



# National Electricity and Gas Rules

## Update 2025

### Introduction

This document outlines all rule change requests for the National Electricity Rules (the **NER**) and the National Energy Retail Rules (the **NERR**) (in section 1) and the National Gas Rules (the **NGR**) (in section 2) currently under consideration by the Australian Energy Market Commission (the **AEMC**), as well as completed rule changes regarding which the final rule has not yet commenced in full. The status of each proposed rule is regularly updated on the AEMC's 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 that are part of the National Energy Customer Framework (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.

The NER and NERR

New rule change requests	Clarifying registration for non-generating units providing system security services (NER) Integrated distribution system planning (NER) Establishing a regulatory framework for gas disconnections and permanent abolishment (NERR) Updating the regulatory framework for gas connections (NERR)
Completed rule changes	Improving consumer confidence in retail energy plans Assisting hardship customers  Allowing the Australian Energy Market Operator (AEMO) to accept cash as credit support

The NGR

New rule change requests	Establishing a regulatory framework for gas disconnections and permanent abolishment Updating the regulatory framework for gas connections
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Opportunities for stakeholders

Due by	Opportunities for submissions
24 July 2025	Integrated distribution system planning
31 July 2025	Improving the ability to switch to a better offer
7 August 2025	ECGS Notice of closure for gas infrastructure Efficient provision of inertia

Energy reform

Frequency Performance Payments scheme made live across AEMO's wholesale systems

On 8 June 2025, the Frequency Performance Payments (FPP) non-financial operation period ended and the FPP scheme was officially made live across AEMO's wholesale systems. This marks the completion and full implementation of the AEMC's 'Primary frequency response incentive arrangements' Rule Change dated 8 September 2022 (see [here](#)).

A shift from penalties to performance-based incentives

For the electricity system to operate safely and effectively, it must operate within the Frequency Operating Standard (which is ~50Hz). Frequency control ancillary services (FCAS) are used to minimise deviations from this Frequency Operating Standard. Previously, the cost of Regulation FCAS was allocated via a 'Causer Pays' model, whereby units with a less helpful frequency impact were penalised, and units with a more helpful frequency impact could avoid penalties (but could not receive a reward for positive contributions).

The FPP scheme introduces a more transparent, double-sided mechanism of penalties and incentive payments that incentivises market participants in real time to reduce their impact on system frequency (which, in turn, encourages grid stability). The FPP mechanism calculates five-minute Contribution Factors (CFs) for each unit, based on the deviation in performance of that unit from its Reference Trajectory. These CFs determine the share of Regulation FCAS costs or payments each participant receives. This real-time, data-driven approach ensures that costs are allocated more fairly and efficiently based on actual system impact. Ultimately, market participants whose assets help stabilise frequency receive FPPs, while those that contribute to instability bear a proportionate share of the costs. Importantly, the system is zero-sum: the total payments equal the total costs.

Market participants can improve the alignment of a unit's behaviour with its Reference Trajectory through capital investment in co-located firming technology and improving the accuracy of self-forecasting (eg including greater headroom in its output forecasting). In doing so, a market participant can practically improve frequency stability on the system and benefit from sharing in FPPs, rather than sharing in the costs of Regulation FCAS.

Benefits for the market

The reform is expected to drive more responsive, efficient and transparent frequency control, particularly as the grid transitions to higher proportions of inverter-based resources and consumer energy resources (CER).

The FPP reform marks a significant milestone in the evolution of the National Electricity Market. AEMO will continue to engage with stakeholders and refine the system as needed. Public data and ongoing updates are available through AEMO's FPP project page.

[READ MORE HERE.](#)

# National Electricity Rules and National Energy Retail Rules

## Rule change requests

New rule change requests (since last update, 1 June 2025)

Rule name	Clarifying registration for non-generating units providing system security services
Proponent	CS Energy
Key dates	<a href="#">Initiation date</a> : 5 June 2025 <a href="#">Deadline for submissions</a> : Deadline passed (3 July 2025)
Stage	Consultation on consultation paper

### [Summary of request](#)

This rule change request proposes the introduction of a new participant registration category for non-generating system service providers. It seeks to clarify how participants operating non-generating units, such as stand-alone synchronous condensers, can be registered under the NER to provide essential system security services, including system strength and inertia. CS Energy proposes that participants providing system security services through generating units (including units with a synchronous condenser mode) would continue to be registered as generators under the NER.

The proposed benefits of the rule change request include:

- **(System security and emissions)** supporting improved system security outcomes and reduced greenhouse gas emissions by enabling broader deployment of low-emission system services and increasing the integration of renewable energy sources;
- **(Repurposing existing generators)** facilitating the conversion of retiring synchronous generators (particularly coal-fired power stations) into stand-alone synchronous condensers, which can offer a cost-effective and scalable solution to meet system strength and inertia requirements;
- **(Market efficiency and clarity)** removing ambiguity in the NER regarding the eligibility of non-generating technologies to provide system services, thereby encouraging investment and participation in non-network solutions;
- **(Support for future markets)** ensuring that non-generating technologies are not excluded from current and future market-based procurement mechanisms for system services; and
- **(Expanded access for TNSPs and AEMO)** providing Transmission Network Service Providers and AEMO with access to a broader pool of system service providers, enhancing reliability and reducing the need for conservative operational constraint.

The AEMC has released a consultation paper seeking feedback on CS Energy's proposal, and on an alternative solution—namely, clarifying that the existing Integrated Resource Provider registration category can apply to stand-alone synchronous condensers. Submissions on the consultation paper were due by 3 July 2025

[READ MORE HERE.](#)

Rule name	Integrated distribution system planning
Proponent	Energy Consumers Australia
Key dates	<a href="#">Initiation date:</a> 26 June 2025 <a href="#">Deadline for submissions:</a> 24 July 2025
Stage	Initiation

### [Summary of request](#)

This rule change request proposes amendments to the NER to replace the current Distribution Annual Planning Report (*DAPR*) process with a new Integrated Distribution System Planning (*IDSP*) framework akin to the transmission Integrated System Planning (*ISP*) framework undertaken by AEMO. Energy Consumers Australia considers that the existing distribution network planning processes are not effective to integrate and co-ordinate the significant uptake of CER into the distribution network in the long term.

The proposed amendments include:

- **(Integrated planning requirement):** replacing the five-yearly DAPR with a biennial IDSP, on an alternating cycle to the ISP, to increase the comprehensiveness of distribution planning, and create a more harmonised feedback loop between distribution and transmission planning;
- **(Data use and roadmap)** requiring each distribution network service provider (*DNSP*) to prepare a Network Data and Insights Roadmap that sets out how the DNSP will meet the requirements of the IDSP process over an initial seven-year period. The roadmaps would be first published in July 2027;
- **(Public access and transparency)** mandating greater transparency in relation to network utilisation metrics, including requiring data, modelling and the outputs of that modelling to be made publicly available by 1 July 2027 with increasing detail made available over time;
- **(Additional benchmarking between distributors)** requiring the Australian Energy Regulator (the *AER*) to carry out additional benchmarking of the modelling and methodologies used by DNSPs to prepare their IDSPs, to identify best practice and assess compliance with reporting requirements;
- **(Stakeholder engagement)** requiring DNSPs to engage with consumers, governments and service providers to inform planning and improve resilience; and
- **(Forecasting and hosting capacity)** requiring DNSPs to forecast demand and CER growth over the next 20 years, for the purpose of assessing hosting capacity and constraints, and identifying the areas most in need of energy storage.

The AEMC's consultation paper seeks feedback on 14 questions, including in relation to the shortcomings of the distribution annual planning process, whether there is a lack of consistency between modelling and stakeholder engagement practices across DNSPs, and whether the distribution and transmission planning processes should be integrated. Submissions are due by 24 July 2025.

The AEMC has also extended the timeframe for publishing its draft determination by six months to 19 March 2026, due to the complexity of the issues raised by this rule change request.

[READ MORE HERE.](#)



Rule name	Establishing a regulatory framework for gas disconnections and permanent abolishment (Retail)
Proponent	Justice and Equity Centre
Key dates	<a href="#">Initiation date:</a> 12 June 2025 <a href="#">Deadline for submissions:</a> Deadline passed (10 July 2025)
Stage	Initiation

#### [Summary of request](#)

For further information, please refer to the rule change request with a corresponding title under the National Gas Rules section below. This rule change request (RRC0069) supports consequential changes to the NERR that are required as a result of the main NGR rule change request described below.

Submissions on the joint consultation paper for this rule change request, and the rule change request in respect of the NGR, were due by 10 July 2025.

[READ MORE HERE.](#)

Rule name	Updating the regulatory framework for gas connections (Retail)
Proponent	Energy Consumers Australia
Key dates	<a href="#">Initiation date:</a> 12 June 2025 <a href="#">Deadline for submissions:</a> Deadline passed (10 July 2025)
Stage	Initiation

#### [Summary of request](#)

For further information, please refer to the rule change request with a corresponding title under the National Gas Rules section below. This rule change request (RRC0068) supports consequential changes to the NERR that are required as a result of the main NGR rule change request described below.

Submissions on the joint consultation paper for this rule change request, and the rule change request in respect of the NGR, were due by 10 July 2025.

[READ MORE HERE.](#)

## Existing rule change requests

Rule name	Improving the NEM access standards – Package 2
Proponent	AEMO and Rod Hughes Consulting
Key dates	<a href="#">Initiation date</a> : 8 May 2025 <a href="#">Deadline for submissions</a> : Deadline passed (19 June 2025)
Stage	Consultation on consultation paper

### Summary of request

The AEMC has consolidated three rule change requests relating to improvements to NEM access standards. One rule change request proposed by AEMO seeks amendments to schedule 5.3 of the NER to facilitate the planning and design of large loads in a way that supports future power system security, and the other two rule change requests from Rod Hughes Consulting relate to the conditions for generator protection systems and the definitions applicable to protection system requirements.

The proposed amendments include:

- **(Protections systems for loads)** Creating a new access standard applicable for detection and response to instability for loads and requiring cooperation between NSPs and Schedule 5 participants on the design and implementation of protection system and settings so as to maintain operation in accordance with the performance standards.
- **(System strength)** Permitting owners of high-voltage direct current links to procure system strength under a third party arrangement if they are otherwise unable to operate stably and remain connected at a short circuit ratio of 3.0 or lower;
- **(Testing non-registered participants)** Extending mutual testing and commissioning provisions to allow registered participants to request testing of non-registered Schedule 5 participants whose plant and equipment which may have a material impact on other power system equipment; and
- **(AEMO extension of time)** Allowing an extension of the 12-month window for AEMO's review of the access standards every 5 years under r 5.2.6A due to complexity or a material change in circumstances.

Submissions on the consultation paper are due by 19 June 2025.

[READ MORE HERE.](#)

Rule name	Improving the ability to switch to a better offer
Proponent	The Honourable Chris Bowen, Minister for Climate Change and Energy
Key dates	<a href="#">Initiation date</a> : 6 February 2025 <a href="#">Deadline for submissions</a> : 31 July 2025
Stage	Consultation on draft determination

### Summary of request

This rule change request seeks to reduce the transaction costs associated with consumers switching to a better retail electricity offer, either with their existing retailer or another retailer. The rule change request responds to findings in the ACCC’s *Inquiry into the National Electricity Market* report (December 2023) that 79% of customers are paying more on their energy bills than they could be if they switched to another offer. Under the proposed rule change, the Better Bills Guideline (BBG) would be amended to require retailers to include a streamlined process for switching to a deemed better offer on a customer’s bills.

The draft determination makes a more preferable draft rule, which proposes to:

- increase the scope of the BBG to include communications that are separate from, but relevant to, a customer’s bill; and
- add a sub-rule to the NERR that requires the BBG to include instructions on providing comparison information in retailers’ communications to small customers.

The intent is for customers to be presented with opportunities to switch to a better plan without having to open or engage with their bill. For example, the message would be required to be included in the cover email or cover letter sent by the retailer that accompanies the bill. Under the draft rule, the AER would be required to update the BBG by 30 September 2026 in order to reflect this rule change.

Submissions on the draft determination are due by 31 July 2025.

READ MORE [HERE](#).

Rule name	Improving the application of concessions to bills
Proponent	The Honourable Chris Bowen, Minister for Climate Change and Energy
Key dates	<a href="#">Initiation date</a> : 6 February 2025 <a href="#">Deadline for submissions</a> : Deadline passed (6 March 2025)
Stage	Preparation of draft determination

Summary of request

This rule change request seeks to ensure that consumers receive the concessions and rebates that they may be eligible for by shifting the onus onto retailers to ensure that applicable concessions and rebates are applied. The proposal builds on recommendations from the AER’s November 2023 *Game Changer* report.

The rule change request would require retailers to proactively seek information from consumers in relation to their eligibility for various concessions and rebate schemes when signing up (in addition to retailers’ existing obligations to provide residential customers with information about those schemes). Similar obligations would also apply to existing customers. In addition, the request proposes an ‘information transfer obligation’ that would require retailers to transfer information when a consumer switches retailers, ensuring consumers reapply for concessions and rebates.

The obligations proposed by this rule change request are also being considered by the Victorian Essential Services Commission as part of its review of the Energy Retail Code of Practice.

The AEMC’s consultation paper seeks feedback on:

- the barriers that prevent eligible consumers from receiving concessions and rebates; and
- how retailers could best inform consumers about their eligibility for concessions or rebates.

Submissions on the consultation paper were due by 6 March 2025. The AEMC planned to publish a draft determination on 15 May 2025, however the AEMC has now extended the period of time for making the draft determination to 19 June under section 266 of the NERL

[READ MORE HERE.](#)

Rule name	Real-time data for consumers
Proponent	Energy Consumers Australia
Key dates	<a href="#">Initiation date:</a> 10 October 2024 <a href="#">Deadline for submissions:</a> Deadline passed (20 February 2025)
Stage	Preparation of draft determination

Summary of request

The rule change request proposed by Energy Consumers Australia (*ECA*) recommends the following measures (amongst others) to support the introduction of a right for consumers and authorised representatives to access real-time data from smart meters:

- **(definition of 'real-time')** defining 'real-time data' as instantaneous data or data received within no more than 5 minutes (subject to review as technology improves). This proposal aligns with the market settlement period and ensures that the data is useful for informing consumer energy consumption decisions;
- **(data sharing arrangements)** requiring all new smart meters to have locally-accessible communications ports that are unsealed and accessible to approved parties;
- **(costs associated with access)** spreading the cost of providing access across all consumers through retail bills;
- **(real-time data interoperability)** changes to minimum service specification requirements to permit open standards-based protocols and communications interfaces for read-only data, in light of the interoperability provisions in the EU Data Act. This will ensure real-time data is clear and readily accessible across different systems, devices and apps; and
- **(privacy and cyber security safeguards)** classifying 'real time data' as confidential information and considering whether changes are required to the NER / NERR to improve privacy and cyber security protections in respect of that data. This could include new responsibilities on authorised representatives, stringent consent requirements, password protection, competition restraints on using data in upstream and downstream services and prohibitions on customer exploitation.

After receiving stakeholder feedback, the AEMC published a Directions Paper for this rule change request on 30 January 2025. The Directions Paper proposes a 15-year transition to universal consumer access to real-time data, which will involve allowing retailers to charge consumers for the upfront costs associated with access to real-time data from smart meters for the next 15 years and requiring retailers to provide real-time data to consumers for free thereafter.

The Directions Paper further proposes:

- **(detailed definition of 'real-time data')** a more specific definition of 'real-time data' than that proposed in the rule change request, requiring a definition in the NER to the effect of 'voltage, current and phase angle recorded every second and delivered within a second';
- **(retailers to provide and allow access to real-time data)** additional obligations on retailers to provide access to real-time data following a customer request within 10 business days of a request (or within 20 business days where a meter must be upgraded);



- **(metering service providers to facilitate access to real-time data)** additional obligations on metering service providers to facilitate easy and secure access to real-time data;
- **(smart metering costs to be reported by AER)** the smart metering costs charged by retailers and metering service providers will be reported annually by the AER; and
- **(consent requirement to access real-time data)** for third parties to obtain access to a customer's real-time data, consent must be obtained from the customer.

Submissions on the directions paper were due by 20 February 2025. The AEMC will publish a draft determination on 7 August 2025.

[READ MORE HERE.](#)

Rule name	Inter-regional settlement residue arrangements for transmission loops
Proponent	AEMO
Key dates	<a href="#">Initiation date:</a> 8 August 2024 <a href="#">Deadline for submissions:</a> Deadline passed (10 July 2025)
Stage	Preparation of final determination

[Summary of request](#)

The revised preferable draft rule is the result of AEMO's market integration activities for Project EnergyConnect (*PEC*), a new interconnector linking New South Wales and South Australia which will create the first 'inter-regional transmission loop' in the NEM. Inter-regional settlements residue (*IRSR*) refers to the surplus or deficit in settlement outcomes when electricity flows across jurisdictions with different pricing. IRSR is expected to occur more frequently for PEC due to how energy flows in a transmission loop as opposed to a standard radial interconnector.

The existing framework for IRSR allocates negative IRSR to the importing region, which AEMO seeks to limit by applying constraints referred to as 'clamping'. AEMO considers that this approach is unsuitable for inter-regional transmission loops where negative IRSR would be disproportionately and unfairly allocated to certain jurisdictions, which does not reflect the broader benefits of the loop flow.

AEMO initially proposed allocating negative IRSR among the Coordinating Network Service Providers (*CNSPs*) of the looped regions (NSW, SA and Victoria) in proportion to regional demand. However, stakeholder feedback and further analysis revealed that this method did not adequately manage the risk of negative IRSR arising on a loop.

In response, the AEMC revised its approach and proposed a 'netting off' method outlined in its directions paper. This would deduct negative IRSR from positive IRSR before distributing the remainder to settlements residue distribution (*SRD*) unit holders. The rationale is that market participants who have access to hedging tools are better positioned to manage inter-regional price risks than are consumers.

The AEMC is considering a future review to explore issues such as the treatment of negative IRSR across all interconnectors, the allocation of settlements residue auction proceeds and unsold SRD units, and the role of SRD units in future market settings, and sought stakeholder input on the scope and timing of such a review. The AEMC published its directions paper on 19 June 2025. Submissions on it were due by 10 July and the AEMC is working towards the publication of a final determination expected in September 2025.

[READ MORE HERE.](#)

Rule name	Efficient provision of inertia
Proponent	Australian Energy Council ( <i>AEC</i> )
Key dates	<a href="#">Initiation date</a> : 2 March 2023 <a href="#">Deadline for submissions</a> : 7 August 2025
Stage	Preparation of final determination

#### Summary of request

The AEMC has decided not to make a draft rule change in response to the AEC's request to introduce an inertia spot market into the NEM.

This reform was intended to support the energy transition, and address the challenge of declining system inertia, caused in part by the retirement of synchronous coal and gas-fired generators and the prevalence of inverter-based resources in the NEM.

The AEMC's view is that while the procurement of inertia could achieve benefits in the future, there is unlikely to be material net benefits in the short term under current market assumptions. It has proposed instead to improve the implementation of existing frameworks and support readiness for operational procurement of inertia should system conditions change in the future, including by encouraging:

- AEMO to continue reporting on its technical development progress through its Transition Plan for System Security; and
- TNSPs to strengthen the transparency and consistency of their procurement decisions under the existing Regulatory Investment Test for Transmission framework, supported by the AER's existing oversight and guidance functions.

Submissions on the draft determination are due by 7 August 2025.

[READ MORE HERE.](#)

# Completed rule changes

Final rule determinations (since last update, 1 June 2025)

Rule name	Improving consumer confidence in retail energy plans
Amending rule	NER 2025 No.3
Date of final determination	19 June 2025
Commencement date	26 June 2025 (Schedule 3 and 4) 1 July 2026 (Schedule 1 and 2)

## Summary of request

The final rule comprises four distinct components, each of which is summarised below.

- **Improving protections for customers on contracts with benefits that expire or change:** The final rule ensures that, from 1 July 2026, customers are charged no more than the standing offer price if their benefits change or expire. Retailers are prevented from de-energising carry-over customers on deemed customer retail arrangements where they do not engage with the retailer. This is a change from the draft rule, which prevented retailers from de-energising *all* customers in a deemed customer retail arrangement that do not engage with the retailer. Retailers must notify affected customers of the new rules by 1 July 2026. The AER must update its Benefits Change Notice Guidelines to align with the final rule.
- **Removing unreasonable conditional penalties:** The final rule provides that customers with high discounts linked to payment conditions will receive their discount, even if they do not meet the payment condition, and customers with high fees linked to payment conditions will have their fees reduced to a reasonable level. The final rule provides retailers with more flexibility than the draft rule in how they notify customers of changes to their plan. Retailers will not have to comply with the Benefit Change Notice Guidelines, but will have to notify affected customers in writing and within a reasonable timeframe (no earlier than 40 business days and no later than 20 business days before the effective date).
- **Restricting price increases under market retail contracts:** The final rule only allows price increases once every 12 months for all existing and new market contracts and, for most contracts, that price increase will be required to be in July. If a contract fixes a period without price changes or decreases in energy payments, then the retailer must provide 20 business days' notice of a price change outside that period. Otherwise, the final rule reverts back to the existing requirement for retailers to provide five business days' notice (rather than the proposed 20 business days' notice) of any price increases or energy payment decreases for price increases or energy payment decreases that occur in the month of July. The final rule removes the requirement for retailers to provide advance notice of price decreases or energy payment increases to their customers, which will avoid delays to customers receiving the benefit of those changes. Retailers will be required to provide notice as soon as practical after a change occurs and no later than the next bill.
- **Restricting fees and charges:** The final rule restricts retailers from charging fees (except network charges) to hardship customers, customers experiencing payment difficulties and customers experiencing family violence. Customers receiving a concession are not protected by this restriction (as was originally contemplated in the draft rule). The final rule also prohibits account establishment fees, special meter read fees at the start and end of contracts, and re-energisation and de-energisation fees for all customers (excluding where those fees are network charges). All fees must reflect the reasonable costs of the retailer, and retailers must provide at least one free, accessible payment method to its customers.

The final rule will commence on 1 July 2026. Retailers have 12 months to update their contracts accordingly and apply the discount unconditionally.

[READ MORE HERE.](#)

Rule name	Assisting hardship customers
Date of final determination	19 June 2025
Commencement date	26 June 2025 (NER Schedule 2) 30 December 2026 (NER Schedule 1)

Summary of request

The final rule will support retail energy customers experiencing hardship by providing credit on their bill where a deemed better offer is available. The rule change forms part of the Energy and Climate Change Ministerial Council (*ECMC*)'s suite of proposed rule changes aimed at supporting energy consumers through changes to the regulatory requirements regarding retail energy contracts.

The proponent for the initial rule change request adopted a proposal that provided consumers with a credit on their retail account where a deemed better offer is available to the customer.

The final rule will:

- require that retailers ensure hardship customers are not financially worse off than the deemed better offer applicable to that customer. The retailer will have flexibility to provide financial benefit under the current plan, or (with the customer's explicit informed consent) move the customer to the deemed better offer;
- strengthen retailer obligations to notify customers of better offers on an ongoing basis (offers will be presented upfront when a customer joins a hardship program, and at least once every 100 days thereafter); and
- introduce new indicators for hardship programs that retailers must report on to the AER. Statistics relating to these hardship programs will be published in the AER's annual retail market report.

The substance of the final rule will commence on 30 December 2026; however, Schedule 2 of the final rule took effect on 26 June 2025, requiring the AER to update the Better Bills Guideline by 30 September 2026 to reflect the terms of the final rule.

[READ MORE HERE.](#)

Rule name	Allowing AEMO to accept cash as credit support
Amending rule	NER 2025 No.8

Date of final determination 26 June 2025

Commencement date 1 November 2026

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### Summary of request

The final rule enables cash to be allowed as credit support under the prudential requirements of the NER. Formerly, the NER required market participants to provide bank guarantees or letters of credit to AEMO. The rule change proponent submitted this may have resulted in profitable and solvent participants being unable to provide acceptable forms of credit support because of a lack of willingness from financial institutions to enter into financing arrangements with businesses involved with fossil fuels (due to those institutions' evolving environmental, social and governance policies).

The final rule allows participants to provide cash as credit support up to a limit of \$20 million (which was increased from the \$5 million limit proposed under the draft determination) for each participant on terms and conditions prescribed by AEMO. In order to mitigate the risk that a liquidator appointed to an insolvent market participant may seek to claw back any cash used as credit support as an unfair preference payment, the final rule includes several layers of protection including granting AEMO first ranking charge over that cash.

Following stakeholder consultation, the final rule was also revised to exclude surety bonds as an acceptable form of credit support and to retain the existing limitations on eligible credit support providers.

The commencement date for the rule change is 1 November 2026, to provide AEMO with sufficient time to implement any necessary changes to its processes and to align with the commencement of the *Shortening the settlement cycle* rule change, which will amend the settlement and prudential systems (including shortening the settlement cycle to nine business days following the end of a billing period).

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## Other rules not yet commenced

Rule name	Including distribution network resilience in the National Electricity Rules
Amending rule	NER 2025 No.5
Date of final determination	8 May 2025
Commencement date	22 May 2025 (NER Schedule 3) 2 October 2025 (NER Schedule 2) 1 July 2027 (NER Schedule 1)

### Summary of request

This final rule will enhance how DNSPs and the AER account for distribution network resilience in the economic regulatory framework of the NER, with a view to enabling DNSPs to undertake efficient expenditure on network resilience measures to prepare for, manage and recover from long-duration outages.

The rule was introduced in response to the increasing frequency of severe weather events, which are, in turn, increasing the likelihood of widespread long-duration outages. As there is currently no formal framework for distribution network resilience expenditure (which is usually recovered as an ex post cost pass through after a long-duration event), consumer outcomes may not be sufficiently prioritised in the existing regulatory arrangements. The AEMC agreed that explicitly recognising distribution network resilience in the NER would increase a DNSP's ability to plan and deliver network resilience, improving consumer outcomes.

The rule will:

- include resilience as an expenditure factor in the NER, meaning that DNSPs can plan their resilience expenditure, and the AER must have regard to resilience when determining whether to accept a DNSP's forecast capex and opex for a regulatory control period. Resilience expenditure should focus on reducing the impact of power outages on consumers before *and* after severe weather events (that is, it should focus on risk reduction and impact mitigation);
- require the AER to develop and publish binding distribution network resilience guidelines that address how DNSPs may propose, and how the AER may assess, expenditure for improving network resilience; and
- introduce requirements for annual resilience planning and reporting.

The rule is limited to outages caused by weather events; outages resulting from other events such as cyber-attacks and terrorism are not captured, as they are governed by other regimes in the NER and other regulatory frameworks.

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Rule name	Improving the NEM access standards – Package 1
Amending rule	NER 2025 No.6
Date of final determination	22 May 2025

Commencement date 21 August 2025

Summary of request

This final rule will improve the access standards for plants connected to the NEM to enable faster, more cost-effective connections and to accommodate the increasing number of inverter-based resources, synchronous condensers and high voltage direct current (HVDC) links in the NEM. The rule change implements AEMO's final recommendations from its 'Review of the Technical Requirements for NEM Connection', which it conducts once every five years pursuant to clause 5.2.6A of the NER.

The rule will amend the access standards to apply by plant type, rather than by Registered Participant category, to ensure a consistent approach is applied to manage system security in respect of similar types of plant. Schedule 5.2 would apply to all generating systems (including integrated resource systems and synchronous condenser systems), Schedule 5.3 would apply to all loads (including distribution networks and loads within an integrated resource system) and Schedule 5.3a would apply to any HVDC system with a power transfer capability of 5 MW or more.

The rule provides reforms to specific access standards that are intended to align with best power system performance, streamline the connection process, improve power system resilience and support efficient investment. Amongst other things, the reforms:

- simplify standards for small connections (less than 30MW on the mainland and less than 7MW in Tasmania) that are unlikely to have a material adverse impact on the power system;
- amend various Schedule 5.2 technical requirements in relation to generators, integrated resource systems and synchronous condensers; and
- align the Schedule 5.3a technical requirements for HVDC links with those applicable to Schedule 5.2 plant (such as inverter-based generation and integrated resource systems).

The final rule will commence on 21 August 2025. The transitional provisions in the final rule will apply the new or old access standards, depending upon which stage of the connections process a connection applicant is at, on the commencement date.

[READ MORE HERE.](#)

Rule name	Integrating price-responsive resources into the NEM
Amending rule	NER 2024 No.24
Date of final determination	19 December 2024
Commencement Date	19 December 2024 (NER Schedule 5) 1 January 2026 (NER Schedule 3) 31 March 2026 (NER Schedule 2) 23 May 2027 (Schedule 4) 27 May 2027 (Schedule 1)

Summary of request

This final rule implements a new framework to allow aggregated CER to volunteer to be scheduled and dispatched into the NEM by permitting small and medium size price-responsive resources to be active players in the market. Previously, these types of resources were not fully integrated into the NEM's planning and operation functions, and were therefore not adequately accounted for when determining the level of energy demand, how the demand should be met and the price for energy. These features allow energy service providers that use CER (eg batteries, rooftop solar, electric vehicles and home energy management systems) and other price-responsive resources to participate in NEM scheduling and dispatch processes.

The AEMC argues that the framework, named 'dispatch mode' will lower electricity costs, emissions and prices for consumers. Key features of the framework are:

- establishing a framework for financially responsible market participants to nominated aggregated CER as voluntary scheduled resources (*VSR*) to participate in central dispatch processes akin to traditional generators;
- creates a time-limited incentive mechanism to encourage VSR participation wherein AEMO will run at least two tenders between 1 April 2026 and 31 December 2031 to pay eligible participants to enter into dispatch processes; and
- imposes new monitoring and reporting obligations to allow AEMO and the AER to evaluate the flow-on consequences of price-responsive CER for AEMO's short-term demand forecasts.

The AEMC made a number of changes incorporating the considerable stakeholder input since the rule change was initiated in August 2023, with the key changes outlined below:

- the implementation date for dispatch mode has been extended from November 2026 to May 2027 to ensure success of the rollout;
- the commencement date for incentive tenders was brought forward from January 2027 to April 2026 allowing earlier investment certainty for VSR providers;
- increased flexibility for VSR participants to select to deactivate or hibernate for longer periods; and
- introduction of a requirement for DNSP's to engage in consultation with VSR providers when designing flexible export limits.

[READ MORE HERE.](#)

Rule name	Shortening the settlement cycle
Amending rule	NER 2024 No.22
Date of final determination	12 December 2024
Commencement Date	19 December 2024 (Schedules 2) 9 August 2026 (Schedule 1)

Summary of request

This final rule shortens the settlement cycle (the period during which AEMO and market participants settle transactions for the relevant billing period) from 20 business days after the end of a billing period to 9 business days. The final rule differs from both the draft determination (which suggested a settlement period of 11 business days) and the original rule change request (which suggested a settlement period of 10 business days) in response to stakeholder feedback. The AEMC

considers that the 9 day settlement period will provide a range of benefits, including a reduction in the prudential requirements for market participants and the working capital required by market participants to manage hedge exposure, which will in turn lead to lower prices for consumers.

The final rule also introduces a new 'routine revised statement', which will be issued 20 business days after the end of a billing period to allow AEMO and market participants to manage market suspension and intervention settlement amounts, meter data exceptions, disputes and adjustments.

As such, the settlement cycle will operate as follows under the final rule:

- 3 business days after the end of a billing period – AEMO will issue preliminary statements;
- 7 business days after the end of a billing period – AEMO will issue final statements;
- 9 business days after the end of a billing period (or two business days after receiving a final statement, whichever is later) – settlement payment date;
- 15 business days after the end of a billing period – AEMO and market participants have until this date to use reasonable endeavours to resolve disputes regarding preliminary statements;
- 20 business days after the end of a billing period – AEMO will issue routine revised statement.

[READ MORE HERE.](#)

Rule name	Accelerating smart meter deployment
Amending rule	NER 2024 No.20 NERR 2024 No.6
Date of final determination	28 November 2024
Commencement Date	5 December 2024 (NER Schedule 4) 1 June 2025 (NERR Schedule 1) 1 December 2025 (NER Schedule 1; NERR Schedules 2 and 3) 31 May 2026 (NER Schedule 3) 1 July 2026 (NER Schedule 2)

Summary of request

The final rule seeks to expedite the deployment of smart meters to all customers in the NEM by 2030 and to improve the metering framework. The final rule introduces two core reforms, implementing recommendations from the AEMC's Review of the Regulatory Framework for Metering Services:

- **(accelerated deployment of smart meters)** The AEMC considers the deployment of smart meters is a cost-effective decarbonisation strategy, which also reduces the costs of meter reads and metering installations borne by consumers. To achieve the AEMC's objective of universal uptake of smart meters by 2030, the AEMC will implement transitional rules during an 'acceleration phase' from 2025 to 2030, which implements the Legacy Meter Replacement Plan framework. The final rule also obliges retailers to achieve the 2030 target and to report on their progress to the AER, which will be monitoring compliance.

- **(access to power quality data)** This second component involves an expansion of the consumer data access and control requirements in the NER and NERR to allow local DNSPs, the AER and AEMO to access 'basic power quality data' (as defined in the final rule) at no cost. It is intended to assist DNSPs to maximise CER hosting capacity, reduce line losses and minimise costs within the distribution network.

The final rule also implements four supporting reforms that introduce new customer safeguards, seek to improve customer experiences, reduce barriers to installation and enhance meter testing and inspection requirements.

[READ MORE HERE.](#)

Rule name	RRO exemption for scheduled bi-directional units
Amending rule	NER 2024 No.19
Date of final determination	14 November 2024
Commencement Date	3 December 2024 (Schedules 1, 2 and 4) 1 November 2026 (Schedule 3)

Summary of request

The final rule exempts large-scale batteries, pumped hydro energy storage and other forms of storage assets from being liable entities under the RRO. The RRO requires liable entities to enter into 'qualifying contracts' to cover their share of the peak demand forecast for their region during the relevant reliability gap period.

This rule overcomes an unintended operation of the prior rule, which incentivised storage assets to withhold the provision of system security services to avoid being liable under the RRO, which may in turn increase system security risks. The final rule aims to:

- **(improve security)** allow energy storage assets to prioritise security services without the risk of triggering RRO penalties. The exemption for pumped hydro energy storage unlocks additional capacity for grid-supporting services during periods with reliability gaps; and
- **(increase FCAS market health)** reduce the risk of inflating FCAS prices during reliability gap periods, which in turn prevents the increase of other market costs including RRO penalty risks, the cost to hedge against those risks, and the costs of AEMO issuing compensable directions when there is a risk to power system security.

The key points to note are:

- **(registration / classification)** storage assets will need register, or otherwise be classified, as part of an 'Integrated Resource System' and meet other specified requirements for the relevant connection point to qualify as an 'exempt market connection point';
- **(exemption)** load at an 'exempt market connection point' will be excluded from the calculation that determines (1) liability under the RRO at the end of the contract and (2) the liable load during the reliability-gap period. However, entities are not exempt at other connection points that are not captured under the RRO (e.g. end-user load connection points); and
- **(hybrid plants)** an entire connection point will be exempt where an asset shares its connection point with another generator or load centre and there is no other load. However, co-located storage with other load centres will only be exempt if total annual consumption at the connection point is less than 10 GWh.

[READ MORE HERE.](#)



Rule name	Providing flexibility in the allocation of interconnector costs
Amending rule	NER 2024 No. 18
Date of final determination	3 October 2024
Commencement Date	10 October 2024 (Schedule 3) 3 July 2025 (Schedules 1 and 2)

Summary of request

The AEMC published a final determination and more preferable final rule that addresses barriers in the existing regulatory framework that may prevent the development of interconnectors with net market benefits. The final rule applies to both private and government interconnectors that, as at 3 October 2024, are yet to be constructed, are being materially upgraded or have been converted from a market network service to a regulated asset.

The final rule seeks to improve flexibility in the allocation of costs for interconnector projects between NEM jurisdictions by allowing jurisdictions (through their relevant Minister) to enter into inter-governmental agreements specifying an agreed cost allocation (being a 'interconnector cost allocation agreement').

The agreements, which must be submitted to the AER for review by a specified deadline and must meet defined implementation criteria, will specify the allocation of project costs to each jurisdiction over an agreed timeframe (as well as how this allocation may change over the life of the asset). Where an agreement is in place, the agreement will override the relevant elements of existing rules that would otherwise determine the cost allocation. The final rule specified a slightly expanded list of implementation criteria, clarified the roles and responsibilities of involved parties and provided more detail around the timing for submissions.

The final rule will not impact a TNSP's total regulated revenue but will allow for a specified amount of that total revenue to be collected through a TNSP in the counterparty government's NEM region. Once a TNSP receives an inter-governmental agreement, it will be required to amend its pricing methodology to give effect to the agreement through adjustments to the annual aggregate revenue requirement (AARR) component. At the same time the agreement is submitted to the AER, TNSPs must also submit their proposed methodology for approval. Jurisdictions will be able to submit agreements to TNSPs prior to a regulatory control period for incorporation in their revenue determination process for that regulatory control period, or during an existing regulatory control period. The final rule does not change how settlement residue auction proceeds are distributed.

Under the final rule, the AER is required to review and update any relevant guidelines (including the Pricing Methodology Guidelines) as necessary to reflect the final requirements of the rule by 3 July 2025. On 3 July 2025, the AER published final Pricing Methodology Guidelines and the final data requirements for the information it will collect annually.

[READ MORE HERE.](#)

Rule name	Unlocking CER benefits through flexible trading (Electricity and Retail)
Amending rule	NER 2024 No. 15; NERR 2024 No. 4

Date of final determination	15 August 2024
Commencement Date	29 August 2024 (NER Schedules 1 and 6; NERR Schedule 3)
	31 May 2025 (NER Schedule 2)
	1 November 2026 (NER Schedules 3, 4 and 5; NERR Schedules 1 and 2)

Summary of request

These rule changes introduce new arrangements to promote a flexible trading market for CER, such as rooftop solar, batteries and electric vehicle chargers. Consumers can optimise the value of their CER by contracting on different terms (including price) with multiple financially responsible market participants for different components of their load, rather than having their CER connected at one connection point with one associated meter (as per the existing model). The rule change request was developed as part of the Energy Security Board’s CER implementation plan.

The rules have three key elements:

- enabling large customers to select multiple energy service providers for their premises, without using the embedded network framework or establishing multiple connection points to the distribution network in order to obtain a second National Metering Identifier;
- allowing consumers, and retailers and aggregators acting as agents for consumers, to identify and manage their flexible CER separately from other 'passive' or inflexible consumer loads (such as lights and fridges), including by enabling the establishment of secondary settlement points without requiring a second physical connection to the distribution network; and
- creating two new meter types with lower minimum specifications to enable in-built measurement capability in technology (such as EV chargers) to be used for settlement and billing, instead of requiring additional meters.

[READ MORE HERE.](#)

Rule name	Managing ISP project uncertainty through targeted ex post reviews
Amending rule	NER 2024 No. 14
Date of final determination	1 August 2024
Commencement date	5 September 2024 (Schedule 3)
	4 September 2025 (Schedules 1 and 2)

Summary of request

Implementing findings from the Transmission Planning and Investment Review Stage 3 final report, this rule will permit the AER to undertake discrete ex post reviews of a TNSP's capital expenditure for specific ISP and non-ISP projects. Under the current framework, such a review only assesses a TNSP's total capital expenditure across all of its projects (rather than on a project-by-project basis).

The final rule aims to promote efficient project delivery by empowering the AER to assess the overall efficiency of capex incurred by TNSPs for specific large energy transmission projects and resolving uncertainty around the treatment of non-ISP capex under the ex post review mechanism. Under the final rule, an ex post review will be triggered:

- for a substantially completed ISP project / project stage (a 'reviewable ISP project'), when incurred capex exceeds the project's forecast capex (ie the 'ISP overspending requirement' has been met); and
- for a non-ISP project, when incurred capex exceeds the forecast capex for all non-ISP projects during the applicable review period (ie the 'overspending requirement' has been met).

Where a TNSP overspends the project's forecast capex allowance, the AER may exclude this amount from a TNSP's regulated asset base to the extent the AER determines the overspend does not meet the prudence and efficiency criteria for capital expenditure in the NER.

This rule gives the AER more flexibility to assess capex efficiency across the 'ISP project review period', being all years in which capex is incurred for a particular ISP project, including where capex is incurred over multiple regulatory control periods. The rule does not change the timing of when an ex post review occurs or the AER's process for conducting an ex post review.

The AEMC has also included transitional provisions that allow the AER to adjust a TNSP's future revenue allowance to offset the impact of penalties received under the existing capital expenditure sharing scheme (*CESS*), so as to prevent TNSPs from being penalised twice where an overspend is assessed as inefficient. The *CESS* will continue to operate in conjunction with the new targeted ex post review regime.

[READ MORE HERE.](#)

Rule name	Improving security frameworks for the energy transition
Amending rule	NER 2024 No. 9
Date of final determination	28 March 2024
Commencement date	4 April 2024 (Schedule 9) 3 June 2024 (Schedule 1) 4 July 2024 (Schedule 2) 1 December 2024 (Schedules 3, 4, 6 and 7) 2 December 2025 (Schedules 5 and 8)

Details

In order to ensure the sufficient provision of system security services throughout the energy transition, this final rule seeks to enhance the existing procurement arrangements for these services and arm AEMO with additional tools to effectively manage system security issues. In turn, this will also reduce AEMO's reliance on market interventions to achieve system security outcomes and send better signals to participants to provide these types of services over the long term.

Specifically, the final rule:

- aligns the procurement timeframes under the current inertia and system strength frameworks;

- amends the network support and control ancillary services framework to remove the exclusion to procuring inertia network services and system strength;
- updates the procedures for TNSPs to recover their costs of non-network security options, including by introducing an annual process for forecasting and recovery of these costs;
- establishes a new transitional framework under which AEMO can procure necessary non-market ancillary services, and also trial new sources of security services;
- allows AEMO to enable (or schedule) security services on a NEM-wide basis;
- enhances transparency in relation to directions to market participants, by amending market notice requirements and the timing for AEMO to provide post-event directions reports, and requiring the publication of a breakdown of compensation paid to directed and affected participants; and
- requires AEMO to publish a new annual report (the 'transition plan for system security'), setting out the actions it will take to manage system security through the transition to a zero-emissions power system.

[READ MORE HERE.](#)

Rule name	Enhancing reserve information (formerly Operating reserves)
Amending rule	NER 2024 No. 6
Date of final determination	21 March 2024
Commencement date	1 July 2025 (Schedule 1) 1 July 2027 (Schedule 2)

Details

While the original rule change requests from Iberdrola and Delta Electricity sought to leverage the existing FCAS framework and introduce an operating reserve market or services specific to the provision of reserves to respond to unexpected changes in supply and demand, the AEMC's final determination resolved to not implement an operating reserve market. The key reason for this is that the AEMC considers an operating reserve market would not offer any significant improvements compared to the current arrangements, and would materially increase market costs.

Instead, the final rule improves the existing arrangements and increases transparency around energy availability in the NEM, to facilitate efficient responses from market participants to unexpected fluctuations in supply and demand, when reserves are required. Specifically, the final rule requires AEMO to publish energy availability information in the operational timeframe, including:

- **(state of charge)** the energy availability of batteries, aggregated by region, in close to real time and also on the following trading day by dispatchable unit identifier; and
- **(daily energy constraints)** the combined energy constraints of other scheduled plant types (hydro, gas and coal), aggregated by region and published on a daily basis.

The final rule also requires storage participants to provide their maximum storage capacity to AEMO in their bid and offer validation data.

[READ MORE HERE.](#)

Rule name	Amendment of the Market Price Cap, Cumulative Price Threshold and Administered Price Cap
Amending rule	NER 2023 No. 6
Date of final determination	7 December 2023
Commencement date	1 July 2025 (Schedule 1) 1 July 2026 (Schedule 2) 1 July 2027 (Schedule 3)

#### Details

This final rule amends the MPC, CPT and APC from 1 July 2025 to 30 June 2028, as follows:

Market price setting	1 July 2025	1 July 2026	1 July 2027
MPC	\$18,600/MWh	\$20,700/MWh	\$22,800/MWh
CPT	\$1,674,000/MWh	\$1,987,200/MWh	\$2,325,600/MWh
CPT hours at MPC	7.5	8	8.5
APC	\$600/MWh	\$600/MWh	\$600/MWh

The AEMC considered that existing market price settings were too low to support sufficient investment in generation, demand response and storage, to address shortages in supply and periods of high prices, and maintain the reliability of the system.

[READ MORE HERE.](#)

Rule name	Enhancing information on generator availability in MT PASA
Amending rule	NER 2022 No. 7
Date of final determination	18 August 2022
Commencement date	18 August 2022 (Schedule 4) 9 October 2023 (Schedule 1) 3 June 2024 (Schedule 2)



Details

This final rule enhances the adequacy and transparency of information regarding unit availability in the medium-term projected assessment of system adequacy (**MT PASA**), which scheduled generators are required to provide to AEMO.

In addition to the current requirement for generators to indicate their daily MW availability over the medium term (between seven days and 36 months), the final rule requires scheduled generators to provide a generating unit's:

- **unit state** in the form of standardised **reason codes** that explain the availability status of the unit; and
- **unit recall time** (for certain reason codes only), being the expected time to return the unit to full availability under normal conditions after a period of unavailability.

This additional information will be collected for the same 36-month period for MT PASA, and published as part of the existing MT PASA process. AEMO will develop standardised reason codes that differentiate between economic reasons for unavailability, such as low wholesale prices making continued operation uncommercial, and physical reasons, such as planned maintenance.

Requirements for the collection and publication of reason codes and recall times are defined in AEMO's reliability standard implementation guideline and MT PASA process description.

The substantive provisions of the final rule come into effect on 9 October 2023, and the requirements will also apply to scheduled bidirectional units on commencement of the *Integrating energy storage systems into the NEM* rule in June 2024.

[READ MORE HERE.](#)

Rule name	Updating Short Term PASA
Amending rule	NER 2022 No. 4
Date of final determination	5 May 2022
Commencement date	19 May 2022 (Schedule 3)
	3 June 2024 (Schedule 2)
	31 July 2025 (Schedule 1)

Details

This final rule amends the requirements for AEMO and market participants in relation to short-term projected assessment of system adequacy (**ST PASA**).

In particular, the final rule:

- introduces a principles-based framework, directly linked to the PASA objective in clause 3.7.1(b) of the NER, to provide greater flexibility to AEMO and market participants to update ST PASA as the market continues to develop;

- requires AEMO to develop and publish ST PASA procedures, which must be developed and amended in accordance with the NER consultation procedures;
- amends the timeframe that ST PASA covers to each 30-minute period (or such shorter period as determined by AEMO) in at least the seven trading days from and including the day of publication; and
- requires AEMO to publish generation availability information on a dispatchable unit identifier basis, to improve the transparency of information available to market participants.

AEMO is required to publish the ST PASA procedures by 30 April 2025, to give stakeholders three months to comply with these procedures before the changes are implemented on 31 July 2025.

[READ MORE HERE.](#)

# National Gas Rules

## Rule change requests

New rule change requests (since last update, 1 June 2025)

Rule name	Establishing a regulatory framework for gas disconnections and permanent abolishment
Proponent	Justice and Equity Centre
Key dates	Initiation date: 12 June 2025    Deadline for submissions: Deadline passed (10 July 2025)
Stage	Initiation

### Summary of request

This rule change request proposes amendments to the NGR and NERR to establish a clear regulatory framework for gas disconnections (both temporary disconnection and permanent abolishment) and associated remediation services. The existing rules are silent about what different disconnection services should entail, who should provide those services and how much they should cost. This has led to inconsistent regulatory decisions, varied pricing, safety concerns and inefficient incentives that discourage electrification.

The proposed amendments include:

- **(Definition of disconnection services)** introducing clear definitions for ‘permanent disconnection’, ‘temporary disconnection’ and ‘remediation services’ to remove ambiguity around service scope, charges and responsibilities;
- **(AER Disconnection Guidelines)** creating binding guidelines, which set out the technical requirements for different disconnection scenarios;
- **(Minimum safe service standard)** requiring a positive duty on providers to provide the minimum necessary service required to ‘make safe’ the former connection;
- **(Temporary disconnection framework)** defining temporary disconnection as a short-term measure (up to 12 months), with a requirement to transition to permanent disconnection if no renewal or reconnection occurs;
- **(Distinction between disconnection and remediation)** establishing a clear distinction between permanent disconnection charges and additional remediation charges, ensuring customers are only required to pay for the minimum works necessary to safely discontinue gas supply. Any additional services such as meter removal must be requested by the customer and charged separately;
- **(Contestability of services)** providing for jurisdictions to elect for permanent disconnection services and remediation services to be contestable services;
- **(Additional rule changes and alignment with NERR)** proposing complementary changes to the NGR and NERR to support implementation, including provisions on consent, information sharing and retailer-distributor coordination.

Due to the similarity of subject matter, the AEMC combined the consultation paper on this rule request and on the below rule. However, after receiving submissions, the AEMC will again assess whether to treat the two rule changes as joint or separate. Submissions on the consultation paper were due by 10 July 2025.

A parallel rule change has been opened in respect of the NERR, which relies upon the same consultation paper.

[READ MORE HERE.](#)

Rule name	Updating the regulatory framework for gas connections
Proponent	Energy Consumers Australia
Key dates	Initiation date: 12 June 2025    Deadline for submissions: Deadline passed (10 July 2025)
Stage	Initiation

Summary of request

This rule change request proposes amendments to the NGL and NGR to establish a clear regulatory framework for gas connection cost recovery in the context of declining gas demand. The purpose of these amendments is to address the growing risks faced by consumers as gas networks shrink due to electrification and net zero targets.

The current rules allow costs of new connections to be mostly socialised across all customers, exposing remaining gas users (who are often renters and low-income households) to rising charges and stranded asset risk. The proposed amendments would require all new gas customers (retail and non-retail) to pay the full cost of their connection upfront to protect other users of the gas network from becoming exposed to higher costs. This proposal is consistent with the approach recently implemented by the Essential Services Commission in Victoria under the Gas Distribution Code of Practice. An alternative solution considered by the proponent is to provide distributors with the option to charge upfront for a new gas connection, with the caveat that any costs not recovered by a distributor will be 'quarantined' such that the distributor cannot claim accelerated depreciation or stranded asset cost recovery for those works.

Due to the similarity of subject matter, the AEMC combined the consultation paper on this rule request and on the above rule. However, after receiving submissions, the AEMC will again assess whether to treat the two rule changes as joint or separate. Submissions on the consultation paper were due by 10 July 2025.

A parallel rule change has been opened in respect of the NERR, which relies upon the same consultation paper.

[READ MORE HERE.](#)

## Existing rule change requests

Rule name	Extension of the DWGM Dandenong LNG interim arrangements
Proponent	The Honourable Lily D'Ambrosio MP and the State Electricity Commission
Key dates	<a href="#">Initiation date</a> : 1 May 2025 <a href="#">Deadline for submissions</a> : Deadline passed (29 May 2025)
Stage	Consultation on consultation paper

### Summary of request

This rule change request proposes to amend Parts 18 and 19 of the NGR to:

- enact a short-term three year extension of the interim arrangements that empower AEMO to act as the buyer and supplier of last resort for the Dandenong LNG storage facility (DLNG facility) located in Victoria's Declared Wholesale Gas Market (DWGM); and
- implement a range of other measures to improve transparency and oversight of the Dandenong liquefaction facility.

The purpose of extending the current DLNG arrangements under the NGR is to allow for the development and implementation of the proposed Stage 2 East Coast Reliability and Supply Adequacy reforms (which were originally planned for the end of 2025, but now may not operational until 2027).

The other proposed transparency measures aim to give AEMO and market participants operational visibility of the BOC liquefaction services that support the DLNG facility to allow AEMO to better deliver against its declared systems functions and allow the market to make better informed decisions on the refill and management of its LNG inventory. These measures include a range of Gas Bulletin Board reporting obligations, DWGM participant and LNG storage disclosure obligations, DWGM facility operator maintenance obligations and greater oversight for AEMO of changes to the declared LNG supply agreement.

Submissions on the consultation paper were due by 29 May 2025. The AEMC will publish a draft determination on 7 August 2025.

[READ MORE HERE](#).

Rule name	ECGS Projected Assessment of System Adequacy
Proponent	Energy Senior Officials on behalf of the ECGM and the Honourable Lily D'Ambrosio MP
Key dates	<a href="#">Initiation date</a> : 10 April 2025 <a href="#">Deadline for submissions</a> : Deadline passed (8 May 2025)
Stage	Preparation of draft determination

### Summary of request

This rule change request proposes to amend the NGR to introduce both short-term (7 day outlook) and medium-term (12 month outlook) projected assessments of system adequacy for the East Coast Gas System (ECGS). This rule change request forms part of a suite of reforms that seek to improve the reliability and supply adequacy of the ECGS.



The aim of the reliability and supply adequacy forecasts, which would be produced by AEMO on a rolling basis, is to provide a high-quality, systematically produced suite of information on gas supply, demand, and transport capability in the ECGS. The rule change proponents submit that the proposed forecasting mechanism will enhance stakeholders' ability to plan for gas supply shortfalls and emerging adequacy issues.

According to the feasibility assessment prepared by AEMO, existing data provided under parts 18-20 and 27 of the NGR would be largely sufficient in order for AEMO to produce the short-term and medium-term projected assessment of system adequacy reports, but some enhancements would be required to address specific data gaps and quality issues.

Submissions on the consultation paper were due by 8 May 2025. The AEMC will publish a draft determination on 17 July 2025.

[READ MORE HERE.](#)

Rule name	ECGS Notice of closure for gas infrastructure
Proponent	Energy Senior Officials on behalf of the Energy Ministers' Sub-Group
Key dates	<a href="#">Initiation date:</a> 20 March 2025 <a href="#">Deadline for submissions:</a> 7 August 2025
Stage	Consultation on draft determination

Summary of request

The rule change request proposed introducing advanced reporting requirements for planned closures of gas supply and delivery infrastructure in the ECGS, due to concerns that current monitoring tools do not provide sufficient notice, potentially affecting reliability, resource allocation and market planning. There were three implementation options proposed:

- Option 1: amend the Gas Statement of Opportunities (*GSOO*) provisions and Victorian Gas Planning Report (*VGPR*) provisions to require AEMO to report closures with at least three years' notice.
- Option 2: amend the Bulletin Board medium-term capacity outlook to require infrastructure operators to report closures with three years' notice; and
- Option 3: create a new part in the NGR that requires a notice of closure to be issued in respect of supply infrastructure that is being closed down, providing at least 42 months' advance notice of closure (which largely mirrors the requirements for the NEM).

In its draft determination, the AEMC rejected Option 2, due to high implementation costs and ongoing reporting burdens, and dismissed Option 3 as offering limited value. Instead, the AEMC adopted Option 1, as the more suitable approach, proposing to amend the GSOO and VGPR to require gas infrastructure operators to notify AEMO of permanent closures at least 36 months in advance, where practicable, and to provide written reasons if that timeframe cannot be met.

Closure information would be submitted through the GSOO and VGPR survey process, and AEMO would be required to publish a notice and consider issuing a supplement if new information arises outside the regular reporting cycle. The draft determination applies to seven infrastructure types such as pipelines, LNG import facilities, and storage facilities ( that meet the reporting threshold of 10 terajoules per day). The draft rule is proposed to come into effect on 18 September 2025, so the information can be made available for the 2026 GSOO and VGPR.

Submissions on the draft determination are due by 7 August 2025.

[READ MORE HERE.](#)

Rule name	ECGS Reliability standard and associated settings
Proponent	Energy Senior Officials, Victorian Minister for Energy and Resources
Key dates	<a href="#">Initiation date</a> : 20 March 2025 <a href="#">Deadline for submissions</a> : Deadline passed (17 April 2025)
Stage	Preparation of draft determination

Summary of request

This rule change request proposes building a new reliability standard for the ECGS and a review of market price settings to complement the standard. The proponents of the rule change consider that establishing a new reliability standard would enable more timely, informed and efficient market responses to threats in the ECGS.

The proposed changes form part of stage 2 of a suite of reforms initiated in response to a higher-than-expected gas demand and record-high wholesale gas prices during the winter of 2022. Forecasts from AEMO’s 2024 GSOO and the ACCC predict ECGS gas shortfalls starting in 2026, primarily due to increased demand from gas-powered generators, slow electrification progress and infrastructure constraints.

The request rule changes build on stage 1 of the reform rollout, which expanded AEMO’s powers under the NGL to enable better management of gas supply adequacy and reliability risks. Upcoming changes under the stage 2 reforms include establishing a supplier of last resort mechanism, enabling AEMO to take action to mitigate a forecasted reliability standard breach.

The proposed amendments to the rules include:

- establishing a new reliability standard for the ECGS that reflects customers' value on gas reliability. The proposed reliability standard would function as a benchmark to measure the sufficiency of gas supply, and infrastructure capacity for gas supply, and demand response in order to meet annual and peak day demands in the market. This will comprise two components:
  - an annual 'unserved gas' measure to assess capability against forecast demand and
  - a peak day deliverability measure for high-demand days;
- aligning market price settings (such as gas supply price caps and price floors) with the reliability standard, to be overseen by the AEMC;
- enhancing forecasting tools with reliability forecasts and assessments in the Gas Statement of Opportunities and Victorian Gas Planning Report; and
- creating a signalling mechanism to communicate the nature and severity of reliability threats, and introducing new governance responsibilities for the AEMC, the AEMO and the AER.

In its consultation paper, the AER sought feedback on the efficacy of the measures proposed in the rule change request to address the reliability issues identified by the proponent. Submissions on the consultation paper were due by 17 April 2025. The AEMC intends to publish a Directions Paper mid-2025. Given the complexity of the issues in this rule change request, the AEMC has extended the period for publishing a draft determination to 29 January 2026 and for making its final determination to 25 June 2026.

READ MORE [HERE](#).

# Completed rule changes

Final rule determinations (since last update, 1 July 2025)

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

Other rules not yet commenced

Rule name	DWGM interim LNG storage measures
Amending rule	NGR 2022 No. 4
Date of final determination	15 December 2022
Commencement date	15 December 2022 (Schedules 1 and 2) 2 July 2026 (Schedule 3)

## Details

This final rule gives AEMO broader powers to address threats to system security and reliability of supply in the DWGM between 2023 and 2025, in light of the recent decline in the amount of liquefied natural gas (**LNG**) held in storage and the contracted capacity at the Dandenong LNG storage facility.

Under the final rule, AEMO will act as:

### 1. Buyer of last resort:

- AEMO must contract any storage capacity at the Dandenong LNG storage facility that is uncontracted by 1 March each year. AEMO may also procure any additional uncontracted storage capacity for winter that becomes available after 1 March each year.
- AEMO must aim to achieve the highest level of contracted capacity reasonably possible by the beginning of winter, or a lower amount as determined by AEMO and approved by the Victorian Minister.
- AEMO must relinquish contracted capacity if APA (as the LNG storage provider) requests it to do so in order to meet a request from a market participant, and may transfer LNG stock to a market participant if that participant has acquired relinquished capacity.

### 2. Supplier of last resort:

- AEMO may inject gas from its LNG reserve into the DWGM where it reasonably considers that a threat to system security is unlikely to subside without its intervention.
- AEMO may also dispose of LNG stock where it is obliged to do so under a contractual or regulatory obligation (using a bid price of \$0/GJ).
- AEMO's LNG reserve gas may only be included in a pricing schedule and an operating schedule after all available market participants' bids have been scheduled, and AEMO's injection bids from LNG reserve must be at a price equal to the value of lost load (ie, \$800/GJ).

The final rule also sets out processes for AEMO to recover its costs as buyer and supplier of last resort, and establishes a new cost-recovery proceeds distribution process. It also outlines the contractual arrangements between AEMO and APA (the owner and operator of the Dandenong LNG Facility) to facilitate AEMO's two roles.

The rule applies as an interim measure between 2023 and 2025 while the Energy Ministers develop broader reforms to system security and reliability in the DWGM.

[READ MORE HERE.](#)

## Glossary

In this document, the following definitions apply:

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
APC	administered price cap
APP	administered price period
CER	consumer energy resources
CPT	cumulative price threshold
DER	distributed energy resources
DNSP	distribution network service provider
DWGM	declared wholesale gas market
ESB	Energy Security Board
FCAS	frequency control ancillary services
FRMP	financially responsible market participant
IRP	Integrated Resource Provider
ISP	Integrated System Plan
LNG	liquefied natural gas
MPC	market price cap
NECF	National Energy Customer Framework
NER	National Electricity Rules
NERL	National Energy Retail Law
NERR	National Energy Retail Rules
NEM	National Electricity Market
NGR	National Gas Rules
NSP	network service provider
PFR	primary frequency response
RIT-T	Regulatory Investment Test for Transmission
RRO	Retailer Reliability Obligation
TNSP	transmission network service provider
TUOS	transmission use of system

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