

Electricity Transmission Licence Variation 2023

Final Decision

3 October 2024

Acknowledgement

We acknowledge the Traditional Owners of the lands and waterways on which we work and live.

We acknowledge all Aboriginal and Torres Strait Islander communities and pay our respects to Elders past and present.

As the First Peoples of this land, belonging to the world's oldest living cultures, we recognise and value their knowledge, and ongoing role in shaping and enriching the story of Victoria.

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Introduction

Summary

The Essential Services Commission completed a review of Victorian electricity transmission licences.

The transmission licences are varied by agreement to:

- remove redundant or obsolete licence conditions
- align conditions with other licences, codes of practice and our enforcement framework
- other licence specific variations.

We released our final decision [Revoking the Electricity System Code in April 2024](#). The decision to revoke the Electricity System Code included a review of electricity transmission licences. In our final decision to revoke the code, we decided to publish a separate decision on variations to the electricity transmission licences held by the licensees listed in Appendix A.

This paper sets out our decision to vary the licences in accordance with section 29(1)(b) of the *Electricity Industry Act 2000* (Electricity Act).

Standard clauses - new electricity transmission licences

The new standard clauses are reflected in Annex A: Electricity transmission licence – standard clauses. These clauses will inform the approach for future electricity transmission licences.

Stakeholder feedback

We released the [draft decision](#) to revoke the Electricity System Code in September 2023. The draft decision included a draft electricity transmission licence (version 1). This included updated standard clauses (standard clauses are those which are consistent across the licences). We sought views from stakeholders on the draft transmission licence (version 1).

Stakeholders were invited to provide feedback by answering survey questions via Engage Victoria or by emailing us directly. Submissions largely supported our draft electricity transmission licence (version 1).

The commission appreciates the participation of stakeholders and transmission licensees in this consultation process.

We received two written submissions on our proposed updates to electricity transmission licences from the following stakeholders:

- AusNet Transmission Group Pty Ltd (AusNet)
- Energy and Water Ombudsman of Victoria (EWOV).

We considered stakeholder feedback and conducted further consultation with transmission licensees prior to developing our final decision.

AusNet's submission

AusNet supported the majority of the draft electricity transmission licence (version 1). It raised concerns about the proposed amendment to the licence condition on insurance obligations. AusNet stated that the licence condition requiring the licensee to present insurance policy documents to the commission may not be feasible to comply with, because at certain times, public liability insurance can become unavailable or uneconomic for AusNet to hold.¹

Energy and Water Ombudsman Victoria's submission

The Energy and Water Ombudsman Victoria (EWOV) suggested introducing a new licence condition requiring internal and external dispute resolution pathways for the licensee for disputes arising from existing transmission lines and voluntary agreements. EWOV suggested a proposed licence condition to include dispute resolution regarding land access and the option for complainants to have their complaint referred to EWOV.²

See our [webpage for further information about the consultation process including stakeholder feedback](#).

Our final decision

Our final decision is to make variations to the licences to remove redundant or obsolete conditions and align conditions with other licences, codes of practice and our enforcement framework. We will also remove any references to the revoked code.

¹ AusNet, submission to the Essential Services Commission draft decision document *Revoking the Electricity System Code: Draft Decision*, 9 November 2023.

² Energy and Water Ombudsman Victoria, submission to the Essential Services Commission draft decision document *Revoking the Electricity System Code: Draft Decision*, 9 November 2023, p 1.

These variations will make most clauses consistent across the electricity transmission licences part of the review.

Changes to electricity transmission licences

The key changes to the transmission licences are:

- simplified clauses describing conditions for licence variation and revocation, compliance with other regulatory instruments, dispute resolution, and payment of licence fees
- removed conditions for compliance with laws, and operational and compliance audits
- updated terms and definitions to ensure consistency with other commission issued licences, such as electricity distribution licences
- updated clauses on provision of information and record keeping.

The licences include the details specific to each licensee.

Specific licence conditions

We are also making variations to specific licence conditions for Transmission Operations (Australia) 2 Pty Ltd, Transmission Operations (Australia) Pty Ltd and Basslink Pty Ltd to update transmission asset descriptions. Also, a reflecting a change of name for Lumea Pty Limited (previously Transgrid Services Pty Limited) (ACN 626 136 865) as trustee for Lumea Trust (previously Transgrid Services Trust) (ABN 94 121 353 950).

Clauses to be varied

Annex B identifies clauses that are varied following detailed stakeholder and licensee consultation. This table should be read in conjunction with Annex B of the draft decision (dated 28 September 2023).³

Following consideration of the submissions made by AusNet and EWOV we redrafted the standard licence condition on insurance requirement to provide flexibility to licensees when purchasing an appropriate insurance product. We also drafted a new clause 15 for dispute resolution. Clause 15 is specifically for existing Transmission Assets under the licences and does not form part of the standard clauses. It is applicable where land access occurs under section 93 of the *Electricity Industry Act*, and is not covered by the *Land Access Code of Practice*.

The variations are made with the agreement of the licensees pursuant to section 29(1)(b) of the Electricity Industries Act.

³ [Microsoft Word - Annex B - Proposed Variations to Electricity Transmission Licences \(esc.vic.gov.au\)](#)

Commencement date

The effective date of the variations is stated on the licences.⁴

⁴ [Electricity and gas licences \(esc.vic.gov.au\)](http://esc.vic.gov.au)

Appendix A: Licences varied by this decision

The following electricity transmission licences will be varied effective the date listed on the licences:

- AusNet Transmission Group Pty Ltd (ACN 079 798 173)
- Basslink Pty Ltd (ACN 090 996 231)
- Transmission Operations (Australia) Pty Ltd (ACN 159 526 520)
- Transmission Operations (Australia) 2 Pty Ltd (ACN 605 734 129)
- Lumea Pty Limited (previously Transgrid Services Pty Limited) (ACN 626 136 865) as trustee for Lumea Trust (previously Transgrid Services Trust) (ABN 94 121 353 950) (Berrybank)
- Lumea Pty Limited (previously Transgrid Services Pty Limited) (ACN 626 136 865) as trustee for Lumea Trust (previously Transgrid Services Trust) (ABN 94 121 353 950) (Kiamal)
- NSW Electricity Networks Operations Pty Ltd (ACN 609 169 959) as trustee for the NSW Electricity Networks Operations Trust (ABN 70 250 995 390)