

Draft Decision

AusNet Services electricity transmission determination 2027 to 2032

(1 April 2027 to 31 March 2032)

Attachment 10

Negotiating framework

June 2026

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Amendment record

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10 Negotiating framework

Our transmission determination imposes control over revenues that a transmission network service provider (TNSP) can recover from its provision of prescribed transmission services. But we do not determine the terms and conditions of negotiated transmission services. Under the National Electricity Rules (NER), negotiated services are provided under an agreement or as a result of a determination of a commercial arbitrator.¹ In Victoria, these processes are facilitated by:

- a negotiating framework
- negotiated transmission service criteria (NTSC).

AusNet must prepare a negotiating framework that sets out procedures for negotiating the terms and conditions of access to a negotiated transmission service in Victoria.

The NTSC, which we develop in consultation with stakeholders, set out criteria that a TNSP must apply in negotiating those terms and conditions, including the prices and access charges for negotiated transmission services. They also contain the criteria that a commercial arbitrator must apply to resolve disputes about such terms and conditions and/or charges.

This attachment sets out our considerations and draft decision on AusNet’s proposed negotiating framework and the NTSC.

These requirements apply only to Victoria due to its unique transmission arrangements. Unlike the transmission networks in the other states and territories of the national electricity market (NEM), AusNet does not have the responsibility for planning for the expansion of the network and does not manage the connection process for generators and large energy users. This role is carried out by VicGrid – a State Business Corporation.²

Where such arrangements apply, there is a separation of ownership of the declared transmission system from certain aspects of the operation and control of that system. The framework for connections to the transmission network in Victoria is therefore different to the rest of the NEM.

The NER previously required all TNSPs in the NEM to submit negotiating frameworks for AER approval as part of their revenue determination. In 2017, the Australian Energy Market Commission (AEMC) removed this requirement from the NER for all NEM jurisdictions, except for Victoria (2017 rule change).³ For other NEM jurisdictions, including Tasmania, the AEMC relocated the principles that will underpin negotiations between connecting parties

¹ For further information, see AER, *Explanatory Statement - Transmission Charges for Energy Storage*, 29 April 2022.

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

³ NER, clause 11.98.8.

and incumbent TNSPs to the NER.⁴

In Victoria, clause 11.98.8 provides that the amendments to chapter 6A of the NER made by the 2017 rule change do not apply. This means that the provisions regarding negotiating frameworks and the NTSC contained in version 109 of Chapter 6A of the NER continue to apply in Victoria.⁵ The Rules require us, as part of our transmission determination, to make a decision on AusNet’s negotiating framework, and the negotiated transmission service criteria to apply to AusNet (cl 6A.2.2(2) and (3); cl 6A.14.1(6) and (7)).

10.1 Draft decision

Our draft decision is to not approve AusNet’s proposed negotiating framework for the 2027–32 regulatory control period (section 10.4 sets out the reasons for our draft decision).⁶

We will also apply the NTSC we published for consultation in November 2025⁷ to AusNet (section 10.5 includes the NTSC and sets out the reasons for our draft decision).

10.2 AusNet’s proposal

On 31 October 2025, AusNet submitted its 2027–32 proposed negotiating framework, which is similar to the negotiating frameworks approved for other Victorian TNSPs, including Murraylink for 2023–28 and Basslink for 2026–30.⁸

AusNet’s proposed negotiating framework for the 2027–32 regulatory control period is also similar to what we approved for the 2022–27 period.⁹ It is consistent with our negotiating framework criteria, and gives effect to, the negotiated transmission service principles in the NER.

We note that AusNet’s proposed negotiating framework for the 2027–32 period has been updated for the transfer of functions from AEMO to VicGrid.

10.3 Assessment approach

In reaching our draft decision, we considered whether:

- AusNet’s proposed negotiating framework specified the minimum requirements in clause 6A.9.5(c) of the NER.¹⁰

⁴ AEMC, *Rule Determination: National Electricity Amendment (Transmission Connection and Planning Arrangements) Rule 2017*, 23 May 2017, pp. 198–203.

⁵ See also AEMC, *Rule Determination: National Electricity Amendment (Transmission Connection and Planning Arrangements) Rule 2017*, 23 May 2017, p. 75.

⁶ AusNet Services, [TRR 2027-32 Appendix 15A Negotiating Framework](#), 10 November 2025.

⁷ AER, [Proposed Negotiated Transmission Service Criteria for AusNet Services 2027-32](#), November 2025.

⁸ Murraylink, [Attachment 01 - Negotiating framework](#), 31 January 2022; Basslink, [Attachment 17 - Negotiating Framework](#), 20 October 2023.

⁹ AER, [Draft decision - AusNet Services transmission 2022-27 - Attachment 14 - Negotiating framework](#), 30 June 2021.

¹⁰ NER (version 109), cll. 6A.9.5(b)(2); 6A.14.3(f).

- the NTSC reflect the negotiated transmission service principles in clause 6A.9.1 of the NER.¹¹

10.4 Reasons for draft decision

Our draft decision is to not approve AusNet’s proposed negotiating framework as we consider a small amendment is required to clarify the time period that AusNet will commence, progress and finalise connection requests.

However, we consider the proposed negotiating framework complies with all the other minimum requirements in the NER. Table 10-1 summarises our assessment of AusNet’s proposed negotiating framework.

Table 10-1 AER’s assessment of AusNet’s proposed negotiating framework

NER requirements	AER assessment
Requirement for AusNet and the applicant of a negotiated transmission service to negotiate in good faith—clause 6A.9.5(c)(1)	Section 4 of AusNet’s proposed negotiating framework satisfies this requirement.
Requirement for AusNet to provide all such commercial information reasonably required to enable the applicant of a negotiated transmission service to engage in effective negotiations—clause 6A.9.5(c)(2)	Section 8 of AusNet’s proposed negotiating framework satisfies this requirement.
Requirement for AusNet to identify and inform the negotiated transmission service applicant of the reasonable costs of providing the negotiated service; and demonstrate that charges reflect costs—clause 6A.9.5(c)(3)	Section 8 of AusNet’s proposed negotiating framework satisfies this requirement.
Requirement for a negotiated transmission service applicant to provide all such commercial information reasonably required to enable AusNet to engage in effective negotiation—clause 6A.9.5(c)(4)	Section 8 of AusNet’s proposed negotiating framework satisfies this requirement.
Requirement to specify a reasonable period of time for commencing, progressing and finalising negotiations for the provision of the negotiated transmission service; and a requirement for each party to use their reasonable endeavours to adhere to those time periods during the negotiation—clause 6A.9.5(c)(5)	Section 5 of AusNet’s proposed negotiating framework references the relevant clause of the NER – 5.3.3(b)(6). We recommend that the timeframe for commencing, progressing and finalising connections be included in the negotiating framework with a hyperlink to the Rules for completeness.
Requirement to specify a process for disputes to be dealt with in accordance with the relevant provisions for dispute resolution—clause 6A.9.5(c)(6)	Section 10 of AusNet’s proposed negotiating framework satisfies this requirement.
Requirement to specify arrangements for the payment of AusNet’s reasonable direct expenses incurred in processing the application to provide the negotiated transmission service—clause 6A.9.5(c)(7)	Section 6 of AusNet’s proposed negotiating framework satisfies this requirement.

¹¹ NER (version 109), cl.6A.9.4(b).

NER requirements	AER assessment
Requirement for AusNet to determine the potential impact of the provision of a negotiated transmission service on other network users—clause 6A.9.5(c)(8)	Section 11 of AusNet’s proposed negotiating framework satisfies this requirement.
Requirement for AusNet to notify and consult with any affected network user and ensure the negotiated transmission service does not result in noncompliance with obligations in relation to other network users under the NER—clause 6A.9.5(c)(9)	Section 11 of AusNet’s proposed negotiating framework satisfies this requirement.

10.5 Negotiated transmission service criteria

Our draft decision is that our proposed NTSC¹² should apply for the 2027–32 regulatory control period.

On 14 November 2025, we published an invitation for submissions to the NTSC. We did not receive submissions to the NTSC. However, we welcome further submissions from interested parties in making our final decision for AusNet’s transmission determination.

¹² AER, [Proposed Negotiated Transmission Service Criteria for AusNet Services 2027-32](#), November 2025.

Glossary

Term	Definition
AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
NEM	National Electricity Market
NER	National Electricity Rules
NTSC	negotiated transmission service criteria
TNSP	transmission network service provider
