



Draft National Electricity Amendment (Material change in network infrastructure project costs) Rule 2022

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

Draft National Electricity Amendment (Material change in network infrastructure project costs) Rule 2022

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Material change in network infrastructure project costs) Rule 2022*.

2 Commencement

Schedule 1 of the Rule commences operation on [the date that is 12 months after the date on which the Rule is made].

Schedule 2 of this Rule commences operation on [the date the Rule is made].

3 Amendment to the National Electricity Rules

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

4 Savings and Transitional Amendment to the National Electricity Rules

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

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 5.15.3 Review of costs thresholds

In clause 5.15.3(b)(5), at the end of the subparagraph, omit "and".

[2] Clause 5.15.3 Review of costs thresholds

In clause 5.15.3(b)(6), omit "." and substitute "; and".

[3] Clause 5.15.3 Review of costs thresholds

After clause 5.15.3(b)(6), insert:

- (7) greater than \$100 million referred to in clause 5.16.4(k)(10) and clause 5.16A.4(d)(9).

[4] Clause 5.15.3 Review of costs thresholds

In clause 5.15.3(d)(5), omit "." and substitute "; and".

[5] Clause 5.15.3 Review of costs thresholds

After clause 5.15.3(d)(5), insert:

- (6) greater than \$100 million referred to in clause 5.17.4(j)(13).

[6] Clause 5.15.3 Review of costs thresholds

In clause 5.15.3.(g)(3), omit "*newcost threshold*" and substitute "*new cost threshold*".

[7] Clause 5.16.2 Regulatory investment test for transmission application guidelines

In clause 5.16.2(c)(2), after "*credible option*" insert ", including any acceptable cost estimate classification systems".

[8] Clause 5.16.2 Regulatory investment test for transmission application guidelines

In clause 5.16.2(c)(8), after "risks" insert ", including any appropriate role for contingency allowances".

[9] Clause 5.16.2 Regulatory investment test for transmission application guidelines

In clause 5.16.2(c)(8), at the end of the subparagraph, omit "and".

[10] Clause 5.16.2 Regulatory investment test for transmission application guidelines

In clause 5.16.2(c)(9), omit "." and substitute "; and".

[11] Clause 5.16.2 Regulatory investment test for transmission application guidelines

After clause 5.16.2(c)(9), insert:

- (10) the purpose of, and appropriate approach to developing, *RIT reopening triggers*, as well as examples of potential:
 - (i) *RIT reopening triggers*; and
 - (ii) actions that may be taken in response to a *RIT reopening trigger* being triggered.

[12] Clause 5.16.2 Regulatory investment test for transmission application guidelines

Omit clause 5.16.2(f) and substitute:

- (f) An amendment referred to in paragraph (e) that relates to:
 - (1) applying the *regulatory investment test for transmission* to *RIT-T projects*, does not apply to a current application of the *regulatory investment test for transmission* and the *regulatory investment test for transmission application guidelines* under the *Rules* by *RIT-T proponent*; and
 - (2) a *RIT-T proponent* ascertaining whether a material change in circumstances has occurred that would require it to re-apply the *regulatory investment test for transmission* pursuant to clause 5.16.4(z3)(3), does not apply to a *RIT-T project* for which a *project assessment draft report* has been submitted prior to the date that the amendment is effective.

[13] Clause 5.16.2 Regulatory investment test for transmission application guidelines

After clause 5.16.2(g), insert:

- (h) The *AER* may specify the relevant parts of the *regulatory investment test for transmission application guidelines* that are binding on *RIT-T proponents*.

[14] Clause 5.16.4 Regulatory investment test for transmission procedures

In clause 5.16.4(k)(9)(iv), omit "." and substitute "; and".

[15] Clause 5.16.4 Regulatory investment test for transmission procedures

After clause 5.16.4(k)(9)(iv), insert:

- (10) if each of the following apply to the *RIT-T project*:
 - (i) the estimated capital cost of the proposed *preferred option* is greater than \$100 million (as varied in accordance with a *cost threshold determination*); and
 - (ii) *AEMO* is not the *RIT-T proponent*,include the *RIT reopening triggers* applying to the *RIT-T project*.

[16] Clause 5.16.4 Regulatory investment test for transmission procedures

Omit clause 5.16.4(z3) and substitute:

- (z3) If:
 - (1) a *RIT-T proponent* has published a *project assessment conclusions report* in respect of a *RIT-T project*;
 - (2) a *Network Service Provider* still wishes to undertake the *RIT-T project* to address the *identified need*;
 - (3) there has been a material change in circumstances which, in the reasonable opinion of the *RIT-T proponent* means that the *preferred option* identified in the *project assessment conclusions report* is no longer the *preferred option*,

then the *RIT-T proponent* must:

- (4) notify the *AER* in writing of the material change in circumstances, which notice must also set out the nature of that material change in circumstances and any actions the *RIT-T proponent* proposes to take as a result of that material change in circumstances; and
- (5) take the actions (if any) approved or required by the *AER* in a determination made under paragraph (z5A) within any timeframe specified by the *AER* by its determination.

[17] Clause 5.16.4 Regulatory investment test for transmission procedures

After clause 5.16.4(z3)(5), insert:

- (z3A) For the purposes of paragraph (z3), a *RIT-T proponent* is only required to consider whether a material change in circumstances

has occurred if more than six months has elapsed since the later of the *RIT-T proponent* completing:

- (1) the analysis required to apply the *regulatory investment test for transmission*; and
- (2) the analysis required for any reapplication (in whole or in part) of the *regulatory investment test for transmission*.

[18] Clause 5.16.4 Regulatory investment test for transmission procedures

Omit clause 5.16.4(z4) and substitute:

- (z4) For the purposes of paragraph (z3), a material change in circumstances may include, but is not limited to:
 - (1) a change to the key assumptions used in identifying the *identified need* described in the *project assessment conclusions report*; or
 - (2) for a *RIT-T project* contemplated by clause 5.16.4(k)(10), a *RIT reopening trigger* applying to the project having been triggered.

[19] Clause 5.16.4 Regulatory investment test for transmission procedures

Omit clause 5.16.4(z5) and substitute:

- (z5) When making a determination under paragraph (z5A), the *AER*:
 - (1) must have regard to:
 - (i) the credible options (other than the *preferred option*) identified in the *project assessment conclusions report*;
 - (ii) the change in circumstances identified by the *RIT-T proponent*;
 - (iii) whether a failure to promptly undertake the *RIT-T project* is likely to materially affect the *reliability* and *secure operating state* of the *transmission network* or a significant part of that *network*;
 - (iv) whether, in the *AER's* reasonable opinion, the reapplication of the *regulatory investment test for transmission* to the *RIT-T project* is justified in the circumstances;
 - (v) the costs and delay that may result from the actions the *RIT-T proponent* proposes to take as a result of the material change in circumstances;

- (vi) the costs and delay that may result from the reapplication (in whole or in part) of the *regulatory investment test for transmission* to the *RIT-T project*; and
 - (vii) the *national electricity objective*; and
- (2) may request additional information or analysis from the *RIT-T proponent* that the *AER* considers reasonably necessary to assist it in making a determination under paragraph (z5A).

[20] Clause 5.16.4 Regulatory investment test for transmission procedures

After clause 5.16.4(z5), insert:

- (z5A) Subject to paragraph (z5C), within 40 days of receipt by the *AER* of a notice referred to in paragraph (z3)(4), the *AER* must:
 - (1) make a determination whether to approve or reject any actions notified by the *RIT-T proponent* under paragraph (z3)(4);
 - (2) notify the *RIT-T proponent* of the determination; and
 - (3) where the *AER* rejects the actions notified by the *RIT-T proponent* under paragraph (z3)(4), specify the actions (if any) the *AER* requires the *RIT-T proponent* to take, which actions may include the *RIT-T proponent* reapplying (in whole or in part) the *regulatory investment test for transmission* to the *RIT-T project*.
- (z5B) If the *AER* does not make the determination referred to in paragraph (z5A) within the time required by paragraph (z5A), then the *AER* is taken to have approved the actions notified by the *RIT-T proponent* under paragraph (z3)(4).
- (z5C) Where the *AER* requests additional information or analysis under paragraph (z5)(2), the period of time for making a determination under paragraph (z5A) is automatically extended by the time it takes the *RIT-T proponent* to provide the additional information or analysis to the *AER* provided:
 - (1) the *AER* makes the request for additional information at least seven days prior to the expiry of the period of time for making a determination under paragraph (z5A); and
 - (2) the *RIT-T proponent* provides the additional information or analysis within 14 days of receipt of the request under subparagraph (1).

[21] Clause 5.16A.2 Cost Benefit Analysis Guidelines

In clause 5.16A.2(c)(2) after "*credible option*", insert ", including any acceptable cost estimate classification systems".

[22] Clause 5.16A.2 Cost Benefit Analysis Guidelines

In clause 5.16A.2(c)(2), omit "and".

[23] Clause 5.16A.2 Cost Benefit Analysis Guidelines

In clause 5.16A.2(c)(3), omit "." and substitute "; and".

[24] Clause 5.16A.2 Cost Benefit Analysis Guidelines

After clause 5.16A.2(c)(3), insert:

- (4) the purpose of, and appropriate approach to developing, *RIT reopening triggers*, as well as examples of potential:
 - (i) *RIT reopening triggers*; and
 - (ii) actions that may be taken in response to a *RIT reopening trigger* being triggered.

[25] Clause 5.16A.4 Regulatory investment test for transmission procedures

In clause 5.16A.4(d)(7), omit "and".

[26] Clause 5.16A.4 Regulatory investment test for transmission procedures

In clause 5.16A.4(d)(8)(ii), omit "." and substitute "; and".

[27] Clause 5.16A.4 Regulatory investment test for transmission procedures

After clause 5.16A.4(d)(8)(ii), insert:

- (9) if each of the following apply to the *RIT-T project*:
 - (i) the estimated capital cost of the proposed *preferred option* is greater than \$100 million (as varied in accordance with a *cost threshold determination*); and
 - (ii) *AEMO* is not the *RIT-T proponent*,
include the *RIT reopening triggers* applying to the *RIT-T project*.

[28] Clause 5.16A.4 Regulatory investment test for transmission procedures

Omit clause 5.16A.4(n) and substitute:

- (n) If:
- (1) a *RIT-T proponent* has *published* on its website a *project assessment conclusions report* in respect of a *RIT-T project*; and
 - (2) there has been either:
 - (i) a material change in circumstances which, in the reasonable opinion of the *RIT-T proponent* means that the *preferred option* identified in the *project assessment conclusions report* is no longer the *preferred option*; or
 - (ii) *AEMO* has published an *Integrated System Plan* or *ISP update* that shows a change to the *identified need* in relation to the *actionable ISP project* the subject of the *project assessment conclusions report*,

then the *RIT-T proponent* must:

- (3) notify the *AER* in writing that there has been either a material change in circumstances or a change to the *identified need* (as applicable and each as contemplated in subparagraph (2)), which notice must also set out the nature of that material change in circumstances or change to the *identified need* (as applicable) and any actions the *RIT-T proponent* proposes to take as a result of that material change in circumstances or change to the *identified need* (as applicable); and
- (4) take the actions (if any) approved or required by the *AER* in a determination made under paragraph (q) within any timeframe specified by the *AER* in its determination.

[29] Clause 5.16A.4 Regulatory investment test for transmission procedures

After clause 5.16A.4(n)(4), insert:

- (o0) For the purposes of paragraph (n)(2), a *RIT-T proponent* is only required to consider whether a material change in circumstances or change to the *identified need* has occurred if more than six months has elapsed since the later of the *RIT-T proponent* completing:
- (1) the analysis required to apply the *regulatory investment test for transmission*; and
 - (2) the analysis required for any reapplication (in whole or in part) of the *regulatory investment test for transmission*.

[30] Clause 5.16A.4 Regulatory investment test for transmission procedures

Omit clause 5.16A.4(o) and substitute:

- (o) For the purposes of paragraph (n), a material change in circumstances may include, but is not limited to:
 - (1) a change to the key inputs and assumptions (including as a result of an *ISP update*) used in identifying the *identified need* described in the *project assessment conclusions report*; or
 - (2) for a *RIT-T project* contemplated by clause 5.16A.4(d)(9), a *RIT reopening trigger* applying to the project having been triggered.

[31] Clause 5.16A.4 Regulatory investment test for transmission procedures

Omit clause 5.16A.4(p) and substitute:

- (p) When making a determination under paragraph (q), of the *AER*:
 - (1) must have regard to:
 - (i) the *credible options* (other than the *preferred option*) identified in the *project assessment conclusions report*;
 - (ii) the change in circumstances identified by the *RIT-T proponent* or *AEMO*;
 - (iii) whether a failure to promptly undertake the *RIT-T project* is likely to materially affect the *reliability* and *secure operating state* of the *transmission network* or a significant part of that *network*;
 - (iv) whether, in the *AER's* reasonable opinion, the reapplication of the *regulatory investment test for transmission* to the *RIT-T project* is justified in the circumstances;
 - (v) the costs and delay that may result from the actions the *RIT-T proponent* proposes to take as a result of the material change in circumstances or change to the *identified need* (as applicable and each as contemplated in subparagraph (n)(2));
 - (vi) the costs and delay that may result from the reapplication (in whole or in part) of the *regulatory investment test for transmission* to the *RIT-T project*; and
 - (vii) the *national electricity objective*; and

- (2) may request additional information or analysis from the *RIT-T proponent* that the *AER* considers reasonably necessary to assist it in making a determination under paragraph (q).

[32] Clause 5.16A.4 Regulatory investment test for transmission procedures

After clause 5.16A.4(p), insert:

- (q) Subject to paragraph (s), within 40 days of receipt by the *AER* of a notice referred to in paragraph (n)(A), the *AER* must:
 - (1) make a determination whether to approve or reject any actions notified by the *RIT-T proponent* under paragraph (n)(A);
 - (2) notify the *RIT-T proponent* of the determination; and
 - (3) where the *AER* rejects the actions notified by the *RIT-T proponent* under paragraph (n)(A), specify the actions (if any) the *AER* requires the *RIT-T proponent* to take, which actions may include the *RIT-T proponent* reapplying (in whole or in part) the *regulatory investment test for transmission* to the *RIT-T project*.
- (r) If the *AER* does not make the determination referred to in paragraph (q) within the time required by paragraph (q), then the *AER* is taken to have approved the actions notified by the *RIT-T proponent* under paragraph (n)(A).
- (s) Where the *AER* requests additional information or analysis under paragraph (p)(2), the period of time for making a determination under paragraph (q) is automatically extended by the time it takes the *RIT-T proponent* to provide the additional information or analysis to the *AER* provided:
 - (1) the *AER* makes the request for additional information at least seven days prior to the expiry of the period of time for making a determination under paragraph (q); and
 - (2) the *RIT-T proponent* provides the additional information or analysis within 14 days of receipt of the request under subparagraph (1).

[33] Clause 5.17.2 Regulatory investment test for distribution application guidelines

In clause 5.17.2(c)(6), after "clause 5.17.1(c)(6)", insert ", including any acceptable cost estimate classification systems".

[34] Clause 5.17.2 Regulatory investment test for distribution application guidelines

In clause 5.17(c)(8), after "risks", insert ", including any appropriate role for contingency allowances".

[35] Clause 5.17.2 Regulatory investment test for distribution application guidelines

In clause 5.17.2(c)(8) after ";", omit "and".

[36] Clause 5.17.2 Regulatory investment test for distribution application guidelines

In clause 5.17.2(c)(9), omit "." and substitute "; and".

[37] Clause 5.17.2 Regulatory investment test for distribution application guidelines

After clause 5.17.2(c)(9), insert:

- (10) the purpose of, and appropriate approach to developing, *RIT reopening triggers*, as well as examples of potential:
 - (i) *RIT reopening triggers*; and
 - (ii) actions that may be taken in response to a *RIT reopening trigger* being triggered.

[38] Clause 5.17.2 Regulatory investment test for distribution application guidelines

Omit 5.17.2(f) and substitute:

- (f) An amendment referred to in paragraph (e) that relates to:
 - (1) applying the *regulatory investment test for distribution* to *RIT-D projects* does not apply to a current application of the *regulatory investment test for distribution* and the *regulatory investment test for distribution application guidelines* under the *Rules* by a *RIT-D proponent*; and
 - (2) a *RIT-D proponent* ascertaining whether a material change in circumstances has occurred that would require it to re-apply the *regulatory investment test for distribution* pursuant to clause 5.17.4(t)(3), does not apply to a *RIT-D project* for which a *draft project assessment report* has been submitted prior to the date that the amendment is effective.

[39] Clause 5.17.2 Regulatory investment test for distribution application guidelines

After clause 5.17.2(h), insert:

- (i) The *AER* may specify the relevant parts of the *regulatory investment test for distribution application guidelines* that are binding on *RIT-D proponents*.

[40] Clause 5.17.4 Regulatory investment test for distribution procedures

In clause 5.17.4(j)(11)(v), omit "; and" and substitute ";".

[41] Clause 5.17.4 Regulatory investment test for distribution procedures

In clause 5.17.4(j)(12), omit "." and substitute "; and".

[42] Clause 5.17.4 Regulatory investment test for distribution procedures

After clause 5.17.4(j)(12), insert:

- (13) if the estimated capital cost of the proposed *preferred option* is greater than \$100 million (as varied in accordance with a *cost threshold determination*), include the *RIT reopening triggers* applying to the *RIT-D project*.

[43] Clause 5.17.4 Regulatory investment test for distribution procedures

Omit clause 5.17.4(t) and substitute:

- (t) If:
 - (1) a *RIT-D proponent* has published a *final project assessment report* in respect of a *RIT-D project*;
 - (2) a *Network Service Provider* still wishes to undertake the *RIT-D project* to address the *identified need*; and
 - (3) there has been a material change in circumstances which, in the reasonable opinion of the *RIT-D proponent* means that the *preferred option* identified in the *final project assessment report* is no longer the *preferred option*,

then the *RIT-D proponent* must:

- (4) notify the *AER* in writing of the material change in circumstances, which notice must also set out the nature of that material change in circumstances and any actions the *RIT-D*

proponent proposes to take as a result of that material change in circumstances; and

- (5) take the actions (if any) approved or required by the *AER* in a determination made under paragraph (w) within any timeframe specified by the *AER* in its determination.

[44] Clause 5.17.4 Regulatory investment test for distribution procedures

After clause 5.17.4(t)(5), insert:

- (u0) For the purposes of paragraph (t)(3), a *RIT-D proponent* is only required to consider whether a material change in circumstances has occurred if more than six months has elapsed since the later of the *RIT-D proponent* completing:
 - (1) the analysis required to apply the *regulatory investment test for distribution*; and
 - (2) the analysis required for any reapplication (in whole or in part) of the *regulatory investment test for distribution*.

[45] Clause 5.17.4 Regulatory investment test for distribution procedures

Omit clause 5.17.4(u) and substitute:

- (u) For the purposes of paragraph (t), a material change in circumstances may include, but is not limited to:
 - (1) a change to the key assumptions used in identifying the *identified need* described in the *final project assessment report*; or
 - (2) for a *RIT-D project* contemplated by clause 5.17.4(j)(13), a *RIT reopening trigger* applying to the project having been triggered.

[46] Clause 5.17.4 Regulatory investment test for distribution procedures

Omit clause 5.17.4(v) and substitute:

- (v) When making a determination under paragraph (w), the *AER*:
 - (1) must have regard to:
 - (i) the *credible options* (other than the *preferred option*) identified in the *final project assessment report*;
 - (ii) the change in circumstances identified by the *RIT-D proponent*;

- (iii) whether a failure to promptly undertake the *RIT-D project* is likely to materially affect the *reliability* and *secure operating state* of the *distribution network* or a significant part of that *network*;
 - (iv) whether, in the *AER's* reasonable opinion, the reapplication of the *regulatory investment test for distribution* to the *RIT-D project* is justified in the circumstances;
 - (v) the costs and delay that may result from the actions the *RIT-D proponent* proposes to take as a result of material change in circumstances;
 - (vi) the costs and delay that may result from the reapplication (in full or in part) of the *regulatory investment test for distribution* to the *RIT-D project*; and
 - (vii) the *national electricity objective*; and
- (2) may request additional information or analysis from the *RIT-D proponent* that the *AER* considers reasonably necessary to assist it in making a determination under paragraph (w).

[47] Clause 5.17.4 Regulatory investment test for distribution procedures

After clause 5.17.4(v), insert:

- (w) Subject to paragraph (y), within 40 days of receipt by the *AER* of a notice referred to in paragraph (t)(i), the *AER* must:
 - (1) make a determination whether to approve or reject any actions notified by the *RIT-D proponent* under paragraph (t)(i);
 - (2) notify the *RIT-D proponent* of the determination; and
 - (3) where the *AER* rejects the actions notified by the *RIT-D proponent* under paragraph (t)(i), specify the actions (if any) the *AER* requires the *RIT-D proponent* to take, which actions may include the *RIT-D proponent* reapplying (in whole or in part) the *regulatory investment test for distribution* to the *RIT-D project*.
- (x) If the *AER* does not make the determination referred to in paragraph (w) within the time required by paragraph (w), then the *AER* is taken to have approved the actions notified by the *RIT-D proponent* under paragraph (t)(i).
- (y) Where the *AER* requests additional information or analysis under paragraph (v)(2), the period of time for making a determination under paragraph (w) is automatically extended by the time it takes the *RIT-*

T proponent to provide the additional information or analysis to the *AER* provided:

- (1) the *AER* makes the request for additional information at least seven days prior to the expiry of the period of time for making a determination under paragraph (w); and
- (2) the *RIT-T proponent* provides the additional information or analysis within 14 days of receipt of the request under subparagraph (1).

[48] Clause 5.22.5 Guidelines relevant to the ISP

In clause 5.22.5(b)(2), omit "*Transmission Network Service Providers*" and substitute "*RIT-T proponents*".

[49] Clause 5.22.5 Guidelines relevant to the ISP

In clause 5.22.5(b)(2), omit "." and substitute "; and".

[50] Clause 5.22.5 Guidelines relevant to the ISP

After clause 5.22.5(b)(2), insert:

- (3) by a *RIT-T proponent* in ascertaining whether a material change in circumstances has occurred that would require it to take the steps required pursuant to clauses 5.16A.4(n)(2)(A) and (B).

[51] Clause 5.22.5 Guidelines relevant to the ISP

In clause 5.22.5(c), omit "*RIT-proponents*" and substitute "*RIT-T proponents*".

[52] Clause 5.22.5 Guidelines relevant to the ISP

Omit clause 5.22.5(g) and substitute:

- (g) An amendment to the *Cost Benefit Analysis Guidelines*:
 - (1) relating to a matter specified in subparagraph (b)(1) or (2) does not apply to a current application of the *regulatory investment test for transmission* for an *actionable ISP project* or a current process for the development of an *Integrated System Plan*;
 - (2) relating to the matter specified in subparagraph (b)(3) does not apply to:
 - (i) a stage of an *actionable ISP project* that is a staged *actionable ISP project* after the *RIT-T proponent* has submitted a *project assessment draft report* in respect of that stage; or

- (ii) an *actionable ISP project* that is not a staged *actionable ISP project* after the *RIT-T proponent* has submitted a *project assessment draft report* in respect of that project.

[53] Clause 6.6A.2 Amendment of distribution determination for contingent project

In clause 6.6A.2(b)(6), omit "; and" and substitute ";".

[54] Clause 6.6A.2 Amendment of distribution determination for contingent project

In clause 6.6A.2(b)(7)(v), omit "." and substitute "; and".

[55] Clause 6.6A.2 Amendment of distribution determination for contingent project

After clause 6.6A.2(b)(7)(v), insert:

- (8) for a *RIT-D project* contemplated by clause 5.17.4(j)(13), confirmation and supporting analysis as to whether or not there has been a material change in circumstances contemplated by clause 5.17.4(t)(3); and
- (9) for a *RIT-D project* contemplated by clause 5.17.4(j)(13), if a material change in circumstances contemplated by clause 5.17.4(t)(3) has occurred, confirmation as to:
 - (i) whether the *Distribution Network Service Provider* notified the *AER* in accordance with clause 5.17.4(t);
 - (ii) the actions (if any) the *Distribution Network Service Provider* was required to take pursuant to a determination by the *AER* under clause 5.17.4(w); and
 - (iii) the actions (if any) the *Distribution Network Service Provider* took as a result of the material change in circumstances.

[56] Clause 6A.8.2 Amendment of revenue determination for contingent project

In clause 6A.8.2(b)(7)(v), omit "; and" and substitute ";".

[57] Clause 6A.8.2 Amendment of revenue determination for contingent project

In clause 6A.8.2(b)(8), omit "." and substitute ";".

[58] Clause 6A.8.2 Amendment of revenue determination for contingent project

After clause 6A.8.2(b)(8), insert:

- (9) for a *RIT-T project* contemplated by clause 5.16.4(k)(10) or clause 5.16A.4(d)(9), confirmation and supporting analysis as to whether or not there has been a material change in circumstances contemplated by clause 5.16.4(z3)(3) or clause 5.16A.4(n)(2)(i); and
- (10) for a *RIT-T project* contemplated by clause 5.16.4(k)(10) or clause 5.16A.4(d)(9), if a material change in circumstances contemplated by clause 5.16.4(z3)(3) or clause 5.16A.4(n)(2)(i) has occurred, confirmation as to:
 - (i) whether the *Transmission Network Service Provider* notified the *AER* in accordance with clause 5.16.4(z3) or clause 5.16A.4(n) (as applicable);
 - (ii) the actions (if any) the *Transmission Network Service Provider* was required to take pursuant to a determination by the *AER* under clause 5.16.4(z5A) or clause 5.16A.4(q) (as applicable); and
 - (iii) the actions (if any) the *Transmission Network Service Provider* took as a result of the material change in circumstances.

[59] Chapter 10 New definitions

Insert the following definitions in alphabetical order:

RIT reopening trigger

Means the events, factors, or circumstances which, if they occur or eventuate would mean that the *preferred option* for a *RIT-D project* contemplated by clause 5.17.4(j)(13) or *RIT-T project* contemplated by clause 5.16.4(k)(10) or clause 5.16A.4(d)(9) is no longer the *preferred option*, and may include a change in the key assumptions used in identifying or ranking the *credible options* for that project.

Schedule 2 Savings and Transitional Amendment to the National Electricity Rules

(Clause 4)

[1] New Part [ZZZZA] Material change in network infrastructure project costs

After Part [ZZZZZ], insert:

Part [ZZZZA] Material change in network infrastructure project costs

11.[151] Rules consequential on the making of the National Electricity Amendment (Material change in network infrastructure project costs) Rule 2022

11.[151].1 Definitions

(a) For the purposes of this Part [ZZZZA]:

Amending Rule means the *National Electricity Amendment (Material Change in Network Infrastructure Project Costs) Rule 2022 No. [#]*.

commencement date means the date on which Schedule 1 of the Amending Rule commences operation.

(b) For the purposes of this rule 11.[151], a reference to a new clause is a reference to that clause as it is either set to commence or has commenced pursuant to the Amending Rule.

11.[151].2 Application to existing projects

(a) New clauses 5.15.3, 5.16A.2, 5.16A.5, 5.22.2 and 6A.8.2 do not apply to:

(1) a stage of an *actionable ISP project* that is a staged *actionable ISP project* if, prior to the commencement date, the *RIT-T proponent* has submitted a *project assessment draft report* in respect of that stage; or

(2) an *actionable ISP project* that is not a staged *actionable ISP project* if, prior to the commencement date, the *RIT-T proponent* has submitted a *project assessment draft report* in respect of that project.

(b) New clauses 5.15.3, 5.16.2, 5.16.4, 6A.8.2 and 6A.8.3 do not apply to a *RIT-T project* if, prior to the commencement date, the *RIT-T proponent* has submitted a *project assessment draft report* in respect of that project.

- (c) New clauses 5.15.3, 5.17.2, 5.17.4, 6.6A.2 and 6.6A.3 do not apply to a *RIT-D project* if, prior to the commencement date, the *RIT-D proponent* has submitted a *draft project assessment report* in respect of that project.

11.[151].3 Updates to AER guidelines

- (a) Prior to the commencement date, the *AER* must update and *publish* on its website:
 - (1) the *Cost Benefit Analysis Guidelines* required under clause 5.22.5 to comply with the requirements set out in new clause 5.16A.2, and in doing so must comply with the *Rules consultation procedures*;
 - (2) the *regulatory investment test for transmission application guidelines* required under clause 5.16.2 to comply with the requirements set out in new clause 5.16.2(c), and in doing so must comply with the *transmission consultation procedures*; and
 - (3) the *regulatory investment test for distribution application guidelines* required under clause 5.17.2 to comply with the requirements set out in new clause 5.17.2(c), and in doing so must comply with the *distribution consultation procedures*.
- (b) If, prior to the commencement date and for the purposes of updating any of the guidelines described in subparagraph (a) in anticipation of the Amending Rule, the *AER* undertook consultation or steps equivalent to that as required in the *Rules consultation procedures*, *transmission consultation procedures* or *distribution consultation procedures* (as applicable), then that consultation or steps undertaken is taken to satisfy the equivalent consultation or steps under the *Rules consultation procedures*, *transmission consultation procedures* or *distribution consultation procedures* (as applicable).