



# National Electricity and Gas Rules Update 2018

October 2018 | Rule changes as at 1 November 2018

## National Electricity Rules

There was one new rule change request in the month of October which would correct minor non-material errors in the NER.

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

There have also been no new draft determinations.

## National Energy Retail Rules

There was one new rule change request in the month of October. This minor rule change would clarify the application of existing NERR restrictions on a retailer's rights to de-energise dual gas and electricity customers.

There has been one new final determination since the last Update. This rule change will allow customers to submit a self-read of their meter to their retailer in the event they receive a bill based on an inaccurate estimate of their consumption.

There have been no new draft determinations published since the last Update.

## National Gas Rules

There were no new rule change requests in the month of October.

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

## Opportunities for Stakeholders

**NER** – Submissions are due on 29 November 2018 for the draft rule determination relating to enhancement of the Reliability and Emergency Reserve Trader framework.

## Energy Reform

In August 2018, the AEMC initiated the review *Updating the regulatory framework for embedded networks (Current Review)*. This follows on from the *Review of regulatory arrangements for embedded networks*, completed in December 2017 (**2017 Review**).

The 2017 Review was prompted by the significant growth in the number and scope of embedded networks across the NEM. It found that the current exemptions framework, whereby embedded networks are typically exempted from having to register as a network service provider or be authorised as a retailer, is no longer fit for purpose and causes embedded network customers to receive a lesser level of consumer protections than standard customers.

Through the Current Review, the AEMC intends to develop a package of changes to the National Electricity Law, National Energy Retail Law, National Electricity Rules, National Energy Retail Rules and any other relevant regulatory instruments that will best implement the regulatory approach recommended in the 2017 Review. The scope of these changes will include:

- making more embedded network customers market facing and standardising network billing arrangements, to improve access to retail market competition;
- increasing registration of embedded network service providers and the authorisation of on-selling retailers, to bring new embedded networks into national regulatory frameworks; and
- addressing regulatory gaps for retail customers in embedded networks to improve consumer protections.

The AEMC intends to publish a draft report in late 2018, with the final report being published by 31 May 2019. Those interested in the outcomes of the Current Review should keep an eye out for opportunities to participate in the AEMC's public consultation process.

For more information, see [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 & National Energy Retail Rules

## Rule Change Requests

Rule Name	Proponent	Lodgement Date	Stage	Deadline for Submissions	Summary of Request
New rule change requests					
National Electricity Amendment (Minor Changes 2) Rule 2018 (electricity Rule)	AEMC	4 October 2018	Initiation	Deadline passed (1 November 2018)	<p>The AEMC self-initiated a rule change request to correct minor non-material errors that currently exist in the NER. These corrections include a change to the definition of 'jurisdictional regulator' in clause 8.12(a) of the NER to include the Tasmanian regulator and updates to reflect the <i>National Electricity (South Australia) Regulations</i>.</p> <p>The AEMC considers the proposed rules fall within the definition of a non-controversial rule under section 87 of the NEL and consequently are eligible for an expedited period of consultation. A final determination is due no later than 29 November 2018.</p> <p>For more information, see <a href="#">here</a>.</p>
National Energy Retail Amendment (Minor Changes 2) Rule 2018 (retail Rule)	AEMC	4 October 2018	Initiation	Deadline passed (1 November 2018)	<p>The AEMC self-initiated a rule change request to clarify its existing position on when the NERR restrictions on a retailer's right to de-energise a dual gas and electricity customer apply.</p> <p>The AEMC considers the proposed rules fall within the definition of a non-controversial rule under section 87 of the NEL and consequently are eligible for an expedited period of consultation. A final determination is due no later than 29 November 2018.</p> <p>For more information, see <a href="#">here</a>.</p>
Existing rule change requests					
Enhancement to the Reliability and Emergency Reserve Trader	AEMO	9 March 2018	Preparation of draft determination	29 November 2018 (deadline revised from	<p>AEMO submitted a rule change request to the AEMC proposing broad changes to the design of the Reliability and Emergency Reserve Trader (<b>RERT</b>) framework. These changes include a longer time horizon for procuring RERT contracts prior to identified shortfalls, redesign of the RERT trigger and the introduction of</p>

Rule Name	Proponent	Lodgement Date	Stage	Deadline for Submissions	Summary of Request
				26 July 2018)	<p>standardised RERT products.</p> <p>On 21 June 2018, the AEMC issued a consultation paper on the rule change request with an options paper following on 18 October 2018. The AEMC is holding a stakeholder workshop on Monday 12 November 2018 in Sydney.</p> <p>The deadline for submissions on the paper has been extended to 29 November 2018 with the draft determination to be made sometime before 31 January 2019. For more information, see <a href="#">here</a>.</p>
Global Settlement and Market Reconciliation	AEMO	16 March 2018	Consultation on request for rule change	Deadline passed (25 October 2018)	<p>On 30 August 2018, the AEMC published a draft determination and draft rule for this request. The draft rule introduces a new framework for settling the demand side of the wholesale National Electricity Market, using a 'global settlement' framework instead of the current 'settlement by differencing' approach. Key difference between the draft rule and AEMO's rule request include the treatment of unaccounted for energy, virtual transmission nodes and the accounting of energy associated with unmetered loads. The draft rule would commence at the same time as the 'five minute settlement' rule (1 July 2021).</p> <p>Submissions on the draft determination and draft rule were due by 25 October 2018. A final determination is expected by 6 December 2018.</p> <p>For more information, see <a href="#">here</a>.</p>
Metering installation timeframes	Hon Josh Frydenberg MP, Minister for the Environment and Energy on behalf of Australian Government; the Australian Energy Council	1 March 2018 5 May 2018	Consultation on Draft Determination	Deadline passed (25 October 2018)	<p>This proposed change aims to protect small customers who, as a result of rule changes which commenced on 1 December 2017, are entitled to receive new Type 4 meters from their retailer. The request includes amendments to the NER and the NERR to require retailers to provide small customers with new meters on the date agreed by the customer, or otherwise within 6 business days, as well as other changes to timeframes for repairing faulty meters and notifying customers of planned interruptions, etc.</p> <p>On 13 September 2018, the AEMC published a draft determination and draft rule for this rule change request. A stakeholders workshop was held on 12 October 2018 to discuss the draft rule. Submissions on the draft determination and draft rule were due by 25 October 2018 with final determination expected by 6 December 2018.</p> <p>For more information, see <a href="#">here</a>.</p>



Rule Name	Proponent	Lodgement Date	Stage	Deadline for Submissions	Summary of Request
Strengthening protections for customers in hardship	AER	21 March 2018	Preparation of final determination	Deadline passed (18 October 2018)	<p>This rule change would allow for the development of a Customer Hardship Policy Guideline by the AER. This would provide industry with direction on how to apply the minimum requirements for hardship policies contained in the NERR, which would also enable clearer regulatory oversight of retailer compliance.</p> <p>On 6 September 2018, the AEMC published a draft determination and draft rule for this rule change request. Submissions on the draft determination and draft rule were due by 18 October 2018, however, six late submissions were accepted. A final determination is expected by 15 November 2018.</p> <p>For more information, see <a href="#">here</a>.</p>
Participant compensation following market suspension	AEMO	25 July 2017	Publication of draft determination	Deadline passed (4 October 2018)	<p>The AEMC's draft 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>The draft determination was published by the AEMC on 23 August 2018. Submissions on the draft rule closed on 4 October 2018 however, two late submissions were accepted. A final determination is expected by 15 November 2018.</p> <p>For more information, see <a href="#">here</a>.</p>
Generator three year notice of closure	Dr Kerry Schott AO, Chair of the ESB	6 March 2018	Publication of draft determination	Deadline passed (27 September 2018)	<p>This draft rule would require scheduled and semi-scheduled generators to provide AEMO with at least three years' notice of when they will cease operation. The proposed change stems from one of the recommendations of the Finkel Review and aims to provide market participants with clear and specific information on closure dates so they can better plan for the introduction of new capacity. The AEMC also recommends that the requirement to notify AEMO of closure dates be classified as a civil penalty provision.</p> <p>On 16 August 2018, the AEMC published a draft rule determination on this rule change request. Submissions closed on 27 September 2018, however, one late submission was accepted. A final determination is expected by 8 November 2018.</p> <p>For more information, see <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				
Estimated meter reads	1 February 2019	2018 No. 4	25 October 2018	<p>This rule permits small customers to submit a self-read of their meter to their retailer if they receive a bill that is based on an inaccurate estimate of their energy consumption. Under the NERR, a retailer may, in limited circumstances, base a small customer's bill on an estimation of their energy consumption. This rule reduces a small customer's exposure to over- or under-charging as a result of receiving a bill based on an inaccurate estimate by the retailer. The final determination also recommends new civil penalties if retailers fail to comply with the new rule.</p> <p>The final rule also provides for enhanced customer dispute measures in the NER.</p> <p>For more information, see <a href="#">here</a>.</p>
Other rules not yet commenced				
Advance notice of price changes	1 February 2019	2018 No. 3	27 September 2018	<p>This rule will require electricity and gas retailers to provide their customers with five business days advance notice of price changes. At present, customers must be informed by retailers of changes in the prices they pay for energy no later than their next bill, which for households can be up to three months after a change is made. The purpose of the rule change is to provide customers with sufficient time and information to consider their options prior to a price change taking effect.</p> <p>For more information, see <a href="#">here</a>.</p>
Register of distributed energy resources	1 December 2019	2018 No. 9	13 September 2018	<p>This rule will place an obligation on AEMO to establish, maintain and update a register of distributed energy resources (<b>DER</b>) in the NEM. This follows the identification of gaps in the collection of DER data under the current regulatory mechanisms in AEMO's 2017 report, 'Visibility of Distributed Energy Resources in the National Electricity Market'. Network services providers will also be required to request specific DER information from their customers and provide this to AEMO in accordance with AEMO-established guidelines. The main objective of this rule change is to improve power system and network security by providing AEMO with greater visibility over DER.</p> <p>For more information, see <a href="#">here</a>.</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Minor changes (retail)	10 April 2018 1 February 2019	2018 No. 1	3 April 2018	<p>This AEMC-initiated rule corrects minor and non-material errors in the NERR, including formatting and typographical errors and the deletion of redundant definitions. The rule further inserts notes for each new civil penalty provision in the NERR as a result of the <i>National Energy Retail (Civil Penalties) Variation Regulations 2017</i>. Associated minor changes to the NER have already commenced.</p> <p>For further information, see <a href="#">here</a>.</p>
Strengthening protections for customers requiring life support equipment	1 February 2018 1 February 2019	2017 No. 3	19 December 2017	<p>This rule amends the NERR to provide greater protection from de-energisation to life support customers who have not validly registered with the NERR. The changes entitle customers to life support protections from the time they first inform either their retailer or distributor of their status as life support customer. It also contains amendments which alter the minimum requirements for retailers and distributors to register and deregister customers for life support protections. Further, the rule change clarifies the role of retailers and distributors with regards to the registration, medical confirmation and deregistration processes.</p> <p>For further information, see <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.</p> <p>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 type 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 will need to provide five minute data, respectively.</p> <p>The rule provides for a transition period starting on 19 December 2017 and coming into full effect on 1 July 2021.</p> <p>For further information, see <a href="#">here</a>.</p>



# National Gas Rules

## Rule Change Requests

Rule Name	Proponent	Lodgement Date	Stage	Deadline for Submissions	Summary of Request
New rule change requests since last Update					
No new rule change requests.					
Existing rule change requests					
No existing rule change requests.					



## Rule Changes: recent and not yet commenced

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Final rule determinations since last Update				
No final rule determinations.				
Other rules not yet commenced				
Gas day harmonisation	1 April 2021	2017 No. 2	16 February 2017	<p>This rule amends the NGR to implement a recommendation of the AEMC <a href="#">Stage One Final Report</a> on the East Coast Wholesale Gas Market and Pipeline Frameworks Review, relating to its proposal to harmonise the gas day start time of the eastern Australian facilitated gas markets.</p> <p>From 1 April 2021, a single definition of 'gas day' will apply, bringing the gas day start times in the Short Term Trading Markets and the Wallumbilla Gas Supply Hub into conformity with the Victorian Declared Wholesale Gas Market. The 'gas day' is a 24 hour period during which gas flows are measured. The purpose of this amendment is to remove unnecessary complexities and inconsistencies between the different markets to incentivise inter-regional trade and reduce compliance costs.</p> <p>The commencement date of the rule has been set to coincide with the expected completion of the integration of the east coast gas markets.</p> <p>For more information, see <a href="#">here</a>.</p>

## Disclaimer

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