Improving certainty to enable the transmission needed for **net zero.**

Striking a balance between getting the right investment to achieve net zero while delivering projects at the right time, in the right place and as cost-effectively as possible.

AEMC

The way we generate electricity is changing and will continue to evolve. Generators (including wind and solar) are spreading out and need more transmission lines. This evolving energy system will be the foundation on which our modern net zero economy is built.

The AEMC's Transmission Review is reviewing the current settings and framework for delivery of major transmission projects including those under AEMO's Integrated System Plan (ISP) – our recommendations will help to:

- keep cost down for consumers and deliver equitable outcomes
- support a more timely, efficient, clear and simple economic assessment process
- deliver projects in a more timely way
- provide investors with the certainty that they need to invest in projects at the scale that is required
- provide transparency to communities and energy users and the opportunity to engage at every stage of a project
- improve security and reliability in the power system
- drive benefits for other industries – electrification has a key role in enabling Australia's economic future and facilitating decarbonisation.

***AEMC** Transmission Planning and Investment Review*

STAGE 1

Scoping phase

Current stage

STAGE 2

Near-term reforms

FINAL report

Stage 2 focus

Financeability – making investment financially viable for investors in a way that also ensures that investment remains beneficial for energy consumers.

Social licence – improving certainty, transparency, predictability and levels of community engagement around major transmission projects – for local communities and other stakeholders.

Early works – clarifying what activities can be undertaken and when, and clarifying how costs can be recovered to encourage investment decisions.

Feedback loop – aligning the existing assessment process (RIT-T) with AEMO's ISP, enabling work to proceed more quickly.

Next stage

STAGE 3

Longer-term reforms

Stage 3 will include

DRAFT report

1 **Economic assessment process –** improving the process with options that allow work to start sooner.

2 **Net zero –** considering the role of transmission development in the transition to a new energy system/network.

3 **Concessional finance –** considering the appropriate treatment of concessional finance in the Rules.

4 **Incentives –** exploring a timely delivery incentive on TNSPs to address the exclusive right to invest, without obligation.

5 **Building on existing processes –** managing cost risk and uncertainty in the ex-ante framework.