

Proposed negotiated transmission service criteria

AusNet Services
2027–32

November 2025

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Version	Date	Pages
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Contents

1	Introduction	1
1.1	Invitation for submissions	2
2	Proposed negotiated transmission service criteria	3
2.1	National Electricity Objective	3
2.2	Criteria for terms and conditions of access	3
2.3	Criteria for access charges	4
	Glossary	5

1 Introduction

The Australian Energy Regulator (AER) exists to ensure energy consumers are better off, now and in the future. Consumers are at the heart of our work, and we focus on ensuring a secure, reliable, and affordable energy future for Australia. The regulatory framework governing electricity transmission and distribution networks is the National Electricity Law and Rules (NEL and NER). Our work is guided by the National Electricity Objective (NEO).

A regulated network business must periodically apply to us for a determination of the revenue it can recover from consumers using its network. On 31 October 2025 we received a proposal from AusNet Services for the period 1 April 2027 to 30 March 2032 (2027–32 period).

We are required to specify the negotiated transmission service criteria for Victorian transmission businesses (AusNet Services, Murraylink and Basslink). The criteria for negotiated services for transmission businesses in other jurisdictions was enshrined in the NER by the Australian Energy Market Commission’s 2017 rule change.¹

The process of the AER proposing, seeking submissions and making a determination on a negotiated transmission service criteria was retained for Victoria because the framework for connections is fundamentally different to the processes and principles underlying the connection framework used in the rest of the NEM.² VicGrid is responsible for the provision of shared transmission services in Victoria.³

Therefore, by virtue of clause 11.98.8 of the NER, the provisions for negotiated transmission services contained in version 109 of Chapter 6A of the NER continues to apply in Victoria.⁴ For the purposes of this document, all references to the NER are to version 109 of the NER, unless otherwise indicated.

Under clause 6A.2.2(3) of the NER we must, as part of our transmission determination, make a decision on the negotiated transmission service criteria to apply to AusNet Services. The negotiated transmission service criteria sets out the criteria that are to be applied by AusNet Services in negotiating terms and conditions of access for its negotiated transmission services. It would also be used by an arbitrator in resolving any access dispute about any of the terms and conditions of access, as required under clause 6A.30.4(b) of the NER.

We do not set revenue, prices, or terms and conditions for negotiated services. Negotiated transmission services are subject to:

¹ National Electricity Amendment ([Transmission Connection and Planning Arrangements](#)) Rule 2017 No. 4

² Australian Energy Market Commission, Rule Determination, National Electricity Amendment (Transmission Connection and Planning Arrangements), Rule 2017, 23 May 2017, p. v.

³ AEMO’s functions were transferred to VicGrid from 1 November 2025. This follows the passing of legislation in the Victorian Parliament of the National Electricity (Victoria) Amendment (VicGrid Stage 2 Reform) Bill 2025 on 16 September 2025.

⁴ Version 109 of the Rules can be accessed on the AEMC website: <https://www.aemc.gov.au/energy-rules/national-electricity-rules/national-electricity-rules-version-109>

- A Negotiating Framework, which AusNet services has submitted as part of its proposal.⁵
- Negotiated transmission service criteria⁶, which we develop and consult on in conjunction with AusNet’s proposal.⁷

The Negotiated Transmission Service Criteria we propose for AusNet Services for the 2027–32 period are set out in section 2 below.

1.1 Invitation for submissions

Interested stakeholders are invited to make submissions on the proposed negotiated transmission service criteria **by 13 February 2025**, together with any submission on AusNet Services’ regulatory proposal.⁸ Submissions should have regard to the Negotiated Transmission Services Principles set out in clause 6A.9.1 of the NER (version 109).

Submissions should be sent to: AERresets2027-32@aer.gov.au

Alternatively, submissions can be sent to:

Kris Funston
Executive General Manager
Australian Energy Regulator
GPO Box 3131
Canberra ACT 2601

Submissions should be in Microsoft Word or another text readable document format.

We prefer that all submissions be publicly available to facilitate an informed and transparent consultative process. Submissions will be treated as public documents unless otherwise requested.

Parties wishing to submit confidential information should:

- clearly identify the information that is the subject of the confidentiality claim
- provide a non-confidential version of the submission in a form suitable for publication.

All non-confidential submissions will be placed on our website.

⁵ NER, cl 6A.10.1(b)

⁶ NER, 6A.9.4

⁷ NER, 6A.11.3(a).

⁸ Clause 6A.11.3 of the NER requires us to publish a proposed NTSC, together with an invitation for written submissions.

2 Proposed negotiated transmission service criteria

The criteria we propose for the 2027–32 period are consistent with those that have applied in the current period (2022–27). They are consistent with, and give effect to, the negotiated transmission service principles in the NER.⁹

2.1 National Electricity Objective

1. The terms and conditions of access for a negotiated transmission service, including the price that is to be charged for the provision of that service and any access charges, should promote the achievement of the National Electricity Objective.¹⁰

2.2 Criteria for terms and conditions of access

2.2.1 Terms and conditions of access

2. The terms and conditions of access for a negotiated transmission service must be fair and reasonable and consistent with the safe and reliable operation of the power system in accordance with the NER.¹¹
3. The terms and conditions of access for a negotiated transmission service (including in particular, any exclusions and limitations of liability and indemnities) must not be unreasonably onerous taking into account the allocation of risk between the transmission network service provider and the other party, the price for the negotiated transmission service and the costs to a transmission service provider of providing the negotiated transmission service.¹²
4. The terms and conditions of access for a negotiated transmission service must take into account the need for the service to be provided in a manner that does not adversely affect the safe and reliable operation of the power system in accordance with the NER.¹³

2.2.2 Price of services

5. The price for a negotiated transmission service must reflect the cost that the TNSP has incurred or incurs in providing that service, determined in accordance with the principles and policies set out in the relevant cost allocation methodology.¹⁴
6. Subject to criteria 7 and 8, the price for a negotiated transmission service must be at least equal to the avoided cost of providing it but no more than the cost of providing it on a stand-alone basis.¹⁵
7. If a negotiated transmission service is a shared transmission service that:
 - i) exceeds any network performance requirements (if any) which that shared transmission service is required to meet under any jurisdictional electricity legislation, or

⁹ NER, cl. 6A.9.1 and 6A.9.4(b).

¹⁰ NEL, s.7 sets out the National Electricity Objective.

¹¹ NER, cl. 6A.9.1(9).

¹² NER, cl. 6A.9.1(10).

¹³ NER, cl. 6A.9.1(11).

¹⁴ NER, cl. 6A.9.1(1).

¹⁵ NER, cl. 6A.9.1(2).

- ii) exceeds the network performance requirements set out in schedules 5.1a and 5.1 of the NER,

then the differential between the price for that service and the price for the shared transmission service which meets (but does not exceed) the network performance requirements under any jurisdictional electricity legislation or as set out in schedules 5.1a and 5.1 (as the case may be) must reflect the increase in the transmission service provider's incremental cost of providing that service.¹⁶

8. If a negotiated transmission service is the provision of a shared transmission service that does not meet or exceed the network performance requirements, the differential between the price for that service and the price for the shared transmission service which meets, but does not exceed, the network performance requirements must reflect the cost a transmission network service provider would avoid by not providing that service (as appropriate).¹⁷
9. The price for a negotiated transmission service must be the same for all transmission network users unless there is a material difference in the costs of providing the negotiated transmission service to different transmission network users or classes of transmission network users.¹⁸
10. The price for a negotiated transmission service must be subject to adjustment over time to the extent that the assets used to provide that service are subsequently used to provide services to another person, in which case such adjustment must reflect the extent to which the costs of that asset are being recovered through charges to that other person.¹⁹
11. The price for a negotiated transmission service must be such as to enable the transmission network service provider to recover the efficient costs of complying with all regulatory obligations or requirements associated with the provision of the negotiated transmission service.²⁰

2.3 Criteria for access charges

2.3.1 Access Charges

12. Any access charges must be based on the costs reasonably incurred by the transmission network service provider in providing transmission network user access and (in the case of compensation referred to in clauses 5.4A(h)-(j)) on the revenue that is likely to be foregone and the costs that are likely to be incurred by a person referred to in those provisions where an event referred to in those provisions occurs.²¹

¹⁶ NER, cl. 6A.9.1(3).

¹⁷ NER, cl. 6A.9.1(4).

¹⁸ NER, cl. 6A.9.1(5).

¹⁹ NER, cl. 6A.9.1(6).

²⁰ NER, cl. 6A.9.1(7).

²¹ NER, cl. 6A.9.1(8).

Glossary

Term	Definition
AER	Australian Energy Regulator
NEL	National Electricity Law
NEO	National Electricity Objective
NER	National Electricity Rules