

Annex B: Proposed variations to electricity transmission licences

Table 1 below lists current electricity transmission licence conditions and a summary of our initial proposals to update them.¹ Where we indicate our intention to retain licence conditions, we may propose to redraft or simplify these provisions without altering their substance and realign the licence conditions to ensure consistency with other licences issued by the commission. The focus of this review is to update licences conditions so they will be consistent with our new enforcement powers.

Table 1. Proposed variation to electricity transmission Licence conditions

Condition	Proposal
1. Definitions	We propose to update definitions and remove outdated terms.
2. Notices	We propose minor changes to this condition. We propose to clarify that notices may be addressed to <u>either</u> the physical or email address of the licensee or the commission. We also propose to add a new clause 2.5 requiring the licensee to notify the commission of any changes to the licensee's physical or email address.
3. Grant of Licence	No material changes. Where the same person currently holds more than one transmission licence, we may consolidate them into a single licence by listing the relevant transmission assets to which the new licences will apply in Schedule 1.

¹. TransGrid (Berrybank) and TransGrid (Kiamal) licences were used as the examples for this exercise, including references to clause numbers.

4. Status of the requirements in this Part	This condition has been updated to reflect our new enforcement work. It is now located in clause 7 and clarifies that the requirements in Part C of the Licence are civil penalty requirements for the purpose of the <i>Essential Services Commission Act 2001</i> .
5. Payment of fees	We propose to retain a simplified version of this clause as new clause 8.
6. Ongoing technical capacity	No material changes. This clause is now clause 11 in the updated licences. We introduced a definition of 'licensed activities' to simplify this clause.
7. Compliance with regulatory instruments	This condition requires compliance by a licensee with various regulatory instruments. The new clause 10 addresses compliance with regulatory instruments but is materially different to current clause 7 on account of the following: as codes have transitioned to 'codes of practice' made under Part 6 of the Essential Services Commission Act, they are no longer enforced as licence conditions are therefore removed from this clause. We also updated and clarified the obligation of licensees to notify the commission of any potential non-compliance with its licences or with an applicable code of practice or with the <i>Electricity Industry Act 2000</i> . Finally, we removed sub-clauses requiring compliance with regulatory instruments over which other regulators have oversight.
8. Obligation to connect to electricity transmission system	We propose to remove this clause on the basis that the access framework for transmission services is regulated by the National Electricity Rules.
9. Provision of other services	We propose to remove this clause on the basis that the regulation of services provided by transmission companies is regulated by the National Electricity Rules.
10. Approved statements	We propose to remove this clause on the basis that the regulation of services provided by transmission companies is regulated by the National Electricity Rules.

11. Obligation to enter into a network agreement	We propose to remove this clause on the basis that the regulation of services provided by transmission companies is regulated by the National Electricity Rules.
12. Augmentation	We propose to remove this clause on the basis that the regulation of services provided by transmission companies are regulated by the National Electricity Rules.
13. Separate accounts	No material changes. This clause is now clause 13 in the updated licences.
14. Standards and procedures	We propose to remove this clause on the basis that it referred to a process for licensees issuing overall performance standards which is outdated and not required given the reporting requirements and monitoring standards for registered participants under the National Electricity Rules.
15. Provision of Information to AEMO and Commission	We propose to simplify this clause while retaining the obligation to provide information which may be required by the commission. We propose to remove the sub-clause on provision of information to AEMO on the basis that section 53 of the National Electricity Law already provides AEMO with information gathering powers. This clause is now new clause 12 in the updated licences. We propose to retain clause 15.7 on change of control and have amended and moved it to clause 9 in the updated licence.
16. Audit	This clause is now clause 14 in the updated licences and is updated to substitute 'audits' for 'review'.
17. Compliance with laws	This clause requires compliance with all applicable laws. We propose to remove this clause, noting the retention of the obligation to comply with relevant regulatory instruments in new clause 10 (compliance with regulatory instruments).
18. Revocation	We propose to simplify clause 18 and remove references to compliance with an enforcement order or an undertaking, to align it with our new enforcement framework. In its place, we propose new clause 6 which deals

	with the process for revoking a licence referred to in the Electricity Industry Act. We note that Guideline 5 (2022): Revocation of electricity or gas licences describes the commission’s approach to exercising its revocation powers.
19. Variation	We propose simplifying clause 19 by referring to the commission’s power to vary the licence in accordance with sections 29 of the Electricity Industry Act, reflected in new clause 4.
20. Transfer	No material changes. This clause is now clause 5 in the updated licences.
21. Administrator	We propose removing this clause as section 34 of the Electricity Industry Act covers this matter.
22. Insurance	We propose to update this condition in new clause 15. The proposed new clause requires licensees to provide the commission annually a copy of their insurance policy and a certificate of its currency.
Schedule 1: Variations to the licence	This is now addressed in Schedule 2. New Schedule 1 will list the transmission assets specified for each licence.