



Consumer
Trustee

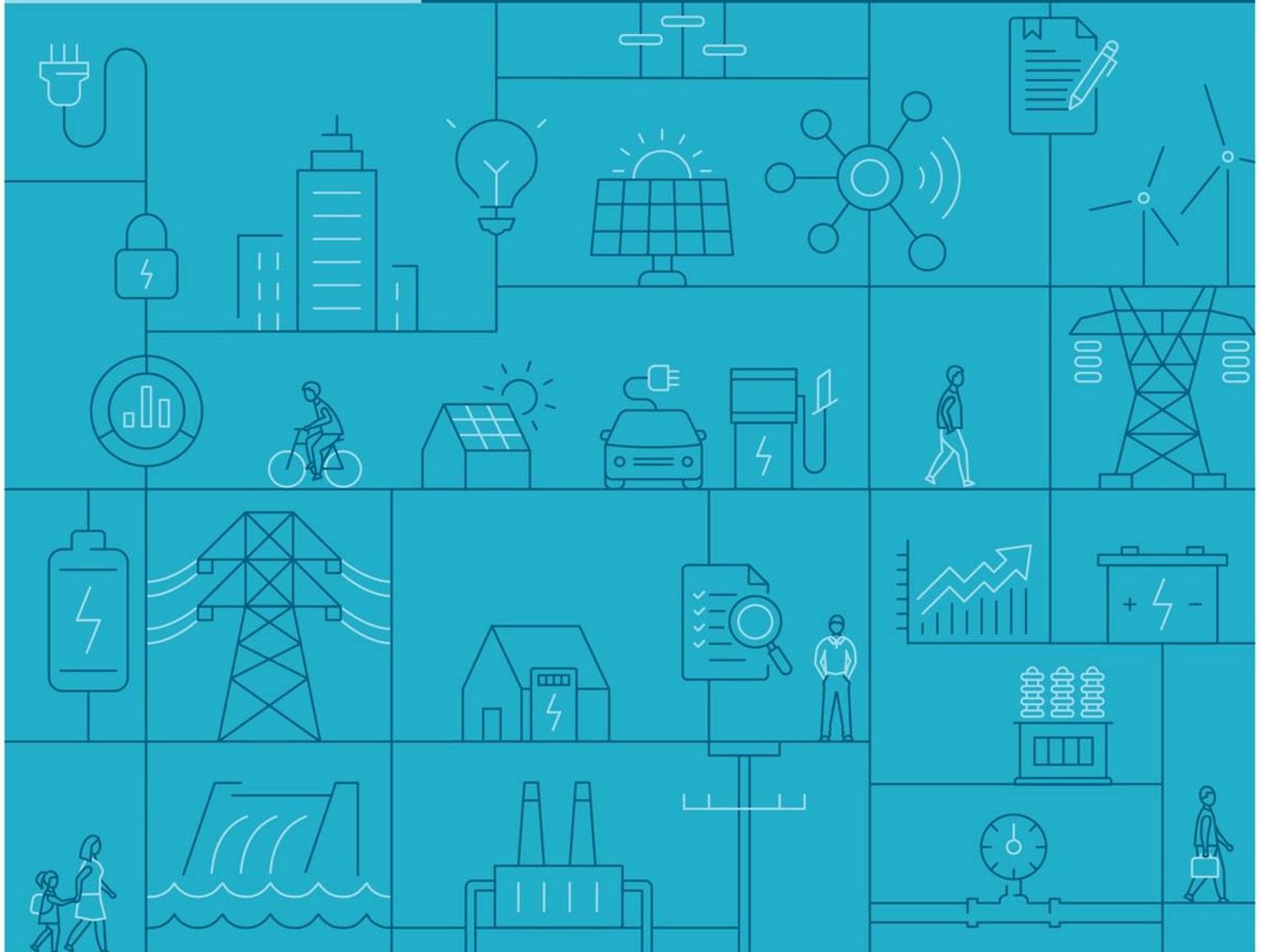
NSW Consumer Trustee Section 70(1) Report

30 June 2023

The Consumer Trustee would like to acknowledge the Traditional Owners of Country throughout Australia and recognise their continuing connection to land, water and culture.

We pay our respect to their Elders past and present.

Prepared by AEMO Services Limited



Document purpose

Purpose

This report is prepared by AEMO Services Limited (**AEMO Services**) as the New South Wales (NSW) Consumer Trustee to comply with the requirements under section 70(1) of the *Electricity Infrastructure Investment Act 2020* (NSW) (**EII Act**).

This report has been prepared by AEMO Services using information available as at 30 June 2023. Information made available after this date may have been included in this document where practical.

Introduction

NSW Consumer Trustee

The NSW Government appointed AEMO Services as the State's Consumer Trustee on 23 July 2021 to act in accordance with the functions prescribed in the EII Act. The Consumer Trustee appointment was subject to the satisfaction of conditions precedent described in an Instrument of Appointment between AEMO Services and the State of NSW.

The conditions in the Instrument of Appointment were satisfied and appointment of the Consumer Trustee became effective on 22 November 2021.

Under section 60 of the EII Act, the Consumer Trustee:

1. must act independently and in the long-term financial interests of NSW electricity customers.
2. has the following functions:
 - to advise the Minister and the infrastructure planner in relation to proposed and declared renewable energy zones (REZ) and proposed and required REZ network infrastructure projects,
 - to negotiate, in accordance with any requirements prescribed by regulations, with a person in relation to LTES agreements,
 - other functions prescribed by regulations,
 - other functions conferred or imposed on the consumer trustee by or under the EII Act or another law.

In this report, AEMO Services:

- describes each of the Consumer Trustee functions under the EII Act and regulations; and
- reports on the exercise of those functions during the financial year ended 30 June 2023.

During FY23, the Consumer Trustee has sought to act independently and in the long-term financial interests of NSW electricity customers in the performance of its functions.

This report contains two sections. Section 1 is an executive summary which contains a description of the Consumer Trustee functions together with a summary of key activities for FY23 and priorities for FY24. Section 2 is the detailed report, presented in the form requested by IPART.

Section 1 – Executive Summary

1.1 Consumer Trustee functions

AEMO Services' role includes planning, assessing and guiding long-term investment to help transform the energy sector. In this capacity, AEMO Services plans and co-ordinates long-term investment in built energy infrastructure, conducting competitive tenders to bring forward projects to help the state meet its future energy needs.

We incentivise new investments in electricity generation, storage and firming infrastructure through Long-Term Energy Service Agreements (LTESAs) and network access rights in Renewable Energy Zones. We also authorise transmission infrastructure in Renewable Energy Zones and provide financial risk management and advice for the Roadmap.

A summary of our key functions is below.

	Obligation	Responsibility
	Renewable Energy Zone (REZ) Network Infrastructure Authorisation EII ACT s31(1-3),(5), s40(1)(b), s60(4)(a), cl 18, s4(5) and s9(1),(3-4)	<ul style="list-style-type: none"> • Make authorisation decisions about REZ network infrastructure projects that have been recommended by Infrastructure Planner: <ul style="list-style-type: none"> – develop and update the methodology for calculating the maximum capital cost that defines the capital envelope for infrastructure projects. – calculate the capital envelope and inform the Regulator. – independently consider Infrastructure Planner's recommendations. • Provide advice in relation to REZs and network infrastructure projects.
	Infrastructure Investment Objectives Reports (IIO) EII ACT s45	<ul style="list-style-type: none"> • Prepare every two years an IIO Report containing: <ul style="list-style-type: none"> – a 20 year Development Pathway for the infrastructure that must be constructed to meet the IIOs. – a plan for competitive tenders that AEMO Services will conduct over 10 years to give effect to the development pathway. • Prepare a IIO Report for firming infrastructure as directed by the Minister.
	Long-Term Energy Service Agreements (LTESAs) and Competitive Tenders EII ACT s46, s47, s48, s50, s60(4)(b) and s4(4)	<ul style="list-style-type: none"> • Determine the terms and conditions of the LTESAs in accordance with legislated principles and ensure they remain fit for purpose. • Set the tender rules for each competitive tender, including the criteria for the assessment of tender bids. • Conduct competitive tender rounds for LTESAs. • Make recommendations on LTESAs to the Scheme Financial Vehicle.
	Access Scheme Fees and Rights EII ACT s24(5) and s26	<ul style="list-style-type: none"> • Determine the fees payable by participants to the Scheme Financial Vehicle taking into consideration a component for community and employment purposes. • If directed, conduct competitive tenders for the conferral of access rights, through integrated, multi-product tenders for both LTESAs and access rights.
	Financial Risk Management EII ACT s51, s61, s66(4), s68(1-3) and cl32-33	<ul style="list-style-type: none"> • Maintain the risk management framework to protect the financial interests of NSW electricity consumers. • Perform and oversee aspects of the risk management framework and subsidiary policies. • Administer the appointment of the Financial Trustee. <p>Note: Obligations to appoint the Financial Trustee, and prepare and publish a risk management framework and subsidiary policies were fully executed in FY23.</p>
	Other Obligations EII ACT s3(3), s4(4-5), s9(1),(3-4), s55, s56, s60(3),(5), s62(3),(5) s67, s70, cl16(1)(d) and 16K	<ul style="list-style-type: none"> • Act consistently with the EII Act and act independently and in the long-term financial interests of NSW electricity consumers. • Consider guidelines about consultation and negotiation with the local Aboriginal communities and improve conditions that give effect to these guidelines. • Provide information to the Regulator for the annual contribution determination process and receive payments from the Electricity Infrastructure Fund. • Have our performance audited by the Regulator and provide the Regulator with annual reports on the exercise of our functions.

AEMO Services Limited

1.2 Delivering on the objectives of the Act in FY23

The past 12 months have continued to reflect a formative period for our organisation, as we have exercised key functions including:

- publication of Infrastructure Investment Objectives Reports (IIO);
- successful conduct of competitive tenders;
- provision of advice to the Infrastructure Planner about network infrastructure;
- completion and publication of a comprehensive risk management framework; and
- completion of procurement and appointment of the Financial Trustee (FT).

Since our establishment and appointment in 2021, we have continued to build and develop both the organisation and the functions to exercise our obligations under the EII Act and made tangible progress towards delivering on the objectives of the Act.

Proactive stakeholder engagement is a priority in AEMO Services' Corporate Plan and is critical to achieving EII objectives. Management work closely with our Roadmap partners at AEMO, the Infrastructure Planner, the Financial Trustee and Scheme Financial Vehicle, the Office of Energy and Climate Change, the Renewable Energy Sector Board, and the Electricity Infrastructure Jobs Advocate to support the coordination and delivery of Roadmap requirements. Board members actively participated in the Roadmap Implementation Board, an OECC construct to ensure alignment across entities. We actively engage with investors, developers, consumer advocacy groups, industry, and government to inform our decision-making and the development of our plan, products and processes to provide the best outcome for NSW electricity customers.

A summary of our activities for FY23 are outlined below.

Infrastructure Investment Objectives Report (IIO) (section 45)

AEMO Services prepares IIO Reports which set out a development pathway for the next 20 years and a tender plan for the next decade, identifying the timing and scale for renewable energy generation and storage investment and providing necessary flexibility to ensure we continue to deliver on our obligations under the EII Act. Under the EII Act, AEMO Services is required to publish an IIO Report every two years.

A Firming IIO Report was published in FY23 and was prepared following receipt of a direction from the Minister to conduct a competitive tender for firming infrastructure under section 47(2). The report set out a development pathway and ten-year competitive tender plan for generation, long-duration storage and firming infrastructure.

We also published a Draft 2023 IIO Report for consultation in FY23 in anticipation of exercising our function under section 45(1) and 45(4) in FY24, when AEMO Services will publish its Final 2023 IIO Report.

Long-Term Energy Service Agreements (LTESAs) and competitive tenders (section 46)

In FY23, we developed the process for the inaugural tender, which will serve as the basis for biannual tenders for at least the next decade. The tender design is flexible and long-term to capture the full potential of innovation, respond to changes in the market, and ensure that the future network delivers energy which delivers on the objectives of the EII Act. Its two-stage evaluation process assesses the social licence credentials and ability for a project to deliver first, before financial value is assessed.

In May 2023, our first competitive tender for generation and long-duration storage infrastructure was completed, resulting in four projects representing 1,395MW and more than \$2.5 billion in total investment in NSW's renewable energy infrastructure supported. The projects are expected to be delivered by 2025/26 and will deliver a range of initiatives that contribute to broader community and economic benefits to host regions and value to NSW electricity customers.

AEMO Services Limited

Initial market results indicate that the incentive LTESA, offered through the tender process, is working to deliver better value for both NSW electricity customers and project proponents and social licence outcomes.

Greater certainty around key aspects of their investment decision gives proponents the confidence to bring projects forward, providing NSW electricity customers earlier access to clean, reliable and more affordable power.

Also in FY23, AEMO Services commenced Tenders Round 2 (Firming Infrastructure) and Round 3 (Generation and LDS). The outcomes of these tenders will be announced in FY24.

Tender supporting documentation including tender rules, tender guidelines, contracts and market briefing notes are available on the Consumer Trustee's website. Public Interactive webinars were held at the commencement of the three tenders to provide education and information for proponents.

Access schemes fees (section 26)

This exercise of this function is linked to completion and award of access rights under a REZ Access Scheme Declaration. It is anticipated that Central-West Orana (CWO) access rights will be offered in Tender Round 4, which will include an access fee determination for each project recommended for access rights.

AEMO Services, in alignment with the draft CWO access scheme declaration, published a draft CWO access fee in July 2022 together with a draft CWO REZ Access Rights Tender Information paper on 19 June 2023 to help proponents with projects connecting to new REZ network infrastructure to familiarise themselves with the general scope, structure and key features of CWO REZ Access Rights and the associated tender process. The paper includes updated information on AEMO Services' intended approach to Access Fees as well as REZ Connections Process and Security Bonding requirements.

The Tender Guidelines for Tender Round 4 will include a calculator to help assess the quantum of access fees that potential proponents are expected to pay for obtaining access rights in CWO REZ. It is anticipated that the final access fee for each participant in the CWO REZ access scheme will be set and binding at the time that the participant obtains an access right.

Renewable Energy Zone (REZ) Network Authorisation (section 31)

The EII Act contains a framework for identifying, developing and delivering network infrastructure projects in REZs. The framework helps to ensure that infrastructure built in REZs are in the long-term financial interest of NSW electricity consumers. The Consumer Trustee's authorisation function is a necessary step to allow a network operator to carry out the CWO REZ network infrastructure project.

During FY23, the Infrastructure Planner was making preparations to provide a recommendation for the CWO REZ network infrastructure project(s) to AEMO Services, which will consider the recommendation for authorisation once received.

AEMO Services has engaged regularly with the Infrastructure Planner in connection with the CWO REZ in preparation for the Infrastructure Planner's ultimate recommendation for the CWO REZ (anticipated in FY24). We note that the CWO REZ is likely to be the inaugural exercise of the section 31 authorisation function.

AEMO Services plans to publish a Network Authorisation Process and Approach Paper (formerly the Network Authorisation Guidelines) in FY23-24 in advance of the Infrastructure Planner's recommendation for CWO REZ, which will outline how AEMO Services intends to undertake its authorisation function.

Advice to the Infrastructure Planner (section 60(4)(a))

At the Infrastructure Planner's request, AEMO Services provided advice to the Infrastructure Planner under clause 18 of the Regulations, on modelling of network infrastructure projects to inform the development of the Network Infrastructure Strategy, and calculations of the target

AEMO Services Limited

transmission curtailment level for network infrastructure in the South-West REZ to inform its consultation on a draft Access Scheme for this REZ.

Financial Risk Management (section 51)

In FY23, AEMO Services established a statutory risk management framework and subsidiary policies to guide the management of financial risks related to the delivery of the Roadmap. The AER approved the risk management framework in July 2022.

Establishment of the Scheme Financial Vehicle (SFV) (section 61)

In FY23, AEMO Services worked extensively to appoint the FT and prepare for the establishment of the SFV, a critical element of the Roadmap.

AEMO Services appointed Equity Trustees Limited as the FT – the entity that establishes and administers the SFV under the Roadmap – and the SFV has subsequently established the Electricity Infrastructure Fund to manage cash inflows and outflows. The SFV is governed by an independent Board.

The SFV serves as the independent contractual counterparty to LTESAs and provides revenue (as determined by the Australian Energy Regulator) for REZ network infrastructure projects and Priority Transmission Infrastructure Projects developed under the Roadmap. On launch, the SFV achieved an Aa3-stable credit rating from Moody's.

1.3 Priorities for FY24

In FY24, AEMO Services will continue to deliver on its Consumer Trustee obligations and responsibilities under the EII Act.

At the date of this report, key anticipated deliverables include:

- CWO REZ access fee determination (section 26)
- Publication of the Network Authorisation Process and Approach (NAPAP) (section 31)
- Setting of Maximum Capital Cost (MCC) for CWO REZ (section 31)
- Tender Round 2 (Firming Infrastructure) LTESA recommendation (section 46)
- Publication of 2023 IIO Report (section 45)
- Tender Round 3 (Generation and Long-duration Storage Infrastructure) LTESA recommendation (section 46)
- Publication of CWO REZ network authorisation decision (section 31)
- Tender Round 4 (Generation) LTESA and CWO Access Rights recommendation decision (section 46)
- Publication of HCC REZ network authorisation decision (section 31)
- Commencement of Tender Round 5¹ (section 46).

AEMO Services will publish its FY24 Corporate Plan prior to 30 September 2023. The Corporate Plan provides further detail on all major activities planned for the period FY24 to FY26.

¹ Tender 5 is anticipated to commence Q2 2024 dependant on declaration and access right readiness deliverables.

Section 2 – Detailed report

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
Consultation and negotiation with local Aboriginal communities	Section 4(4)	Take the guidelines (issued by the Minister) about consultation and negotiation with the local Aboriginal community into account when exercising the Consumer Trustee's functions under Part 6, Divisions 3 and 4 ³ .	Y	<p>Under section 4(4)-(5) the Consumer Trustee considered the First Nations Guidelines when conducting Tender Rounds by designing and implementing merit criteria to evaluate proponents' commitments, including their consultation with Aboriginal communities. This was assessed under Merit Criteria 6 & 7. The Tender Guidelines provide detailed information for proponents on these merit criteria and directs them to the First Nations Guidelines and region-specific guidelines prepared by OECC for further guidance when preparing bids. The Consumer Trustee also published a market briefing note detailing good practice across land use considerations, regional economic development, community engagement and shared benefits. All related documents are available on the Consumer Trustee's website.</p> <p>In the first tender, proponents were required to fulfil economic participation obligations, such as subcontracting to First Nations businesses, employing Aboriginal and Torres Strait Islander individuals, and investing in education, training, or capacity building for these businesses. The successful bids from Tender Round 1 have substantial commitments to subcontracts for First Nations businesses and for direct employment of ATSI peoples.</p> <p>These commitments are legally binding and subject to contractual monitoring and enforcement. Under the Project Development Agreement (PDA) and Long-Term Energy Service Agreements (LTESA)⁴, the project counterparty must provide regular reports to the Scheme Financial Vehicle. Failure to meet targets can result in escalation, the implementation of agreed plans to realign with targets, or termination of the LTESA.</p>

² In this column, references to sections are to section of the EII Act, while references to clauses are references to clauses of the regulations.

³ Part 6 Electricity infrastructure investment safeguard, Division 3 Long-term energy service agreements and Division 4 Operation of long-term energy service agreements, of the EII Act.

⁴ [Tender Round 1 Generation LTESA](#), [Tender Round 1 LDS LTESA](#)

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
	Section 4(5)	To give effect to the guidelines about consultation and negotiation with the local Aboriginal community, the Consumer Trustee may include a recommendation (under s.31(1)(a)) to the Minister and impose a condition on an authorisation (under s.31(1)(b)).	N	The Consumer Trustee did not exercise its authorisation function under section 31(1) in FY22-23, as the Infrastructure Planner did not recommend any projects to the Consumer Trustee. See commentary on section 31(1).
Plan for NSW renewable energy sector	Section 9(1)	Take into account the Plan for NSW renewable energy sector, when exercising all functions under the Act.	Y	<p>s45(1): The Consumer Trustee took into account the Renewable Energy Sector Board Plan in its 2022 Firming Infrastructure Investment Objectives Report in exercising its function under 45(1) in FY 22-23. See 2022 Infrastructure Investment Objectives Report, section 3.6.5.</p> <p>Clause 18: The Consumer Trustee provided advice to EnergyCo under clause 18 of the Regulations to inform its Network Infrastructure Strategy and draft access scheme for South-West REZ in FY23-24. This advice was based on modelling undertaken for the Draft 2023 Infrastructure Investment Objectives Report. This draft report sets out how the Consumer Trustee took into account the Renewable Energy Sector Board Plan in considering this modelling (see section 3.1)</p> <p>s9(1): The Consumer Trustee took into account the Renewable Energy Sector Board Plan in the Tender of LTESA, through the Tender Guidelines and Tender Rules. Scoring criteria for Merit criterion 8 in Tender Round 1, and merit criterion 7 in Tender Rounds 2 and 3 take into account NSW Renewable Sector Board Plan.</p> <p>Under this criteria Proponents are required to submit an Industry and Aboriginal Participation Plan responding to requirements established in the NSW Renewable Energy Sector Board Plan targets.</p> <p>The tender commitments by proponents are legally binding and subject to contractual monitoring and enforcement. Under the Project Development Agreement (PDA) and Long-Term Energy Service Agreements (LTESA), project counterparties must provide regular reports on the PDA and LTESA to the</p>

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
				<p>Scheme Financial Vehicle. Failure to meet targets can result in escalation, the implementation of agreed plans to realign with commitments, or termination of the LTESA.</p> <p>s61(1): On 15th September 2022, the Consumer Trustee appointed Equity Trustees Limited as the Financial Trustee following a competitive procurement (tender) process. Equity Trustees Limited incorporated the Scheme Financial Vehicle on 16 September 2023.</p>
	Section 9(3)-(4)	To give effect to the plan, the Consumer Trustee may include a recommendation (under s.31(1)(a)) to the Minister and impose a condition on an authorisation (under s.31(1)(b)).	N	<p>The Consumer Trustee did not exercise its authorisation function under section 31(1) in FY22-23, as the Infrastructure Planner did not recommend any projects to the Consumer Trustee.</p> <p>See commentary on section 31(1).</p>
Fees for access schemes	Section 26(1)	<p>Determine the fees payable to the Scheme Financial Vehicle by participants in an access scheme, taking into consideration the following principles:</p> <ul style="list-style-type: none"> a) maximising financial value for NSW electricity customers, b) recovering the cost of the operation of the access scheme, c) optimal use of the existing and planned network infrastructure in the renewable energy zone, d) other principles prescribed by the regulations. 	Y	<p>The Consumer Trustee did not exercise the functions contained in section 26(1) in FY 2022-23.</p> <p>This exercise of this function is linked to completion and award of access rights under a REZ Access Scheme Declaration.</p> <p>The Consumer Trustee, in alignment with the draft Central-West Orana access scheme declaration, published a draft Central-West Orana access fee in July 2022.</p> <p>The Consumer Trustee published a draft CWO REZ Access Rights Tender Information paper on 19 June 2023 to help proponents with projects connecting to new REZ network infrastructure to familiarise themselves with the general scope, structure and key features of CWO REZ Access Rights and the associated tender process. It includes updated information on the Consumer Trustee's intended approach to Access Fees as well as REZ Connections Process and Security Bonding requirements.</p> <p>The methodology for the proposed access fee is anticipated to be published in August 2023 (potential access right holders will have an opportunity to comment on this methodology). It is anticipated that the final access fee for each participant in the CWO REZ access scheme will be set and binding at</p>

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
				the time that the participant obtains an access right. It is planned to begin allocating CWO access rights in Tender Round 4, which will include access fee determination for each project recommended for access rights.
	Section 26(2)-(3)	The fees must include a component that is to be used for a community purpose prescribed by the regulations and the component must not be less than the minimum or exceed the maximum amount prescribed by the regulations.	Y	The Consumer Trustee did not exercise the functions contained in section 26 (2)-(3) in FY 2022-23. The regulation for defining the community and setting minimum and maximum amounts was made in August 2022. This function will be exercised at the same time as setting the final Central-West Orana access fee.
	Section 26(4)-(5)	The fees must include a component that is to be used for an employment purpose prescribed by the regulations and the component must not be less than the minimum or exceed the maximum amount prescribed by the regulations.	Y	The Consumer Trustee did not exercise the functions contained in section 26 (4)-(5) in FY 2022-23. The regulation for defining the employment and setting minimum and maximum amounts was made in August 2022. This function will be exercised at the same time as setting final Central-West Orana access fee.
	Section 26(6)	When exercising its function under 26(4), the Consumer Trustee is to seek advice from the committee established under section 34W(1)(b) of the <i>Energy and Utilities Administration Act 1987</i> .	Y	Section 34W Committee for the purpose of providing advice under section 26(6) was enlivened by the regulations made in August 2022. The Consumer Trustee sought advice from the Committee between August and November 2022 and received written advice from the Committee on the proposed employment component of Central-West Orana REZ access fees, which will form part of the access fee determination.
Assessment of REZ network infrastructure projects	Section 30(4)	The Consumer Trustee must specify a time period that the Infrastructure Planner must make a recommendation within. ⁵	Y	The Consumer Trustee did not exercise the function contained in section 30(4) during FY 22-23, as it did not consider that there was a need to specify time periods given that the Infrastructure Planner for the declared REZs (EnergyCo) is seeking to make its recommendations in a timely manner. See commentary on section 31(1).

⁵ Section 30(4) of the EII Act.

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
	Section 31(1)	<p>The Consumer Trustee must consider the recommendations by the Infrastructure Planner about REZ network infrastructure projects required for the renewable energy zone. After considering the Infrastructure Planner's recommendations in relation to REZ network infrastructure projects, the Consumer Trustee may:</p> <p>a) recommend the Minister give a direction under section 32 to a network operator for a REZ network infrastructure project, or</p> <p>b) authorise a network operator to carry out a REZ network infrastructure projects</p>	<p>Y (in part)</p> <p>N (in part)</p>	<p>The Consumer Trustee did not exercise its authorisation function under section 31(1) in FY22-23, as the Infrastructure Planner did not recommend any projects to the Consumer Trustee.</p> <p>The Consumer Trustee expects to receive a recommendation for the Central-West Orana REZ Network infrastructure Project(s) in FY23-24 and to exercise its section 31(1) functions in respect of this recommendation.</p> <p>The Consumer Trustee plans to publish a Network Authorisation Process and Approach Paper (formerly the Network Authorisation Guidelines) in FY23-24 in advance of the Infrastructure Planner's recommendation for Central-West Orana REZ, which will outline how the Consumer Trustee intends to undertake its authorisation function.</p>
	Section 31(2)	<p>If the Consumer Trustee authorises a network operator under subsection (1)(b) above, the Consumer Trustee must, by written notice to the Regulator, set a maximum amount for the prudent, efficient and reasonable capital costs for development and construction of the REZ network infrastructure project that may be determined by the Regulator under section 38(4).</p>	Y	<p>The Consumer Trustee did not determine a maximum amount for a REZ network infrastructure project during FY 22-23, as the Infrastructure Planner did not recommend any projects to the Consumer Trustee.</p> <p>Following submission of the Infrastructure Planner recommendation under 31(1), the Consumer Trustee will exercise its functions under section 31(2).</p>
	Section 31(3)	<p>The Consumer Trustee must not disclose the above maximum amount to any person.</p>	Y	<p>The Consumer Trustee did not determine a maximum amount for a REZ network infrastructure project during FY 2022-23, as the Infrastructure Planner did not recommend any projects to the Consumer Trustee.</p> <p>In developing the methodology and governance frameworks for calculating the maximum amount, the Consumer Trustee put controls in place such as</p>

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
				confidentiality obligations to ensure that the neither the maximum amount, nor information that could be used to derive a likely maximum amount, is not disclosed to any person.
	Section 31(5)	In exercising its functions under section 31, the Consumer Trustee is to consider the development pathway contained in the latest report by the Consumer Trustee under section 45.	Y	The Consumer Trustee did not exercise its functions under section 31(1) and 31(5) in FY22-23, as it is yet to receive a recommendation for a REZ Network Infrastructure Project from the Infrastructure Planner. See commentary on section 31(1).
Regulator reviewing determinations	Section 40(1)(b)	The Consumer Trustee can direct the Regulator to remake a determination under section 38 at any time (in accordance with the regulation)	N	The Regulator has not made a determination under section 38 for a REZ Network Infrastructure Project. Therefore, the Consumer Trustee has not exercised this function.
Infrastructure investment objectives report	Section 45(1)	The Consumer Trustee is to prepare a report about the infrastructure investment objectives that contains: <ul style="list-style-type: none"> a) (a) the development pathway for the infrastructure to which Part 6 applies that is required to be constructed over the following 20 years to achieve the infrastructure investment objectives, and b) a plan for the competitive tenders that the Consumer Trustee will conduct during the following 10 years to give effect to the development pathway, including when tenders will be conducted and the classes of LTES agreements for which a tender will be conducted, and c) other matters prescribed by the regulations. 	Y	A 2022 Firming Infrastructure Investment Objectives Report was published in FY22-23 by the Consumer Trustee as per section 45(1), 45(3) and 45(4) including complying with all requirements specified in section 45(1)(a)-(c) and clauses 24 and 25 of the Act's regulations. This report was prepared following receipt of a direction from the then Minister to conduct a competitive tender for firming infrastructure under section 47(2). The report set out a development pathway to achieve the infrastructure investment objectives and ten-year competitive tender plan for generation, long-duration storage and firming infrastructure. Separately, the Consumer Trustee advises that it published a Draft 2023 Infrastructure Investment Objectives Report for consultation in FY22-23 in anticipation of exercising its function under section 45(1) and 45(4) in FY23-24, when it publishes its Final 2023 Infrastructure Investment Objectives report, in December 2023.

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
	Section 45(2)	The report must be prepared: a) as soon as practicable after the commencement of this section, and b) every 2 years after the first report.	Y	The Consumer Trustee was not required to comply with section 45(2) in FY 22-23 as it is not required to publish a biennial infrastructure investment objectives report until December 2023 (2 years after the 2021 Infrastructure Investment Objectives Report was published). This section does not apply to the publication of a report in response to a direction under section 47(2), like the 2022 Firming infrastructure Investment objectives Report. The Consumer Trustee advises that it published a Draft 2023 Infrastructure Investment Objectives Report for consultation in FY22-23 in anticipation of exercising its function under section 45(1) and 45(4) in FY23-24, when it publishes its Final 2023 Infrastructure Investment Objectives report, in December 2023. This will be 2 years after the 2021 IIO Report, in compliance with this section.
	Section 45(3)	The Consumer Trustee is also to prepare a report as soon as practicable after being directed by the Minister under section 47(2) to conduct a competitive tender for LTES agreements for firming infrastructure.	Y	See commentary on section 45(1) above, in relation to the 2022 Firming Infrastructure Investment Objectives Report . The Consumer Trustee received no further directions from the Minister under section 47(2) to conduct a competitive tender for firming infrastructure in FY 22-23.
	Section 45(4)	The regulations may prescribe the matters that the Consumer Trustee is to take into account in preparing the report.	Y	See commentary on section 45(1) above.
	Section 45(5)-(6)	The report is to be published on the Consumer Trustee's website. The Consumer Trustee is to exercise its functions under Part 6 on the basis of the reports prepared under section 45.	Y	The 2022 Firming Infrastructure Investment Objectives Report was published on the Consumer Trustee's website per section 45(5). In FY 22-23, the Consumer Trustee conducted Tender Round 1 for generation and long-duration storage LTESAs and commenced Tender Round 2 for firming infrastructure following receipt of direction from the then Minister for Energy and Tender Round 3 for generation and long-duration storage LTESAs. The conduct of each of these Tenders has been undertaken 'on the basis of the IIO report.' Notably the tender guidelines for each of these tenders have been developed on the basis of the most recent IIO Report including the ten-year plan for competitive tenders.

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
Tendering for LTES agreements	Section 47(1)	The Consumer Trustee must conduct a competitive tender for LTES agreements unless the Regulator otherwise authorises generally or in a particular case.	Y	<p>The Consumer Trustee conducted three competitive tenders in FY 2022-2023.</p> <p>Tenders 1 & 3 were for LTESAs for generation and long duration storage and Tender 2 was for LTESAs for firming infrastructure.</p> <p>Tender 1 commenced on 4 October 2022 and was finalised in May 2023.</p> <p>Tender 2 commenced 3 April 2023 and is expected to be finalised mid November 2023.</p> <p>Tender 3 commenced 22 May 2023.</p> <p>Evidence: Detailed documentation for tenders is available on the Consumer Trustee website. https://aemoservices.com.au/tenders</p>
	Section 47(2)	The Consumer Trustee must not conduct a competitive tender for LTES agreements for firming infrastructure unless directed by the Minister.	Y	<p>At the direction of the Minister issued 27 July 2022, under section 47(2), the Consumer Trustee conducted a competitive tender for LTES agreements for firming infrastructure.</p> <p>The tender commenced 3 April 2023 and is expected to be finalised later this year.</p> <p>Evidence: https://aemoservices.com.au/tenders</p>
	Section 47(3)	The Consumer Trustee must carry out a competitive tender in accordance with the regulations and with the rules made by the Consumer Trustee.	Y	<p>The Consumer Trustee conducted three competitive tenders in FY 2022-23 under section 47(3) in accordance with regulations and with the rules made by the Consumer Trustee under section 47(5) and in consideration of section 47(4).</p> <p>These are reflected in the Tender Rules and each Tender Round Guidelines.</p> <p>The Consumer Trustee undertook extensive activities to ensure genuine competition in the tenders including engagement and consultation for the tenders. Strong participation and bid capacity for each Tender Round is evidence of strong competition.</p> <p>Tender documentation including tender rules, tender guidelines, contracts and market briefing notes are available on the Consumer Trustee's website.</p>

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
				Public Interactive webinars were held at the commencement of the three tenders to provide education and information for proponents. Evidence: https://aemoservices.com.au/tenders
	Section 47(5)	Before conducting a competitive tender, the Consumer Trustee must make rules that are consistent with the regulations to deal with the following matters: a) the eligibility criteria for making a tender bid, b) the notification of the opening of the competitive tender, c) the procedure for making a tender bid, including the information required to be included in a bid, d) the fee payable for making a bid and requirements for bonds or other security, e) the assessment of a tender bid by the Consumer Trustee, f) other matters the Consumer Trustee considers necessary, g) other matters prescribed by the regulations.	Y	The Consumer Trustee made rules as required under section 47(5) and consistent with the regulations to deal with the matters specified at 47(5)(a)-(g). The tender rules were gazetted on 23 September 2022. The tender rules were updated and gazetted on 24 March 2023 prior to the firming infrastructure tender which commenced on 3 April 2023. The tender rules were made available to the market and are published on the Consumer Trustee's website as part of the tender pack for each tender round. Evidence: https://aemoservices.com.au/tenders/tender-pack
	Section 47(6)	Before making rules, the Consumer Trustee is to consult with the Regulator.	Y	Prior to making the tender rules under section 47(5), the Consumer Trustee consulted with the Regulator in accordance with section 47(6) to agree requirements and the consultation approach for the competitive tender for LTES agreements. Feedback on the tender rules was received from the Regulator on 8 March 2022. The feedback has been considered and incorporated into the rules where appropriate.

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
				<p>The tender rules were updated on 24 March 2023 before the firming infrastructure tender which commenced on 3 April 2023. Prior to updating the tender rules, the Consumer Trustee undertook a second round of consultation with the Regulator.</p> <p>Feedback on the updated tender rules from the Regulator on 8 March 2023 noted that the rules:</p> <p>Have been reviewed and the Regulator considers that they address the items prescribed in sections 47(5)-(e) of the EII Act and EII Regulation 29</p> <p>Further clarification on alternative bids was sought and a response was provided to the Regulator on March 16, 2023. No further correspondence was required on the matter.</p> <p>Evidence: Consumer Trustee Consultation with the Regulator</p>
	Section 47(7)	The rules are to be published in the Gazette	Y	<p>The Consumer Trustee exercised the function contained in section 47(7) during FY 2022 – 23.</p> <p>Tender rules for Tender Round 1 which commenced on 4 October 2022 for LTESA were gazetted on 23 September 2022. Updated tender rules were gazetted on 24 March 2023 prior to Tender Round 2 for firming infrastructure which commenced on 3 April 2023. The updated Tender Rules apply to all tender rounds commenced after January 2023.</p> <p>Evidence: Government Gazette No 447 of 23 September 2022 Government Gazette No 137 of Friday 24 March 2023 (nsw.gov.au)</p>
Recommendations about LTES agreements	Section 48(1)-(2)	The Consumer Trustee must make recommendations to the Scheme Financial Vehicle about the LTES agreements that the Scheme Financial Vehicle may enter into. In making a recommendation, the	Y	<p>The Consumer Trustee did exercise the functions contained in section 48(1) and (2) during FY 2022-23.</p> <p>On 21 April 2023, the Consumer Trustee made formal recommendations to the Scheme Financial Vehicle to enter into certain Project Documents, including the LTESAs in accordance with EII Act, section 48(1).</p>

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
		financial value of LTES agreements is to be the primary consideration.		As set out in the Tender Rules and Tender Guidelines Section 3 Financial value is the primary consideration for the Consumer Trustee when assessing Financial Value Bids.
	Section 48(3)	The Consumer Trustee must not recommend the making of an LTES agreement that relates to generation infrastructure specified in section 43(1)(a) that is not, or will not be, part of a renewable energy zone, unless the Consumer Trustee is satisfied that the LTES agreement shows outstanding merit.	Y	<p>The Consumer Trustee did exercise the functions contained in section 48(3) during FY 2022-23.</p> <p>In Tender Round 1, an 'Outstanding Merit Assessment' in accordance with the requirements of section 48(3), and clause 26A of the Act's regulations, was undertaken on generation LTESAs relating to infrastructure that will not be part of a REZ.</p> <p>By May 2023 The Consumer Trustee finalised its process and made its decision on projects and LTESAs to recommend to the SFV. At the completion of Tender Round 1, the Consumer Trustee decided to recommend a generation LTESA for one project that will not be part of a REZ, having satisfied itself of the relevant requirements in the Act and regulations, including with respect to 'Outstanding Merit'.</p>
Terms and conditions of LTES agreements	Section 50(1)	The Consumer Trustee is to determine the terms and conditions of an LTES agreement, subject to any requirements prescribed by the regulations.	Y	<p>The draft terms and conditions of LTES agreement were developed in FY 2021-22 in accordance with section 50(1), (5) and (6).</p> <p>The commercial framework and design for LTESA was finalised in accordance with defined regulations and principles including as specified in 50(1), (5) and (6), along with the design of the financial derivative product.</p> <p>The LTESA term sheets for long duration storage, generation and project development agreements were developed and approved by the Consumer Trustee board in FY 2021-22. On 15 November 2022 (under delegation from the Board), the Chair and Executive General Manager, on behalf of the Consumer Trustee, formally determined the template terms and conditions of the Generation and Long Duration Storage LTESAs and PDA.</p> <p>Long-form contracts were released to the market in July 2022 in the draft Tender Pack. Final long-form contracts were published and released to the market 15 November 2022.</p>

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
				<p>Shortly before recommending LTESAs to the Scheme Financial Vehicle (in accordance with section 48(1)) for Tender Round 1, the Consumer Trustee finally determined the terms and conditions for each of the specific LTESAs to be recommended to the Scheme Financial Vehicle. This determination was done in accordance with section 50(1) in April 2023.</p> <p>Evidence: https://aemoservices.com.au/tenders/tender-pack</p>
	Section 50(5)	<p>In determining the terms and conditions of an LTES agreement, the Consumer Trustee is to take into account the following principles:</p> <ul style="list-style-type: none"> a) to align the financial incentives offered under LTES agreements with the changing needs of the electricity system, b) to adopt, to the maximum extent possible, the conventions and standards in relation to similar agreements in the national electricity market, c) to ensure that LTES agreements allow for future changes in the national electricity market, d) to ensure that LTES agreements are consistent with the risk management framework under Division 5, e) other principles prescribed by the regulations. 	Y	Refer comments in section 50 (1) above.
Risk management framework	Section 51(1)-(3)	The Consumer Trustee must prepare a risk management framework to protect the financial interests of NSW electricity customers in connection with the risks associated with LTES	Y	A risk management framework was prepared by the Consumer Trustee in accordance with section 51(1) which contains each of the requirements outlined in clauses 32 and 33.

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
		<p>agreements.</p> <p>The risk management framework may provide for the functions of the Consumer Trustee, the financial trustee, the Scheme Financial Vehicle and the Regulator under the framework and must be approved by the Regulator.</p>		<p>The risk management framework provides for the functions of all entities specified in 51 (2) as specified on page 3 of the risk management framework published on the Consumer Trustee website.</p> <p>Approval of the risk management framework was sought by the Consumer Trustee in accordance with section 51 (3) and granted by the Regulator (AER) on 8 July 2022.</p> <p>Evidence: On AER and AEMO Services websites: AER Website - Risk Management Framework AEMO Services Website - Risk Management Framework</p>
	Section 51(4)-(5)	The approved risk management framework ⁶ is to be published on the Consumer Trustee's website unless Consumer Trustee considers it is in the public interest not to publish a part of it, and the Consumer Trustee has the approval of the Regulator to not publish the part.	Y	<p>A risk management framework was prepared by the Consumer Trustee in accordance with section 51 (1) which contains each of the requirements outlined in clauses 32 and 33.</p> <p>The risk management framework provides for the functions of all entities specified in 51 (2) as specified on page 3 of the risk management framework published on the Consumer Trustee website.</p> <p>Approval of the risk management framework was sought by the Consumer Trustee in accordance with section 51 (3) and granted by the Regulator (AER) on 8 July 2022.</p> <p>Evidence: On AER and AEMO Services websites: AER Website - Risk Management Framework AEMO Services Website - Risk Management Framework</p>
	Section 51(7)	The Consumer Trustee must amend the risk management framework on the direction of the Minister	Y	This function only applies when the Minister directs the Consumer Trustee to amend the risk management framework under section 51 (7). The Minister did not make a direction under section 51 (7) during FY 2022-23.
Advise the Minister in relation to renewable energy zones	Section 60(4)(a)	The Consumer Trustee is to advise the Minister and the Infrastructure Planner in relation to proposed and declared renewable energy zones and proposed and required REZ network infrastructure	Y	<p>The Consumer Trustee did not provide advice under section 60(4)(a) during FY 22-23, as a request for such advice was not received and the Consumer Trustee did not consider it necessary to provide such advice.</p> <p>The Consumer Trustee expects that it may provide advice under section 60(4)(a) to EnergyCo as Infrastructure Planner in FY 23-24, to support its</p>

⁶ Approved by the Regulator

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
		projects.		development of a recommendation under section 30 for REZ network infrastructure projects in the Central-West Orana and New-England REZ as well as to support its development of an access scheme for New-England REZ and South-West REZ.
Negotiating in relation to LTES agreements	Section 60(4)(b)	The Consumer Trustee must negotiate with a person in relation to LTES agreements, in accordance with the regulations.	Y	<p>As noted in section 48(1), the Consumer Trustee made formal recommendations to the Scheme Financial Vehicle to enter into LTESAs as a result of Tender Round 1. In finalising the LTESAs and other project documents, highly limited departures in relation to those documents were accepted.</p> <p>The template LTESAs and other project documents are the result of a consultation process undertaken by the Consumer Trustee. In the case of Tender Round 1, long-form contracts were released to the market in July 2022 in the draft Tender Pack and final documents were published 15 November 2022.</p> <p>Evidence: https://aemoservices.com.au/tenders/tender-pack</p>
Appoint financial trustee	Section 61(1)	The Consumer Trustee is to appoint a Financial Trustee	Y	<p>The Consumer Trustee exercised the function contained in section 61(1) in FY 2022-23.</p> <p>On 15th September 2022, the Consumer Trustee appointed Equity Trustees Limited as the Financial Trustee following a competitive procurement (tender) process. Equity Trustees Limited incorporated the Scheme Financial Vehicle on 16 September 2023.</p>
Suspension or termination of appointment	Section 68(1)-(3)	<p>The appointor⁷ may suspend or terminate the appointment of a person or body under this Part by giving written notice to the person or body.</p> <p>The appointor may suspend or terminate the appointment of a person or body only if an audit of the performance of the person or body carried out under section 67 finds incompetence, misconduct</p>	N	The Consumer Trustee was not required to exercise the functions contained in sections 68(1)-(3) as at the 30 June 2023.

⁷ Section 65 defines the Consumer Trustee as the appointor in relation to the appointment of the Financial Trustee

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
		<p>or incapacity. Before terminating the appointment of a person or body under this Part, the appointor must :</p> <p>a) advise the person or body in writing that the person or body's performance is unsatisfactory and the basis on which it is unsatisfactory, and</p> <p>b) provide the person or body with an opportunity to make submissions and consider the submissions received.</p>		
Annual reports	Section 70(1)	The Consumer Trustee must, as soon as reasonably practicable after the end of each financial year, provide the Regulator with a report on the exercise of functions under this Act during the financial year.	Y	The Consumer Trustee exercised the function contained in section 70(1) in FY 2022-23. This report is provided in FY 2023-24 and represents the exercise of this function.
Delegation	Section 71(3)	The Consumer Trustee may delegate any of their functions, other than the power of delegation, to a person of a class prescribed by the regulations.	N	The Consumer Trustee did not exercise the right to delegate any of its functions during FY 2022-23 as permitted in section 71 (3).
Advice and recommendations about network infrastructure projects	Clause 18 (s 60(4)(c) of the Act)	<p>The Consumer Trustee may, on request, provide a relevant person advice about a network infrastructure project.</p> <p>Relevant person includes the Minister, the Infrastructure Planner and the Energy Corporation.</p> <p>The Consumer Trustee may also give the advice to other relevant persons.</p>	N	In FY 22-23, at the Infrastructure Planner's request, the Consumer Trustee provided advice to EnergyCo under clause 18 of the Regulations, on modelling of network infrastructure projects to inform the development of the Network Infrastructure Strategy, and calculations of the target transmission curtailment level for network infrastructure in the South-West REZ to inform its consultation on a draft access scheme for this REZ.

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
Recommendations by Consumer Trustee about network infrastructure projects	Clause 19 (ss 60(4)(c) and 66(5)(d) of the Act)	<p>The Consumer Trustee must not make a recommendation⁸ that the Minister give a direction under the Act⁹, unless the Consumer Trustee is satisfied the direction is reasonably necessary to achieve the infrastructure investment objectives.</p> <p>A recommendation by the Consumer Trustee must include the recommended contractual arrangements. The Consumer Trustee is not required to assess or review these arrangements before including them in a recommendation.</p> <p>The Consumer Trustee is not required to consider technical information when considering the Infrastructure Planner's recommendations about a REZ network infrastructure project under the Act,¹⁰ other than technical information:</p> <ul style="list-style-type: none"> a) specified in clause 44, and b) provided to the Consumer Trustee in the Infrastructure Planner's recommendation. 	Y	<p>The Consumer Trustee did not exercise the functions contained in clause 19 during FY 22-23, as the Infrastructure Planner did not recommend any projects to the Consumer Trustee.</p> <p>See commentary on section 31(1).</p>
Authorisations	Clause 19A(2)-(3) (s60(4)(c))	An authorisation by the Consumer Trustee under the Act ¹¹ must require the network operator to enter into	Y	The Consumer Trustee did not exercise the functions contained in clause 19A during FY 22-23, as the Infrastructure Planner did not recommend any projects to the Consumer Trustee.

⁸ Under section 31(1)(a) of the EII Act.

⁹ Under section 32 of the EII Act.

¹⁰ Under section 31 of the EII Act.

¹¹ Under section 31(1)(b) of the EII Act.

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
		<p>the recommended contractual arrangements.</p> <p>The Consumer Trustee is not required to assess or review the recommended contractual arrangements before including them in an authorisation under subclause (2).</p>		See commentary on section 31(1).
Transfer of network infrastructure	Clause 21 (2) (b) (s 42)	If the Energy Corporation is the Infrastructure Planner in relation to the transferred network infrastructure, the authorisation provider ¹² must consider the Energy Corporation's recommendation before giving approval.	Y	<p>The Consumer Trustee did not exercise the functions contained in clause 21 (2) (b) during FY 22-23, as the Infrastructure planner has not yet recommended, and the Consumer Trustee has not yet authorised network infrastructure.</p> <p>See commentary on section 31(1).</p>
Infrastructure investment objective reports	Clause 24 and 25 (s 45)	These clauses contain what the Consumer Trustee must include in the investment objective reports.	Y	<p>The Consumer Trustee complied with these requirements in preparing its 2022 Firming Infrastructure Investment Objectives Report in FY 2022-23.</p> <p>The Consumer Trustee intends to comply with these requirements in publishing its Final 2023 Infrastructure Investment Objectives Report in FY 23-24.</p> <p>See commentary on section 45(1) above.</p>
Tendering for LTES agreements	Clause 26	This clause contains the way in which the Consumer Trustee must conduct a competitive tender.	Y	Refer comments in relation to section 47(3) above
LTES agreements recommendation	Clause 26A	This clause provides matters the Consumer Trustee must take into consideration when making a recommendation about LTES agreements.	Y	Refer comments in relation to section 48(1), (2) and (3) above

¹² The Consumer Trustee is the authorisation provider if it has provided an authorisation under section 31 of the EII Act to carry out a REZ network infrastructure project.

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
Competitive tenders for LTES agreements	Clause 28(2) & (3) (s 47(3)(a))	Clause 28(1) does not apply if the Consumer Trustee is satisfied there are exceptional circumstances. The Consumer Trustee must specify the exceptional circumstances before conducting a competitive tender.	Y	The Consumer Trustee did not exercise the functions under Reg 28(2) states Subclause (1)(b). This clause refers to tendering of access rights. It is expected that access rights will be offered in Tender Round 4 scheduled for Q4 2023
Recommendations about LTES agreements	Clause 30 (s 48(4)(b))	The regulations prescribe the information the Consumer Trustee may include in a recommendation to the scheme financial vehicle under the Act. ¹³ When making a recommendation about an LTES agreement, the Consumer Trustee must take into account the non-financial value criteria for LTES agreements.	N	The Consumer Trustee did exercise the functions Clause 30 (s 48(4)(b)). When assessing Bids and making recommendations to the Scheme Financial Vehicle in Tender Round 1, the Consumer Trustee considered non – financial merit criteria as set out in Tender Rules and Tender Guidelines. In particular, Merit Criteria 3-8 assess non-financial value characteristics of a Bid, which the Consumer Trustee took into account in deciding which LTESAs to recommend.
LTES agreement for generation infrastructure	Clause 31(b)	This subclause provides the matters the Consumer Trustee must be satisfied of for derivative arrangement that must be given to the LTES operator under an LTES agreement for the construction and operation of generation infrastructure.	Y	The generation LTESA is an arrangement as described in clause 31 (b). The Consumer Trustee was satisfied of the requirements in clause 31 (b), and related requirements in clause 26(2A), with respect to the derivative arrangement in the generation LTESAs as at 29 September 2022.
Risk management framework	Clauses 32-33 (s 51(8))	Provides the requirements for the risk management framework	Y	A risk management framework was prepared by the Consumer Trustee in accordance with section 51(1) which contains each of the requirements outlined in clauses 32 and 33. Refer comments in relation to section 51(1)-(3) above.

¹³ Under section 48 of the EII Act.

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
Contribution determination	Clause 39	The Consumer Trustee must, if requested to do so by the Regulator, provide information to the Regulator that the Regulator considers reasonably necessary to enable the regulator to make a contribution determination.	Y	<p>The Consumer Trustee exercised the functions contained in clause 39 during FY 2022-23.</p> <p>The Consumer Trustee submitted the entity's administration expenditure requirements for FY2023 and indicative estimates for FY2024 and FY2025 to the SFV on 28 October 2022, pursuant to clauses 16I(1)(d) and 16K to enable the Regulator to make a contribution determination.</p> <p>On 6 January 2023, the regulator requested the Consumer Trustee provide the 'underlying assumptions for the labour and consultancy costs in FY22-23' noting that the basis of preparation document that was provided did not include a discussion of the underlying assumptions of these expense items.</p> <p>The Consumer Trustee provided written response on 13 January 2023 outlining the key assumptions within the labour and consultancy costs. There was no further correspondence from the Regulator following the Consumer Trustees' response.</p>
Functions of Consumer Trustee	Clause 42A (s 60(4))	<p>The Consumer Trustee has the functions set out in this clause in relation to an access scheme if:</p> <p>a) the declaration for the access scheme provides for situations in which the infrastructure planner may grant or increase an access right based on a recommendation from the consumer trustee, or</p> <p>b) the infrastructure planner requests the consumer trustee to conduct a competitive tender in relation to the granting or increasing of access rights under the access scheme.</p> <p>Subclause (2) sets out the requirements on the Consumer</p>	Y	<p>Clause 42A (s60(4)) relates to the offer of REZ access rights in Consumer Trustee Tender.</p> <p>The Infrastructure Planner has requested that the Consumer Trustee conduct a tender for CWO REZ access rights in FY 2024.</p> <p>Tender Rules published in March 2023 were made in consultation with Infrastructure Planner and included consideration of access rights in tenders.</p> <p>It is expected that access rights will be offered in Tender Round 4 scheduled for Q4 2023.</p>

AEMO Services Limited

Function area	Ref ²	Function	Mandatory (Y/N)	Comments
		Trustee if either of the above applies.		
Revenue determinations	Clause 49(3) (s 38(10)(a))	The Consumer Trustee must give the Regulator information about the amount notified to the Regulator under the Act ¹⁴ that the Regulator considers necessary to make the revenue determination.	Y	The Consumer Trustee did not exercise this function in FY22-23 as it has not authorised nor set a maximum capital cost amount for a REZ Network infrastructure Project yet. See commentary on section 31(1).
Fees for access schemes for employment purposes	Clause 57 (s 26)	The Regulations prescribe the components of a fee that are taken to be used for an employment purposes.	Y	See s26 above When setting the access fee for CWO REZ, the Consumer Trustee will set the employment purpose component as per the regulated minimum quantum.

¹⁴ Section 31(2) of the EII Act.

For further information please contact:

AEMO Services Stakeholder Relations Team
stakeholderengagement@aemoservices.com.au