



# Victoria Government Gazette

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## National Electricity (Victoria) Act 2005

### FIRST MORTLAKE TURN IN MINISTERIAL ORDER

I, Lily D'Ambrosio, Minister for Energy, Environment and Climate Change and Minister responsible for administering the **National Electricity (Victoria) Act 2005** (Act), having consulted with the Premier, the Treasurer and AEMO in accordance with section 16ZA of the Act, make the following Order pursuant to section 16Y of the Act.

Note: In accordance with section 16ZB of the Act, my reasons for making this Order are published in this same issue of the Government Gazette and will be made available at [www.delwp.vic.gov.au](http://www.delwp.vic.gov.au) as soon as practicable after the making of this Order.

#### PRELIMINARY

##### 1. Commencement

This Order commences on the day it is published in the Government Gazette.

##### 2. Definitions and interpretation

In this Order, unless the context otherwise requires, the following words have the following definitions:

**AEMO** has the same meaning as in the Law.

**augmentation** has the same meaning as in the Law.

**contestable augmentation** has the same meaning as in clause 8.11.3 of the Rules.

**declared transmission system** has the same meaning as in the Law.

Note 1: See also Ministerial Order under section 30 of the Act made 26 June 2009, published in Special Gazette S222 on 30 June 2009, which describes the declared transmission system.

**declared transmission system operator** has the same meaning as in the Law.

**incumbent declared transmission system operator** has the same meaning as in clause 8.11.3 of the Rules.

**Law** means the National Electricity (Victoria) Law.

**maximum allowed revenue** has the same meaning as in Chapter 10 of the Rules.

**Mortlake turn in** is defined in clause 3.

**Mortlake turn in agreement** means an agreement under which AEMO procures the carrying out of the design, construction, operation and maintenance of the Mortlake turn in.

**Mortlake turn in project document** means:

- (a) a Mortlake turn in agreement; or
- (b) any agreement or document consequent upon, arising from, or related or ancillary to, a Mortlake turn in agreement.

**prescribed common transmission services** has the same meaning as in Chapter 10 of the Rules.

**prescribed transmission services** has the same meaning as in Chapter 10 of the Rules.

**regulatory year** has the same meaning as in Chapter 10 of the Rules.

**revenue methodology** means the revenue methodology referred to in clause S6A.4.2(c) of the Rules.

**RFP cost** means any cost AEMO incurs as a result of the making of this Order, carrying out a function conferred on it by this Order or complying with a requirement under this Order, but does not include any cost incurred by AEMO prior to the commencement of this Order.

**SPECIAL**

**Rules** means the National Electricity Rules made under Part 7 of the Law, as amended from time to time in accordance with Part 7 of the Law or the Act.

### **SPECIFICATION OF AUGMENTATION**

#### **3. Specified augmentation**

- (1) The carrying out and operation of the augmentation specified in the Schedule is a specified augmentation (**Mortlake turn in**) for the purposes of Division 7 of Part 3 of the Act.
- (2) The Mortlake turn in is deemed to be an augmentation that is not a contestable augmentation.

### **AEMO'S FUNCTIONS**

#### **4. AEMO required to carry out the functions conferred on it by this Order**

- (1) AEMO is required to carry out the functions in respect of the Mortlake turn in conferred on it by this Order.  
Note: Functions conferred on AEMO by this Order are taken to be conferred by the Act for the purposes of section 50C(1)(f) of the Law.
- (2) Except to the extent that this Order provides otherwise, nothing in this Order:
  - (a) limits AEMO's functions under the Law or the Rules; or
  - (b) without limiting paragraph (a), limits AEMO in terms of any other agreement that it has entered into or may enter into in respect of the declared transmission system.

#### **5. AEMO's functions in respect of the Mortlake turn in**

AEMO is conferred the following functions in respect of the Mortlake turn in:

- (a) issuing a request for proposal to the relevant incumbent declared transmission system operator to provide for the Mortlake turn in;
- (b) obtaining a detailed breakdown of the relevant incumbent declared transmission system operator's costs of providing for the Mortlake turn in, on an open book basis, including all supporting information and evidence and an associated financial model, including separable information for any:
  - (i) capital cost or saving;
  - (ii) operating cost or saving;
  - (iii) provision for risk;
  - (iv) rate of return;
  - (v) financing costs; and
  - (vi) other cost, contingency, allowance, margin or saving;
- (c) receiving and assessing the response to the request for proposal referred to in paragraph (a);
- (d) preparing a request for proposal assessment report;
- (e) negotiating a Mortlake turn in project document with the relevant incumbent declared transmission system operator or any other relevant person;
- (f) seeking to obtain a legally binding Mortlake turn in project document from the relevant incumbent declared transmission system operator or any other relevant person; and
- (g) any other function related to, or arising from, paragraphs (a) to (f).

### **PERFORMANCE OF AEMO'S FUNCTIONS**

#### **6. No cost benefit analysis**

The following provisions do not apply in respect of the Mortlake turn in:

- (a) section 50F(2) or section 50F(3) of the Law;

- (b) rule 5.16 of the Rules; and
- (c) AEMO's planning criteria published in accordance with clause 8.11.4 of the Rules.

**7. Assessment and negotiation**

AEMO must perform the functions conferred on it by subclause 5(c) and subclause 5(e) in a manner that accords with the processes set out in the request for proposal referred to in subclause 5(a).

**8. No agreement**

AEMO must not enter into a Mortlake turn in project document unless and until any further Ministerial Order is made.

**9. No application of section 50H of the Law**

Section 50H of the Law does not apply to AEMO or a declared transmission system operator in respect of a Mortlake turn in project document.

**PROVISION OF INFORMATION**

**10. Provision of information by a declared transmission system operator**

- (1) A declared transmission system operator must provide:
  - (a) upon a written request by AEMO; and
  - (b) within a reasonable period as specified by AEMO in the request, such information and assistance as is reasonably required by AEMO for AEMO to perform the functions conferred on it under clause 5.
- (2) Nothing in this clause 10 limits a declared transmission system operator's obligation or duty under the Law or the Rules.

**COST RECOVERY**

**11. AEMO's costs**

- (1) Despite anything to the contrary in the Rules, an RFP cost incurred by AEMO may be recovered through charges in respect of prescribed transmission services.
- (2) For the purposes of subclause 11(1), AEMO complying with this Order, or the incurring of an RFP cost by AEMO, is deemed to be the provision of prescribed common transmission services.
- (3) The definition of prescribed common transmission services in the Rules is modified accordingly.
- (4) Despite anything to the contrary in the Rules:
  - (a) any RFP cost forms part of AEMO's maximum allowed revenue for this and each relevant subsequent regulatory year;
  - (b) consequent on the above and despite anything to the contrary in the Rules, AEMO may publish amended prices for prescribed shared transmission services for the regulatory year commencing on 1 July 2022 to take effect from 1 July 2022;
  - (c) AEMO may amend its revenue methodology for this and each relevant subsequent regulatory year to provide for any RFP cost; and
  - (d) AEMO is not required to consult with the public in respect of any amendment that is required to its revenue methodology in order to provide for any RFP cost.

Notes:

See clause S6A.4.2 of the Rules.

Section 16ZC(1) of the Act provides that this Order has effect despite anything to the contrary in any agreement or contract.

- (5) Except to the extent that this Order provides otherwise, nothing in this clause limits the provisions of the Law or the Rules that otherwise apply to AEMO in respect of its maximum allowed revenue, revenue methodology or prices for prescribed common transmission services.

Dated 10 January 2022

HON. LILY D'AMBROSIO MP  
Minister for Energy, Environment and Climate Change

## SCHEDULE

### MORTLAKE TURN IN

The carrying out and operation of:

- (a) the turn in of the existing 500 kV transmission line which runs from Haunted Gully Terminal Station to Tarrone Terminal Station into the Mortlake Power Station, resulting in the establishment of a Haunted Gully Terminal Station to Mortlake Power Station 500 kV line and a Mortlake Power Station to Tarrone Terminal Station 500 kV line; and
- (b) associated works at affected terminal stations.

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### **Reasons for Making the Mortlake Turn In Ministerial Order Under Section 16Y of the National Electricity (Victoria) Act 2005**

In accordance with section 16ZB(1) of the **National Electricity (Victoria) Act 2005** (the Act), I make the following statement of reasons for making the Mortlake Turn In Ministerial Order under section 16Y of the Act.

The Victorian Government is committed to the transition of the energy sector from fossil-fueled generation to renewable sources of energy generation to meet our climate change targets of net-zero emissions by 2050.

To facilitate the transition to renewable energy led generation, new transmission network infrastructure is needed to increase the capacity of the existing Victorian system.

Without upgrades, the stability of the transmission system is being challenged as more renewable energy generation connects. Some generators are being operationally curtailed, while the connection of others is being delayed or prevented.

I have considered whether there is, or may be, a crucial national electricity system need in Victoria together with the actual or projected amount of generation in the national electricity system.

The Mortlake Turn In Project will reduce curtailment of renewable generation in the region, remove the actual and projected network constraints and enable increased hosting capacity of new renewable energy in the longer term.

Accordingly, AEMO has been requested to undertake a request for proposal process for the Mortlake Turn In Project. The Mortlake Turn In Ministerial Order enables AEMO to commence the process.

HON. LILY D'AMBROSIO MP  
Minister for Energy, Environment and Climate Change

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