

LEGISLATIVE COUNCIL

NATIONAL ELECTRICITY (VICTORIA) AMENDMENT BILL 2020

(Amendments to be proposed in Committee by Mr RICH-PHILLIPS)

1. Clause 4, lines 10 and 11, omit all words and expressions on those lines.
2. Clause 4, page 8, lines 15 to 24, omit all words and expressions on those lines.
3. Clause 4, page 11, after line 10 insert—

"(2A) An Order made under subsection (1) that specifies—

 - (a) the carrying out of, or operation of, an augmentation of the declared transmission system as a specified augmentation; or
 - (b) services provided or to be provided in relation to or by means of a specified augmentation as specified augmentation services; or
 - (c) non-network services as specified non-network services—

must disapply the regulatory investment test for transmission."

4. Clause 4, page 17, after line 28 insert—

"16ZHA Alternative regulatory investment test, consultation and tender

- (1) This section applies if—
 - (a) an Order is made under section 16Y; and
 - (b) the Order specifies any one or more of the following—
 - (i) the carrying out of, or operation of, an augmentation of the declared transmission system as a specified augmentation;
 - (ii) services provided or to be provided in relation to or by means of a specified augmentation as specified augmentation services;
 - (iii) non-network services as specified non-network services.
- (2) AEMO must conduct an assessment of the need for the specified augmentation, the need for the provision of the specified augmentation services or the specified non-network services, as the case requires, in accordance with subsection (2) (the *alternative regulatory investment test*).
- (3) AEMO must—
 - (a) assess all credible options, including the option of no augmentation or no provision of augmentation services or non-network services (as the case requires); and

- (b) conduct a cost-benefit analysis of each option to determine the net impact on electricity generators and electricity consumers of each option.
- (4) AEMO must publish on its website for the purposes of public consultation—
 - (a) a report, which includes the results arising from the application of the alternative regulatory investment test; and
 - (b) subject to subsection (5), details for the public consultation process, including the form and lodgement date for public submissions.
- (5) In deciding the details for the public consultation process, AEMO must have regard to the scope of the augmentation, augmentation services or non-network services specified in the Order.
- (6) AEMO must consider all public submissions that comply with the public consultation process.
- (7) Following consultation—
 - (a) AEMO may make any necessary changes to the assessment; and
 - (b) AEMO must refer the option with the highest net benefit (the ***best option***) to the Minister.
- (8) If the best option is an augmentation or the provision of augmentation services or non-network services (as the case requires), the Minister must, on receiving the option, direct AEMO to conduct a competitive tender process for the procurement of that option.
- (9) If the best option is that there is no need for an augmentation or the provision of augmentation services or non-network services (as the case requires), the Minister must revoke the relevant order made under section 16Y."