

## Division 4 Functions and powers of the Coordinator, AEMO and ERA

### 8 Functions and powers of the Coordinator, AEMO and ERA

- (1) AEMO has the following functions and powers:
- (a) to establish, operate and maintain the GBB;
  - (b) to register [or deregister](#) certain Gas Market Participants ~~as Registered Participants~~ [and to grant Exemptions](#);
  - (c) to register [or deregister](#) certain Facilities ~~as Registered Facilities~~, and to exempt certain facilities from the requirement to be registered;
  - (d) to prepare and publish the GSOO;
  - (e) [Blank];
  - (f) Procedure making functions, to the extent to which the Procedures relate to its functions under the Rules;
  - (g) [Blank];
  - (h) [Blank];
  - (i) [Blank];
  - (j) information gathering and disclosure functions, to the extent to which the information gathering and disclosure functions relate to its other functions conferred on AEMO under [the GSI Act](#), the GSI Regulations and the Rules;
  - (ja) to support:
    - (i) the ERA's monitoring of persons' compliance with the Rules or Procedures;
    - (ii) the ERA's investigation of breaches or possible breaches of the Rules or the Procedures (including by reporting possible breaches to the ERA); and
    - (iii) any enforcement action taken by the ERA under the GSI Regulations or Rules;
  - (jb) to provide information to and assist the Coordinator as required to support the Coordinator's functions under the Rules; ~~and~~
  - [\(jc\) to prepare for and facilitate the evolution and development of the GSI Rules; and](#)
  - (k) any other functions conferred on AEMO under the GSI Act, the GSI Regulations and the Rules.

- (1B) The ERA has the following functions and powers:

- (a) Procedure making functions, to the extent to which the Procedures relate to its functions under the Rules;
  - (b) to monitor compliance by persons with the Rules or Procedures;
  - (c) to investigate breaches or possible breaches of the Rules or the Procedures;
  - (d) to take enforcement action under the GSI Regulations and Rules;
  - (e) information gathering and disclosure functions, to the extent to which the information gathering and disclosure functions relate to its other functions conferred on the ERA under the GSI Regulations and the Rules;
  - (f) [~~\[Blank\]~~to prepare for and facilitate the evolution and development of the GSI Rules.](#)
  - (fa) [Blank]
  - (g) any other functions conferred on the ERA under the GSI Act, the GSI Regulations and the Rules.
- (1C) Subject to subrule (1D), the Coordinator has the following functions and powers:
- (a) rule making functions;
  - (aA) to consider, and in consultation with the Gas Advisory Board, progress the evolution and the development of these Rules;
  - (aB) provide GAB Secretariat services to the Gas Advisory Board and support its independent Chair;
  - (b) Procedure making functions, to the extent to which the Procedures relate to the Coordinator's functions under the Rules;
  - (c) information gathering and disclosure functions, to the extent to which the information gathering and disclosure functions relate to its other functions conferred on the Coordinator under the GSI Regulations and the Rules; and
  - (d) any other functions conferred on the Coordinator under the GSI Act, the GSI Regulations and the Rules.
- (1D) [Blank]
- (2) Each of the Coordinator, AEMO and the ERA has the power to do all things necessary or convenient to be done for or in connection with the performance of

its respective functions as specified in subrule (1), subrule (1B) and subrule (1C) (as applicable).

## Part 7 Revenue, Budget, Fees and Charging

### Division 1 AEMO Functions~~GSI Services~~ for Allowable Revenue

#### 107 AEMO functions~~GSI Services~~ for determination of Allowable Revenue by ERA

- ~~(1) For the purposes of this Part, the AEMO GSI Services are—~~
- ~~(a) to establish, operate and maintain the GBB;~~
  - ~~(b) to register or deregister Registered Participants and Registered Facilities and to grant Exemptions;~~
  - ~~(c) to prepare and publish the GSOO;~~
  - ~~(d) to make Procedures, to the extent to which the Procedures relate to its functions under the Rules;~~
  - ~~(e) [blank];~~
  - ~~(f) to support—~~
    - ~~(i) the ERA's monitoring of persons' compliance with the Rules or Procedures;~~
    - ~~(ii) the ERA's investigation of breaches or possible breaches of the Rules or the Procedures (including by reporting possible breaches to the ERA); and~~
    - ~~(iii) any enforcement action taken by the ERA under the GSI Regulations or the Rules;~~
  - ~~(g) [blank];~~
  - ~~(h) to manage information gathering and disclosure functions under the GSI Regulations and the Rules, to the extent to which the information gathering and disclosure functions relate to its other functions conferred on AEMO under the GSI Act, the GSI Regulations or the Rules; and~~
  - ~~(i) services deriving from the exercise of any other functions conferred on AEMO under the GSI Act, the GSI Regulations or the Rules.~~
- (1) Subject to the requirements of this Part, AEMO may recover its costs for performing its functions under the GSI Act, the GSI Regulations and GSI Rules.

## Division 2 Powers of ERA to determine Allowable Revenue

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### 108A ERA to determine Allowable Revenue and Forecast Capital Expenditure for AEMO

- (1) The ERA must determine the Allowable Revenue and Forecast Capital Expenditure for AEMO for each Review Period for ~~performing its function~~the AEMO GSI Services, in accordance with this Part.
- (2) By ~~31 October~~November of the year prior to the start of a Review Period, AEMO must submit a proposal to the ERA for its Allowable Revenue and Forecast Capital Expenditure for the ~~performance provision~~ of its function~~the AEMO GSI Services~~ over that Review Period, in accordance with the proposal guidelines referred to in subrule 109(7)(a).
- (3) By 31 March of the year in which the Review Period commences, t~~he ERA must, in relation to~~ publish on its website a draft determination of the~~AEMO's~~ proposed Allowable Revenue and Forecast Capital Expenditure put forward by of AEMO, undertake a for public consultation ~~process which must include publishing an issues paper and inviting submissions from interested persons~~.
- (4) The ERA must prepare and publish on its website its final determination of~~determine~~ the Allowable Revenue and Forecast Capital Expenditure of AEMO by ~~30~~4 ~~April~~March of the year in which the Review Period commences.
- (5) Where the ERA does not determine the Allowable Revenue and Forecast Capital Expenditure of AEMO by the date in subrule 108A(4) or 108B(1)(d)~~31 March~~, the GSI Fees calculated under Division 4 of Part 7 of the Rules for the current Financial Year~~Allowable Revenue and Forecast Capital Expenditure of AEMO from the previous Review Period~~ continues to apply until the ERA makes a determination.
- (6) AEMO's proposal under subrule 108A(2) or 108B(1)(b) or application for adjustment under subrule 111A(4) or 111A(5) must, to the extent practicable, identify proposed costs that are associated with a specific project or where not practicable, a specific function or functions.

### 108B Transitional provisions for the Review Period from 1 July 2022 to 1 July 2025

- (1) Notwithstanding rule 108A the following apply:
  - (a) the ~~Economic Regulation Authority~~ERA must publish a proposal guideline by 31 October 2021;

- (b) AEMO must submit a proposal for its Allowable Revenue and Forecast Capital Expenditure to the ~~Economic Regulation Authority~~ ERA for the Review Period by 31 December 2021;
- (c) the ~~Economic Regulation Authority~~ ERA must publish on its website a draft determination of AEMO's Allowable Revenue and Forecast Capital Expenditure for the Review Period for public consultation by 31 March 2022; and
- (d) the ~~Economic Regulation Authority~~ ERA must prepare and publish on its website its final determination of AEMO's Allowable Revenue and Forecast Capital Expenditure for the Review Period by 31 May 2022.

## **109 Matters for consideration by ERA in determining Allowable Revenue and Forecast Capital Expenditure**

- (1) The ERA must take the matters set out in this rule into account, and any other matters the ERA considers relevant to its considerations when—
  - (a) determining the Allowable Revenue and Forecast Capital Expenditure of AEMO under rule 108A and 108B; and
  - (b) approving adjustments to the current Allowable Revenue and Forecast Capital Expenditure for AEMO ~~in any of the circumstances set out in~~ under rule 110.
- (2) The Allowable Revenue of AEMO must be sufficient to cover the forward looking costs of performing AEMO's functions providing AEMO GSI Services in accordance with the following principles—
  - (a) recurring expenditure requirements and payments are recovered in the year of the expenditure; and
  - (b) capital expenditures are to be recovered through the depreciation and amortisation of the assets acquired by the capital expenditures in a manner that is consistent with generally accepted accounting principles; ~~and~~
  - ~~(c) despite subrules (a) and (b), expenditure incurred, and depreciation and amortisation charged, in relation to any GSI Project are to be recovered over the period determined for that GSI Project.~~
- (3) The Allowable Revenue and Forecast Capital Expenditure for AEMO must include only costs which would be incurred by a prudent provider of the ~~relevant services provided by AEMO in performing its functions~~ GSI Services, acting efficiently, seeking to achieve the lowest practicably sustainable cost of delivering AEMO's functions ~~these services in accordance with the Rules~~, while effectively promoting the GSI Objectives.
- (4) Where possible, the ERA should benchmark the Allowable Revenue and Forecast Capital Expenditure for AEMO against the costs of providing similar functions and/or projects ~~services~~ in other jurisdictions.

- (5) Where costs incurred by AEMO relate to both the performance of functions in connection with the Rules, and the performance of AEMO's other functions, the costs must be allocated on a fair and reasonable basis between—
- (a) costs recoverable as part of AEMO's Allowable Revenue and Forecast Capital Expenditure; and
  - (b) other costs not to be recovered under the Rules.
- (6) The ERA may approve project and/or function costs or, if some costs do not meet the requirements of this rule 109, reject fully or partially or substitute those costs and recommend to AEMO that some of the costs be considered in a subsequent Review Period and/or in a reassessment.
- (7) The ERA must consult on and issue guidelines in relation to this Division, including:
- (a) proposal guidelines, which may consider how uncertain future projects may be dealt with, and provide clarity and guidance to AEMO and Gas Market Participants about the level of detail regarding projects, functions and costs expected in AEMO's proposal; and
  - (b) regulatory reporting guidelines, which:
    - i. must contain annual reporting obligations and provide clarity and guidance to AEMO and Gas Market Participants about the scope of reporting and how AEMO should annually report to the ERA and Gas Market Participants; and
    - ii. are aimed at providing transparency and accountability in relation to AEMO's functions and Allowable Revenue and Forecast Capital Expenditure.
- (8) The ERA may amend guidelines issued under subrule 109(7) at any time, following consultation which allows a reasonable opportunity for relevant stakeholders to present their views.

## **110 ERA may adjust Allowable Revenue or Forecast Capital Expenditure**

- (1) The ERA must reassess and may adjust the Allowable Revenue and/or Forecast Capital Expenditure for the current Review Period for AEMO where—
- (a) AEMO applies to the ERA to reassess the Allowable Revenue under subrule 111A(4); and/or
  - (b) AEMO applies to the ERA to reassess the Forecast Capital Expenditure under subrule 111A(5); ~~or~~
  - ~~(c) AEMO applies to the ERA for approval of an increase in the Allowable Revenue relevant to a GSI Project under rule 112.~~

(2) During a Review Period, AEMO may apply to the ERA for approval of an adjustment to its Allowable Revenue and/or Forecast Capital Expenditure for that Review Period ~~for; where such approval is not required under subrules 111A(4) or 111A(5) or rule 112.~~

~~(a) costs previously rejected pursuant to rule 109;~~

~~(b) new costs for project and/or functions since AEMO'S proposal for its Allowable Revenue and Forecast Capital Expenditure for the current Review Period; and~~

~~(c) costs which were not able to be estimated with reasonable confidence at the time of the relevant Allowable Revenue and Forecast Capital Expenditure review process.~~

(3) If the ERA receives an application from AEMO under subrule (2) or under subrule 111A(4) or under subrule 111A(5), the ERA may make a determination to adjust the Allowable Revenue and Forecast Capital Expenditure for the Review Period for AEMO, and in doing so:

~~(a) must take the considerations in rule 109 into account;~~

~~(b) may consider as part of its adjustment any earlier determined costs where the ERA reasonably considers it necessary to review those earlier determined costs; and~~

~~(c) is not required to reassess earlier determined costs.~~

~~(4) The ERA may seek information from AEMO in relation to the performance of its functions under this Division 2.~~

~~(4) A decision by the ERA to adjust the current Allowable Revenue or Forecast Capital Expenditure for AEMO in response to an application made by AEMO under subrule (2) is binding on the ERA, but a decision not to make such a determination creates no presumption that future expenditure will not meet the relevant criteria under subrule 109(3).~~

(5) The ERA must undertake such consultation as the ERA considers appropriate in the circumstances ~~public consultation process, which must include publishing an issues paper and inviting submissions from interested persons~~, in relation to applications for adjustment of the current Allowable Revenue and Forecast Capital Expenditure for AEMO referred to in subrule (1), and may do so in relation to an application for adjustment under subrule (2).

## Division 2A ERA Regulator Fees

### 110A Regulator Fees

- (1) The ERA may recover a portion of its budget determined by the Minister responsible for the ERA which corresponds to the costs of the ERA in undertaking its functions under the Rules and the GSI Regulations, from the collection of Regulator Fees under these Rules. The ERA must identify in its budget the proportion of its costs that relates to the performance of its functions under the Rules and the GSI Regulations and its other functions.
- (2) Where the revenue earned via Regulator Fees in the previous Financial Year is greater than or less than the ERA expenditure related to the functions described in subrule (1) for that Financial Year, the current year's budget must take this into account by decreasing the budgeted revenue by the amount of the surplus or adding to the budgeted revenue the amount of any shortfall, as the case may be.
- (2A) [Blank]
- (3) By the date which is five Business Days prior to 30 June each year, the ERA must notify AEMO of:
  - (a) the dollar amount that the ERA may recover under subrule (1); and
  - (b) the dollar amount that the ERA may recover under subrule (2A) (to the extent such amount is not already included in the dollar amount referred to in subrule (3)(a)).
- (4) AEMO must publish on the GSI Website the amount of the Regulator Fees for each Financial Year by 30 June each year in accordance with the information provided by the ERA under subrule (3).
- (5) If the ERA has not provided AEMO with the information required under subrule (3) by the date which is five Business Days prior to 30 June, AEMO will publish on the GSI Website the expected amount of Regulator Fees based on the most recent information provided to AEMO by the ERA under subrule (3).
- (6) AEMO must publish on the GSI Website a revised amount for Regulator Fees within five Business Days of receiving the information, if in any year, the ERA provides AEMO with the information required under subrule (3) later than the date which is five Business Days prior to 30 June.
- (7) A revised amount for Regulator Fees will supersede any expected amount for Regulator Fees and is recoverable from Registered Shippers and Registered Production Facility Operators in arrears with effect from the start of the Financial Year to which it applies.

## **Division 2B Coordinator Fees**

### **110B Coordinator Fees**

- (1) The Coordinator may recover a portion of its budget determined by the Minister responsible for the Coordinator which corresponds to the costs of the Coordinator



in undertaking its functions under the Rules and the GSI Regulations, from the collection of Coordinator Fees under these Rules.

- (2) The Coordinator must:
  - (a) identify in its budget the proportion of its costs that relates to the performance of its functions under the Rules and the GSI Regulations and its other functions; and
  - (b) publish on the Coordinator's Website the proportion of costs corresponding to each of the functions prescribed in rule 8(1)(c).
- (2) Where the revenue earned via Coordinator Fees in the previous Financial Year is greater than or less than the Coordinator expenditure related to the functions described in subrule (1) for that Financial Year, the current year's budget must take this into account by decreasing the budgeted revenue by the amount of the surplus or adding to the budgeted revenue the amount of any shortfall, as the case may be.
- (3) By the date which is five Business Days prior to 30 June each year, the Coordinator must notify AEMO of the dollar amount that the Coordinator may recover under subrule (1).
- (4) AEMO must publish on the GSI Website the amount of the Coordinator Fees for each Financial Year by 30 June each year in accordance with the information provided by the Coordinator under subrule (3).
- (5) If the Coordinator has not provided AEMO with the information required under subrule (3) by the date which is five Business Days prior to 30 June, AEMO will publish on the GSI Website the expected amount of Coordinator Fees based on the most recent information provided to AEMO by the Coordinator under subrule (3).
- (6) AEMO must publish on the GSI Website a revised amount for Coordinator Fees within five Business Days of receiving the information, if in any year, the Coordinator provides AEMO with the information required under subrule (3) later than the date which is five Business Days prior to 30 June.
- (7) A revised amount for Coordinator Fees will supersede any expected amount for Coordinator Fees and is recoverable from Registered Shippers and Registered Production Facility Operators in arrears with effect from the start of the Financial Year to which it applies.

## Division 3 AEMO Budget

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### 111A Determination of the AEMO Budget

- (1) AEMO must—
- (a) by 30 June each year, publish on the GSI Website the AEMO Budget for the costs AEMO will incur in performing its functions~~GSI Services~~ for the coming Financial Year; and
  - (b) by 31 October each year, publish on the GSI Website a financial report showing AEMO's actual financial performance against its budget for the previous Financial Year, in accordance with the regulatory reporting guidelines issued by the ERA in accordance with subrule 109(7)(b).
- (2) ~~The~~ AEMO must ensure its Budget ~~must be~~is
- (a) consistent with ~~AEMO's~~the Allowable Revenue and Forecast Capital Expenditure determined by the ERA for the relevant Review Period and any adjustment; and
  - (b) reported in accordance with the regulatory reporting guidelines issued by the ERA in accordance with subrule 109(7)(b).
- (3) Where the revenue earned for the ~~provision of the~~functions performed by AEMO ~~GSI Services~~ via GSI Fees in the previous Financial Year is greater than or less than AEMO's expenditure for ~~its functionsthe AEMO GSI Services~~ for that Financial Year, the AEMO Budget must take ~~this~~into account any difference between GSI Fees revenue and AEMO's expenditure in the previous Financial Year by:
- (a) decreasing the budgeted revenue by the amount of ~~the any revenue surplus;~~ or
  - (b) adding to increasing the budgeted revenue the amount of any revenue shortfall, ~~as the case may be.~~
- (4) Where, taking into account any adjustment under subrule (3), the AEMO Budget is likely to result in revenue recovery, over the relevant Review Period, being at least the lower of 150% of the Allowable Revenue or \$0.5 million,~~above AEMO's greater than the~~ Allowable Revenue determined by the ERA, AEMO must apply to the ERA to reassess AEMO's Allowable Revenue for the Review Period.
- (5) Where the AEMO Budget is likely to result in capital expenditure, over the relevant Review Period, being at least the lower of 10% of the Forecast Capital Expenditure or \$0.5 million, greater than AEMO's Forecast Capital Expenditure

~~approved~~determined by the ERA, AEMO must apply to the ERA to reassess AEMO's Forecast Capital Expenditure for the Review Period.

- (6) AEMO must ~~endeavour to~~ make an application to the ERA under subrule 4 or with respect to Allowable Revenue under subrule 110(2) in sufficient time by 31 March for the ERA to make a determination of the Allowable Revenue before the commencement of the Financial Year to which the relevant AEMO Budget relates.

## 112 [Blank]AEMO may declare GSI Project

- ~~(1) Subject to subrule (2), AEMO may declare a project to be a GSI Project if:~~
- ~~(a) the project involves:~~
    - ~~(i) a major change to the AEMO GSI Services provided by AEMO under the Rules; or~~
    - ~~(ii) a major change to any of the computer software or systems that AEMO uses in the provision of the AEMO GSI Services under the Rules; and~~
  - ~~(b) AEMO estimates that the sum of:~~
    - ~~(i) the recurring expenditure associated with the change; and~~
    - ~~(ii) the capital expenditure required to implement the change,~~~~would be greater than 10% of the sum of the AEMO's Allowable Revenue and Forecast Capital Expenditure for the current Review Period.~~
- ~~(2) Before AEMO commences a GSI Project, AEMO must obtain approval from the ERA for any increase in the AEMO's Allowable Revenue relevant to the GSI Project, including the period over which the incremental AEMO's Allowable Revenue will apply.~~

## Division 4      GSI Fees

### 114      AEMO may recover AEMO's ~~functions~~ **GSI Services** costs and Regulator Fees

For each Financial Year, AEMO may recover from Registered Shippers and Registered Production Facility Operators—

- (a)      an amount equal to the AEMO Budget; and
- (b)      an amount equal to the Regulator Fees, which amount must be consistent with the amount notified by the ERA in accordance with subrule 110A(3) or, where such amount has not been notified by the ERA in accordance with subrule 110A(3), published by AEMO in accordance with subrule 110A(5) or subrule 110A(6).

~~AEMO GSI Services means the services listed in subrule 107(1) for the purposes of determining the Allowable Revenue for AEMO.~~

**Allowable Revenue** means the allowable revenue for a Review Period to be recovered by AEMO for the provision of ~~the AEMO's functions~~ **GSI Services**, determined by the ERA under rule 108A, and includes any amendment made by the ERA under rule 110.

~~**GSI Project** means a project that is declared by AEMO to be a GSI Project under rule 112 that involves—~~

- ~~(a) — a major change to the AEMO GSI Services under the Rules; or~~
- ~~(b) — a major change to any of the computer software or systems that AEMO uses in the provision of the AEMO GSI Services under the Rules.~~