



# National Electricity and Gas Rules Update 2020

September 2020 | Rule changes as at 1 October 2020

## ⚡ National Electricity Rules

There have been three new rule change requests since the last update which seek to improve the definition of unserved energy, simplify definitions in Chapter 10 of the NER, and resolve gaps identified in the new Integrated System Planning framework.

There have been two new draft determinations since the last update relating to the compensation for market participants affected by intervention events and the compensation for providing services other than energy and market ancillary services.

Two new final determinations have also been made. The first improves the clarity and efficiency of intervention mechanisms, while the second replaces the prescriptive hierarchy of intervention mechanisms with a principle-based approach.

## 🛒 National Energy Retail Rules

There has been one new rule change request which seeks to change the content that energy retailers must include in small customers' bills.

There have been no new draft or final determinations since the last update.

## 🔥 National Gas Rules

There have been no new rule change requests, draft determinations or final determinations since the last update.

## ↔ Opportunities for Stakeholders

Submissions on the *Simplification of NER Definitions and Integrating Energy Systems into the NEM* consultation papers are due by 15 October 2020.

Submissions on the *Transparency of Unserved Energy Calculation and Bill Contents and Billing Requirements* consultation papers are due by 22 October 2020.

Submissions on the *Compensation Following Directions for Services Other than Energy and Market Ancillary Services and Compensation for Market Participants Affected by Intervention Events* draft determinations are due by 5 November 2020.

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## NEWS Energy Reform

### The ESB provides a progress update on its Post-2025 Market Design

On 7 September 2020, the ESB released a consultation paper which provides an overview of the progress it has made on its Post-2025 Market Design project. The project is taking a holistic look at what reforms are required to ensure the NEM will remain fit-for-purpose in a changing energy landscape that will include more diverse sources of non-dispatchable generation as well as increased demand response, storage and distributed energy participation.

This publication follows the release of the April 2020 directions paper, which identified seven market design initiatives (**MDIs**) that are being examined as separate workstreams of the project: resource adequacy; thermal generation retirement; essential system services; scheduling and ahead markets; two-sided markets; valuing demand flexibility and integrating DER; and transmission access and the coordination of generation and transmission investment. The intention is that these workstreams will produce reform options that address the four strategic challenges the ESB has identified for the redesign: meeting consumer needs; managing variability and uncertainty; the need for capital replacement; and recognising demand flexibility and integrating DER.

This consultation paper represents the final step in the initial problem refinement and options analysis phase of the project. The paper discusses a range of potential options related to each of the MDIs and sets out a proposed framework for how the possible approaches will be assessed to reach a coherent fit-for-purpose market design. The next phase of the project will focus on shortlisting and refining the options, while the third and final stage will further develop and evaluate the options with a view to the ESB making its final reform recommendations to Energy Ministers by mid-2021.

The ESB is seeking stakeholder feedback on the appropriateness of each of the potential solutions, the proposed timing of the implementation of the changes, its approach to classifying consumer needs, and the proposed approach and criteria for evaluating the potential solutions. Submissions on the consultation paper are due by 19 October 2020.

Read more [here](#).

## Introduction

The document lists all rule change requests for the NER and NERR (section 1) and the NGR (section 2), currently under consideration by the AEMC. The status of each proposed Rule is regularly updated on the AEMC website and this document is amended on a monthly basis to reflect those changes.

## National Energy Retail Rules

Since 1 July 2012, the AEMC has held the role of rule maker for the Australian retail energy markets. This includes the power to amend the NERR which are part of the NECF. The NECF has commenced in South Australia, New South Wales, Queensland, Tasmania and the Australian Capital Territory. Victoria has implemented the NECF in so far as it applies to Chapter 5A of the NERR. Western Australia and the Northern Territory do not propose to implement the NECF. The AEMC may amend the NERR independently to, or in conjunction with, amendments to the NER.

## Glossary

In this document the following definitions apply:

<b>NER</b>	National Electricity Rules	<b>NEM</b>	National Electricity Market
<b>NERR</b>	National Energy Retail Rules	<b>AER</b>	Australian Energy Regulator
<b>NGR</b>	National Gas Rules	<b>DNSP</b>	Distribution Network Service Provider
<b>AEMC</b>	Australian Energy Market Commission	<b>TNSP</b>	Transmission Network Service Provider
<b>NECF</b>	National Energy Customer Framework	<b>NSP</b>	Network Service Provider
<b>AEMO</b>	Australian Energy Market Operator	<b>COAG</b>	Council of Australian Governments
<b>ESB</b>	Energy Security Board	<b>DER</b>	distributed energy resources

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# National Electricity Rules

## Rule Change Requests

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
New rule change requests (since last update 1 September 2020)					
Transparency of unserved energy calculation	AEMC Reliability Panel	24 September 2020	Consultation on rule change request	22 October 2020	<p>This rule change request seeks to amend the NER to clarify what constitutes unserved energy for the purposes of AEMO's ex-post assessment of how much demand goes unmet due to lack of generation, demand response or interconnection capacity.</p> <p>On 1 August 2019, the AEMC Reliability Panel published its final report, <a href="#">Review of the Definition of Unserved Energy</a>, which concluded that the definition of unserved energy is broadly fit for purpose in the NEM, but improvements could be made relating to the transparency of the unserved energy calculation and the clarity of the framework that underpins the calculation.</p> <p>The proposed rule seeks to address these shortcomings by:</p> <ul style="list-style-type: none"><li>• introducing a requirement for AEMO to set out, through the <i>Reliability Standard Implementation Guideline</i>, the method it will use to calculate unserved energy, including how the amount of energy demanded in the relevant region is determined; and</li><li>• inserting a purpose statement in the definition of unserved energy to assist stakeholders and AEMO in interpreting the definition.</li></ul> <p>Submissions on the consultation paper are due by 22 October 2020.</p> <p>The AEMC will use an expedited process to consider this rule change on the basis that the proposed rule is unlikely to have a significant effect on the NEM. A final decision is due to be published by 19 November 2020.</p> <p>Read more <a href="#">here</a>.</p>
Bill contents and billing requirements	The Honourable Angus Taylor MP, Minister for Energy and	24 September 2020	Consultation on rule change request	22 October 2020	<p>This rule change request seeks to amend the NERR to deliver simpler and more understandable energy bills so that households and small business owners can better comprehend and manage their bills, and engage with the retail market to find better offers. The proposed rule would cover both electricity and gas bills.</p>

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	Emissions Reduction				<p>Currently, retailers are required to prepare an energy bill complying with 26 content requirements stipulated in the NERR. The overall format of the bills is not specified in the NERR, National Energy Retail Law or any other AER document.</p> <p>The proposed rule would replace the existing minimum content requirements in the NERR with objective and outcome-based principles, to which the AER would need to have regard when developing a new mandatory guideline. The guideline would act as a single point of reference on the required form, content and delivery of energy bills. Breaches of the guideline would be subject to a civil penalty so as to encourage retailer compliance.</p> <p>Submissions on the consultation paper are due by 22 October 2020.</p> <p>Read more <a href="#">here</a>.</p>
Simplification of NER definitions	AEMO Dr Kerry Schott AO	17 September 2020	Consultation on rule change request	15 October 2020	<p>This rule change process is a consolidation of two rule change requests that were received from AEMO and Dr Kerry Schott AO of the Energy Security Board, both of which aim to simplify some of the defined terms in the NER.</p> <p>Both requests stem from a recommendation of the <i>2017 Finkel Review</i> that there be a comprehensive review of the NER to identify opportunities to streamline the rules in light of changing technologies and conditions.</p> <p>The proposed rule would help give effect to this recommendation by:</p> <ul style="list-style-type: none"> <li>removing terms in the NER considered to be redundant;</li> <li>amending terms in the NER considered to have errors and/or inconsistencies;</li> <li>consolidating terms in the NER that are not sufficiently streamlined; and</li> <li>where appropriate, defining certain terms in the NER by reference to the corresponding NEL definition to avoid inconsistency.</li> </ul> <p>Submissions on the consultation paper are due by 15 October 2020.</p> <p>The AEMC will use an expedited process to consider this rule change on the basis that the proposed rule is non-controversial. A final decision is due to be published on 11 November 2020.</p> <p>Read more <a href="#">here</a>.</p>
Reallocation of	AEMO	3 September	Consultation on	Deadline	This rule change request seeks to amend the NER to address omissions and gaps



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national transmission planner costs		2020	rule change request	passed (1 October 2020)	<p>resulting from the Integrated System Planning Rule (<b>ISP Rules</b>) which commenced on 1 July 2020. The implementation of the ISP Rules has created a number of administrative and transitional issues related to the budgeting and charging of national transmission planner (<b>NTP</b>) costs to TNSPs.</p> <p>The proposed rule would address these issues by making the following changes to the NER:</p> <ul style="list-style-type: none"> <li>transitional changes, to allow AEMO to recover NTP function fees, and to allow TNSPs to include NTP function fees in their transmission prices, for the 2020-21 financial year;</li> <li>administrative changes to align the timing of AEMO's budgeting process and the publication of TNSPs' transmission pricing; and</li> <li>administrative changes to address the uncertainty around the recovery of NTP function fees in Victoria due to AEMO acting as both NTP and TNSP.</li> </ul> <p>Additionally, under the proposed rule, NTP function fees would be allocated to Co-ordinating Network Service Providers (<b>CNSPs</b>) rather than TNSPs, given the current role performed by CNSPs in allocating the aggregate annual revenue requirement and setting and publishing transmission prices for TNSPs in the relevant region.</p> <p>Submissions on the consultation paper were due by 1 October 2020.</p> <p>The AEMC will use an expedited process to consider this rule change on the basis that the proposed rule is non-controversial. A final decision is due to be published on 29 October 2020.</p> <p>Read more <a href="#">here</a>.</p>
Existing rule change requests (as at last update 1 September 2020)					
Integrating energy storage systems into the NEM	AEMO	20 August 2020	Consultation on rule change request	15 October 2020	<p>This rule change request seeks to amend the NER to support the participation of energy storage systems in the NEM.</p> <p>The proposed rule seeks to address issues AEMO has identified with how grid scale batteries, aggregations of smaller batteries, and grid-scale facilities that have a mix of technologies behind the connection point (hybrid facilities), register and participate in the NEM. AEMO suggests that the proposal would increase clarity and transparency for all stakeholders, remove barriers to entry for storage and hybrid facilities, and</p>

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					<p>support the transition to an electricity system where more storage is needed to support variable renewable energy.</p> <p>The proposed rule change would define storage and hybrid facilities so that the NER better recognise storage and connection points with bi-directional flows. Currently, storage assets are treated as both 'load' and 'generation' since they can both consume and send out significant amounts of electricity. This new definition underpins AEMO's proposed solutions for how storage would register in the NEM and participate in dispatch, and also acts as a mechanism to clarify the fees and charges and other obligations that apply to storage.</p> <p>On 20 August 2020, the AEMC published a consultation paper seeking stakeholder feedback on the importance and urgency of these issues, and whether they require a regulatory solution. To the extent these issues are significant and require changes to the NER, the AEMC is also seeking feedback on whether the change needs to include specific definitions and rules for storage and hybrid facilities or whether a level playing field could be achieved through more minimal changes to the existing framework.</p> <p>The AEMC has indicated it will assess the request over a longer period than the standard rule change process, given the complexity of the rule change, its interaction with ESB's post-2025 market design and the difficulties stakeholders face with the current COVID-19 pandemic.</p> <p>Submissions on the consultation paper are due on 15 October 2020.</p> <p>Read more <a href="#">here</a>.</p>
Maintaining life support customer registration when switching	Energy & Water Ombudsman of New South Wales	6 August	Consultation on rule change request	Deadline passed (3 September 2020)	<p>This rule change request seeks to amend the NERR applying to the regulation of life support customers in the retail electricity market.</p> <p>The NERR requires retailers and DNSPs to register premises that have a person using life support equipment (such as an oxygen concentrator or kidney dialysis machine) that relies on electricity to operate.</p> <p>Under the current rules, an existing life support customer may be required to resubmit medical information to a retailer or DNSP when they switch energy providers or move premises. The Energy &amp; Water Ombudsman NSW has raised concerns that the costs of obtaining a new medical certificate each time a life support customer changes</p>

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					<p>premises or retailer may deter these customers from accessing competitive retail offers.</p> <p>The rule proposal seeks to enable a life support customer's outgoing retailer or distributor to share relevant medical information with their incoming retailer or distributor.</p> <p>Submissions on the rule change request were due by 3 September 2020.</p> <p>Read more <a href="#">here</a>.</p>
Network planning and access for distributed energy resources	Total Environment Centre and Australian Council of Social Service	30 July 2020	Consultation on rule change request	Deadline passed (10 September 2020)	<p>This rule change request seeks to amend the NER applying to the economic regulation of DNSPs in the NEM.</p> <p>The Total Environment Centre and Australian Council of Social Service (<b>TEC/ACOSS</b>) rule change request is one of three requests related to export services that aim to better facilitate the efficient integration of DER for the grid of the future. The other requests were submitted by the St Vincent de Paul Society Victoria on 2 July 2020 (see below) and SA Power Networks on 7 July 2020 (see below).</p> <p>The TEC/ACOSS rule change request aims to prevent consumers who also produce energy ('prosumers') from facing export limits or being shut off, and to optimise existing and incentivise additional DER hosting capacity. The rule change request (which applies only to small customers consuming less than 100 or 160 kWh per year, depending on the jurisdiction) proposes incremental reforms focused on two aspects of DER exports:</p> <ul style="list-style-type: none"> <li>• <b>Planning and investment</b> – to use existing network capacity to integrate DER and encourage efficient network investment in new DER hosting capacity; and</li> <li>• <b>Access</b> – to allow choices for 'prosumers' to increase their export capacity in return for a guaranteed level of service, and ensure the equitable distribution of hosting capacity between prosumers.</li> </ul> <p>On 30 July 2020, AEMC published a single consultation paper seeking stakeholder feedback on all three rule change requests related to export services. The AEMC held a virtual public forum on 13 August 2020, and submissions on the consultation paper were due by 10 September 2020.</p> <p>The AEMC has since formed a technical working group of experts to support</p>

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					continued industry input on the proposed rule changes. Read more <a href="#">here</a> .
Allowing DNSPs to charge for exports to the network	St Vincent de Paul Society Victoria	30 July 2020	Consultation on rule change request	Deadline passed (10 September 2020)	<p>This rule change request seeks to amend the NER applying to the economic regulation of DNSPs in the NEM.</p> <p>The St Vincent de Paul Society Victoria (<b>SVDP</b>) rule change request is one of three requests related to export services that aim to better facilitate the efficient integration of DER for the grid of the future. The other requests were submitted by SA Power Networks on 7 July 2020 (see below), and TEC/ACOSS on 7 July 2020 (see above).</p> <p>The SVDP rule change request proposes to remove impediments in the NER to DNSPs recovering their costs in supporting the export of electricity from the users who export energy. SVDP is not advocating for an approach where DER participants have to pay for using the networks. SVDP is proposing to explore a solution that allows exporters to choose between paying or being constrained, acknowledging that some DER participants may prefer being constrained, rather than paying a distribution use of system charge for export.</p> <p>On 30 July 2020, AEMC published a single consultation paper seeking stakeholder feedback on all three rule change requests related to export services. The AEMC held a virtual public forum on 13 August 2020, and submissions on the consultation paper were due by 10 September 2020.</p> <p>The AEMC has since formed a technical working group of experts to support continued industry input on the proposed rule changes.</p> <p>Read more <a href="#">here</a>.</p>
Access, pricing and incentive arrangements for distributed energy resources (NER and NERR)	SA Power Networks	30 July 2020	Consultation on rule change request	Deadline passed (10 September 2020)	<p>These rule change requests seek to amend the NER applying to the economic regulation of DNSPs in the NEM. The proposed amendments may also require consequential changes to the NERR.</p> <p>The SA Power Networks (<b>SAPN</b>) rule change request is one of three requests related to export services that aim to better facilitate the efficient integration of DER for the grid of the future. The other requests were submitted by SVDP on 2 July 2020 (see above) and TEC/ACOSS on 7 July 2020 (see above).</p> <p>The SAPN rule change requests proposal seeks to update the regulatory framework</p>



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					<p>to directly recognise and consider export services. SAPN proposes to create:</p> <ul style="list-style-type: none"> <li>• clear rights for all customers to request and be provided with an offer to access the distribution network to export energy on a fair and non-discriminatory basis;</li> <li>• for small customers, a defined standard capacity level that customers can request and receive a connection offer for; and</li> <li>• a clear regulatory mandate for DNSPs to plan for and invest in providing export services commensurate with customer demand and their desired service levels, as well as incentive schemes that motivate distributors to maintain service levels at averages that customers value, and to improve these over time (if supported).</li> </ul> <p>On 30 July 2020, AEMC published a single consultation paper seeking stakeholder feedback on all three rule change requests related to export services. The AEMC held a virtual public forum on 13 August 2020, and submissions on the consultation paper were due by 10 September 2020.</p> <p>The AEMC has since formed a technical working group of experts to support continued industry input on the proposed rule changes.</p> <p>Read more <a href="#">here</a> and <a href="#">here</a>.</p>
Synchronous services markets	Hydro Tasmania	2 July 2020	Preparation of draft determination	Deadline passed (13 August 2020)	<p>This rule change request seeks to amend the NER to create a market for 'synchronous services', including inertia, voltage control and fault level (system strength).</p> <p>The Hydro Tasmania rule change request seeks to address the shortage of 'inertia and related services' in the NEM by integrating the dispatch of a 'synchronous service' with the existing energy and frequency control ancillary services (<b>FCAS</b>) spot markets. It proposes to do this by changing the formulation of the constraints that are applied to the NEM dispatch engine. These reformulated constraints would allow the dispatch engine to find the lowest overall cost combination of synchronous services and non-synchronous generation to deliver lower overall costs for consumers.</p> <p>This will be achieved through the following:</p> <ul style="list-style-type: none"> <li>• amending the NER to create a new generator category of synchronous service generator (<b>SSG</b>) to allow AEMO to move the relevant generator's online status to the output side of AEMO's constraint equation;</li> <li>• having generators provide two additional fields in their spot markets bids to</li> </ul>

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					<p>AEMO indicating cost and availability of synchronising units online;</p> <ul style="list-style-type: none"> <li>• paying generators based on their bid price for providing synchronous services rather than the spot price;</li> <li>• dispatching SSGs if doing so provided lower priced outcomes for consumers compared to the constraint binding; and</li> <li>• AEMO publishing two prices for each service, one including the cost of SSGs and one without.</li> </ul> <p>On 2 July 2020, AEMC published a single consultation paper titled '<i>Systems Services Rule Changes</i>' seeking stakeholder feedback on this, and five other rule change requests relating to system services. The AEMC wishes to initiate the rule change requests together in order to allow stakeholders to comment on and consider the interactions between issues raised in relation to the different system services and solutions proposed. The AEMC has not yet consolidated the requests and they may be considered separately going forward.</p> <p>Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 24 September 2020, the AEMC extended the timeframe to make a draft determination until 25 March 2021, to ensure alignment with the ESB's market design project.</p> <p>Read more <a href="#">here</a>.</p>
Operating reserve market	Infogen Energy Limited	2 July 2020	Preparation of draft determination	Deadline passed (13 August 2020)	<p>This rule change request seeks to amend the NER to introduce a dynamic operating reserve market to operate alongside the existing NEM spot and FCAS markets to help respond to unexpected changes in supply and demand. Infogen argues that the current NEM design no longer offers sufficient incentives to deliver enough or the right type of reserves to respond to today's contingencies.</p> <p>The proposed operating reserve market comprises a dispatchable, raise-only service procured similar to contingency FCAS services in real-time and co-optimised with the other energy market services. The proposed operating reserves' main features are that:</p> <ul style="list-style-type: none"> <li>• operating reserves could be procured at all times, or only during times of sufficiently tight supply/demand;</li> <li>• the volume would be set by the Reliability Panel or through guidelines and</li> </ul>

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					<p>procedures;</p> <ul style="list-style-type: none"> <li>reserves could be procured 30 minutes ahead of time (with a 15-minute call time) to align with the requirement to return the system to a secure operating state within 30 minutes;</li> <li>any plant capable of producing operating reserves within the 30 minute time frame would be eligible;</li> <li>resources enabled in the operating reserve market would be withdrawn from the energy market until called upon by AEMO in response to certain reliability criteria;</li> <li>reserves would be paid the marginal 'availability' price when called (with the market price cap applied); and</li> <li>operating reserves would be co-optimised such that the incentives of offering operating reserves would not adversely impact the spot market, the forward contract market or associated activities and commitments of plant offering reserves.</li> </ul> <p>On 2 July 2020, AEMC published a single consultation paper titled '<i>Systems Services Rule Changes</i>' seeking stakeholder feedback on this, and five other rule change requests relating to system services. The AEMC wishes to initiate the rule change requests together in order to allow stakeholders to comment on and consider the interactions between issues raised in relation to the different system services and solutions proposed. The AEMC has not yet consolidated the requests and they may be considered separately going forward.</p> <p>Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 24 September 2020, the AEMC extended the timeframe to make a draft determination until 24 June 2021, to ensure alignment with the ESB's market design project.</p> <p>Read more <a href="#">here</a>.</p>
Fast frequency response market ancillary service	Infigen Energy Limited	2 July 2020	Preparation of draft determination	Deadline passed (13 August 2020)	<p>This rule change request seeks to amend the NER to introduce two new ancillary service markets for fast frequency response (<b>FFR</b>) to efficiently manage power system risks associated with reduced system inertia.</p> <p>The proposed markets for raise and lower FFR would operate similar to the existing market arrangements for FCAS. The market would be open to generation, loads and</p>

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					<p>aggregators. FFR providers would respond to local frequency deviations and reach their full response within two seconds.</p> <p>If introduced, the volume of FFR, primary frequency response, regulation FCAS, contingency FCAS, and inertia required to support the NEM would all be interrelated.</p> <p>On 2 July 2020, AEMC published a single consultation paper titled '<i>Systems Services Rule Changes</i>' seeking stakeholder feedback on this, and five other rule change requests relating to system services. The AEMC wishes to initiate the rule change requests together in order to allow stakeholders to comment on and consider the interactions between issues raised in relation to the different system services and solutions proposed. The AEMC has not yet consolidated the requests and they may be considered separately going forward.</p> <p>Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 24 September 2020, the AEMC extended the timeframe to make a draft determination until 22 April 2021, to enable the AEMC to develop supporting technical advice through its frequency work plan in stage 2 of its Renewable Integration Study.</p> <p>Read more <a href="#">here</a>.</p>
Efficient management of system strength on the power system	TransGrid	2 July 2020	Preparation of draft determination	Deadline passed (13 August 2020)	<p>This rule change request seeks to abolish the 'do no harm' obligation and amend the minimum system strength requirements in the NER to allow for TNSPs to be more proactive in the provision of system strength in the NEM.</p> <p>TransGrid identified three principal issues with the current frameworks:</p> <ul style="list-style-type: none"> <li>the lack of ability to effectively coordinate solutions to address system strength issues across the 'do no harm' framework, minimum framework and other system services;</li> <li>the additional time and cost for connection of new generation to the power system due to the system strength impact modelling and remediation requirements of the 'do no harm' obligation; and</li> <li>the slow, reactive nature of the minimum system strength framework, which leads to increased risks of costly interventions in the operation of the energy market.</li> </ul> <p>The TransGrid rule change request involves:</p>

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					<ul style="list-style-type: none"> <li>AEMO determining fault level nodes and minimum fault levels, accounting for the potential future generation forecast in the Integrated System Plan;</li> <li>an independent body creating a system strength standard that must be met by the TNSP;</li> <li>integrating the current minimum system strength framework into TNSPs' ordinary planning and regulatory frameworks; and</li> <li>abolishing the 'do no harm' framework, and instead requiring plants to negotiate and meet generation performance standards to connect.</li> </ul> <p>On 2 July 2020, AEMC published a single consultation paper titled '<i>Systems Services Rule Changes</i>' seeking stakeholder feedback on this, and five other rule change requests relating to system services. The AEMC wishes to initiate the rule change requests together in order to allow stakeholders to comment on and consider the interactions between issues raised in relation to the different system services and solutions proposed. The AEMC has not yet consolidated the requests and they may be considered separately going forward.</p> <p>Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 24 September 2020, the AEMC extended the timeframe to make a draft determination until 24 December 2020, to enable the AEMC to have sufficient time to develop and consult on how the system strength frameworks should be evolved.</p> <p>Read more <a href="#">here</a>.</p>
Capacity commitment mechanism for system security and reliability services	Delta Electricity	2 July 2020	Preparation of draft determination	Deadline passed (13 August 2020)	<p>This rule change request seeks to amend the NER to introduce an ex-ante, day ahead capacity commitment mechanism and payment to provide access to operational reserves and other required system security or reliability services.</p> <p>Delta Electricity argues that as periods of low spot market prices increase, non-peaking dispatchable capacity will seek to minimise financial losses by decommitting capacity under high variable renewable energy (<b>VRE</b>) conditions. This means that the decommitted plant would be unavailable, as and when required to meet energy and system services needs and as a result the NEM will more frequently experience periods of shortfalls in system security and reliability services.</p> <p>The proposed capacity commitment mechanism would provide a payment to keep non-peaking dispatchable generators online at their minimum safe operating level</p>



Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>(<b>MSOL</b>) should they be needed for system security and reliability purposes based on AEMO forecasts during the pre-dispatch process.</p> <p>Key components of the capacity commitment mechanism are:</p> <ul style="list-style-type: none"> <li>day-ahead commitment of dispatchable capacity, at a level set by AEMO to ensure peak demand (excluding VRE) can be reliably met;</li> <li>the in-service dispatch capability will be drawn on to respond to rapid changes in VRE and would be paid whenever it is dispatched at MSOL; and</li> <li>generators would guarantee to commit their coal/gas fired boiler synchronous units for either an entire day or for specific trading intervals during the day rather than via a half-hour ahead market for reserve.</li> </ul> <p>On 2 July 2020, AEMC published a single consultation paper titled '<i>Systems Services Rule Changes</i>' seeking stakeholder feedback on this, and five other rule change requests relating to system services. The AEMC wishes to initiate the rule change requests together in order to allow stakeholders to comment on and consider the interactions between issues raised in relation to the different system services and solutions proposed. The AEMC has not yet consolidated the requests and they may be considered separately going forward.</p> <p>Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 24 September 2020, the AEMC extended the timeframe to make a draft determination until 25 March 2021, to ensure alignment with the ESB's market design project.</p> <p>Read more <a href="#">here</a>.</p>
Introduction of ramping services	Delta Electricity	2 July 2020	Preparation of draft determination	Deadline passed (13 August 2020)	<p>This rule change request seeks to amend the NER to introduce a 30-minute raise and lower 'ramping' service using the existing framework for FCAS market design to respond to changes in output from variable renewable electricity generators.</p> <p>Delta Electricity suggests a ramping service would address the price volatility that exists when dispatchable generators ramp through their energy bid stacks in response to predictable, daily, high rates of change from solar ramping up and down.</p> <p>Key features of the proposed services and framework include the following:</p> <ul style="list-style-type: none"> <li>the services would be procured from dispatchable in-service generators;</li> </ul>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<ul style="list-style-type: none"> <li>the services would be procured through a similar dispatch and settlement process to existing FCAS raise and lower services but with the provision for generators to offer (perhaps three) incremental rates of change at different prices;</li> <li>AEMO would determine the 30 minute ramping requirement in pre-dispatch;</li> <li>AEMO would determine eligible generators based on their ability to provide the new services; and</li> <li>participants in this service would not be prevented from bidding into the other FCAS markets as long as they can comply with the associated obligations of each market.</li> </ul> <p>On 2 July 2020, AEMC published a single consultation paper titled '<i>Systems Services Rule Changes</i>' seeking stakeholder feedback on this, and five other rule change requests relating to system services. The AEMC wishes to initiate the rule change requests together in order to allow stakeholders to comment on and consider the interactions between issues raised in relation to the different system services and solutions proposed. The AEMC has not yet consolidated the requests and they may be considered separately going forward.</p> <p>Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 24 September 2020, the AEMC extended the timeframe to make a draft determination until 24 June 2021, to ensure alignment with the ESB's market design project.</p> <p>Read more <a href="#">here</a>.</p>
Compensation following directions for services other than energy and market ancillary services	AEMO	11 June 2020	Preparation of final determination	5 November 2020	<p>This rule change request seeks to amend the NER in relation to the determination of compensation following AEMO directions for services other than energy and market ancillary services. Examples of 'other services' include a direction for a generator to remain in service as a synchronous condenser to provide voltage support, or a direction for a battery to maintain a specified state of charge to maintain system security.</p> <p>Currently, when a participant is directed to provide other services, it may be compensated under the fair payment price (<b>FPP</b>) framework set out in clause 3.15.7A of the NER. If a participant is still out of pocket, it may lodge a claim for additional compensation through a separate second process under clause 3.15.7B of the NER.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>AEMO considers that this two-step process creates an unnecessary delay in finalising compensation for directed participants and has proposed an alternative one-step process, where the fair payment price and additional compensation can be determined at the same time. This change may improve administrative efficiency of the compensation process.</p> <p>On 11 June 2020, the AEMC published a consultation paper on the proposal seeking to understand whether a single step process would be more administratively efficient as well as asking for any alternative options to the proposal which would better contribute to the long term interests of consumers.</p> <p>Submissions on the consultation paper were due by 16 July 2020.</p> <p>On 24 September 2020, the AEMC made a draft determination to make a more preferable draft rule. The draft rule adopts AEMO's objective of moving from a two-step FPP framework to a one-step process, however it differs from AEMO's proposed rule in a number of respects in order to create a more effective one-step process.</p> <p>The draft rule would also make other amendments that seek to improve transparency, predictability, consistency and the allocation of risk, including:</p> <ul style="list-style-type: none"> <li>clarifying the test for how AEMO classifies a direction, which determines the relevant compensation framework;</li> <li>adding an obligation on AEMO to notify the directed participant of its determination of whether a compensable service was provided and allowing the direct participant to make a submission in response; and</li> <li>simplifying the factors that need to be taken into account in determining fair payment compensation in the new one-step process.</li> </ul> <p>Submissions on the draft rule and determination are due by 5 November 2020. A final determination is due on 17 December 2020.</p> <p>Read more <a href="#">here</a>.</p>
Compensation for market participants affected by intervention	AEMO	11 June 2020	Consultation on draft determination	5 November 2020	<p>This rule change request is a consolidation of two requests submitted by AEMO which relate to the compensation payable to participants affected by an AEMO intervention event. The rule change request seeks to:</p> <ul style="list-style-type: none"> <li>include losses related to market ancillary services in the list of factors that can</li> </ul>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
events					<p>be considered when determining additional compensation claims lodged by affected participants; and</p> <ul style="list-style-type: none"> <li>amend the way that compensation is calculated for market customers with scheduled loads which are dispatched differently as a result of an AEMO intervention event.</li> </ul> <p>On 11 June 2020, the AEMC published a consultation paper seeking to understand a number of issues in relation to AEMO's proposed rule change, including:</p> <ul style="list-style-type: none"> <li>whether affected participant compensation should encompass losses associated with frequency control ancillary services (<b>FCAS</b>) in addition to losses associated with electricity; and</li> <li>whether 'BidP', an input in the formula used to calculate compensation for scheduled loads, should be amended so it refers to the highest priced band from which the scheduled load is dispatched.</li> </ul> <p>Submissions on the consultation paper were due by 16 July 2020.</p> <p>On 24 September 2020, the AEMC made a draft determination to make a more preferable draft rule. The draft rule would incorporate FCAS into the automatic process of calculating compensation. It would also modify the way compensation is calculated for scheduled loads when an intervention impacts how much they pay for energy, to address the current potential for scheduled loads to be under- or overcompensated.</p> <p>Submissions on the draft rule determination, including the more preferable draft rule, are due by 5 November 2020.</p> <p>Read more <a href="#">here</a>.</p>
Technical standards for distributed energy resources	AEMO	25 June 2020	Preparation of draft determination	Deadline passed (23 July 2020)	<p>This rule change request seeks to amend the NER and NERR to allow AEMO to create an initial set of technical standards for DER.</p> <p>Currently, there is no uniform minimum technical standard across the NEM for DER. AEMO proposes that technical standards are necessary given the substantial consumer uptake in DER in Australia and the system security issues this is likely to create.</p> <p>AEMO's proposed rule change would:</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<ul style="list-style-type: none"> <li>create an obligation on AEMO to develop a subordinate instrument for setting minimum technical standards for DER; and</li> <li>include a new high-level definition of DER in the NER.</li> </ul> <p>On 25 June 2020, the AEMC published a consultation paper seeking stakeholder feedback on the scope of the proposed minimum technical standards, as well as compliance and monitoring issues. AEMO will undertake its own consultation process concurrently with this rule change process in order to have a first set of minimum technical standards completed and ready for implementation by the time this rule change process is finalised.</p> <p>Submissions on the AEMC's consultation paper were due by 23 July 2020.</p> <p>On 2 September 2020, the AEMC extended the timeframe to make a draft rule determination until 3 December 2020 in light of the complexity of issues arising from stakeholder submissions.</p> <p>Read more <a href="#">here</a>.</p>
Connection to dedicated connection assets	AEMO	5 March 2020	Preparation of draft determination	Deadline passed (2 April 2020)	<p>This rule change request seeks to amend the NER to clarify current arrangements for transmission connections to a dedicated connection asset (<b>DCA</b>).</p> <p>DCAs connect a party to the shared transmission system at a single connection point. Although multiple facilities may be connected to the same shared DCA, current connection arrangements assign only one financially responsible market participant (<b>FRMP</b>) to a single DCA connection point and this FRMP must comply with the relevant NER requirements.</p> <p>AEMO is concerned that the current arrangements create the following issues:</p> <ul style="list-style-type: none"> <li>difficulties with negotiating and enforcing an overall performance standard for all facilities connected to a DCA;</li> <li>settlement issues due to the absence of metering installations for each connected facility; and</li> <li>inability to determine marginal loss factors for individual generators.</li> </ul> <p>This rule change request seeks to create additional (and separate) connection points and metering installations at the point where each facility connects to a DCA to enable key NER requirements and obligations to apply to each connected party.</p>



Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>As part of the request AEMO has also suggested it may be appropriate to revisit the differentiation between 'small' and 'large' DCAs in the third party access regime.</p> <p>On 5 March 2020, the AEMC published a consultation paper on the rule change request. Submissions on the rule change request were due 2 April 2020.</p> <p>The AEMC has extended the time for making the draft determination and draft rule until 26 November 2020, due to the complexity of the issues addressed by the rule change request.</p> <p>Read more <a href="#">here</a>.</p>
Primary frequency response incentive arrangements	AEMO	19 September 2019	Preparation of draft determination	13 August 2020	<p>This rule change request seeks to amend the NER to address perceived disincentives to the voluntary provision of primary frequency response (<b>PFR</b>) by participants in the NEM. This is one of three rule change requests that relate to the frequency control arrangements in the NEM. The other two rule changes were submitted by Peter Sokolowski and by AEMO and have now been finally determined (see below).</p> <p>This rule changes seeks to address the perceived disincentives in the NER in order to remove barriers to providing voluntary PFR during normal operation in order to halt the decline of frequency performance.</p> <p>AEMO identified a number of aspects of the NER that are perceived to be distinctives to the voluntary provision of PFR (eg, AEMO considers there is a perception that the NER only requires generators to provide PFR when they are enabled to provide a frequency control ancillary service).</p> <p>On 19 December 2019, the AEMC extended the period of time for making the draft determination to 24 September 2020.</p> <p>On 2 July 2020, the AEMC published consultation paper titled '<i>Systems Services Rule Changes</i>' seeking stakeholder feedback six other rule change requests relating to system services. This consultation paper also included an update on the status of this AEMO rule change request and sought stakeholders' views on the directions for this project. Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 24 September 2020, the AEMC extended the timeframe to make a draft determination until 16 September 2021, to allow AEMO to undertake further work to understand the operational and economic impacts of incentive or market-based</p>

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					<p>provision of continuous primary frequency response. AEMO's advice, which is expected in June 2021, will inform whether and how new incentive arrangements could complement or replace the '<i>Mandatory primary frequency response</i>' rule which was introduced in in June 2020.</p> <p>Read more <a href="#">here</a>.</p>

## Completed Rule Changes

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Final rule determinations (since last update 1 September 2020)				
Changes to intervention mechanisms	17 September 2020	NER 2020 No. 13	10 September 2020	<p>This final rule and determination amends the NER to improve the efficiency and clarity of intervention mechanisms. The rule:</p> <ul style="list-style-type: none"> <li>removes the mandatory restrictions framework;</li> <li>removes the obligation on AEMO to counteract during an intervention; and</li> <li>clarifies the basis for affected participant compensation cost recovery following activation of emergency reserves under the reliability and emergency reserve trader (<b>RERT</b>).</li> </ul> <p>The final rule responds to the three rule change requests submitted by AEMO which the AEMC considered through a consolidated and fast-tracked process.</p> <p>The removal of the mandatory restrictions framework and obligation on AEMO to counteract was recommended by the AEMC in its 15 August 2019 report <a href="#">Investigation into intervention mechanisms in the NEM</a>. The mandatory restrictions framework was introduced to the NER in 2001 to address supply shortages but has never been used.</p> <p>The removal of AEMO's counteraction obligation was considered warranted on the basis that requiring AEMO to manually adjust dispatch targets in order to confine the impact of an intervention event could be more costly than the alternative of allowing the national electricity market dispatch engine to optimise targets automatically.</p> <p>The final rule also amends clause 3.15.9 of the NER to provide a clear basis on which participants affected by a RERT activation can be compensated for their costs. Specifically:</p> <ul style="list-style-type: none"> <li>costs of compensating participants affected by a RERT activation will be recovered from market customers in the region in which RERT was exercised; and</li> <li>costs within a region will be allocated to market customers in proportion to the energy consumed in a trading interval during which the RERT was activated.</li> </ul> <p>Read more <a href="#">here</a>.</p>
Removal of intervention	22 October 2020 (Schedules 1, 2 and 3)	NER 2020 No. 14	10 September 2020	<p>This final, more preferable rule replaces the existing prescriptive hierarchy for AEMO to preference RERT in times of supply scarcity, with a principle requiring that AEMO use</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
hierarchy	24 October 2021 (Schedule 4)			<p>reasonable endeavours to choose a supply scarcity mechanism, or a combination of mechanisms, to address the need to intervene in the market while minimising the direct and indirect costs.</p> <p>The new framework was recommended by the AEMC in its 15 August 2019 report <a href="#">Investigation into intervention mechanisms in the NEM</a>, which then prompted AEMO to submit the associated rule change request.</p> <p>The final rule requires AEMO to develop, consult on and publish procedures that set out the method and assumptions it will use when selecting supply scarcity mechanism(s).</p> <p>The principle-based approach contained in the final rule balances the increased autonomy granted to AEMO with the inclusion of transparency and accountability measures, including:</p> <ul style="list-style-type: none"> <li>• a requirement for AEMO to report, following an intervention, on how it applied its discretion in determining which supply scarcity mechanism(s) would be used;</li> <li>• a more explicit requirement on AEMO to have regard to the examples of direct costs and indirect costs set out in the NEM when developing its procedures; and</li> <li>• a requirement for AEMO to conduct a periodic review of its procedures every four years (with the first review to occur in 2023), including consultation with stakeholders.</li> </ul> <p>The final rule also sets out transitional arrangements which require AEMO to publish interim procedures by 22 October 2020 (without conducting consultation) to ensure the changes can come into effect prior to summer 2020-21. AEMO must publish its final procedures by 3 May 2021 in accordance with the Rules consultation procedures.</p> <p>Read more <a href="#">here</a>.</p>
Other rules not yet commenced				
Wholesale demand response mechanism	31 March 2021 (Rule 3.7D – Demand side participation)  24 October 2021 (Chapters 1, 2, 3, 4, 4A, 7, 10)	NER 2020 No. 9	11 June 2020	<p>This final rule and determination set out a series of changes to the NER to facilitate a wholesale demand response mechanism in the NEM, responding to one of the recommendations from the AEMC's recent Reliability Frameworks Review.</p> <p>Under the final rule, a new category of market participant, a Demand Response Service Provider (<b>DRSP</b>), will be able to submit demand response offers to the wholesale market that will be scheduled in a manner similar to bids from generators. The DRSP</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>will receive the spot price for the reduction in demand which it would then share with its customers.</p> <p>The mechanism introduced under the final rule is designed to provide greater opportunities for large customers to participate in the wholesale market by bidding in demand reductions as a substitute for generation, thereby unlocking under-utilised demand response in the NEM. The mechanism will promote greater demand side transparency, as well as price and reliability-related benefits.</p> <p>On 11 June 2020, AEMO also published a high level design to assist stakeholders in understanding the implementation of the wholesale demand response mechanism.</p> <p>The AEMC also determined that a retail rule change to the NERR was unnecessary, as the new mechanism does not extend to small customers.</p> <p>Read more <a href="#">here</a>.</p>
Introduction of metering coordinator planned interruptions	<p>28 May 2020</p> <p>21 July 2020 (Schedule 1 (NER, NERR))</p> <p>21 August 2020 (Schedule 2 (NERR))</p> <p>1 July 2021 (Schedule 2 (NER))</p>	<p>NER 2020 No. 7</p> <p>NERR 2020 No. 3</p>	21 May 2020	<p>This rule amends the NER and NERR to provide greater certainty to customers with shared fusing at their premises on when their electricity meter will be installed.</p> <p>Under the final rule, where the installation of a meter requires interruption to other customers, retailers will be required to provide a meter installation by a date agreed with the customer. If no date is agreed, the retailer must arrange for the installation of the meter within 30 business days of discovering the shared fusing.</p> <p>If a retailer requests a DNSP to carry out a distributor planned interruption to enable the retailer to effect a meter installation or replacement, the DNSP must carry out the interruption on the date agreed with the retailer and the customer. If no date is agreed, the DNSP must carry out the interruption within 25 business days of the date of request from the retailer.</p> <p>The final rule also introduces a 30 business day timeframe requirement on the metering coordinator to rectify metering malfunctions where the rectification could not be implemented without interrupting supply to other customers, unless an exemption was sought from and granted by AEMO</p> <p>The final rule also requires distributors to record shared fusing information as soon as practicable after becoming aware of shared fusing arrangements.</p> <p>Read more <a href="#">here</a>.</p>



Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
System restart services, standards and testing	2 November 2020	NER 2020 No. 6	2 April 2020	<p>This rule improves the provision and effectiveness of System Restart Ancillary Services (<b>SRAS</b>) to enhance the overall resilience of the power system to major supply disruptions.</p> <p>In particular, the final rule:</p> <ul style="list-style-type: none"> <li>expands the definitions of SRAS and black start capability to allow AEMO to procure the services needed to effectively and promptly restore supply to consumers;</li> <li>clarifies that AEMO can take long term costs into account when procuring SRAS, to help reduce overall costs of sourcing SRAS;</li> <li>establishes a transparent framework for the physical testing of system restart paths; and</li> <li>clarifies the scope, form and content of SRAS communication protocols, to improve the processes that underpin the effectiveness of system restoration.</li> </ul> <p>This final determination responds to two rule change requests, one from AEMO and the other from the AER, which were consolidated in September 2019.</p> <p>This final rule relates to the broader work the AEMC undertook in its <a href="#">Review of the South Australian Black system event</a> which considered the overall resilience of the power system to high impact, low probability events, including the role that SRAS plays in this overall resilience.</p> <p>Read more <a href="#">here</a>.</p>
Mandatory primary frequency response	26 March 2020 4 June 2020 4 June 2023	NER 2020 No. 5	26 March 2020	<p>This rule requires all scheduled and semi-scheduled generators to support the secure operation of the power system by responding automatically to changes in power system frequency. The rule is designed to improve frequency control in the NEM.</p> <p>Key aspects of the rule include:</p> <ul style="list-style-type: none"> <li>all scheduled and semi-scheduled generators, who have received a dispatch instruction to generate to a volume greater than 0 MW, must operate their plant in accordance with the performance parameters set out in the primary frequency response requirements (<b>PFRR</b>) as applicable to that plant;</li> <li>AEMO must consult on and publish the PFRR; and</li> <li>generators may request and AEMO may approve variations or exemptions to the PFRR for individual generating plant.</li> </ul>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>This final determination relates to two rule change requests, one from AEMO and the other from private individual Dr Peter Sokolowski, which were consolidated in December 2019.</p> <p>Read more <a href="#">here</a>.</p>
Minor changes 2020	19 March 2020 6 February 2022	NER 2020 No. 3	12 March 2020	<p>The rule corrects minor errors and makes non-material changes to the NER.</p> <p>The change to clause 3.15.5 of the NER will commence on 6 February 2022. All other changes to Chapters 3, 5 and 11 of the NER commenced on 19 March 2020.</p> <p>Read more <a href="#">here</a>.</p>
Transmission loss factors	5 March 2020 1 July 2021	NER 2020 No. 2	27 February 2020	<p>This more preferable rule provides AEMO with greater flexibility to refine and improve the methodology to determine marginal loss factors (<b>MLFs</b>).</p> <p>The rule:</p> <ul style="list-style-type: none"> <li>allows AEMO to consult with stakeholders on a range of calculation details and removes the requirement that the inter-regional loss factor must be calculated using a regression analysis;</li> <li>allows greater time periods to be used as the basis for calculating MLF values (removing the requirement that MLFs must be based on a 30-minute interval); and</li> <li>removes the requirement to treat network elements that solely or principally provide market networks service as invariant when calculating marginal losses.</li> </ul> <p>Read more <a href="#">here</a>.</p>
Application of compensation in relation to AEMO intervention	20 December 2019 1 July 2021	NER 2019 No. 13	19 December 2019	<p>This rule limits the circumstances in which compensation is payable following an AEMO intervention event.</p> <p>Prior to this rule change, the NER required 'affected' participants' to be compensated when AEMO intervened in the market by either issuing a direction or activating the reliability and emergency reserve trader (<b>RERT</b>) mechanism. Under the current framework, affected participants can be compensated regardless of the reason for the intervention or whether intervention pricing applies. This compensation was intended to put participants in the position they would have been in 'but for' the intervention. AEMO has proposed changes to the NER to only require for compensation to be payable in circumstances where there is an intervention event that triggers intervention pricing in accordance with the revised 'regional reference node' (<b>RRM</b>) test set out in clause</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>3.9.3(d) of the NER.</p> <p>This rule change was considered under the expedited process and is part of a package of three rules which relate to the intervention pricing and compensation frameworks that are triggered when AEMO intervened in the market.</p> <p>Read more <a href="#">here</a>.</p>
Application of the Regional Reference Node Test to the Reliability and Emergency Reserve Trader	<p>19 December 2019</p> <p>20 December 2019</p> <p>1 July 2021</p>	NER 2019 No 11	19 December 2019	<p>This rule requires that AEMO apply the regional reference node test (<b>RRN test</b>) to the Reliability and Emergency Reserve Trader (<b>RERT</b>).</p> <p>Prior to this rule change, the RRN test was only used to determine whether to apply intervention pricing when a direction was issued. Directions were used to address issues with signal strength and the RRN test asked if the issue that created the need for the direction was region-wide or localised. Intervention pricing would only apply where the issue was region-wide. Intervention pricing preserves the price signals that would have been seen but for the intervention.</p> <p>The RERT is another form of intervention designed to maintain adequate system strength. The RRN test will now also apply to the RERT. Accordingly, where the RERT is activated, the application of the RRN test would mean that intervention pricing could only apply if the issue is region-wide.</p> <p>In addition, the rule change amends the wording of NER to improve the clarity of the RRN test.</p> <p>This rule was considered as part of the AEMC's investigation into intervention mechanisms and system strength in the NEM. For more information see <a href="#">here</a>.</p> <p>Read more <a href="#">here</a>.</p>
Five-minute settlement and global settlement implementation amendments	<p>12 August 2019 (amendments to the spot market operations timetable and transitional arrangements)</p> <p>1 October 2021 (commencement of the</p>	NER 2019 No. 7	8 August 2019	<p>This rule amends nine areas of the NER to assist in implementing the five-minute settlement and global settlement rule changes. For context:</p> <ul style="list-style-type: none"> <li>The five-minute settlement rule change is due to commence on 1 October 2021 (delayed from 1 July 2021). AEMO and NEM participants must make changes prior to the commencement date such as upgrading metering to provide the required data and updating IT systems to store and process the required data.</li> <li>The global settlement rule is due to commence on 1 May 2022 (delayed from 6 February 2022). This rule change provides that every retailer is billed for the loss-</li> </ul>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
	<p>amendments relating to the five-minute settlement rule) (delayed from 1 July 2021)</p> <p>1 May 2022 (commencement of the amendments relating to the global settlement and market reconciliation rule) (delayed from 6 February 2022)</p>			<p>adjusted metered electricity that is consumed within their area by customers. Currently, only the local retailer is billed for this.</p> <p>Regarding wholesale market operations for five-minute settlement, the rule:</p> <ul style="list-style-type: none"> <li>enables AEMO to calculate Marginal Loss Factors using 30 minute or shorter resolution data intervals;</li> <li>provides for fast-start inflexibility profiles in pre-dispatch; and</li> <li>provides that the Reliability Standard and Settings Guidelines need not be amended as part of the transitional arrangements for five-minute settlement.</li> </ul> <p>Regarding global settlement, the rule clarifies that:</p> <ul style="list-style-type: none"> <li>non-contestable unmetered loads are to be assigned to the most appropriate Transmission Node Identified (<b>TNI</b>) or Virtual Transmission Node (<b>VTN</b>);</li> <li>retailers do not have financial responsibility at a transmission or distribution boundary point;</li> <li>customer loads are market loads; and</li> <li>Unaccounted for Energy (<b>UFE</b>) will not be allocated to distribution-connected generators.</li> </ul> <p>Regarding information provision, the rule:</p> <ul style="list-style-type: none"> <li>provides that AEMO need not run a Rules Consultation process when making minor or administrative amendments to the spot market operations timetable; and</li> <li>amends the period during which metering data providers must provide AEMO with data so that, before global settlement commences, AEMO can publish information about the potential UFE liability that market customers will be subject to.</li> </ul> <p>The <i>Delayed implementation of five minute and global settlement</i> rule change in July 2020 delayed commencement of these amendments, as well as the <i>Global settlement and market reconciliation</i> and <i>Five-Minute Settlement</i> rules, to account for the impacts of the COVID-19 pandemic.</p> <p>Read more <a href="#">here</a>.</p>
Intervention compensation and settlement processes	<p>30 May 2019</p> <p>1 July 2021</p>	NER 2019 No. 5	30 May 2019	<p>This rule amends the NER to improve the administrative processes relating to compensation and settlements after AEMO interventions, and to ensure that the respective timetables are aligned. The new rule responds to two related rule change requests by AEMO which were consolidated by the AEMC.</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>The new rule amends the administrative processes for compensation and settlement by:</p> <ul style="list-style-type: none"> <li>increasing the deadline for additional compensation claims from seven business days to 15 business days;</li> <li>inserting a deadline of 15 business days for additional compensation claims by directed parties;</li> <li>amending the compensation process to refer to 20 and 30 week routine revised statements instead of referring to business days in order to ensure consistency with the settlement process; and</li> <li>aligning the compensation timetable for all interventions with the settlement table.</li> </ul> <p>In addition, Schedule 2 of the final rule adds a minor terminology change for consistency with the commencement of the five-minute settlement. Schedule 2 commences on 21 July 2021. The remaining substantive provisions of the rule commenced on 30 May 2019.</p> <p>Read more <a href="#">here</a>.</p>
Global settlement and market reconciliation	13 December 2018 1 May 2022 (delayed from 6 February 2022 by 'Delayed implementation of five minute and global settlement')	NER 2018 No. 14	6 December 2018	<p>This AEMO-initiated rule change introduces a new framework for settling the demand side of the wholesale NEM, using a 'global settlement' framework instead of the current 'settlement by difference' approach.</p> <p>Global settlement was set to have a 'soft start' date of 1 July 2021 followed by full commencement on 6 February 2022. However, these dates were pushed back by the <i>Delayed implementation of five minute and global settlement</i> rule change so that the soft start is now scheduled for 1 October 2021 and full commencement will occur on 1 May 2022.</p> <p>Read more <a href="#">here</a>.</p>
Participant compensation following market suspension	22 November 2018 20 December 2018 1 July 2021	NER 2018 No. 13	15 November 2018	<p>This rule establishes a framework for the compensation of market participants who suffer loss due to pricing during market suspension. The purpose of the change is to encourage participants to keep the power system operating during periods of market suspension instead of waiting for direction from AEMO.</p> <p>Read more <a href="#">here</a>.</p>
Five-Minute Settlement	19 December 2017	NER 2017 No. 15	28 November 2017	<p>This rule amends the NER to reduce the settlement interval from 30 minutes to five minutes. As a result, the spot price for electricity on the wholesale market will be</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
	1 October 2021 (delayed from 1 July 2021)			<p>determined for each five minute trading interval instead of the average of dispatch prices across a 30-minute timeframe. This change aligns the operational dispatch and financial settlement periods, with a view to encouraging contestability of demand response technology and improving incentives for more efficient generation.</p> <p>Five minute settlement was originally set to fully commence on 1 July 2021; however this start date was delayed to 1 October 2021 by the <i>Delayed implementation of five minute and global settlement</i> rule change.</p> <p>Read more <a href="#">here</a>.</p>



# National Gas Rules

## Rule Change Requests

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
New rule change requests (since last update 1 September 2020)					
There have been no new rule change requests since the last update.					
Existing rule change requests (as at last update 1 September 2020)					
There are no existing rule change requests for which a determination has not been made.					



## Completed Rule Changes

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Final rule determinations (since last update 1 September 2020)				
There have been no new final rule determinations since the last update.				
Other rules not yet commenced				
DWGM simpler wholesale price	19 March 2020 31 March 2020 1 January 2023	NGR 2020 No. 2	12 March 2020	<p>This more preferable rule amends the NGR to simplify wholesale pricing in relation to the Victorian Declared Wholesale Gas Market (<b>DWGM</b>) by:</p> <ul style="list-style-type: none"> <li>requiring that when AEMO produces pricing schedules, which determine market prices, it takes into account any transmission constraints that affect withdrawals of gas at system withdrawal points at which withdrawal bids may be made; and</li> <li>removing the link between authorised maximum daily quantity (<b>AMDQ</b>) or capacity certificates and uplift payments, so that a congestion uplift category is no longer required.</li> </ul> <p>The final rule differs from the draft rule such that the NGR no longer requires a congestion uplift category. On the basis of stakeholder consultation, the AEMC considered such a baseline-based mechanism did not appropriately allocate 'cost to cause' and would involve unwarranted complexity and cost.</p> <p>The rule sets out the following timing for commencement of the rule:</p> <ul style="list-style-type: none"> <li>amendments for transitional arrangements commenced on 19 March 2020;</li> <li>amendments relating to accounting for transmission constraints that affect withdrawals of gas at system withdrawal points in the pricing schedule commenced on 31 March 2020; and</li> <li>amendments relating to the congestion uplift framework are to commence on 1 January 2023, immediately after the <i>National Gas Amendment (DWGM improvements to AMDQ regime) Rule 2020</i> commences (see below).</li> </ul> <p>The rule change responds to two rule change requests which were consolidated by the AEMC on 14 March 2019.</p> <p>Read more <a href="#">here</a>.</p>
DWGM improvement to AMDQ regime	19 March 2020 1 January 2023	NGR 2020 No. 1	12 March 2020	<p>This rule improves the AMDQ regime by making it easier for participants to trade and allocate pipeline capacity rights in the DWGM.</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>The final rule retires the current instruments of authorised MDQ and AMDQ credit certificates (<b>AMDQ cc</b>), and replaces these with a new regime consisting of:</p> <ul style="list-style-type: none"> <li>• entry capacity certificates that provide injection tie-breaking benefits; and</li> <li>• exit capacity certificates that provide withdrawal tie-breaking benefits.</li> </ul> <p>The changes do not affect current holders of AMDQ cc as these expire before the commencement of the new regime on 1 January 2023. The Commission has decided not to grant capacity certificates under the new regime to current holders of authorised MDQ, including tariff D customers, in order to simplify the framework by removing the distinction between authorised MDQ and AMDQ cc and to create a level playing field for market participants to obtain the benefits of injection and withdrawal tie-breaking.</p> <p>The allocation of capacity certificates will primarily occur via the capacity certificates auction, which will be operated by AEMO. The final rule includes a number of requirements to implement the capacity certificates auction.</p> <p>Market participants can trade capacity certificates between each other and AEMO will develop Capacity Certificates Transfer Procedures for requests to AEMO to transfer capacity certificates to give effect to a trade. AEMO will report information about capacity certificate transfers and develop a listing service, which market participants can use to list any capacity certificates they may want to buy or sell.</p> <p>The new regime will commence on 1 January 2023, which is consistent with the start of the next DTS access arrangement period. The first auction of the new certificates must be conducted prior to this date. Prior to the first auction, AEMO is required to amend existing procedures and make new procedures required by the final rule and to conduct the first system capability modelling.</p> <p>The listing service for buying and selling capacity certificates will also commence from 1 January 2023. Amendments for transitional arrangements commenced on 19 March 2020.</p> <p>Read more <a href="#">here</a>.</p>

## Disclaimer

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