



## **National Electricity Amendment (Connection to dedicated connection assets) Rule 2021 No. 7**

under the National Electricity Law to the extent applied by:

- (a) the National Electricity (South Australia) Act 1996 of South Australia;
- (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;
- (g) the National Electricity (Northern Territory) (National Uniform Legislation) Act 2015 of the Northern Territory; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

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

Anna Collyer  
Chairperson  
Australian Energy Market Commission

## **National Electricity Amendment (Connection to dedicated connection assets) Rule 2021 No. 7**

### **1 Title of Rule**

This Rule is the *National Electricity Amendment (Connection to dedicated connection assets) Rule 2021 No. 7*.

### **2 Commencement**

Schedules 1 to 4 of this rule commence operation on 22 July 2021.

Schedule 5 of this rule commences operation on 8 July 2021.

### **3 Amendment to the National Electricity Rules**

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

### **4 Amendment to the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 2.

### **5 Amendment to the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 3.

### **6 Amendment to the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 4.

### **7 Savings and Transitional Amendment to the National Electricity Rules**

The National Electricity Rules are amended as set out in Schedule 5.

## **Schedule 1      Amendment to the National Electricity Rules**

(Clause 3)

### **[1] Clause 2.5.1      Registration as a Network Service Provider**

Omit clause 2.5.1(d3) and substitute:

- (d3) Other than a *Primary Transmission Network Service Provider*, the *AER* must exempt any person who owns, controls or operates a *designated network asset* that forms part of a *transmission system*, from having to register as a *Network Service Provider*. The person will be deemed to be subject to the condition that the person must comply with clause 5.2A.6(c), clause 5.2A.7, clause 5.2A.8 and rule 5.5.

### **[2] Clause 2.5.1      Registration as a Network Service Provider**

Omit clause 2.5.1(d4) and substitute "[Deleted]".

### **[3] Clause 2.5.1A      Dedicated Connection Asset Service Provider**

Omit clause 2.5.1A.

### **[4] Rule 2.12      Interpretation of References to Various Registered Participants**

Omit rule 2.12(b)(5A).

### **[5] New clause 3.6.2B      Boundary point losses**

After clause 3.6.2A, insert:

#### **3.6.2B      Boundary point losses**

- (a) *Boundary point losses* are *electrical energy losses* that occur due to the transfer of electricity between a *regional reference node* and a *boundary point* and a *regional reference node* and a *DNA boundary point* in the same *region*.
- (b) *Boundary point loss factors*:
  - (1) notionally describe the *marginal electrical energy losses* for electricity transmitted between a *regional reference node* and a *boundary point* and a *regional reference node* and a *DNA boundary point* in the same *region* for a defined time period and associated set of operating conditions; and

- (2) apply for a *financial year*.
- (c) *AEMO* must determine *boundary point loss factors* for each *boundary point* and *DNA boundary point* for each *financial year* having regard to the following:
  - (1) the methodology prepared and published by *AEMO* under clause 3.6.2(d) as it relates to *intra-regional losses* to the extent *AEMO* determines they are relevant to the calculation of *boundary point losses*;
  - (2) the *boundary point loss factors* determined by *AEMO* must be in a form that can be used by *Primary Transmission Network Service Providers* to facilitate the calculation of the *settlements residue* that accrue on a *designated network asset*; and
  - (3) forecast *load* and *generation* data for the *financial year* relevant to a *boundary point loss factor* that is prepared by *AEMO* pursuant to clause 3.6.2A.
- (d) By 1 April in each year, *AEMO* must publish the *boundary point loss factors* determined under paragraph (c) and to apply for the next *financial year*.
- (e) If:
  - (1) a new *boundary point* or *DNA boundary point* is established during the *financial year*, for which there is no *boundary point loss factor* published by *AEMO* pursuant to paragraph (d); or
  - (2) a *transmission network connection point* located behind the *boundary point* is established or modified in accordance with rule 5.3, which in *AEMO's* reasonable opinion results in a material change to the *boundary point losses*,then *AEMO* must determine and publish the *boundary point loss factor* that applies that *financial year* for that *boundary point* and any *DNA boundary point* behind that *boundary point* as far as practicable in accordance with paragraph (c).
- (f) The *Primary Transmission Network Service Provider* must calculate the *settlements residue* that accrue on a *designated network asset* and distribute or recover those *settlements residue* from each owner of each *designated network asset* in accordance with the methodology developed by the *Primary Transmission Network Service Provider* (as set out in the relevant *network operating agreement* for that *designated network asset*).

## **[6] Clause 3.6.5 Settlements residue due to network losses and constraints**

In clause 3.6.5(c), omit "[Deleted]", and substitute:

- (c) In relation to *settlements residue* that accrue on *designated network assets*, the *Primary Transmission Network Service Provider* will calculate the relevant amounts to be distributed to or recovered from the owners of *designated network assets* in accordance with clause 3.6.2B(f).

## Schedule 2      Amendment to the National Electricity Rules

(Clause 4)

### [1] Clause 5.1.2      Overview of Part B and connection and access under the Rules

In clause 5.1.2(c), omit "*large dedicated connection assets*" and substitute "*designated network assets*".

### [2] Clause 5.1.2      Overview of Part B and connection and access under the Rules

In clause 5.1.2(d), omit "The table below" and substitute "For illustrative purposes only, the table below".

### [3] Clause 5.1.2      Overview of Part B and connection and access under the Rules

In clause 5.1.2(d), insert a new column in the table to the left of the first column, and sequentially number each row from 1 to 14, excluding the header row.

### [4] Clause 5.1.2      Overview of Part B and connection and access under the Rules

In clause 5.1.2(d), in the row numbered 1 in the table, after the words "Rule 5.3 applies", insert as a new paragraph "If the person is *connecting* to part of a *transmission network* which is a *designated network asset*, then rule 5.3 applies subject to the relevant *access policy* (see clause 5.2A.8)".

### [5] Clause 5.1.2      Overview of Part B and connection and access under the Rules

In clause 5.1.2(d), in the row numbered 2 in the table, after the words "Rule 5.3 applies", insert as a new paragraph "If the person is *connecting* to part of a *transmission network* which is a *designated network asset*, then rule 5.3 applies subject to the relevant *access policy* (see clause 5.2A.8)".

### [6] Clause 5.1.2      Overview of Part B and connection and access under the Rules

Omit clause 5.1.2(g) and substitute:

- (g) Part B also provides for an owner of a *designated network asset* to have an *access policy* for a *designated network asset* and for commercial arbitration under rule 5.5 to apply to a *DNA services access dispute*.

**[7] Clause 5.1A.2 Principles**

In clause 5.1A.2(a), at the end of the sentence, omit ";" and substitute ", except that if the *connection* is to a part of a *network* that is a *designated network asset* then that *connection* and access will be subject to the relevant *access policy* for that *designated network asset*;".

**[8] Clause 5.2.3 Obligations of network service providers**

In clause 5.2.3(e), omit "(including a *Dedicated Connection Asset Service Provider*)".

**[9] Clause 5.2.7 Obligations of Dedicated Connection Asset Service Providers**

Omit the heading of clause 5.2.7 and substitute:

**5.2.7 Obligations of designated network asset owners**

**[10] Clause 5.2.7 Obligations of designated network asset owners**

Omit clause 5.2.7 and substitute:

- (a) **[Deleted]**
- (b) An owner of a *designated network asset* must plan, design and construct its *designated network asset* to comply with:
  - (1) the functional specifications applicable to those *designated network assets* as specified by the *Primary Transmission Network Service Provider*; and
  - (2) its *network operating agreement* applicable to those *designated network assets*.

**Note**

This paragraph is classified as a tier 1 civil penalty provision under the National Electricity (South Australia) Regulations. (See clause 6(1) and Schedule 1 of the National Electricity (South Australia) Regulations.)

- (c) An owner of a *designated network asset* must prepare, maintain and publish an *access policy* in accordance with clause 5.2A.8.
- (d) An owner of a *designated network asset* must permit and participate in commissioning of *facilities* and equipment that are to be *connected* to a *network* for the first time in accordance with rule 5.8.

**[11] Clause 5.2A.2 Relevant assets**

In clause 5.2A.2(a), insert a new column in the table to the left of the first column, and sequentially number each row from 1 to 6, excluding the header row.

**[12] Clause 5.2A.2 Relevant assets**

In clause 5.2A.2(a), omit rows 2 to 4 of the table and substitute:

2	<i>identified user shared asset or designated network asset owned by the Primary Transmission Network Service Provider</i>	<i>Primary Transmission Network Service Provider</i> (forms part of that provider's broader <i>transmission network</i> )
3	<i>third party IUSA or designated network asset not owned by the Primary Transmission Network Service Provider</i>	<i>Primary Transmission Network Service Provider</i> (as controller and operator of the <i>third party IUSA</i> and <i>designated network asset</i> under a <i>network operating agreement</i> ) (forms part of that provider's broader <i>transmission network</i> )
4	<i>dedicated connection asset</i>	If owned, operated or controlled by a <i>Primary Transmission Network Service Provider</i> (forms part of that provider's broader <i>transmission system</i> )  For a <i>dedicated connection asset</i> that is not owned, operated or controlled by a <i>Primary Transmission Network Service Provider</i> , that asset forms part of the asset owner's <i>facility</i> .

**[13] Clause 5.2A.2 Relevant assets**

Omit clause 5.2A.2(b) and substitute:

- (b) This clause sets out an overview of the framework relating to the ownership of, and *connection* and access to, a *designated network asset*:
- (1) a *designated network asset* is for the benefit of specific *Transmission Network Users* and a *Primary Transmission Network Service Provider* is not entitled to receive a charge for a *designated network asset* under Chapter 6A;
  - (2) a *designated network asset* forms part of the *Primary Transmission Network Service Provider's transmission network*;
  - (3) a *designated network asset* may be owned by persons other than the *Primary Transmission Network Service Provider*;



- (4) there may be multiple *designated network assets* owned by different persons behind a *boundary point*, who will have an *access policy* for each *designated network asset* and a *network operating agreement* with the *Primary Transmission Network Service Provider* for each *designated network asset*;
- (5) if the *Primary Transmission Network Service Provider* does not own a *designated network asset*, the *Primary Transmission Network Service Provider* controls, operates and maintains (in accordance with table 5.2A.4) that *designated network asset* as part of its *transmission network* under the relevant *network operating agreement*;
- (6) *connection* to a part of a *transmission network* that comprises one or more *designated network assets* is:
  - (i) in accordance with Chapter 5, and
  - (ii) subject to confirmation, for each *designated network asset* that is located between the *Connection Applicant's* proposed *connection point* and the *boundary point*, that the owner of that *designated network asset* has granted access to the *Connection Applicant* to that asset in accordance with the relevant *access policy*; and
- (7) all services relating to access to a *designated network asset* will be provided by the owner of that *designated network asset*, in accordance with the relevant *access policy*. The *Primary Transmission Network Service Provider* will provide the functional specifications and undertake operation and maintenance for a *designated network asset* as a *negotiated transmission service*.

**Note**

For example, an *identified user shared asset* connects a *dedicated connection asset* to, or provides the interface for a *designated network asset* with, a part of the *transmission network* that provides *prescribed transmission services*. An *identified user shared asset* is subject to *connection* and access under Chapter 5. However, a person seeking to *connect* to a part of the *transmission network* that is a *designated network asset* is subject to the *connection* and access requirements under Chapter 5 and the relevant *access policy*.

**[14] Clause 5.2A.3 Connection and access to transmission services**

In clause 5.2A.3(a), omit the table, and substitute:

	<b>Service classification</b>	<b>TNSP obligations in respect of the services</b>
1	<i>prescribed transmission</i>	Subject to <i>connection</i> and access under Chapter 5 and economic regulation

	<b>Service classification</b>	<b>TNSP obligations in respect of the services</b>
	<i>services</i>	under Chapter 6A
2	<i>negotiated transmission services</i>	Subject to <i>connection</i> and access under Chapter 5
3	<i>non-regulated transmission services</i>	Not subject to <i>connection</i> and access under Chapter 5 or economic regulation under Chapter 6A  ( <i>DNA services</i> are subject to access under the <i>access policy</i> established by the owner of that <i>designated network asset</i> )

### **[15] Clause 5.2A.3 Connection and access to transmission services**

In clause 5.2A.3(b), after "a *connection agreement*", insert "or *network operating agreement*".

### **[16] Clause 5.2A.3 Connection and access to transmission services**

After clause 5.2A.3(d), insert:

- (d1) A *Connection Applicant* may:
- (1) for *connection* to a *designated network asset*, apply to the *Primary Transmission Network Service Provider* in accordance with rule 5.3; and
  - (2) for access to *DNA services*, apply to an owner of a *designated network asset* in accordance with the relevant *access policy*.

### **[17] Clause 5.2A.4 Transmission services related to connection**

In clause 5.2A.4(a)(2), after "on request from a *Connection Applicant*", insert ", except in relation to cut-in works, upgrades to and increases in capacity of a *designated network asset*, in which case the owner of the *designated network asset* will have the exclusive right to provide the services as a *DNA service* in accordance with the relevant *access policy*".

### **[18] Clause 5.2A.4 Transmission services related to connection**

In clause 5.2A.4(a), omit the table and substitute:

	<b>Asset</b>	<b>Service</b>	<b>Example of service</b>	<b>Classification</b>
1	<i>transmission network including identified user shared asset or designated network asset</i>	Functional specification for an <i>identified user shared asset</i> or a <i>designated network asset</i>	Specification of: <ul style="list-style-type: none"> <li>• preferred equipment suppliers;</li> <li>• preferred equipment;</li> <li>• land/access requirements;</li> <li>• design specifications;</li> <li>• single line diagrams;</li> <li>• remote monitoring and communication requirements;</li> <li>• protection, control and metering requirements;</li> <li>• minimum operating conditions;</li> <li>• supervisory control and data acquisition system interface requirements;</li> <li>• equipment ratings;</li> <li>• equipment protection ratings; and</li> <li>• spare parts itineraries</li> </ul>	non-contestable
2	<i>identified user shared asset</i>	Detailed design for an <i>identified user shared asset</i>	Provision of: <ul style="list-style-type: none"> <li>• site plan;</li> <li>• asset layout and configuration;</li> <li>• the specification for vendor equipment;</li> </ul>	<i>contestable</i> or non-contestable in accordance with clause 5.2A.4 paragraphs

	<b>Asset</b>	<b>Service</b>	<b>Example of service</b>	<b>Classification</b>
			<ul style="list-style-type: none"> <li>• civil, structural, mechanical and electrical detailed design;</li> <li>• issued for construction drawings;</li> <li>• as built drawings;</li> <li>• tender specifications;</li> <li>• cable schedules;</li> <li>• protection settings;</li> <li>• applicable technical studies;</li> <li>• earthing design;</li> <li>• the design of lightning protection; and</li> <li>• the design of insulation co-ordination, consistent with the functional specification.</li> </ul>	(b), (c) and (d)
3	<i>transmission network</i>	Cut-in works and upgrades	<ul style="list-style-type: none"> <li>• Interface works that cut into the existing shared <i>transmission network</i>, which may include tower realignment, protection control and communications requirements</li> <li>• Upgrades to existing assets that make up the existing shared <i>transmission network</i> and increases to the capacity of the existing shared</li> </ul>	non-contestable (for a <i>designated network asset</i> , the owner of the <i>designated network asset</i> and otherwise, the <i>Primary Transmission Network Service Provider</i> )

	<b>Asset</b>	<b>Service</b>	<b>Example of service</b>	<b>Classification</b>
			<i>transmission network</i>	
4	<i>contestable IUSA components</i>	Construction and ownership	Construction and/or ownership of a substation and/or power lines	<i>contestable</i>
5	<i>non-contestable IUSA components</i>	Construction and ownership	Construction or installation and ownership of supervisory control and data acquisition systems and cabling forming part of the <i>Primary Transmission Network Service Provider's control system</i>	non-contestable
6	<i>identified user shared asset owned by the Primary Transmission Network Service Provider</i>	Control, operation and maintenance	<i>Primary Transmission Network Service Provider</i> provides operation and maintenance services	non-contestable
7	<i>third party IUSA or designated network asset not owned by the Primary Transmission Network Service Provider</i>	Control, operation and maintenance under a <i>network operating agreement</i>	See clause 5.2A.7	non-contestable

	<b>Asset</b>	<b>Service</b>	<b>Example of service</b>	<b>Classification</b>
8	<i>dedicated connection assets</i>	All development aspects	Design, construction, maintenance and ownership of a power line connecting a <i>facility</i>	<i>contestable</i>
9	<i>designated network assets</i>	All development aspects (other than as specified above)	Design, construction and ownership of a power line connecting a <i>facility</i> through a <i>connection asset</i>	<i>contestable</i>

### **[19] Clause 5.2A.6 Negotiating principles**

Omit clause 5.2A.6(c), excluding the Note, and substitute:

- (c) If an applicant seeks *DNA services*, the owner of the *designated network asset* must comply with its *access policy* and the negotiating principles in schedule 5.12.

### **[20] Clause 5.2A.7 Third party IUSAs**

Omit the heading of clause 5.2A.7 and substitute:

#### **5.2A.7 Third party owned network assets and network operating agreements**

### **[21] Clause 5.2A.7 Third party owned network assets and network operating agreements**

Omit clause 5.2A.7(a0) and substitute:

- (a0) This clause applies only to a *third party IUSA* and *designated network asset* that is not owned or leased by the *Primary Transmission Network Service Provider* (**third party owned network asset**).

### **[22] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(a), omit all occurrences of "*third party IUSA*" and substitute "third party owned network asset".

**[23] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(b), omit "*third party IUSA*" and substitute "third party owned network asset".

**[24] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(b)(3), after "with the *negotiating principles*", insert "and negotiating principles in schedule 5.12".

**[25] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(c), omit "*third party IUSA*" and substitute "third party owned network asset."

**[26] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(d)(1), omit "*third party IUSA*" and substitute "third party owned network asset".

**[27] Clause 5.2A.7 Third party owned network assets and network operating agreements**

Omit clause 5.2A.7(d)(2) and substitute "[Deleted]".

**[28] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(d)(3), omit "*third party IUSA*" and substitute "third party owned network asset but in the case of a *designated network asset*, only to the extent that such activities are necessary for the operation and maintenance of the *designated network asset*";".

**[29] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(d)(4), omit "*third party IUSA*" and substitute "third party owned network asset".

**[30] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(d)(5), omit "*third party IUSA*; and" and substitute "third party owned network asset in accordance with the *Rules*";".

**[31] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(d)(6), omit "*third party IUSA*" and substitute "third party owned network asset".

**[32] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(d)(6), omit "to any *Transmission Network User*" and substitute "to a *Transmission Network User*".

**[33] Clause 5.2A.7 Third party owned network assets and network operating agreements**

In clause 5.2A.7(d)(6), omit "." and substitute "; and".

**[34] Clause 5.2A.7 Third party owned network assets and network operating agreements**

After clause 5.2A.7(d)(6), insert:

- (7) distribute to or recover from the owner of the *designated network asset* any *settlements residue* accrued on the *designated network asset* in accordance with the methodology set out in the *network operating agreement*.

**[35] Clause 5.2A.7 Third party owned network assets and network operating agreements**

Omit clause 5.2A.7(e), excluding the Note, and substitute "[Deleted]".

**[36] Clause 5.2A.7 Third party owned network assets and network operating agreements**

Omit clause 5.2A.7(f).

**[37] Clause 5.2A.8 Access framework for large dedicated connection assets**

Omit the heading of clause 5.2A.8 and substitute:

**5.2A.8 Access framework for designated network assets**

**[38] Clause 5.2A.8 Access framework for designated network assets**

In clause 5.2A.8(a), omit "*large dedicated connection assets*" and substitute "*designated network assets*".



**[39] Clause 5.2A.8 Access framework for designated network assets**

Omit clause 5.2A.8(b) and substitute:

- (b) An owner of a *designated network asset* must prepare, maintain and publish an *access policy* on its website to provide a framework for applicants to obtain *DNA services*.

**[40] Clause 5.2A.8 Access framework for designated network assets**

After clause 5.2A.8(b), insert:

- (b1) An *access policy* must include, as a minimum, the following information:
  - (1) a description of the routes, tenure arrangements and main components of the *designated network asset*, including any limitations to increasing the capacity of the *designated network asset*;
  - (2) any limitations relating to the development, operation, upgrade to existing assets comprising the *designated network asset*, or increase in the capacity of the *designated network asset*, including environmental, planning or other similar limitations;
  - (3) the key terms which are proposed to apply to the provision of *DNA services* where such principles and terms must be consistent with schedule 5.12;
  - (4) the pricing methodology that specifies how prices for *DNA services* will be calculated and indications of likely charges for different types of *facilities connecting* to the *designated network asset* at different times;
  - (5) the process by which an applicant may seek access to *DNA services*, which must include timeframes that facilitate reasonable negotiations for access, a right for an applicant to obtain sufficient information to enable it to prepare a request for the *DNA services* it requires and contact details for access enquiries; and
  - (6) advice on the availability of commercial arbitration under rule 5.5 in the case of a dispute.

**[41] Clause 5.2A.8 Access framework for designated network assets**

After clause 5.2A.8(b1), insert:

- (b2) An *access policy* may include cost sharing arrangements between applicants who seek access to *DNA services* and existing parties connected to the *designated network asset*.

**[42] Clause 5.2A.8 Access framework for designated network assets**

After clause 5.2A.8(b2), insert:

- (b3) An applicant for *DNA services* and the owner of the *designated network asset* must negotiate in good faith and comply with the timeframes to negotiate, the pricing for, and terms and conditions, of the *DNA services*, as set out in the relevant *access policy*.

**[43] Clause 5.2A.8 Access framework for designated network assets**

After clause 5.2A.8(b3), insert:

- (b4) The price for a *DNA service* must be determined in accordance with the pricing methodology set out in the *access policy*.

**[44] Clause 5.2A.8 Access framework for designated network assets**

Omit clause 5.2A.8(d), excluding the **Note** and substitute:

- (d) Before a *designated network asset* is commissioned, the owner of a *designated network asset* must submit an *access policy* to the *AER* for approval.

**[45] Clause 5.2A.8 Access framework for designated network assets**

Omit clause 5.2A.8(e) and substitute:

- (e) An owner of a *designated network asset* may seek approval of a variation to an *access policy* from the *AER* at any time and must do so where required to keep the *access policy* up to date. The owner of a *designated network asset* may make minor or administrative amendments without seeking the *AER's* approval.

**[46] Clause 5.2A.8 Access framework for designated network assets**

Omit clause 5.2A.8(f) and substitute:

- (f) Within 60 *business days* of receiving an *access policy* submitted under paragraphs (d) or (e), the *AER* must:

- (1) approve an *access policy*, or a variation to an *access policy*, if it is reasonably satisfied that it complies with paragraph (b1);
- (2) notify the owner of the *designated network asset* of the reasons for not approving the *access policy*; or
- (3) request further information from the owner of the *designated network asset*.

**[47] Clause 5.2A.8 Access framework for designated network assets**

After clause 5.2A.8(f), insert:

- (f1) If the *AER* notifies the owner of the *designated network asset* under subparagraph (f)(2) or requests further information under subparagraph (f)(3), the owner of the *designated network asset* must submit an amended *access policy* addressing the *AER's* reasons or provide the requested information (as applicable) as soon as reasonably practicable and in any case within 30 *business days* of the *AER's* notification or request.

**[48] Clause 5.2A.8 Access framework for designated network assets**

After clause 5.2A.8(f1), insert:

- (f2) If an *access policy* is not approved within 6 months of submission of the *access policy* under paragraphs (d) or (e), the *AER* must itself develop an *access policy*. For the purposes of calculating the 6 months, the time taken by the owner of the *designated network asset* to provide information requested by the *AER* under paragraph (f)(3) or to make amendments under paragraph (f1), and time taken by stakeholders to provide submissions if the *AER* chooses to consult pursuant to paragraph (h), will be disregarded.

**[49] Clause 5.2A.8 Access framework for designated network assets**

Omit clause 5.2A.8(g) and substitute:

- (g) The *AER's* proposal for an *access policy* is to be developed with regard to:
  - (1) the minimum requirements set out in paragraph (b1);
  - (2) the owner of the *designated network asset's* proposed *access policy*; and
  - (3) the *AER's* reasons for refusing to approve the proposed *access policy*.

**[50] Clause 5.2A.8 Access framework for designated network assets**

Omit clause 5.2A.8(h) and substitute:

- (h) The *AER* may (but is not obliged to) consult on the *access policy* as proposed by the owner of the *designated network asset* or its own developed *access policy*.

**[51] Clause 5.2A.8 Access framework for designated network assets**

Omit clause 5.2A.8(i) and substitute:

- (i) If the *AER* decides to approve an *access policy* developed by the *AER*, it must:
  - (1) give a copy of the decision to the owner of the *designated network asset*; and
  - (2) *publish* the decision.

**[52] Clause 5.2A.8 Access framework for designated network assets**

After clause 5.2A.8(i), insert:

- (i1) Within 7 days after the *AER* provides the owner of the *designated network asset* with its decision under paragraph (i), the owner of the *designated network asset* must publish on its website:
  - (1) the approved *access policy* or the *AER* developed *access policy*; and
  - (2) the *AER's* decision for that *access policy*.

**[53] Clause 5.2A.8 Access framework for designated network assets**

Omit clause 5.2A.8(k) and substitute:

- (k) An owner of a *designated network asset* must report on written requests for access to a *designated network asset* to the *AER* when such requests are made and when an agreement for access is entered into, in the manner and form notified by the *AER*.

**[54] Clause 5.2A.8 Access framework for designated network assets**

Omit clause 5.2A.8(l), excluding the **Note** and substitute:

- (l) An owner of a *designated network asset* or a person who is provided *DNA services* must not engage in conduct for the purpose of preventing or hindering access to *DNA services*.

### **[55] Clause 5.2A.8 Access framework for designated network assets**

Omit clause 5.2A.8(m) and substitute:

- (m) An owner of a *designated network asset* may, but is not required to, give access to an applicant for *DNA services* if doing so would mean the *designated network asset* would no longer constitute a *designated network asset*.

#### **Note**

An example of where clause 5.2A.8(m) may apply is where the applicant for access to *DNA services* results in the creation of a closed path such that the *designated network asset* involves a *network loop* and therefore loses its asset classification.

### **[56] Clause 5.2A.8 Access framework for designated network assets**

After clause 5.2A.8(m), insert:

- (n) An owner of a *designated network asset* must publish and update supporting information on its website regarding the *designated network asset*, including:
  - (1) the current transmission capacity of the *designated network asset*; and
  - (2) the capacity of the *generating plants* and *loads* currently connected to the *designated network asset*.

### **[57] Clause 5.2A.8 Access framework for designated network assets**

After clause 5.2A.8(n), insert:

- (o) The *AER* must *publish* and maintain on its website a register that sets out each *designated network asset* and the *access policy* for and the identity of the owner of, each *designated network asset*.

### **[58] Clause 5.3.1 Process and procedures**

Omit clause 5.3.1(a) and substitute:

- (a) For the purposes of this rule 5.3:
  - (1) **establish a connection** includes:

- (i) modify an existing *connection* or alter *plant* but does not include alterations to *generating plant* in the circumstances set out in clause 5.3.9; or
  - (ii) incorporating a *designated network asset* into a *transmission network*.
- (2) **connect** includes the incorporation of a *designated network asset* into a *transmission network*.

### **[59] Clause 5.3.1 Process and procedures**

In clause 5.3.1(b), omit "A *Registered Participant* or person" and substitute "Subject to paragraph (b1), a *Registered Participant* or person".

### **[60] Clause 5.3.1 Process and procedures**

After clause 5.3.1(b), insert:

- (b1) If a *Registered Participant*, or person intending to become a *Registered Participant*, wishes to establish a *connection* to a part of a *network* that is a *designated network asset* either through a *dedicated connection asset* or by way of a new *designated network asset*, then:
  - (1) for *connection*, the process in rule 5.3 applies; and
  - (2) for access to *DNA services* from the existing *designated network asset*, the access is governed by the relevant *access policy* that applies.

### **[61] Clause 5.3.1 Process and procedures**

In clause 5.3.1(e), after "*dedicated connection assets*", insert ", *designated network assets*".

### **[62] Clause 5.3.3 Response to connection enquiry**

Omit clause 5.3.3(b)(1) and substitute:

- (1) within:
  - (i) 40 *business days* after receipt of the *connection* enquiry which relates to a *designated network asset* and all such additional information (if any) advised under clause 5.3.2(b);
  - (ii) 30 *business days* after receipt of any other *connection* enquiry and all such additional information (if any) advised under clause 5.3.2(b); or

**[63] Clause 5.3.3 Response to connection enquiry**

After clause 5.3.3(b)(5A), insert:

(5B) whether the *connection* enquiry relates to *connection* to a part of a *network* that is a *designated network asset*;

**[64] Clause 5.3.3 Response to connection enquiry**

In clause 5.3.3(b)(7), after "a *dedicated connection asset*", insert "or *designated network asset* (as applicable)".

**[65] Clause 5.3.3 Response to connection enquiry**

In clause 5.3.3(b)(7), after "*contestable IUSA components*", insert "or *designated network asset*";

**[66] Clause 5.3.3 Response to connection enquiry**

In clause 5.3.3(b)(9), after "to exceed \$10 million", insert "or includes a *designated network asset*".

**[67] Clause 5.3.3 Response to connection enquiry**

In clause 5.3.3(b)(9)(i), after "*contestable IUSA components*", insert "or *designated network asset*; and".

**[68] Clause 5.3.3 Response to connection enquiry**

In clause 5.3.3(b)(9)(ii), after "*Primary Transmission Network Service Provider's option*", insert "in respect of an *identified user shared asset*".

**[69] Clause 5.3.3 Response to connection enquiry**

In clause 5.3.3(b)(10), after "*identified user shared asset*", insert "or *designated network asset*".

**[70] Clause 5.3.4 Application for connection**

In clause 5.3.4(b)(3), after "*Primary Transmission Network Service Provider*", insert "or a *designated network asset*".

**[71] Clause 5.3.4 Application for connection**

In clause 5.3.4(b)(3)(i), after "of those components", insert "or assets".

**[72] Clause 5.3.4 Application for connection**

In clause 5.3.4(b)(3)(ii), after "of those components", insert "or assets".



**[73] Clause 5.3.4 Application for connection**

In clause 5.3.4(b)(3)(iii), after "*contestable IUSA components*", insert "or *designated network asset*".

**[74] Clause 5.3.4 Application for connection**

In clause 5.3.4(b)(4), after "related to *contestable IUSA components*", insert "or a *designated network asset*".

**[75] Clause 5.3.4 Application for connection**

In clause 5.3.4(b)(4), after "of those components", insert "or assets".

**[76] Clause 5.3.4 Application for connection**

In clause 5.3.4(b)(4), after "details of the *contestable IUSA components*", insert "or *designated network assets*".

**[77] Clause 5.3.4 Application for connection**

In clause 5.3.4(f)(3), after "*dedicated connection assets*", insert ", *designated network assets*".

**[78] Clause 5.3.5 Preparation of offer to connect**

In clause 5.3.5(c), after "*contestable IUSA components*", insert "or *designated network asset*".

**[79] Clause 5.3.6 Offer to connect**

In clause 5.3.6(a), omit "A *Network Service Provider* processing" and substitute "Subject to paragraph (a3), a *Network Service Provider* processing".

**[80] Clause 5.3.6 Offer to connect**

After clause 5.3.6(a2), insert:

(a3) In relation to a *Connection Applicant's application to connect* made under clause 5.3.4(a) for *connection* to a part of a *network* that is a *designated network asset*, the *Network Service Provider* must not make an offer to *connect* under paragraph (a), unless the owner of the *designated network asset* has given notice to the *Network Service Provider*:

(1) confirming access to *DNA services* in respect of that the *designated network asset* has been agreed with the *Connection Applicant* in accordance with the relevant *access policy*; and



- (2) providing any details on technical requirements or limitations agreed as part of the *DNA services* that are relevant to the offer to *connect*.

**[81] Clause 5.3.7 Finalisation of connection agreements and network operating agreements**

In clause 5.3.7(f1), omit "*Dedicated Connection Asset Service Provider*" and substitute "owner of a *dedicated connection asset* or *designated network asset*".

**[82] Clause 5.4.1 Application**

In clause 5.4.1(b), after "*Transmission Network Service Provider*", insert ", owner of a *designated network asset*".

**[83] Clause 5.4.1 Application**

In clause 5.4.1(b)(2), omit "or form part of an *identified user shared asset*" and substitute ", form part of the *network* (including either as a *designated network asset* or *identified user shared asset*);".

**[84] Clause 5.4.1 Application**

In clause 5.4.1(b)(4), after "*contestable IUSA component*", insert "or *designated network asset*".

**[85] Clause 5.4.1 Application**

In clause 5.4.1(b)(4), omit "the relevant *identified user shared asset*" and substitute "that asset,".

**[86] Clause 5.4.3 Initiating the Independent Engineer process**

In clause 5.4.3(a), after "*Transmission Network Service Provider*", insert ", owner of a *designated network asset*".

**[87] Rule 5.5 Commercial arbitration for prescribed and negotiated transmission services and large DCA services**

Omit the heading of rule 5.5 and substitute:

**5.5 Commercial arbitration for prescribed and negotiated transmission services and DNA services**

**[88] Clause 5.5.1 Application**

Omit clause 5.5.1(b) and substitute:

- (b) This rule 5.5 applies to any dispute which may arise between a *Transmission Network Service Provider*, and/or an owner of a *designated network asset* (a **provider**) and a *Connection Applicant* or a person seeking *DNA services* (an **applicant**) as to *terms and conditions of access*, for the provision of *prescribed transmission services*, the provision of *negotiated transmission services* (each a *transmission services access dispute*), or the provision of *DNA services* (a *DNA services access dispute*) (as applicable).

**[89] Clause 5.5.1 Application**

In clause 5.5.1(c), omit "*large DCA services*" and substitute "*DNA services*".

**[90] Clause 5.5.1 Application**

In clause 5.5.1(c)(3), omit all occurrences of "*large DCA services*" and substitute "*DNA services*".

**[91] Clause 5.5.2 Notification of dispute**

In clause 5.5.2(a), omit "*large DCA services access dispute*" and substitute "*DNA services access dispute*".

**[92] Clause 5.5.3 Appointment of commercial arbitrator**

In clause 5.5.3(a), omit "*large DCA services access dispute*" and substitute "*DNA services access dispute*".

**[93] Clause 5.5.5 Powers of commercial arbitrator in determining disputes**

In clause 5.5.5(c), omit "*large DCA services access dispute*" and substitute "*DNA services access dispute*".

**[94] Clause 5.5.5 Powers of commercial arbitrator in determining disputes**

In clause 5.5.5(c), omit "*large DCA services*" and substitute "*DNA services*".

**[95] Clause 5.5.5 Powers of commercial arbitrator in determining disputes**

In clause 5.5.5(c)(1), omit "*Dedicated Connection Asset Service Provider*" and substitute "owner of the *designated network asset*".

**[96] Clause 5.5.5 Powers of commercial arbitrator in determining disputes**

In clause 5.5.5(c)(3), omit "the *Dedicated Connection Asset Service Provider*" and substitute "any owner of the *designated network asset*".

**[97] Clause 5.5.5 Powers of commercial arbitrator in determining disputes**

In clause 5.5.5(c)(4), omit "*large DCA services*" and substitute "*DNA services*".

**[98] Clause 5.5.5 Powers of commercial arbitrator in determining disputes**

In clause 5.5.5(c)(5), omit "*large dedicated connection asset*" and substitute "*designated network asset*".

**[99] Clause 5.5.6 Determination of disputes**

In clause 5.5.6(b)(2), omit "*large DCA service*" and substitute "*DNA service*".

**[100] Clause 5.5.6 Determination of disputes**

In clause 5.5.6(b)(3), omit "*large DCA services*" and substitute "*DNA services*".

**[101] Clause 5.5.6 Determination of disputes**

In clause 5.5.6(b)(3), omit "*Dedicated Connection Asset Service Provider*" and substitute "owner of the *designated network asset*".

**[102] Clause 5.5.6 Determination of disputes**

Omit clause 5.5.6(b)(4) and substitute:

- (4) only where the dispute is a *DNA services access dispute*, may require the enlargement or increase in capacity of, or alterations to, a *designated network asset* in accordance with the *access policy* but not an *extension* or replication of the *designated network asset*.

**[103] Clause 5.5.6 Determination of disputes**

After clause 5.5.6(b)(4), in the **Note**, omit "to a *Connection Applicant* or person seeking *large DCA services*".

**[104] Clause 5.5.6 Determination of disputes**

After clause 5.5.6(b)(4), in the **Note**, omit "or *Dedicated Connection Asset Service Provider*".

**[105] Clause 5.5.6 Determination of disputes**

In clause 5.5.6(e), omit "*large DCA service*" and substitute "*DNA service*".

**[106] Clause 5.7.8 Contestable IUSA components**

Omit the heading of clause 5.7.8 and substitute:

**5.7.8 Functional specifications compliance**

**[107] Clause 5.7.8 Functional specifications compliance**

In clause 5.7.8(a), after "*contestable IUSA components*", insert "*or designated network assets*".

**[108] Clause 5.7.8 Functional specifications compliance**

In clause 5.7.8(a), after "*identified user shared asset*", insert "*or owner of the designated network asset*".

**[109] Clause 5.7.8 Functional specifications compliance**

In clause 5.7.8(b), after "*identified user shared asset*", insert "*or owner of the designated network asset*".

**[110] Clause 5.7.8 Functional specifications compliance**

In clause 5.7.8(b), omit "*Transmission Network Service Provider*" and substitute "*Primary Transmission Network Service Provider*".

**[111] Clause 5.12.2 Transmission Annual Planning Report**

After clause 5.12.2(c)(6A), insert:

(6B) information about which parts of its *transmission network* are *designated network assets* and the identities of the owners of those *designated network assets*;

**[112] Schedule 5.6 Terms and Conditions of Connection agreements and network operating agreements**

At the beginning of Part B of Schedule 5.6, before the numbered paragraphs, after "*contestable IUSA components*", insert "*or designated network assets*".

**[113] Schedule 5.6 Terms and Conditions of Connection agreements and network operating agreements**

In paragraph (a) in Part B of Schedule 5.6, omit "*identified user shared asset* and the *transmission network*" and substitute "*identified user shared asset, designated network asset* and the rest of the *transmission network*".

**[114] Schedule 5.11 Negotiating principles for negotiated transmission services (clause 5.2A.6)**

At the beginning of Schedule 5.11, before the numbered paragraphs, insert "This Schedule does not apply to *DNA services*".

**[115] Schedule 5.12 Negotiating principles for large DCA services**

Omit Schedule 5.12, including the heading, and substitute:

**Schedule 5.12 Negotiating principles for DNA services**

References to 'existing connecting party' in this Schedule means a person who has a *connection agreement* in respect of a *designated network asset* and who may also be the owner of the *designated network asset*.

- 1 Subject to principle 2, the price for a *DNA service* should be at least equal to the reasonable estimate of avoided cost of providing it but no more than the reasonable estimate of cost of providing it on a stand-alone basis. Avoided costs may include, without limitation, the following costs that would be incurred by the existing *connected party* and the owner of the *designated network asset*:
  - (a) capital costs incurred by the owner of the *designated network asset* for the increase in the capacity or alteration to, that existing *designated network asset* including the moving of metering and other related equipment, to provide the *DNA service*;
  - (b) any lost revenue incurred by the owner of the *designated network asset* or existing *connected party* during an upgrade of, or alteration to the existing *designated network asset*;
  - (c) any changes in revenue incurred by the existing *connected party* resulting from changes to its *marginal loss factor* caused by the subsequent *connection* to the *designated network asset*;
  - (d) any increase in operation and maintenance costs incurred by the owner of the *designated network asset* caused by the subsequent *connection* to the *designated network asset*; and

- (e) increase in the costs of any charges for *use of system services* incurred by the existing connected party caused by the subsequent *connection* to the *designated network asset*.
- 2 If the avoided cost of providing a *DNA service* is greater than the cost of providing that service on a stand-alone basis, the price for the *DNA service* may be less, but must be no more, than the avoided cost.

**Note:**

As avoided costs includes revenue losses, there may be scenarios where the avoided cost of providing the *DNA service* is higher than the stand-alone costs of constructing new assets to provide that *DNA service*.

- 3 The price for a *DNA service* should be such as to enable the owner of the *designated network asset* to recover the efficient costs of complying with all *regulatory obligations or requirements* associated with the provision of the *DNA service*.
- 4 The *connection* of an applicant to an existing *designated network asset* and access to *DNA services* must not adversely affect contractual rights and obligations of an existing connected party to the *designated network asset* with the relevant owner of a *designated network asset*.
- 5 The *connection* of an applicant to a *designated network asset* and access to *DNA services* must not:
- (a) result in the applicant becoming the owner of any part of the existing *designated network asset* or upgrade of that asset without the consent of the existing owner;
  - (b) require an existing connected party or the owner of the *designated network asset* to bear all or some of the costs of an upgrade of the *designated network asset* or maintaining an upgrade;
  - (c) require an existing connected party to the *designated network asset* to bear all or some of the costs of a *connection* to the *designated network asset* or maintaining a *connection*; or
  - (d) require the owner of a *designated network asset* to extend or replicate the *designated network asset*.

## **Schedule 3      Amendment to the National Electricity Rules**

(Clause 5)

### **[1] Clause 6A.23.3 Principles for the allocation of the annual service revenue requirement to connection points**

In clause 6A.23.3(c), after the first instance of "the relevant *transmission system assets*", insert ", excluding, to avoid doubt, assets which constitute an *identified user shared asset* or *designated network asset*".

### **[2] Clause 6A.23.3 Principles for the allocation of the annual service revenue requirement to connection points**

In clause 6A.23.3(e)(2), after "referred to in subparagraph (b)(1)", insert "or *settlements residue* that accrue on a *designated network asset* due to *boundary point loss factors*, but otherwise".

### **[3] Clause S6A.3.2 CRNP methodology**

In clause S6A.3.2(1), after "is the '**locational network asset cost**'.", insert "To avoid doubt, the optimised replacement cost of *transmission system assets* that are *designated network assets* and *identified user shared assets* is zero."

### **[4] Clause S6A.3.2 CRNP methodology**

In clause S6A.3.2(4), after "operating conditions considered.", insert "To avoid doubt, the individual locational *network asset cost* of a *network asset* that is a *designated network asset* or *identified user shared asset* is zero."

### **[5] Clause S6A.3.3 Modified CRNP methodology**

In clause S6A.3.3(1), after "asset's gross network asset cost", insert ", except, to avoid doubt, if that asset is a *designated network asset* or an *identified user shared asset*, the asset cost is zero."

### **[6] Clause 8.2.1 Application and guiding principles**

Omit clause 8.2.1(h)(3A).

### **[7] Clause 8.2.1 Application and guiding principles**

In clause 8.2.1(h)(14), omit "*large DCA services*" and substitute "*DNA services*".



## Schedule 4 Amendment to the National Electricity Rules

(Clause 6)

### [1] Chapter 10 Substituted definition

In chapter 10, in the definition of "*access policy*", omit "*large DCA services*" and substitute "*DNA services*".

### [2] Chapter 10 Substituted definition

In chapter 10, in the definition of "*connect*", after "including to a *network connection asset* or" insert "through".

### [3] Chapter 10 Substituted definition

In chapter 10, in the definition of "*Connection Applicant*", omit paragraphs (a) and (b), including the **Note**, and substitute:

- (a) a person seeking to *connect* its *facilities* to the *transmission network* of that *Primary Transmission Network Service Provider* including through a *dedicated connection asset*; and
- (b) a person seeking to negotiate a *network operating agreement* for a *third party IUSA* or *designated network asset* not owned by the *Primary Transmission Service Provider*.

#### **Note**

In the context of Chapter 5A, the above definition has been displaced by a definition specifically applicable to that Chapter. See clause 5A.A.1.

### [4] Chapter 10 Substituted definition

In chapter 10, in the definition of "*connection assets*", omit the **Note** in its entirety.

### [5] Chapter 10 Substituted definition

In chapter 10, in the definition of "*connection point*", omit all references to "*or identified user group*".

### [6] Chapter 10 Substituted definition

In chapter 10, in the definition of "*connection point*", omit "from the person" and substitute "from a person".

### [7] Chapter 10 Substituted definition

In chapter 10, in the definition of "*connection service*", omit all references to "a single *connection point*" and substitute "the same *connection point*".



## [8] Chapter 10 Substituted definition

In chapter 10, omit the definition "*dedicated connection asset*", including the **Note** and substitute:

### *dedicated connection asset*

The apparatus, equipment, *plant* and buildings that:

- (a) are used for the purpose of *connecting* a person at a *connection point* to a *transmission network* and are used exclusively by that person;
- (b) include power lines less than 30 kilometres in route length;
- (c) can be electrically isolated from the *transmission network* without affecting the provision of *shared transmission services* to other persons; and
- (d) are not:
  - (1) *network connection assets*;
  - (2) part of a *generating system*;
  - (3) part of a *distribution system*;
  - (4) part of a *transmission system* for which a *Market Network Service Provider* is registered under Chapter 2;
  - (5) part of *Transmission Customer's facility* that utilises electrical energy;
  - (6) part of the *declared transmission system* of an *adoptive jurisdiction*; or
  - (7) *designated network assets*.

### **Note**

At any time a person who owns, controls or operates a *dedicated connection asset* may elect for that *dedicated connection asset* to be a *designated network asset* under clause 11.139.4.

## [9] Chapter 10 Substituted definition

In chapter 10, in the definition of "*distribution system*", omit the second paragraph.

## [10] Chapter 10 Substituted definition

In chapter 10, in the definition of "*entry service*", omit "a single *connection point*" and substitute "the same *connection point*".

**[11] Chapter 10 Substituted definition**

In chapter 10, in the definition of "*exit service*", omit "a single *connection point*" and substitute "the same *connection point*".

**[12] Chapter 10 Substituted definition**

In chapter 10, in the definition of "*funded augmentation*", after "pursuant to Chapter 6A", insert "and does not include an *identified user shared asset* or a *designated network asset*".

**[13] Chapter 10 Substituted definition**

In chapter 10, in the definition of "*identified user group*", omit "at the same single *connection point*", insert "behind the same *boundary point* or *DNA boundary point*".

**[14] Chapter 10 Substituted definition**

In chapter 10, omit the definition of "*identified user shared asset*" and substitute:

***identified user shared asset***

The apparatus, equipment, *plant* and buildings that:

- (a) are used for the purpose of:
  - (1) *connecting* a person through a *dedicated connection asset* to a *transmission network*, or
  - (2) expanding the existing *transmission network* to incorporate a *designated network asset* (but does not include subsequent components that are incorporated into that *designated network asset*);
- (b) are not for the exclusive use by that person for a *dedicated connection asset* or *identified user group* for a *designated network asset*;
- (c) if used to *connect* that person to a *transmission network* through a *dedicated connection asset*, under normal operating conditions, cannot be electrically isolated from the *transmission network* without affecting the provision of *shared transmission services* to other persons; and
- (d) are not part of the *declared transmission system* of an *adoptive jurisdiction* or a *designated network asset*.

**Note**

An *identified user shared asset* is located at:

- 1. the interface between a *dedicated connection asset* and a *transmission network* (but this does not include where the interface is between a *dedicated connection asset* with a *designated network asset*); and

2. the *boundary point* between a *designated network asset* and part of a *transmission network* that is not a *designated network asset*.

There is no *identified user shared asset* in the interface between a *designated network asset* and another *designated network asset*.

### **[15] Chapter 10                      Substituted definition**

In chapter 10, in the definition of "***transmission network***", omit the last paragraph and substitute:

Except in the case of a *declared transmission system* of an *adoptive jurisdiction*, an *identified shared user asset* and *designated network asset* owned, controlled or operated by a *Primary Transmission Network Service Provider* (including a *third party IUSA* or *designated network asset* not owned by the *Primary Transmission Network Service Provider* that is the subject of a *network operating agreement*) forms part of that *Primary Transmission Network Service Provider's transmission network*.

### **[16] Chapter 10                      Substituted definition**

In chapter 10, in the definition of "***Transmission Network User***", omit paragraphs (a) to (c) and substitute:

- (a) a *Generator* whose *generating unit*; and
- (b) a *Network Service Provider* whose network, is *connected* to the *transmission network*.

### **[17] Chapter 10                      Substituted definition**

In chapter 10, in the definition of "***transmission system***", omit all text following the first paragraph, including the **Note**.

### **[18] Chapter 10                      New definitions**

In chapter 10, insert the following definitions in alphabetical order:

#### ***boundary point***

The point of delineation between a *designated network asset* and an *identified user shared asset*:

- (a) as agreed in the relevant *network operating agreement* between the *Primary Transmission Network Service Provider*, and the owner of the relevant *designated network asset*; or
- (b) where the *designated network asset* is owned or leased by the *Primary Network Service Provider* as determined by that provider.

**Note**

There could be multiple *designated network assets* behind the *boundary point*, which can each be owned by separate owners. Each owner will have a separate *network operating agreement* with the *Primary Transmission Network Service Provider* for the *designated network asset* it owns. The delineation between *designated network assets* owned by different owners is the *DNA boundary point*. The subsequent addition of further *designated network asset* with different owners will not change the *boundary point* because it describes the point of delineation between the initial *designated network asset* and the *identified user shared asset*.

***boundary point losses***

Has the meaning given to it in clause 3.6.2B(a).

***boundary point loss factors***

Has the meaning given to it in clause 3.6.2B(b).

***designated network asset***

The apparatus, equipment, *plant* and buildings that:

- (a) are used from the *boundary point* to convey, and control the conveyance of, electricity, for an *identified user group*;
- (b) are for the exclusive use of the *identified user group* and may be owned by different persons within that *identified user group*;
- (c) include power lines that have a route length of:
  - (1) 30 kilometres or more; or
  - (2) less than 30 kilometres where the owner of those assets has entered into a *network operating agreement* in respect of those assets; and
- (d) do not:
  - (1) provide *prescribed transmission services*;
  - (2) form part of a *network loop*;
  - (3) form part of a *transmission system* for which a *Market Network Service Provider* is registered under Chapter 2; or
  - (4) form part of a *declared transmission system* of an *adoptive jurisdiction*.

***DNA boundary point***

The point of delineation between a *designated network asset* owned by one party and another *designated network asset* owned by another party:

- (a) as agreed in the relevant *network operating agreement* between the *Primary Transmission Network Service Provider*, and each owner of a *designated network asset*;
- (b) where the *designated network asset* is owned or leased by the *Primary Network Service Provider* as determined by that provider.

#### ***DNA service***

A service provided by an owner of a *designated network asset* that relates to:

- (a) providing *access* to the *designated network asset* (but does not include a requirement for the owner of the *designated network asset* to *extend* or replicate the *designated network asset*);
- (b) providing information regarding the *designated network asset*;
- (c) undertaking cut-in works to the *designated network asset*; and
- (d) undertaking upgrades to existing assets that comprise the *designated network asset* or increasing the capacity of the *designated network asset*.

#### ***DNA services access dispute***

A dispute between an owner of a *designated network asset* and a person seeking *DNA services* as referred to in clause 5.5.1(c), that is for determination by a commercial arbitrator under rule 5.5.

### **[19] Chapter 10            Omitted definitions**

In chapter 10, omit definitions "*large DCA service*", "*large DCA services access dispute*", "*small dedicated connection asset*" and "*third party DCA*".

## Schedule 5 Savings and Transitional Amendment to the National Electricity Rules

(Clause 7)

### [1] New Part ZZZZO Connection to dedicated connection assets

In chapter 11, after Part ZZZZO, insert:

#### Part ZZZZO Connection to dedicated connection assets

#### 11.139 Rules consequential on the making of the National Electricity Amendment (Connection to dedicated connection assets) Rule 2021

##### 11.139.1 Definitions

(a) In this rule 11.139:

**allowance period** means the period beginning on the commencement date and ending on the 60<sup>th</sup> *business day* after the commencement date.

**Amending Rule** means the National Electricity Amendment (Connection to dedicated connection assets) Rule 2021.

**commencement date** means the date of commencement of Schedules 1 to 4 of the Amending Rule.

**Dedicated Connection Asset Service Provider** has the meaning given under the *Rules* immediately in force before the commencement date.

**effective date** means the date that the Amending Rule is made.

**existing large dedicated connection asset** means a "*large dedicated connection asset*", which before the commencement date:

- (a) exists; or
- (b) is contracted to be constructed under a pre-DNA Connection Agreement; or
- (c) a *Transmission Network Service Provider* has agreed to *connect* to a *transmission network* under a pre-DNA Connection Agreement.

**former Chapter 5** means Chapter 5 of the *Rules*, and all related definitions of the *Rules*, as in force immediately prior to the commencement date.

**large dedicated connection asset** means a "*large dedicated connection asset*" as defined under the *Rules* in force immediately before the commencement date.

**new Chapter 5** means Chapter 5 of the *Rules* as in force immediately after the commencement date.

**pre-DNA Connection Agreement** means a *connection agreement* entered into before the commencement date other than in relation to a *declared transmission system* of an *adoptive jurisdiction*.

**pre-TCAPA Connection Agreement** means a *connection agreement* entered into before 1 July 2018, other than in relation to a *declared transmission system* of an *adoptive jurisdiction*.

**pre-TCAPA DCA** means an Existing DCA as defined in clause 11.98.1.

**small dedicated connection asset** means a "*small dedicated connection asset*" as defined under the *Rules* in force immediately before the commencement date.

**TCAPA Connection Agreement** means a *connection agreement* entered into between 1 July 2018 and the commencement date, other than in relation to a *declared transmission system* of an *adoptive jurisdiction*.

**TCAPA Amending Rule** means the National Electricity Amendment (Transmission Connection and Planning arrangements) Rule 2017 No. 4.

### **11.139.2 Transition of existing small dedicated connection assets**

- (a) If a person is registered as a Dedicated Connection Asset Service Provider in respect of a small dedicated connection asset, then on and from the commencement date:
  - (1) the person ceases to be registered as a Dedicated Connection Asset Service Provider in respect of that asset; and
  - (2) that asset is taken to be a *dedicated connection asset* and that person must comply with all obligations under new Chapter 5 in respect of that asset.
- (b) Nothing in this clause is intended to have, nor is to be read or construed as having, the effect of changing the application of clause 11.98.2 in relation to an Existing DCA.

### **11.139.3 Grandfathering of existing large dedicated connection assets**

If a person is registered as a Dedicated Connection Asset Service Provider in respect of an existing large dedicated connection asset, then on and from the commencement date:

- (a) the person ceases to be registered as a Dedicated Connection Asset Service Provider in respect of that asset; and
- (b) the person who owns, operates or controls that asset, is deemed to be a Dedicated Connection Asset Service Provider for the purposes of former Chapter 5 and must comply with all obligations of a Dedicated Connection Asset Service Provider under former Chapter 5 in respect of that asset,

and, to avoid doubt, new Chapter 5 does not apply in respect of that asset.

#### **11.139.4 Conversion to a designated network asset**

- (a) Subject to paragraph (b), at any time after the commencement date, a person owning, controlling or operating:
  - (1) a pre-TCAPA DCA;
  - (2) an existing large dedicated connection asset; or
  - (3) a *dedicated connection asset* (including an asset that was a small dedicated connection asset before the commencement date),may elect to apply new Chapter 5 to that asset as a *designated network asset*.
- (b) An election can only be made under paragraph (a) in respect of an asset if:
  - (1) that asset meets the relevant technical standards and requirements as set out under Schedules 5.1a and 5.1; and
  - (2) the *Primary Transmission Network Service Provider*, and all persons *connected* to the asset, consent to the application of new Chapter 5 to that asset as a *designated network asset*.

#### **Note**

The conversion of one of these assets to a *designated network asset* will require the *Primary Transmission Network Service Provider* to be satisfied that the asset meets the functional specifications relevant to a *transmission network*. The consent of *connected* parties is required because conversion may affect their *connection*, for example, the location of their *connection point* or the nature of the access arrangements for that *connected* party with respect to the "converted" asset.

- (c) If an election is made under paragraph (a) in respect of an asset, then:
  - (1) that asset is taken to be a *designated network asset*; and
  - (2) the person owning that asset and the *Primary Transmission Network Service Provider* must comply with all of the obligations under new Chapter 5 in respect of that asset.



### **11.139.5 Grandfathering of Existing Connection Agreements**

- (a) The Amending Rule is neither intended to have, nor is it to be read or construed as having, the effect of:
  - (1) altering any of the terms of a Pre-DNA Connection Agreement (including the location of a *connection point*);
  - (2) altering the contractual rights or obligations of any of the parties under a Pre-DNA Connection Agreement as between those parties; or
  - (3) relieving the parties under any such pre-DNA Connection Agreement of their contractual obligations under such an agreement.
- (b) If a *Transmission Network User* under:
  - (1) a TCAPA Connection Agreement for a *facility connected* to an existing large dedicated connection asset; or
  - (2) a pre-TCAPA Connection Agreement made an amendment to that pre-TCAPA Connection Agreement after the commencement of the TCAPA Amending Rule but before the commencement date and to which clause 11.98.5 applied,  
  
requests an amendment to that agreement after the commencement date for the purposes of altering a *connection service* provided under that agreement, then the former Chapter 5 applies to that request.
- (c) If a *Transmission Network User* under a pre-TCAPA Connection Agreement requests an amendment to that pre-TCAPA Connection Agreement after the commencement date for the purposes of altering a *connection service* provided under that agreement, then:
  - (1) clause 11.98.5(b) does not apply; and
  - (2) the *Rules* as amended by the Amending Rule and the TCAPA Amending Rule do not apply to that request.
- (d) The Amending Rule is neither intended to have, nor is it to be read or construed as having, the effect of changing the application of clause 11.6.11 (if applicable) in relation to *connection services* provided under a pre-DNA Connection Agreement.

### **11.139.6 Connection process for large dedicated connection assets**

If a *connection* enquiry was made to a *Primary Transmission Network Service Provider* by a *Connection Applicant* under clause 5.3.2 before the effective date in respect of a large dedicated connection asset:

- (a) the *Primary Transmission Network Service Provider* must provide written notification to the *Connection Applicant* as soon as reasonably

practicable, that former Chapter 5 continues to apply to the *connection* process;

- (b) if the *Connection Applicant* notifies the *Primary Transmission Network Service Provider* that it elects for the new Chapter 5 to apply to its *connection* process, then the *Primary Transmission Network Service Provider* must use reasonable endeavours to respond to the *Connection Applicant* as soon as practicable with any further necessary information, to assist the *Connection Applicant* to progress its *connection* enquiry under new Chapter 5. To the extent that the information relates to an *AEMO advisory matter*, the *Primary Transmission Network Service Provider* must consult with *AEMO* with respect to responding with that information.

#### **11.139.7 Connection process for small dedicated connection assets**

- (a) If a *connection* enquiry was made to a *Primary Transmission Network Service Provider* by a *Connection Applicant* under clause 5.3.2 before the effective date in respect of a small dedicated connection asset, the *Primary Transmission Network Service Provider* must:
  - (1) provide written notification to the *Connection Applicant*, as soon as reasonably practicable, that new Chapter 5 will apply to the *connection* process related to that *connection* enquiry; and
  - (2) use reasonable endeavours to provide the *Connection Applicant* with any further necessary information, to assist the *Connection Applicant* to progress its *connection* enquiry under new Chapter 5.
- (b) If a *connection* enquiry was made to a *Primary Transmission Network Service Provider* by a *Connection Applicant* under clause 5.3.2 before the effective date in respect of a small dedicated connection asset and an election is made under subclause 11.139.4(a)(2) with respect to that small dedicated connection asset, then the *Primary Transmission Network Service Provider* must use reasonable endeavours to respond to the *Connection Applicant* as soon as practicable with any further necessary information, to assist the *Connection Applicant* to progress its *connection* enquiry under new Chapter 5. To the extent that the information relates to an *AEMO advisory matter*, the *Primary Transmission Network Service Provider* must consult with *AEMO* with respect to responding with that information.

#### **11.139.8 Connection enquiries after effective date**

If a *connection* enquiry was made to a *Primary Transmission Network Service Provider* by a *Connection Applicant* under clause 5.3.2 in respect of a large dedicated connection asset or small dedicated connection asset, after the effective date but before the commencement date, then on and from the commencement date:

- (a) the *connection* enquiry is taken to have been made under the new Chapter 5, on the commencement date, such that clause 11.139.9(b) applies; and
- (b) new Chapter 5 applies to the *connection* process related to that *connection* enquiry.

#### **11.139.9 PTNSP obligations with respect to the connection process**

- (a) In respect of a *connection* process to which clauses 11.139.6(b), 11.139.7 or 11.139.8 applies, the *Primary Transmission Network Service Provider*:
  - (1) must not charge the *Connection Applicant* any additional fees or charges in relation to its *connection* process, other than fees to cover the reasonable costs of work required:
    - (i) to prepare an offer to *connect* under new Chapter 5; and
    - (ii) to provide information referred to under clauses 11.139.6(b) and 11.139.7.
  - (2) may extend the time periods by a reasonable period of time (but by no more than 60 *business days* in aggregate) for that *connection* process in rule 5.3 to account for the differences between new Chapter 5 and former Chapter 5.
- (b) If, during the allowance period, the *Primary Transmission Network Service Provider* receives a *connection* enquiry from a *Connection Applicant* under clause 5.3.2 in respect of a *designated network asset*, then the time period that the *Primary Transmission Network Service Provider* has to respond to that enquiry under clause 5.3.3(b) of the *Rules* is:
  - (1) the time period set out under clause 5.3.3(b)(1) of the *Rules*; plus
  - (2) the number of *business days* between the date that the *connection* enquiry was submitted by the *Connection Applicant* (during the allowance period) and the end of the allowance period.

#### **11.139.10 Preparatory steps for guidelines and procedures under the Amending Rule**

- (a) As soon as reasonably practicable following the commencement date, the *AER* must amend and issue the guidelines developed under clause 2.5.1(d) to take account of the Amending Rule.
- (b) Despite clause 2.5.1(e), the *AER* is not required to consult on the changes required to those guidelines, provided those changes are limited to changes necessary to give effect to the Amending Rule.

[END OF RULE AS MADE]

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