

Notice inviting submissions: TransGrid electricity transmission business – Framework and approach

The Framework and Approach (F&A) is the first step in a process to determine efficient prices for electricity services. For electricity transmission businesses, the F&A determines, amongst other things, how the AER will set prices for electricity transmission services and the application of any incentive schemes. The F&A process also facilitates early public consultation and assists each network service provider prepare its regulatory proposal.

TransGrid has written to the AER requesting that we amend or replace their current F&A.

In accordance with the National Electricity Rules (NER), the AER invites submissions on whether it is necessary or desirable to amend or replace the current F&A for the next regulatory control period commencing on 1 July 2023¹ for TransGrid (New South Wales electricity transmission)

The matters the AER may amend or replace in its F&A paper are listed in clause 6A.10.1A of the NER. Briefly for electricity transmission businesses, these include:

- the application of a range of incentive schemes that encourage things like service quality, improvements in network reliability or efficient capital and operating expenditure
- the application of the AER's Expenditure Forecast Assessment Guideline
- whether depreciation of assets will be based on actual or forecast capital expenditure.

The current Final Framework and Approach papers for TransGrid can be found at <https://www.aer.gov.au/system/files/AERTransGridfinalframework&approach2018-23-20July2016.pdf>.

TransGrid electricity transmission determination, published on 18 May 2018, can be found at <https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/transgrid-determination-2018-23/final-decision>

How to make submissions

The AER invites submissions on whether it is necessary or desirable to amend or replace the F&A paper for TransGrid Submissions close at **5pm AEDT on Tuesday 15 December 2020**.

Submissions should be sent electronically to [AERInquiry@aer.gov.au](mailto:AERInquiry@ aer.gov.au).

Alternatively, you may mail submissions to:

¹ NER, cl. 6A.10.1A(c)(2).

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The AER prefers that all submissions be publicly available to facilitate an informed and transparent consultative process. The AER will treat submissions as public documents unless otherwise requested. Parties wishing to submit confidential information are requested to:

- clearly identify the information that is the subject of the confidentiality claim
- provide a non-confidential version of the submission in a form suitable for publication.

All non-confidential submissions will be placed on the AER's website at www.aer.gov.au. For further information regarding the AER's use and disclosure of information provided to it, see the *ACCC/AER Information Policy*, October 2008 available on the AER's website.

Enquiries should be directed to:

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