



# National Electricity and Gas Rules Update 2020

December 2019 & January 2020 | Rule changes as at 1 February 2020

## ⚡ National Electricity Rules

There has been one new rule change request since the last update. The rule change request seeks to correct minor errors and make non-material changes to the NER.

There have been five new draft determinations in relation to RERT contracting, frequency control arrangements in the NEM, System Restart Ancillary Services, allowing metering coordinators to arrange planned interruptions of electricity supply and the introduction of a short term forward market.

There have been four new final determinations since the last update in relation to AEMO intervention compensation, reducing the time required to transfer retail customers, the application of the Regional Reference Node Test to the Reliability and Emergency Reserve Trader, and the threshold for participant compensation following market intervention.

## 🛒 National Energy Retail Rules

There has been one new rule change request since the last update. The rule change request seeks to correct minor errors and make non-material changes to the NERR.

There has been a new draft determination in relation to allowing metering coordinators to arrange planned interruptions of electricity supply.

There has been one new final determination in relation to reducing the time required to transfer retail customers.

## 🔥 National Gas Rules

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

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

## ↔ Opportunities for Stakeholders

**NER** – Submissions on five draft determinations are due in the coming month.

**NERR** – Submissions on one draft determination are due in the coming month.

## 📰 Energy Reform

### Proposed offshore clean energy infrastructure regulatory framework

On 3 January 2020, the Federal Government published a [discussion paper](#) outlining the proposed offshore clean energy infrastructure regulatory framework (the **Proposal**). The Proposal:

- establishes a new regulatory framework for the exploration, construction, operation and decommissioning of offshore wind and other clean energy technologies in Commonwealth waters (beyond three nautical miles from the coast); and
- broadens the scope of the National Offshore Petroleum, Safety and Environmental Management Authority to act as the regulator and technical advisor to the Energy Minister.

Under the Proposal, the Federal Government will undertake a consultation process and declare some areas in Commonwealth waters 'Offshore Energy Sites'. In order to access these sites, proponents must have one of the following licences, which will be awarded on a competitive basis:

- a **Feasibility Licence** – provides a developer with up to five years to explore the area, finalise project designs, conduct consultation, demonstrate safety and environmental management, and the exclusive right to seek a Commercial Licence over the licence area;
- a **Commercial Licence** – provides the rights to construct, test, commission, operate and decommission a project in the licence area for an initial term of up to 30 years;
- a **Non-Commercial Licence** – provides the right to pre-commercial seismic exploration or to demonstrate innovative offshore clean energy (such as wave or tidal projects) for up to 10 years. This licence does not lead to a Commercial Licence; and
- **Transmission or other Infrastructure Permit** – is a non-exclusive permit to be granted in conjunction with a commercial or non-commercial licence to build offshore infrastructure such as offshore energy sub-stations.

Given its experience in regulating offshore petroleum exploration, production and greenhouse gas activities, it is proposed that the National Offshore Petroleum Safety and Environmental Management Authority will regulate the new industry. Two information sessions regarding the Proposal have been scheduled – the first was held in Perth on 10 February 2020, and there is an upcoming session in Melbourne on 20 February 2020, 10:30am – 12:30pm (register [here](#)).

Feedback on the Proposal is due **28 February 2020**. Read more [here](#) and [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

For further information please contact:



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Allens > < Linklaters

**Andrew Mansour**

Partner  
Sydney  
T +61 2 9230 4552  
[Andrew.Mansour@allens.com.au](mailto:Andrew.Mansour@allens.com.au)

**Anna Collyer**

Partner  
Melbourne  
T +61 3 9613 8650  
[Anna.Collyer@allens.com.au](mailto:Anna.Collyer@allens.com.au)

**John Greig**

Partner  
Brisbane  
T +61 7 3334 3358  
[John.Greig@allens.com.au](mailto:John.Greig@allens.com.au)

**Andrew Pascoe**

Partner  
Perth  
T +61 8 9488 3741  
[Andrew.Pascoe@allens.com.au](mailto:Andrew.Pascoe@allens.com.au)



# National Electricity Rules

## Rule Change Requests

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
New rule change requests (since last updated 1 December 2019)					
Minor changes 2020	AEMC	16 January 2020	Consultation on rule change request	13 February 2020	<p>This rule change request seeks to correct minor errors and make non-material changes to the NER.</p> <p>This rule change request is being considered under the expedited process and all objections to the expedited process must be received by the AEMC by 30 January 2020. Submissions on the proposed rule change are due 13 February 2020.</p> <p>Read more <a href="#">here</a>.</p>
Minor changes 2020 (retail)	AEMC	16 January 2020	Consultation on rule change request	13 February 2020	<p>This rule change request seeks to correct minor errors and make non-material changes to the NER.</p> <p>This rule change request is being considered under the expedited process and all objections to the expedited process must be received by the AEMC by 30 January 2020. Submissions on the proposed rule change are due 13 February 2020.</p> <p>Read more <a href="#">here</a>.</p>
Existing rule change requests (as at last update 1 December 2019)					
Victorian jurisdictional derogation – RERT contracting	The Honourable Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change, Minister for Solar Homes	24 October 2019	Consultation on draft determination	Deadline passed (30 January 2020)	<p>This rule change request seeks to implement a jurisdictional derogation for Victoria for a period of 5 years until 30 June 2025 that would allow AEMO to contract for emergency services under the reliability and emergency reserve trader (<b>RERT</b>) mechanism on a multi-year basis in Victoria.</p> <p>This rule change request has been proposed to address an expected short-term reliability problem in Victoria – in particular, a heightened risk of load shedding being forecast for the 2019-2020 Summer. The rule change request seeks to allow AEMO to enter into multi-year contracts on a temporary basis to enable AEMO to procure a greater volume of RERT contracts and, accordingly, procure additional emergency reserves ahead of forecast peaks over the coming years.</p> <p>This rule change is being considered under the expedited process.</p>

					<p>On 19 December 2019 the AEMC published a draft determination on the rule change request. Submissions on the draft determination were due 3 January 2020. The final rule is expected to be published on 12 March 2020.</p> <p>Read more <a href="#">here</a>.</p>
Primary frequency response requirements	Dr Peter Sokolowski	19 September 2019	Consultation on draft determination	13 February 2020	<p>In response to the deterioration of control of power system frequency in the NEM, this rule change request seeks to amend the NER to improve frequency control and system security. 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 AEMO (see below, Mandatory primary frequency response and Removal of distinctives to primary frequency response). These rule change requests build on previous work, including:</p> <ul style="list-style-type: none"> <li>the AEMC's Frequency control frameworks review; and</li> <li>AEMO's Final report – Queensland and South Australian system separation.</li> </ul> <p>This rule change request seeks to make the following changes to the NER to improve the security of the power system:</p> <ul style="list-style-type: none"> <li>clarify that AEMO is responsible for improving system security;</li> <li>include a mandatory requirement for registered generators to provide primary frequency response (PFR) outside of a deadband no greater than <math>\pm 0.025\text{Hz}</math> either side of 50Hz;</li> <li>remove disincentives to the provision of PFR;</li> <li>clarify that a generator must control its output for both dispatch instructions and local frequency; and</li> <li>amend the clauses relating to inertia and inertia support service to ensure they accommodate new technologies that are designed to help control frequency (for example, fast frequency response from inverter connected plant).</li> </ul> <p>On 19 December 2019, the AEMC consolidated this rule change request and the Mandatory primary frequency response rule change request (below), and published a draft determination and draft rule. Submissions on the draft determination and draft rule are due 13 February 2020.</p> <p>Read more <a href="#">here</a>.</p>
Removal of	Australian	19 September	Preparation of	Deadline	This rule change request seeks to amend the NER to address perceived



disincentives to primary frequency response	Energy Market Operator	2019	draft determination	passed (31 October 2019)	<p>disincentives to the voluntary provision of PFR 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 (see above and below respectively, Mandatory primary frequency response and Primary frequency response requirement).</p> <p>This rule change 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 disincentives to the voluntary provision of PFR (for example, 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>Read more <a href="#">here</a>.</p>
Mandatory primary frequency response	Australian Energy Market Operator	19 September 2019	Consultation on draft determination	13 February 2020	<p>This rule change request seeks to restore effective frequency control in the NEM by introducing a mandatory obligation for all scheduled and semi-scheduled generating units to help control power system frequency. 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 (see above, Removal of disincentives to primary frequency response during normal operation and Primary frequency response requirement).</p> <p>AEMO is seeking this rule change because AEMO is increasingly unable to control frequency in the NEM under normal operating conditions due to reduced frequency responsiveness from generation, and the tools currently available to AEMO cannot effectively control frequency on an ongoing basis.</p> <p>This rule change seeks to:</p> <ul style="list-style-type: none"> <li>• re-establish effective control of power system frequency in line with international practice;</li> <li>• increase the resilience of the power system to disturbances; and</li> <li>• improve the predictability of frequency response from generation to power system disturbances to support power system planning and modelling.</li> </ul> <p>This rule change would create a significant change to the frequency control</p>

					<p>arrangements that have been in place since 2001. However, AEMO considers that there is an urgent need to restore effective frequency control in the NEM.</p> <p>On 19 December 2019, the AEMC consolidated this rule change request and the Primary frequency response requirements rule change request (above), and published a draft determination and draft rule. Submissions on the draft determination and draft rule are due 13 February 2020.</p> <p>Read more <a href="#">here</a>.</p>
System restart services, standards and testing	Australian Energy Market Operator, Australian Energy Regulator	19 September 2019	Consultation on draft determination	20 February 2020	<p>This rule change request is a consolidation of the following two rule change requests relating to System Restart Ancillary Services (<b>SRAS</b>):</p> <ul style="list-style-type: none"> <li>AEMO's rule change request seeking to incentivise the provision of both system restart and restoration support capabilities, and intending to facilitate more extensive testing to verify the viability of system restart paths, increasing the level of assurance that system restoration will succeed, submitted on 29 July 2019; and</li> <li>AER's rule change request seeking to provide clarity and transparency about the roles and responsibilities of parties involved in responding to a major supply disruption, particularly in respect of information provision and communication protocols relating to SRAS, submitted on 6 September 2019.</li> </ul> <p>They are being considered as a single request under a single name.</p> <p>The rule change requests both relate to the broader work of the AEMC through its <a href="#">Review of the South Australian Black system event</a>, that is considering 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>On 19 December 2019, the AEMC published a draft determination on these rule change requests. Submissions on the draft determination are due 20 February 2020. The final determination is due to be published in April 2020.</p> <p>Read more <a href="#">here</a>.</p>
System restart services procedures	Australian Energy Regulator	19 September 2019	Consultation on draft determination	20 February 2020	<p>This rule change request has been consolidated with a request by AEMO regarding system restart and restoration support capabilities (above). They are being considered as a single request.</p> <p>For details refer to System restart services, standards and testing (above).</p>

					Read more <a href="#">here</a> .
Introduction of metering coordinator planned interruptions	Chair of the Competitive Industry Metering Group (sub-branch of Master Electricians Australia)	29 August 2019	Consultation on draft determination	13 February 2020	<p>This rule change request seeks to amend the NER and NERR to allow metering coordinators to arrange planned interruptions of electricity supply for any electricity customer, regardless of the customer's retailer, for the purposes of installing, maintaining, repairing or replacing an electricity meter.</p> <p>Under the proposed rule, metering coordinators will be able to interrupt supply provided that they have obtained consent from the affected customers or given four business days' notice. The purpose of the rule change request is to reduce delays in installing or undertaking maintenance on meters.</p> <p>On 19 December 2020, the AEMC published a consultation paper on this rule change request. Submissions on the draft determination are due 13 February 2020.</p> <p>Read more <a href="#">here</a>.</p>
Regulating conditional discounting	Federal Minister for Energy & Emissions Reduction	1 August 2019	Consultation on draft determination	Deadline passed (16 January 2020)	<p>This rule change request seeks to amend the NER to regulate conditional discounting practices by energy retailers. This rule change request is based on recommendation 33 of the Australian Competition and Consumer Commission's Retail Pricing Inquiry.</p> <p>Currently, excessive penalties are applied to customers who do not meet the conditions of their discount. This results in those customers paying the highest prices in the market. By restricting the discount to the reasonable cost savings that a retailer would expect to make if a customer satisfies the conditions attached to the discount, the rule change seeks to:</p> <ul style="list-style-type: none"> <li>• remove the excessive penalties applied to customers (particularly vulnerable customers) who do not pay their bill before the due date; and</li> <li>• ensure that market offers can be compared as a result of simplifying and reducing conditional discounts.</li> </ul> <p>On 21 November 2019, the AEMC published a draft determination making a more preferable draft rule to cap conditional discounting practices. Submissions on the draft determination were due 16 January 2019.</p> <p>Read more <a href="#">here</a>.</p>
Improving transparency and	ERM Power	18 July 2019	Preparation of final	Deadline passed (9	This rule change request seeks to amend the NER to improve the transparency and accuracy of Medium-term Projected Assessment of System Adequacy ( <b>MT PASA</b> )



extending duration of MT PASA			determination	January 2020)	<p>as well as extend the duration by a period of twelve months in order to make it three years.</p> <p>The NER requires AEMO to administer Projected Assessment of System Adequacy (<b>PASA</b>) for both short and medium term processes. The MT PASA currently assesses adequacy over a two year period by regularly assessing any projected failure to meet the reliability standard.</p> <p>The rule change request proposes a number of amendments, such as:</p> <ul style="list-style-type: none"> <li>• requiring AEMO to include individual scheduled generating unit availability data for each region (as opposed to aggregate generating availability only);</li> <li>• requiring AEMO to have specific regard to current forecast for weather conditions in the near-term three-month period when preparing forecast demand information; and</li> <li>• extending the duration of the MT PASA timeframe from two years to three years.</li> </ul> <p>On 24 October 2019, the AEMC published a draft determination making a more preferable draft rule. Submissions on the draft determination were due 9 January 2020.</p> <p>Read more <a href="#">here</a>.</p>
Transmission loss factors	Adani Renewables	6 June 2019	Preparation of final determination	Deadline passed (16 January 2020)	<p>This rule change request has been consolidated with another request by Adani Renewables regarding loss factor frameworks (below). They are being considered as a single request under a single name.</p> <p>The consolidated rule change request seeks to amend the NER in order to:</p> <ul style="list-style-type: none"> <li>• redistribute the allocation of the intra-regional settlement residue (<b>ISRS</b>) so it applies equally between generators and networks users; and</li> <li>• change the calculation methodology for the marginal loss factor (<b>MLF</b>) to an average loss factor methodology.</li> </ul> <p>Adani contends that generators and transmission network customers should share the ISRS due to issues with accuracy in the calculations of the loss factors. If generators share the ISRS, then the distribution of funds would result in less losses for generators, more competitive generation bidding and lower prices for customers.</p> <p>Similarly, in relation to the MLF calculating methodology, Adani contends that it is 'outdated and no longer fit for purpose' due to high inaccuracies.</p>

					<p>On 6 June 2019, the AEMC published a consultation paper on this rule change request. Additionally, the AEMC held a workshop for stakeholders on the operation of the transmission loss framework on 4 July 2019. Submissions on the consultation paper were due 18 July 2019.</p> <p>On 14 November 2019 the AEMC published a draft determination making a more preferable draft rule. Submissions on the draft determination were due 16 January 2020.</p> <p>Read more <a href="#">here</a>.</p>
Loss factor frameworks	Adani Renewables	6 June 2019	Preparation of final determination	Deadline passed (16 January 2020)	<p>This rule change request has been consolidated with another request by Adani Renewables regarding Transmission loss factors (above). They are being considered as a single request.</p> <p>For details refer to Transmission loss factors rule change request (above).</p> <p>Read more <a href="#">here</a>.</p>
Short term forward market	AEMO	11 April 2019	Consultation on draft determination	6 February 2020	<p>This rule change request seeks to amend the NER to introduce a voluntary short term forward market (<b>STFM</b>) that would allow participants to contract for electricity in the week leading up to dispatch. This request is based on the AEMC's recommendation in the 2018 Reliability Frameworks Review.</p> <p>The introduction of the STFM seeks to give participants more price certainty and enable greater levels of demand side response.</p> <p>The STFM would function as follows:</p> <ul style="list-style-type: none"> <li>• AEMO would be the market operator;</li> <li>• the STFM would operate alongside the NEM;</li> <li>• the market would involve the trade of standardised short term electricity contracts on a daily basis between participants;</li> <li>• trading would take place on a rolling basis from a day ahead of the trading day and up to seven days in advance; and</li> <li>• participation would be voluntary.</li> </ul> <p>On 12 December 2020, the AEMC published a draft determination on this rule change request. Submissions on these proposed changes are due 6 February 2020.</p> <p>Read more <a href="#">here</a>.</p>
Wholesale	Public Interest	15 November	Preparation of	Deadline	<p>This rule change request seeks to amend the NER and NERR to introduce a</p>

demand response mechanism	Advocacy Centre, Total Environment Centre, The Australia Institute	2018	final determination	passed (12 September 2019)	<p>wholesale demand response mechanism, responding to one of the recommendations from the AEMC's recent Reliability Frameworks Review. The proposed change would create a new category of market participant, a Demand Response Service Provider (<b>DSRP</b>), which would submit demand response offers to the wholesale market that would be scheduled in a manner similar to bids from generators. The DSRP would receive the spot price for the reduction in demand which it would then share with its customers.</p> <p>On 15 November 2018, the AEMC published a single consultation paper covering this rule change request and two other recent requests relating to wholesale demand response (described below).</p> <p>The AEMC published a draft determination on 18 July 2019. Submissions on the draft determination were due 12 September 2019.</p> <p>Read more <a href="#">here</a>.</p>
Wholesale demand response register mechanism	Australian Energy Council	15 November 2018	Preparation of final determination	Deadline passed (12 September 2019)	<p>On 18 July 2019, the AEMC consolidated this rule change request with:</p> <ul style="list-style-type: none"> <li>the 'Wholesale demand response mechanism' rule change request; and</li> <li>the 'Mechanisms for wholesale demand response' rule change request.</li> </ul> <p>They are being considered as a single request.</p> <p>For details, refer to 'Wholesale demand response mechanism' (above).</p> <p>Read more <a href="#">here</a>.</p>
Mechanisms for wholesale demand response	South Australian Minister for Energy	15 November 2018	Preparation of final determination	Deadline passed (12 September 2019)	<p>On 18 July 2019, the AEMC consolidated this rule change request with:</p> <ul style="list-style-type: none"> <li>the 'Wholesale demand response mechanism' rule change request; and</li> <li>the 'Wholesale demand response register mechanism' rule change request.</li> </ul> <p>They are being considered as a single request.</p> <p>For details, refer to 'Wholesale demand response mechanism' (above).</p> <p>Read more <a href="#">here</a>.</p>

## Rule Changes: recent and not yet commenced

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Final rule determinations (since last update 1 December 2019)				
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>RRN</b>) test set out in clause 3.9.3(d) of the NER.</p> <p>This rule change was considered under the expedited process, and was considered together with AEMO's rule change request in respect of the thresholds to apply following intervention events. For more details, see the "Threshold for participant compensation following market intervention" rule below.</p> <p>Read more <a href="#">here</a>.</p>
Reducing customers' switching times	19 December 2019	NERR 2019 No. 2	19 December 2019	<p>This rule amends the NER and NERR to reduce customer switching times, in support of AEMO's 'proposed high level design for a timely and improved customer transfer process and changes to its procedures'.</p> <p>Requirements for retailers and other parties to undertake and complete a retail customer transfer are contained within AEMO's Market Settlement and Transfer Solutions (<b>MSATS</b>) Customer Administration and Transfer Solutions (<b>CATS</b>) procedures. AEMO has authority to amend these procedures and this rule clarifies existing obligations under the NER and NERR to support its proposed changes to the MSATS CATS procedures.</p> <p>The rule (amongst other things):</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<ul style="list-style-type: none"> <li>amends the retail standard terms and conditions to allow customers of all types to transfer;</li> <li>removes outdated requirements in the customer transfer process;</li> <li>amends procedures in the NER in relation to metering roles and meter churn. These amendments are to support an amendment to the MSATS CATS procedures to ensure that the retailer role can only be nominated to change as of the customer transfer date (this removes the ability for parties to object, delay or prevent a customer transfer from occurring due to a role nomination); and</li> <li>removes ambiguity regarding the appointment of metering coordinates by financially responsible participants.</li> </ul> <p>Read more <a href="#">here</a> and <a href="#">here</a>.</p>
Application of the Regional Reference Node Test to the Reliability and Emergency Reserve Trader	20 December 2019 1 July 2021	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>
Threshold for participant	20 December 2020	NER 2019 No. 12	19 December 2019	<p>This rule amends the NER to vary the application of the threshold that applies to compensation payable for an intervention event period, as opposed to a trading</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
compensation following market intervention				<p>interval.</p> <p>Prior to this rule change, a \$5000 threshold applied per trading interval for compensation adjustments and claims made that are made by affected participants and directed participants. In the event that there was a long intervention event, the compensation amount could exceed \$5000 but not meet the \$5000 threshold for a trading interval. In recognition of this, the new threshold will apply to an intervention event as opposed to a trading interval.</p> <p>The rule change 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>
Other rules not yet commenced				
Minor changes 2019 (retail)	21 November 2019 19 March 2020	NERR 2019 No. 1	21 November 2019	<p>This rule corrects minor errors and make non-material changes to the NERR.</p> <p>The changes to Parts 2, 3, 6 and 7 of the NERR commenced on 21 November 2019, and the changes to Schedules 2 and 3 will commence on 19 March 2020.</p> <p>Read more <a href="#">here</a>.</p>
Five minute settlement and global settlement implementation amendments	12 August 2019 (amendments to the spot market operations timetable and transitional arrangements)  1 July 2021 (commencement of the 5 minute settlement rule)  6 February 2022 (commencement of the Global settlement and market reconciliation)	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 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 6 February 2022. This rule change provides that every retailer is billed for the loss-adjusted metered electricity that is consumed within their area by customers. Currently, only the local retailer is billed for this.</li> </ul> <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</li> </ul>



Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
	rule)			<p>amended as part of the transitional arrangements for five minute settlement.</p> <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>Read more <a href="#">here</a>.</p>
Intervention compensation and settlement processes	30 May 2019 21 July 2021	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. This is a consolidated rule change request that incorporates two rule change requests by AEMO.</p> <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;</li> <li>• aligning the compensation timetable for all interventions with the settlement</li> </ul>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>table.</p> <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 6 February 2022	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>The rule adopts a soft start of global settlement on 1 July 2021 alongside the full commencement of five minute settlement (described below). Global settlement will fully commence on 6 February 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 1 July 2021	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 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. The rule applies differently between meter specifications. Types 1, 2 and 3 meters will need to record and provide five minute data from 1 July 2021. With certain exceptions, data from types 4, 4A, 5 and 6 meters that have already been installed will be profiled to five minute intervals by AEMO. From 1 December 2018 and 1 December 2019 all new or replaced type 4 and type 4A meters, respectively, have been required to provide five minute data.</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>The rule provides for a transition period starting on 19 December 2017 and coming into full effect on 1 July 2021.</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 (as at last update 1 December 2019)					
There have been no new rule change requests since the last update.					
Existing rule change requests (as at last update 1 December 2019)					
Application of constraints in the declared transmission system	AEMO (on behalf of EnergyAustralia)	14 March 2019	Preparation of final determination	Deadline passed (24 October 2019)	<p>On 14 March 2019, the AEMC consolidated this rule change request with the 'DWGM simpler wholesale price' rule change request. They are being considered as a single request.</p> <p>For details, refer to 'DWGM simpler wholesale price' (below).</p> <p>Read more <a href="#">here</a>.</p>
DWGM simpler wholesale price	Victorian Minister for Energy, Environment and Climate Change	14 March 2019	Preparation of final determination	Deadline passed (24 October 2019)	<p>On 14 March 2019, the AEMC consolidated this rule change request with the 'Application of constraints in the declared transmission system' rule change request (above). They are now being considered as a single rule change request.</p> <p>This consolidated rule change request seeks to simplify wholesale gas prices for the Victorian Declared Wholesale Gas Market (<b>DWGM</b>) by amending the NGR to:</p> <ul style="list-style-type: none"> <li>change the method for recovering congestion uplift payments (by replacing the current cost to cause methodology with a pro rata method for spreading the payments across market participants);</li> <li>decouple the cost of congestion from the authorised maximum daily quantity (<b>ADMQ</b>) regime, which will assist in simplifying current market processes; and</li> <li>enable physical constraints on scheduled withdrawals to be represented in AEMO's pricing schedule.</li> </ul> <p>AEMO and the Minister seek these changes to uplift payments on the basis that the current methodology for calculating these payments is acting as a barrier to effective risk management and trade due to the current regime's complexity and ineffective allocation of cost and risk.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>The AEMC is considering this rule change request in conjunction with the 'DWGM improvement to ADMQ regime' and 'DWGM forward trading market' rule change requests (see below).</p> <p>The AEMC held a public workshop on 16 May 2019 on the three rule change requests that relate to the Victorian DWGM. Slides from the workshop are available <a href="#">here</a>.</p> <p>On 5 September 2019, the AEMC published a draft determination and draft rule. Submissions on the draft determination were due 24 October 2019.</p> <p>Read more <a href="#">here</a>.</p>
DWGM improvement to AMDQ regime	Victorian Minister for Energy, Environment and Climate Change	14 March 2019	Preparation of final determination	Deadline passed (24 October 2019)	<p>This rule change request seeks to improve the Authorised Maximum Daily Quantity (<b>AMDQ</b>) regime by making it easier for participants to trade and allocate pipeline capacity rights in the Victorian Declared Wholesale Gas Market (<b>DWGM</b>).</p> <p>Based on the AEMC's recommendations as set out in its final report of the DWGM Review, the request seeks to:</p> <ul style="list-style-type: none"> <li>introduce separate, tradeable entry and exit AMDQ rights;</li> <li>introduce an exchange to improve secondary trading of AMDQ rights and benefits; and</li> <li>make AMDQ available for a range of different tenures.</li> </ul> <p>The Minister seeks this rule change on the basis that the existing AMDQ regime is overly complex, does not provide firm capacity rights and creates a number of restrictions on the ability of market participants to trade AMDQ.</p> <p>The AEMC is considering this rule change request in conjunction with the 'DWGM simpler wholesale price' and 'DWGM improvement to ADMQ regime' rule change requests (see above).</p> <p>The AEMC held a public workshop in Melbourne on 16 May 2019 on the three rule change requests that relate to the Victorian DWGM.</p> <p>On 5 September 2019, the AEMC published a draft determination and rule. Submissions on the draft determination and rule were due 24 October 2019. The final determination is due to be released 12 March 2020.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					Read more <a href="#">here</a> .

### Rule Changes: recent and not yet commenced

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Final rule determinations (since last update 1 November 2019)				
There have been no final rule determinations since the last update.				
Other rules not yet commenced				
There are no rules that have not yet commenced.				



## Disclaimer

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