

Stage 1 REZ Rule Changes

CONSULTATION VERSION – AUGUST 2020

Based on version 144 of the Rules.

This document provides extracts of relevant Rules from Chapter 5. It is not in Amending Rule format.

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The following table provides an overview of the Stage 1 REZ Rule Changes:

Rule/Clause No.	Content/Purpose of Rule change
5.10.1(o) (Content of Part D)	Updates the description of Rule 5.22.
5.10.2 (Definitions)	Amends existing definitions and inserts new definitions for the purposes of Part D of Chapter 5 and schedules 5.8, 5.9 and 5.4A. (Note some definitions may be relocated to Chapter 10).
5.14.4(a)(7) (Joint planning by Transmission Network Service Providers and AEMO)	Extends the obligations of the joint planning parties to include providing information in relation to the preparation of REZ design reports for the purposes of preparing an ISP or ISP update.
5.14.5 (Joint planning by jurisdictional planning bodies and AEMO)	Imposes new joint planning obligations on jurisdictional planning bodies and AEMO to enable jurisdictional planning bodies to prepare REZ design reports.
5.22.6 (Content of Integrated System Plan, preparatory activities and REZ design reports)	<p>Amends the ISP provisions to:</p> <ul style="list-style-type: none"> • allow for an ISP to identify REZs, to provide updates as to REZ planning and to include REZ design parameters for a REZ; and • impose new obligations on the jurisdictional planning body of the relevant participating jurisdiction to prepare a REZ design report that reflects the applicable REZ design parameters, to undertake preparatory activities, to conduct a public consultation and to cooperate and consult with AEMO to ensure relevant joint planning is captured.
5.22.10(b)(8A) (Preparation of ISP – Relevant Documents)	Extends AEMO's obligations to include taking into account REZ design reports in preparing an ISP.

Part D Network Planning and Expansion

5.10 Network development generally

5.10.1 Content of Part D

- (a) Clause 5.10.2 sets out local definitions used in Part D.
- (b) Clause 5.11.1 sets out obligations regarding forecasts for connection points to the *transmission network*.
- (c) Clause 5.11.2 sets out the obligations of *Network Service Providers* relating to the identification of network limitations.
- (d) Rule 5.12 sets out planning and reporting obligations for *Transmission Network Service Providers*.
- (e) Rule 5.13 sets out planning and reporting obligations for *Distribution Network Service Providers*.
- (e1) Rule 5.13A sets out the obligations to provide distribution zone substation information.
- (f) Rule 5.14 sets out joint planning obligations of *Network Service Providers*.
- (f1) Rule 5.14B relates to guidelines for *Transmission Annual Planning Reports*.
- (g) Rule 5.15 relates to regulatory investment tests generally.
- (g1) Rule 5.15A relates to the *regulatory investment test for transmission*.
- (h) Rule 5.16 relates to the application of the *regulatory investment test for transmission* to RIT-T projects that are not *actionable ISP projects*.
- (h1) Rule 5.16A relates to the application of the *regulatory investment test for transmission* to *actionable ISP projects*.
- (h2) Rule 5.16B relates to disputes about the application of the *regulatory investment test for transmission*.
- (i) Rule 5.17 relates the *regulatory investment test for distribution*.
- (j) Rule 5.18 relates to the construction of *funded augmentations*.
- (j1) Rule 5.18A sets out the obligations of *Transmission Network Service Providers* in relation to a register of large generator connections.
- (j2) Rule 5.18B sets out obligations of *Distribution Network Service Providers* in relation to completed embedded generation projects.

Note:

Rule 5.18B commences operation on 1 July 2018 when clause 5.4.5 is renumbered as rule 5.18B under the National Electricity Amendment (Transmission Connection and Planning Arrangements) Rule 2017 No. 4

- (k) Rule 5.19 relates to Scale Efficient Network Extensions.
- (l) Rule 5.20 relates to the *NSCAS Report*, *Inertia Report* and *System Strength Report* and associated methodologies.
- (m) Rule 5.20A relates to *power system frequency* management planning.

- (m1) Rule 5.20B sets out the process for identifying and providing the *inertia requirements* for *inertia sub-networks*.
- (m2) Rule 5.20C sets out the process for identifying and providing the *system strength requirements* for each *region*.
- (n) Rule 5.21 sets out *AEMO's* obligations to *publish* information and guidelines and provide advice regarding network development.
- (o) Rule 5.22 relates to the *Integrated System Plan* [and REZ design reports](#).
- (p) Rule 5.23 sets out dispute resolution procedures relating to the *Integrated System Plan*.

5.10.2 Definitions

In this Part D and schedules 5.8, 5.9 and 5.4A:

asset management means the development and implementation of plans and processes, encompassing management, financial, consumer, engineering, information technology and other business inputs to ensure assets achieve the expected level of performance and minimise costs to consumers over the expected life cycle of the assets.

consumer panel report has the meaning given in clause 5.22.7(a).

Cost Benefit Analysis Guidelines means the guidelines made by the *AER* under clause 5.22.5.

cost threshold means a cost threshold specified in clause 5.15.3(b) or 5.15.3(d) (as relevant).

cost threshold determination means a final determination under clause 5.15.3(i).

cost threshold review means a review conducted under clause 5.15.3(e).

credible option has the meaning given to it in clause 5.15.2(a).

demand side engagement document means the document *published* by the *Distribution Network Service Provider* under clause 5.13.1(g).

demand side engagement register means a facility by which a person can register with a *Distribution Network Service Provider* their interest in being notified of developments relating to *distribution network* planning and expansion.

demand side engagement strategy means the strategy developed by a *Distribution Network Service Provider* under clause 5.13.1(e) and described in its demand side engagement document.

de-rate means, in respect of a *Network Service Provider*, a reduction in the *network capability* of a *network element* in the *network* of that *Network Service Provider*.

design fault level means the maximum level of fault current that a *facility* can sustain while maintaining operation at an acceptable *performance standard*.

development path means a set of projects in an *Integrated System Plan* that together address power system needs.

dispute notice has the meaning given in clause 5.16B.5(c)(1) and 5.17.5(c)(1).

disputing party has the meaning given in clause 5.16B.5(c) and 5.17.5(c).

distribution asset means the apparatus, equipment and plant, including *distribution lines, substations* and sub-transmission lines, of a *distribution system*.

draft project assessment report means the report prepared under clause 5.17.4(i).

final project assessment report means the report prepared under clauses 5.17.4(o) or (p).

firm delivery capacity means the maximum allowable output or load of a *network* or *facility* under *single contingency* conditions, including any short term overload capacity having regard to external factors, such as ambient temperature, that may affect the capacity of the *network* or *facility*.

Forecasting Best Practice Guidelines means the guidelines made by the *AER* under clause 4A.B.5.

forward planning period means the period determined by the *Distribution Network Service Provider* under clause 5.13.1(a)(1).

future ISP project means a project:

- (a) that relates to a transmission asset or *non-network option* the purpose of which is to address an *identified need* specified in an *Integrated System Plan* and which forms part of an *optimal development path*; and
- (b) that is forecast in the *Integrated System Plan* that identifies the project, to be an *actionable ISP project* in the future.

IASR review report has the meaning given in clause 5.22.9(a).

Inputs, Assumptions and Scenario Report means the report published by *AEMO* under clause 5.22.8(a).

ISP candidate option means a credible option specified in an *Integrated System Plan* that the RIT-T proponent must consider as part of a *regulatory investment test for transmission* for an *actionable ISP project*.

ISP consumer panel has the meaning given in clause 5.22.7(a).

ISP development opportunity means a development identified in an *Integrated System Plan* that does not relate to a transmission asset or *non-network option* and may include distribution assets, *generation*, storage projects or demand side developments that are consistent with the efficient development of the *power system*.

ISP methodology means the methodology published by *AEMO* under clause 5.22.8(d).

ISP parameters means, for an *ISP project*:

- (a) the inputs, assumptions and scenarios set out in the most recent *Inputs, Assumptions and Scenarios Report*;
- (b) the other *ISP projects* associated with the *optimal development path*; and
- (c) any weightings specified as relevant to that project.

ISP project means an *actionable ISP project*, a future *ISP project* or an *ISP development opportunity*.

ISP review report has the meaning given in clause 5.22.13(a).

ISP timetable means the timetable published by *AEMO* under clause 5.22.4(a).

joint planning project means a project the purpose of which is to address a need identified under clause 5.14.1(d)(3) or clause 5.14.2(a) or clause 5.14.3(a).

load transfer capacity means meeting the *load* requirements for a *connection point* by the reduction of *load* or group of *loads* at the *connection point* and increasing the *load* or group of *loads* at a different *connection point*.

non-network options report means the report prepared under clause 5.17.4(b).

non-network provider means a person who provides *non-network options*.

normal cyclic rating means the normal level of allowable *load* on a primary distribution feeder having regard to external factors, such as ambient temperature and wind speed, that may affect the capacity of the primary distribution feeder.

potential credible option means an option which a RIT-D proponent or RIT-T proponent (as the case may be) reasonably considers has the potential to be a credible option based on its initial assessment of the *identified need*.

potential transmission project means investment in a transmission asset of a *Transmission Network Service Provider* which:

- (a) is an *augmentation*; and
- (b) has an estimated capital cost in excess of \$5 million (as varied in accordance with a cost threshold determination); and
- (c) the person who identifies the project considers is likely, if constructed, to relieve forecast constraints between *regional reference nodes*.

power system needs has the meaning given in clause 5.22.3(a).

preferred option has the meaning given in clause 5.15A.1(c) and 5.17.1(b).

preparatory activities means activities ~~required~~ to design and to investigate the costs and benefits of *actionable ISP projects* ~~and if applicable~~, future ISP projects and REZ stages (as applicable), including:

- (a) detailed engineering design;
- (b) route selection and easement assessment work;
- (c) cost estimation based on engineering design and route selection;
- (d) preliminary assessment of environmental and planning approvals; and
- (e) council and stakeholder engagement.

primary distribution feeder means a *distribution line* connecting a sub-transmission asset to either other *distribution lines* that are not sub-transmission lines, or to distribution assets that are not sub-transmission assets.

project assessment conclusions report means the report prepared under clause 5.16.4(t), 5.16.4(u) or 5.16A.4(i) (as applicable).

project assessment draft report means the report prepared under clause 5.16.4(j) or 5.16A.4(c) (as applicable).

project specification consultation report means the report prepared under clause 5.16.4(b).

protected event EFCS investment means investment by a *Transmission Network Service Provider* or a *Distribution Network Service Provider* for the purposes of installing or modifying an *emergency frequency control scheme* applicable in respect of the *Network Service Provider's transmission or distribution system* in accordance with a *protected event EFCS standard*.

reconfiguration investment has the meaning given to it in clause 5.16.3(a)(5).

regulatory investment test for distribution application guidelines means the guidelines developed and *published* by the *AER* in accordance with clause 5.17.2 as in force from time to time, and include amendments made in accordance with clause 5.17.2(e).

regulatory investment test for transmission application guidelines means the guidelines developed and *published* by the *AER* in accordance with clause 5.16.2 as in force from time to time, and include amendments made in accordance with clause 5.16.2(e).

reliability corrective action means investment by a *Transmission Network Service Provider* or a *Distribution Network Service Provider* in respect of its *transmission network* or *distribution network* for the purpose of meeting the service standards linked to the technical requirements of schedule 5.1 or in *applicable regulatory instruments* and which may consist of *network options* or *non-network options*.

renewable energy zone or REZ means a discrete geographic area in one or more *participating jurisdictions* that is the proposed location for the efficient development of renewable energy sources and associated electricity infrastructure. *[Drafting note: this definition may need to be inserted into Chapter 10 for the purposes of Stage 2 Rule changes]*

REZ design parameters means the following details in respect of a *REZ*:

- (a) the minimum generation capacity, in MW, that is projected to be developed in the REZ;
- (b) the forecast date or dates by which tranches of generation capacity may be developed;
- (c) the proposed location or locations where the REZ stages to be identified in the REZ design report may connect to or become integrated with the existing transmission network; and
- (d) any other matters that AEMO considers relevant,

as updated by AEMO pursuant to clause 5.14.5(b).

REZ design report means a report prepared by the relevant *jurisdictional planning body* in accordance with clause 5.22.6(f)(1).

REZ stage means a stage of development of the *transmission network* for the purposes of a *REZ*. *[Drafting note: this definition may need to be inserted into Chapter 10 for the purposes of Stage 2 Rule changes]*

RIT-D project means:

- (a) a project the purpose of which is to address an *identified need* identified by a *Distribution Network Service Provider*; or

- (b) a joint planning project that is not a RIT-T project.

RIT-D proponent means the *Network Service Provider* applying the *regulatory investment test for distribution* to a RIT-D project to address an *identified need*. The RIT-D proponent may be:

- (a) if the *identified need* is identified during joint planning under clause 5.14.1(d)(3), a *Distribution Network Service Provider* or a *Transmission Network Service Provider*; or
- (b) in any other case, a *Distribution Network Service Provider*.

RIT-T project means:

- (a) a project the purpose of which is to address an *identified need* identified by a *Transmission Network Service Provider*; or
- (b) a joint planning project if:
- (1) at least one potential credible option to address the *identified need* includes investment in a *network* or *non-network option* on a *transmission network* (other than *dual function assets*) with an estimated capital cost greater than the cost threshold that applies under clause 5.16.3(a)(2); or
 - (2) the *Network Service Providers* affected by the joint planning project have agreed that the *regulatory investment test for transmission* should be applied to the project; or
- (c) an *actionable ISP project*.

RIT-T proponent means the *Network Service Provider* applying the *regulatory investment test for transmission* to a RIT-T project to address an *identified need*. The RIT-T proponent may be:

- (a) if the *identified need* is identified during joint planning under clause 5.14.1(d)(3), a *Distribution Network Service Provider* or a *Transmission Network Service Provider*; or
- (b) in any other case (including under clause 5.14.3(a)), a *Transmission Network Service Provider*.

sub-transmission means any part of the *power system* which operates to deliver electricity from the *transmission system* to the *distribution network* and which may form part of the *distribution network*, including zone substations.

sub-transmission line means a power line connecting a sub-transmission asset to either the *transmission system* or another sub-transmission asset.

system limitation means a limitation identified by a *Distribution Network Service Provider* under clause 5.13.1(d)(2).

system limitation template means a template developed and *published* by the *AER* under clause 5.13.3(a).

TAPR Guidelines means the guidelines *published* by the *AER* under clause 5.14B.1.

total capacity means the theoretical maximum allowable output or *load* of a *network* or *facility* with all network components and equipment intact.

transmission asset means the apparatus, equipment and plant, including *transmission lines* and *substations* of a *transmission system*.

transmission-distribution connection point means:

- (a) subject to paragraph (b), the agreed point of supply established between a *transmission network* and a *distribution network*;
- (b) in relation to the *declared transmission system* of an *adoptive jurisdiction*, the agreed point of supply between the transmission assets of the *declared transmission system operator* and a *distribution network*.

zone substation means a *substation* for the purpose of connecting a *distribution network* to a sub-*transmission network*.

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5.14.4 Joint planning by Transmission Network Service Providers and AEMO

- (a) *Transmission Network Service Providers* and *AEMO* (the joint planning parties) must take reasonable steps to cooperate and consult with each other to enable preparation of a draft or final *Integrated System Plan* or an *ISP update*, including each joint planning party (as applicable):
 - (1) providing, and consulting on, a *Transmission Annual Planning Report* prior to its publication;
 - (2) providing, in accordance with the *ISP timetable*, the latest available information in relation to the development of a *Transmission Annual Planning Report* required for the purpose of preparing a draft or final *Integrated System Plan* or *ISP update*;
 - (3) providing information in relation to *non-network options* for the purpose of preparing a draft or final *Integrated System Plan* or *ISP update*;
 - (4) conducting a preliminary review of *non-network options* submitted to *AEMO* following a draft *Integrated System Plan*;
 - (5) sharing a draft *optimal development path* to be included in the draft and final *Integrated System Plan* or an *ISP update* before its publication;
 - (6) considering whether a credible option in a draft *optimal development path* is reliability corrective action;
 - (7) [providing information in relation to the preparation of any REZ design report pursuant to clause 5.22.6\(f\)\(1\)](#); and
 - (87) sharing information reasonably necessary to prepare a draft or final *Integrated System Plan* or an *ISP update*.
- (b) As soon as practicable after a *Transmission Network Service Provider* becomes aware of a material change to information provided under paragraph (a), that information must be updated.
- (c) *AEMO* must provide *Transmission Network Service Providers* with draft regional demand forecasts for the next summer period informed by

the previous summer period as soon as practicable, and by no later than 30 June each year.

5.14.5 Joint planning by jurisdictional planning bodies and AEMO

- (a) Jurisdictional planning bodies and AEMO (the joint planning parties) must take reasonable steps to cooperate and consult with each other to enable the jurisdictional planning body to prepare and publish a REZ design report where required by clause 5.22.6(f)(1).
- (b) As part of the cooperation and consultation undertaken pursuant to paragraph (a), AEMO may in consultation with the jurisdictional planning body update any of the matters set out in the Integrated System Plan pursuant to clause 5.22.6(e)(4).

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5.22.6 Content of Integrated System Plan, preparatory activities and REZ design reports

Contents of an Integrated System Plan

- (a) An *Integrated System Plan* must:
 - (1) identify a range of development paths;
 - (2) for each development path, identify the group of projects that form part of the development path;
 - (3) describe how each development path performs under any sensitivities *AEMO* considers reasonable;
 - (4) identify the *optimal development path* which must be based on a quantitative assessment of the costs and benefits of various options across a range of scenarios, in accordance with Cost Benefit Analysis Guidelines;
 - (5) for the *optimal development path*, identify the *actionable ISP projects*, future ISP projects and ISP development opportunities;
 - (6) for each *actionable ISP project* specify:
 - (i) the date by which the project assessment draft report must be published and made available to relevant persons, which date must be:
 - (A) at least 6 months after, and within 24 months of, the date of publication of the *Integrated System Plan*; and
 - (B) based on the anticipated commencement date of the *actionable ISP project*;
 - (ii) the relevant *Transmission Network Services Providers* who will be the RIT-T proponent for the *actionable ISP project*;
 - (iii) the ISP candidate option or ISP candidate options;
 - (iv) the *non-network options* that were considered by *AEMO* as part of the *Integrated System Plan* process in relation to that *actionable ISP project* (where relevant);

- (v) the *identified need* related to that *actionable ISP project* and whether it is reliability corrective action;
 - (vi) whether the *actionable ISP project* is a staged project;
 - (7) include the results of a net present value analysis for each development path for each scenario, together with an explanatory statement regarding the results.
- (b) An *Integrated System Plan* may:
- (1) include relevant information about ISP development opportunities;
 - (2) identify :
 - (i) potential REZs; and
 - (ii) any REZs for which a REZ design report is being prepared pursuant to clause 5.22.6(f)(1), including an update as to the current plan for the development of the transmission network for the relevant REZ stages and provide information on the optimal location and features of areas located in the NEM participating jurisdictions where large scale clusters of renewable energy and/or storage can be efficiently developed from a whole of power system perspective; and
 - (3) include sensitivities showing the impacts of energy or environmental policies of a *participating jurisdiction* where AEMO has been requested to do so by that *participating jurisdiction*. These sensitivities are in addition to those sensitivities considered in clause 5.22.6(a)(3) and do not form part of any development path.

Preparatory activities

- (c) An *Integrated System Plan* may specify whether preparatory activities must be carried out by *Transmission Network Service Providers* for future ISP projects and the timeframes for carrying out preparatory activities.
- (d) A *Transmission Network Service Provider* must commence preparatory activities:
 - (1) in the case of an *actionable ISP project* for which preparatory activities have not yet commenced, as soon as practicable; and
 - (2) in the case of a future ISP project, if the *Integrated System Plan* provides that preparatory activities must be undertaken for that project, in accordance with the timeframes specified in the *Integrated System Plan* for that project.

REZ design reports

- (e) For each REZ which is identified in an Integrated System Plan pursuant to paragraph (b)(2)(i) as:
 - (1) including transmission network development which is on the optimal development path within 12 years of publication of that Integrated System Plan; or
 - (2) being reasonably considered by AEMO to have the support of the

- Minister of the participating jurisdiction with respect to the preparation of a REZ design report pursuant to paragraph (f)(1), the *Integrated System Plan* may also:
- (3) require that a REZ design report be prepared in accordance with paragraph (g); and
 - (4) if a REZ design report is required to be prepared, specify:
 - (i) the REZ design parameters which the REZ must meet (and which the REZ may outperform, where applicable); and
 - (ii) the date by which the REZ design report must be completed.
- (f) For each REZ for which an *Integrated System Plan* requires a REZ design report to be prepared in accordance with paragraph (g), the *jurisdictional planning body* of the relevant *participating jurisdiction*:
- (1) must prepare and publish a REZ design report in accordance with paragraph (g); and
 - (2) in preparing the REZ design report:
 - (i) must undertake preparatory activities, and
 - (ii) in determining the appropriate approach to the preparatory activities to be undertaken pursuant to subparagraph (i), may have regard to the forecast date or dates for the delivery of the tranches of generation capacity specified as part of the REZ design parameters.
- (g) A REZ design report must set out a plan for the development of the *transmission network*, in one or more *REZ stages*, which:
- (1) reflects the REZ design parameters;
 - (2) is consistent with the achievement of the power system needs;
 - (3) contributes to the efficient development of the power system, consistent with the purpose of the *Integrated System Plan* set out at clause 5.22.2;
 - (4) has regard to the anticipated location and configuration of *connection assets*, together with any associated infrastructure, for each of those *REZ stages*;
 - (5) identifies for each of those *REZ stages*:
 - (i) the outputs of any preparatory activities undertaken pursuant to paragraph (f)(2)(i);
 - (ii) the reasons for the proposed engineering design, including any consideration of non-network options; and
 - (v) if appropriate, an assessment of potential variations.
- (h) In preparing a REZ design report, the relevant *jurisdictional planning body* must:
- (1) over a period of not less than four weeks, conduct a public consultation which includes inviting written submissions from:

- (A) interested parties wishing to register their interest in developing one or more projects in the REZ; and
- (B) local council, local community members, members of the public and any other relevant stakeholders wishing to express their views about the development of projects within the REZ;
- (2) take into account submissions received pursuant to subparagraph (1), together with any council and stakeholder engagement undertaken as part of preparatory activities pursuant to paragraph (f)(2)(i); and
- (3) take reasonable steps to cooperate and consult with AEMO as necessary to ensure that any relevant joint planning undertaken pursuant to clause 5.14.4 is captured.
- (i) The relevant jurisdictional planning body must publish a REZ design report by the date set out in the Integrated System Plan pursuant to paragraph (e)(4)(ii), as updated by AEMO pursuant to clause 5.14.5(b).
- (j) Following the publication of a REZ design report pursuant to this clause, the REZ stage or REZ stages identified in that REZ design report may be specified in an Integrated System Plan as actionable ISP projects or future ISP projects.

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5.22.10 Preparation of ISP

ISP requirements

- (a) In preparing an *Integrated System Plan*, AEMO must:
 - (1) comply with any requirements set out in the Cost Benefit Analysis Guidelines under clause 5.22.5(c);
 - (2) comply with any requirements set out in the Forecasting Best Practice Guidelines under clause 5.22.5(j);
 - (3) adopt the inputs and assumptions, material issues and scenarios identified in the Inputs, Assumptions and Scenarios Report, or provide reasons where AEMO has used updated information;
 - (4) seek to deliver power system needs;
 - (5) consider the following matters:
 - (i) the efficient integration of ISP development opportunities;
 - (ii) the risks to consumers arising from uncertainty, including over investment, under-investment, premature or overdue investment;
 - (iii) fuel security;
 - (iv) credible options (including *non-network options*);
 - (v) outcomes of joint planning with *Transmission Network Service Providers* under clause 5.14.4;
 - (vi) relevant intra jurisdictional developments and any incremental works that may be needed to coordinate the *Integrated System Plan* with intra jurisdictional planning;

- (vii) the forecast quantity of electricity that is expected to flow, and the periods in which electricity is expected to flow, and the magnitude and significance of future *network losses* on *interconnectors*, as projected in the *Integrated System Plan* over the *Integrated System Plan* planning horizon;
- (viii) the projected capability of the *national transmission grid*, and the technical requirements of the *power system* (such as *frequency*, *voltage*, *inertia* and system strength) required to support the secure and reliable operation of the *national transmission grid*;
- (ix) *good electricity industry practice*; and
- (x) such other matters as *AEMO* considers relevant.

Relevant documents

- (b) In preparing an *Integrated System Plan*, *AEMO* must have regard to the following documents:
 - (1) the ISP methodology;
 - (2) the Cost Benefit Analysis Guidelines;
 - (3) the Forecasting Best Practice Guidelines;
 - (4) the most recent *Transmission Annual Planning Reports*;
 - (5) the most recent *statement of opportunities*;
 - (6) the most recent gas statement of opportunities under the National Gas Law;
 - (7) the most recent *NSCAS Report*, *System Security Report* and *Inertia Report*;
 - (8) ISP consumer panel reports;
 - (8A) [any REZ design reports published in accordance with clause 5.22.6\(f\)\(1\)](#); and
 - (9) any other documents that *AEMO* considers relevant.

Market benefits

- (c) In preparing an *Integrated System Plan*, *AEMO* must:
 - (1) consider the following classes of market benefits that could be delivered by the development path:
 - (i) changes in fuel consumption arising through different patterns of *generation dispatch*;
 - (ii) changes in voluntary *load curtailment*;
 - (iii) changes in involuntary *load shedding*, with the market benefit to be considered using a reasonable forecast of the value of electricity to consumers;
 - (iv) changes in costs for parties due to:
 - (A) differences in the timing of new plant;

- (B) differences in capital costs; and
- (C) differences in the operating and maintenance costs;
- (v) differences in the timing of expenditure;
- (vi) changes in *network losses*;
- (vii) changes in *ancillary services* costs;
- (viii) competition benefits;
- (ix) any additional option value (where this value has not already been included in the other classes of market benefits) gained or foregone from implementing that development path with respect to the likely future investment needs of the *market*; and
- (x) other classes of market benefits that are:
 - (A) determined to be relevant by *AEMO* and agreed to by the *AER* in writing before the publication of the draft *Integrated System Plan*; or
 - (B) specified as a class of market benefit in the Cost Benefit Analysis Guidelines;
- (2) include a quantification of all classes of market benefits which are determined to be material to the optimal development path in *AEMO's* reasonable opinion; and
- (3) consider all classes of market benefits as material unless it can provide reasons why:
 - (i) a particular class of market benefit is likely not to materially affect the outcome of the assessment of the development path; or
 - (ii) the estimated cost of undertaking the analysis to quantify the market benefit is likely to be disproportionate given the level of uncertainty regarding future outcomes.

Costs

- (d) In preparing an *Integrated System Plan*, *AEMO* must quantify the following classes of costs:
 - (1) costs incurred in constructing or providing the projects in the development path;
 - (2) operating and maintenance costs in respect of the projects in the development path;
 - (3) the cost of complying with laws, regulations and applicable administrative requirements in relation to the construction and operation of the projects in the development path; and
 - (4) any other class of costs that are:
 - (i) determined to be relevant by *AEMO* and agreed to by the *AER* in writing before the publication of the draft *Integrated System Plan*; or

- (ii) specified as a class of cost in the Cost Benefit Analysis Guidelines.

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