to provide the same optionality for projects that have reached the PACR stage as is provided for projects that have reached the PADR stage under paragraph (c).</p> <p>In paragraph (c) (and also in paragraph (b)), amendments have been made to clarify that use of the clause 5.16A.5 route is optional. That is, in both cases, the existing RIT-T proponent may utilise the 5.16A.5 process in order to create a contingent project trigger (i.e. by obtaining AEMO's confirmation or advice under that clause). However the existing RIT-T proponent is not required to utilise that process, and may instead rely on existing contingent project triggers in its Revenue Determination excluding any clause 5.16.6 trigger.</p> <p>Proposed amendments to paragraph (d) (and consequential amendment to paragraph (e)) are to allow projects at the PSCR stage to use either the (amended) rule 5.16 process or the new rule 5.16A process. We understand this to be the ESB's intent.</p> <p>Proposed new paragraph (f) is to provide the same optionality for existing actionable ISP projects where the RIT-T needs to be reapplied after the commencement of the new rules.</p> |
| <p>New clause 11.xx.3A (and associated new definition of')</p> | <p>The proposed new clause 11.xx.3A is to clarify that, where a contingent project trigger in an existing revenue determination involves a determination by the AER under clause 5.16.6, that determination will not be required in order for the trigger to have occurred. This is to reflect the fact that the ESB proposes to delete clause 5.16.6, consistent with the recommendations made by the AEMC.</p> |