

# National Electricity and Gas Rules Update 2022

March 2022 | Rule changes as at 1 April 2022

## ⚡ National Electricity Rules

New requests	1	<i>AER reporting on market outcomes</i>
Final determinations	3	<i>Governance of distributed energy resources technical standards; Enhancing operational resilience in relation to indistinct events; Extension of time and reduction in scope of the 2022 reliability standard and settings review</i>

## 🛒 National Energy Retail Rules

*No new requests, draft determinations or final determinations*

## 🔥 National Gas Rules

Draft determinations	1	<i>DWGM distribution connected facilities</i>
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## ↔ Opportunities for Stakeholders

Due by	Opportunity for submissions
21 April 2022	<i>AER reporting on market outcomes</i>
19 May 2022	<i>DWGM distribution connected facilities</i>

## NEWS Energy Reform

### AEMC final rule determination to strengthen power system security and resilience

On 3 March 2022, the AEMC made a final rule aimed at providing AEMO with the operational tools to more effectively prepare for events caused by abnormal conditions and where the impact on the power system cannot be predicted ('indistinct events'), such as extreme weather events and cyberattacks. The AEMC Chair, Anna Collyer, noted the importance of this rule as '*the National Electricity Market (NEM) continues to transition to renewable energy sources and as extreme, abnormal conditions become more frequent with climate change*'.

This rule change leverages the existing contingency event framework and empowers AEMO to address credible threats to the power system by:

- expanding the definition of 'contingency event' to capture all equipment involved in the generation, transmission or distribution of electrical energy, not just generating units and transmission elements, as well as sudden and unplanned changes to the energy output, consumption or flows of this equipment; and
- expanding the scope of reclassification criteria to include the measures AEMO may implement to maintain power system security.

These expanded powers are balanced with amendments to governance and accountability provisions, to ensure consumer interests are protected. In particular, a new principle has been introduced requiring AEMO to, where practicable, make reclassification decisions and implement measures to manage contingency events in a way that is predictable and consistent with the reclassification criteria. AEMO is now also required to specifically report on circumstances where it is not practicable for AEMO to act consistently with the reclassification criteria.

This final rule is the third rule change proposed by the former COAG Energy Council following the AEMC's 2019 review of the South Australian black system event. The rule will have a 12 month implementation period (by 9 March 2023), to enable consultation with relevant stakeholders on amendments required to the reclassification criteria to reflect the expanded definition of 'contingency event'.

Read more [here](#).

## Introduction

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

## National Energy Retail Rules

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

## Glossary

In this document the following definitions apply:

<i>NER</i>	National Electricity Market
<i>NERR</i>	Australian Energy Regulator
<i>NGR</i>	Distribution Network Service Provider
<i>AEMC</i>	Transmission Network Service Provider
<i>NECF</i>	Network Service Provider
<i>AEMO</i>	Council of Australian Governments
<i>ESB</i>	distributed energy resources



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# ➤ National Electricity Rules

## Rule Change Requests

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
New rule change requests (since last update 1 March 2022)					
AER reporting on market outcomes	AER	24 March 2022	Consultation on consultation paper	21 April 2022	<p>This rule change was initiated by the AER and proposes to replace the current requirements in clause 3.13.7 of the NER for reporting on significant price variations with a principles-based approach to reporting.</p> <p>The basis for the proposed rule change is that the AER considers that the current reporting requirements are too prescriptive and no longer fit for purpose.</p> <p>Specifically, the proposed rule seeks to:</p> <ul style="list-style-type: none"> <li>remove the current reporting triggers of: <ul style="list-style-type: none"> <li>significant price variations;</li> <li>the 30-minute price exceeding \$5,000/MWh;</li> <li>ACCC/AEMC requests regarding particular market outcomes; and</li> <li>market ancillary service prices significantly exceeding the spot price;</li> </ul> </li> <li>replace those triggers with a general reporting requirement arising when there has been a 'significant price outcome in the wholesale electricity market'; and</li> <li>impose a requirement on the AER to publish guidance outlining the criteria and methodology it uses to determine what constitutes a 'significant price outcome'.</li> </ul> <p>The AEMC considers that this rule change request should be subject to the expedited rule making process under s96 of the NEL, on the basis that it satisfies the definition of a 'non-controversial Rule' under s87 of the NEL. Written requests not to make a rule under the expedited process were required to be lodged by 7 April 2022. If a valid written request is received, the AEMC will instead proceed under the standard rule change process.</p> <p>The AEMC is seeking feedback from stakeholders on the issues raised in the consultation paper by 21 April 2022.</p> <p>Read more <a href="#">here</a>.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
Existing rule change requests (as at last update 1 March 2022)					
Minor changes 1 2022	AEMC	24 February 2022	Consultation on consultation paper	(Deadline passed) 24 March 2022	<p>This rule change request was self-initiated by the AEMC to correct minor errors and make non-material, clarificatory changes to the NER.</p> <p>More specifically, the proposed rule seeks to:</p> <ul style="list-style-type: none"> <li>• correct the definition of 'TransGrid' in clause 11.143.1(a) of the NER to clarify the TransGrid entity that is the relevant TNSP;</li> <li>• ensure consistency of references to provisions in the NER and the use of definitions in Chapter 4A of the NER;</li> <li>• correct cross-references to defined terms and other provisions; and</li> <li>• make other minor punctuation, spelling and formatting corrections.</li> </ul> <p>The AEMC considers that this rule change request should be subject to the expedited rule making process under s96 of the NEL, on the basis that it satisfies the definition of a 'non-controversial Rule' under s87 of the NEL. Written requests not to make a rule under the expedited process were required to be lodged by 10 March 2022. If a valid written request is received, the AEMC will instead proceed under the standard rule change process.</p> <p>Submissions on the consultation paper were due by 24 March 2022.</p> <p>Read more <a href="#">here</a>.</p>
Enhancing information on generator availability in MT PASA	AEMO	3 February 2022	Consultation on consultation paper	Deadline passed (3 March 2022)	<p>This rule change requested by AEMO seeks to amend clauses 3.7.1 and 3.7.2 of the NER in order to enhance the granularity and transparency of information relating to generator availability, as part of the medium term projected assessment of system adequacy (<b>MT PASA</b>). AEMO considers that the increased prevalence of lower-emissions generators in the NEM has driven changes to plant operating regimes (such as mothballing of facilities, seasonal shutdowns and cyclical generation regimes), in particular, for ageing thermal generating plants. These changes are affecting AEMO's ability to effectively plan and manage system security and reliability.</p> <p>AEMO's proposal requires generators to report on, and AEMO to publish, as part of the MT PASA:</p> <ul style="list-style-type: none"> <li>• generator availability, through standardised reason codes; and</li> <li>• recall times to bring facilities back online after an outage.</li> </ul>

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					<p>The rule change request also gives effect to the ESB's post-2025 reform recommendation for enhanced mechanisms to provide greater transparency of generator availability.</p> <p>On 3 February 2022, the AEMC published a consultation paper seeking stakeholder views on the rule change request. Submissions on the consultation paper were due by 3 March 2022.</p> <p>A draft determination is due to be published on 12 May 2022.</p> <p>Read more <a href="#">here</a>.</p>
Improving consultation procedures in the Rules	AEMO	16 December 2021	Consultation on consultation paper	Deadline passed (3 February 2022)	<p>This rule change request seeks stakeholder feedback on how the consultation frameworks for subordinate instruments made under the NER, NERR and NGR can be streamlined and improved. In light of recent increases in reform activity and the pace of change in the power system, AEMO considers that the use of subordinate instruments in the future may also rise. As such, AEMO has proposed this rule change request to ensure that consultation procedures for these subordinate instruments are straightforward and efficient, but also flexible to suit different circumstances and levels of complexity.</p> <p>Specifically, AEMO's rule change request proposes to:</p> <ul style="list-style-type: none"> <li>replace the existing consultation framework for most subordinate instruments made under the NER, which currently involves two rounds of consultation as the default position, with a new consolidated consultation framework that requires only one round of consultation as the default (but with principles to determine when further consultation may be required); and</li> <li>remove the extended consultation procedure for subordinate instruments made under the NGR.</li> </ul> <p>Submissions on the consultation paper were due by 3 February 2022.</p> <p>A draft determination is due to be published on 14 April 2022.</p> <p>Read more <a href="#">here</a>.</p>
Protecting customers	Red Energy Pty Ltd and Lumo Energy	18 November 2021	Consultation on consultation paper	Deadline passed (3 March 2022)	<p>This rule change request seeks stakeholder feedback on how the NERR can be amended to better protect and support customers affected by family violence. Red Energy Pty Ltd and Lumo Energy (Australia) Pty Ltd have proposed new protections</p>

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affected by family violence	(Australia) Pty Ltd				<p>for affected customers, partly modelled on changes in Victoria's Energy Retail Code, which came into effect at the beginning of 2020. The NERR does not contain specific protections for customers affected by family violence.</p> <p>Key aspects of the rule change request include:</p> <ul style="list-style-type: none"> <li>• requiring retailers to develop and publish a family violence policy, and review that policy at least every two years;</li> <li>• account security measures to protect personal information of affected customers;</li> <li>• a requirement that retailers, in dealing with affected customers, firstly have regard to the safety of that customer;</li> <li>• recognition of family violence as a form of payment difficulty;</li> <li>• limiting the circumstances in which a retailer can ask for evidence of family violence from an affected customer, to only when the retailer is considering de-energisation and only to the extent reasonably required; and</li> <li>• ensuring that a retailer's family violence policy prevails to the extent of any inconsistency with an affected customer's retail contract, such that an affected customer may continue to receive retail services under the NERR.</li> </ul> <p>The AEMC has also requested stakeholder views on additional matters that can be addressed in the NERR, and alternative approaches that may assist consumers experiencing family violence. The AEMC also hosted a forum in February 2022 as part of a broader, inclusive consultation process.</p> <p>Submissions on the consultation paper were due by 3 March 2022.</p> <p>A draft determination is due to be published on 12 May 2022.</p> <p>Read more <a href="#">here</a>.</p>
Updating Short Term PASA	AEMO	26 August 2021	Consultation on draft determination	Deadline passed (10 February 2022)	<p>This rule change seeks to amend clause 3.7.3 of the NER, which sets out the requirements for AEMO and market participants in relation to short-term projected assessment of system adequacy (<b>ST PASA</b>).</p> <p>In particular, AEMO's proposed changes seek to:</p> <ul style="list-style-type: none"> <li>• introduce a principles-based framework to provide greater flexibility to AEMO and market participants to update ST PASA, with a view to moving prescriptive details currently set out in clause 3.7.3 into AEMO procedures;</li> </ul>

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					<ul style="list-style-type: none"> <li>• amend the timeframe which ST PASA covers to a seven-day forecasting horizon, in line with current practices for the publication of ST PASA information;</li> <li>• require the publication of generation availability information on a per unit or dispatchable unit identifier basis, to improve the transparency of information available to NSPs and market participants; and</li> <li>• amend the definition of PASA availability to broaden the range of times by which physical plant can be made available (currently specifies 24 hours' notice).</li> </ul> <p>The proposed changes will also accommodate the new ST PASA system currently being developed by AEMO as part of the ST PASA replacement project, and allow the ST PASA process to evolve with the changing energy market.</p> <p>On 2 December 2021, the AEMC made a more preferable draft rule, which, while consistent with AEMO's original rule change request, incorporates several additional features designed to accommodate the needs of all market participants. In addition to introducing a principles-based framework to assist AEMO as it administers ST PASA, the draft rule also:</p> <ul style="list-style-type: none"> <li>• requires AEMO to regularly publish forecasts of available capacity and PASA availability for individual generating units;</li> <li>• combines pre-dispatch PASA and short-term PASA by establishing a seven-day publishing period for ST PASA; and</li> <li>• amends the definition of energy constraint and PASA availability.</li> </ul> <p>Submissions on the draft determination were due by 10 February 2022.</p> <p>On 15 March 2022, further information was provided to the AEMC by AEMO in relation to the timing for implementation of the proposed rule. As a result, the date for publication of the final determination has been extended to 5 May 2022.</p> <p>Read more <a href="#">here</a>.</p>
Material change in network infrastructure project costs	ERM Power Limited, Energy Users Association of Australia (EUAA), Major Energy Users	19 August 2021	Consultation on consultation paper	Deadline passed (30 September 2021)	<p>This rule change proposes that the regulatory investment test (<b>RIT</b>) be reapplied, if, following completion of the RIT, there has been a material increase in the estimated costs of a network infrastructure project.</p> <p>Under existing arrangements, the RIT must only be reapplied where, in the reasonable opinion of the project proponent, there has been a material change in circumstances which means that the preferred option identified in the final RIT report</p>

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	Inc., AGL Energy Limited, Delta Electricity				<p>is no longer preferred. The rule change proponents seek to replace this subjective test with an objective cost increase threshold to determine whether RIT should be reapplied.</p> <p>The rule change is designed to address concerns that the current arrangements do not adequately protect consumer interests. This is because the estimated cost of the preferred option may change substantially following the completion of the RIT, meaning that this option may no longer reflect the maximum net economic benefit to the market. To date, no NSP has reapplied the RIT on the basis of a material change in circumstances.</p> <p>The rule change proposes that:</p> <ul style="list-style-type: none"> <li>• unless an exemption is granted by the AER, NSPs be required to reapply the RIT if, following completion of the RIT, estimated project costs have increased by 10% (for larger transmission projects over \$500m and distribution projects over \$200m) or 15% (for smaller transmission projects less than \$500m and distribution projects less than \$200m);</li> <li>• the AER may determine that a proponent is not required to reapply the RIT (or is only required to reapply part of the RIT);</li> <li>• Project EnergyConnect be required to update its final RIT-T report to take account of material cost increases that have occurred since completion of the RIT; and</li> <li>• AER guidelines be amended to require proponents to produce more rigorous costs estimate for the final RIT report, to reduce the likelihood that the RIT will need to be reapplied.</li> </ul> <p>Consultation on this rule change is being progressed as part of the AEMC's consultation paper for the <i>Transmission planning and investment review</i>. Specific issues in relation to the proposed changes to RIT arrangements are contained in Chapter 5.</p> <p>Submissions on the consultation paper were due by 30 September 2021.</p> <p>On 30 November 2021, the AEMC extended the timeframe to make a draft determination to 28 April 2022, to give the AEMC more time to consider the complexity of the issues raised and also to progress this rule change request in parallel with the <i>Transmission planning and investment review</i>.</p>



Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>On 13 December 2021, the AEMC hosted a directions forum to discuss the <i>Transmission planning and investment review</i> and this rule change request.</p> <p>On 16 February 2022, the AEMC held an online roundtable to consider issues regarding cost estimate accuracy, which are raised by this rule change request.</p> <p>A draft determination is due to be published on 28 April 2022.</p> <p>Read more <a href="#">here</a>.</p>
Operational security mechanism (previously 'Synchronous services markets')	Hydro Tasmania	2 July 2020	Preparation of draft determination	Deadline passed (21 October 2021)	<p>This rule change request seeks to amend the NER to create a market for 'synchronous services', including inertia, voltage control and fault level/system strength, and to address the shortage of 'inertia and related services' in the NEM by integrating the dispatch of a 'synchronous service' with the existing energy and frequency control ancillary services (<b>FCAS</b>) spot markets. It proposes to do this by changing the formulation of the constraints that are applied to the NEM dispatch engine. These reformulated constraints would allow the dispatch engine to find the lowest overall cost combination of synchronous services and non-synchronous generation to deliver lower overall costs for consumers.</p> <p>This will be achieved through the following:</p> <ul style="list-style-type: none"> <li>• amending the NER to create a new generator category of synchronous service generator (<b>SSG</b>) to allow AEMO to move the relevant generator's online status to the output side of AEMO's constraint equation;</li> <li>• having generators provide two additional fields in their spot markets bids to AEMO indicating cost and availability of synchronising units online;</li> <li>• paying generators based on their bid price for providing synchronous services rather than the spot price;</li> <li>• dispatching SSGs if doing so provided lower priced outcomes for consumers compared to the constraint binding; and</li> <li>• AEMO publishing two prices for each service, one including the cost of SSGs and one without.</li> </ul> <p>On 2 July 2020, the AEMC published a single consultation paper titled '<i>System Services Rule Changes</i>' seeking stakeholder feedback on this, and five other rule change requests relating to system services. Submissions on the consultation paper were due by 13 August 2020.</p>

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					<p>On 9 September 2021, the AEMC published a directions paper relating to both this rule change request and the '<i>Capacity commitment mechanism for system security and reliability services</i>' rule change request (see below). The directions paper sets out two different options to value, procure and schedule essential system services, in light of the changing generation mix, which provides fewer of these ancillary services:</p> <ul style="list-style-type: none"> <li>• <b>market ancillary services (MAS) approach:</b> which would introduce new services to be scheduled through the pre-dispatch engine to allow it to produce dispatch schedules that result in secure dispatch; and</li> <li>• <b>non-market ancillary services (NMAS) approach:</b> which would introduce new services to be procured and scheduled in an optimisation approach outside of the spot market, to ensure secure dispatch in an efficient manner.</li> </ul> <p>The NMAS approach is currently preferred by the AEMC, and also reflects the approach underpinning the ESB's unit commitment for security (<b>UCS</b>) and synchronous services mechanism (<b>SSM</b>), recommended in its final advice.</p> <p>Submissions on the directions paper were due by 21 October 2021.</p> <p>On 2 December 2021, the AEMC extended the timeframe to make a draft determination until 30 June 2022, to give the AEMC sufficient time to work through the complex issues raised in stakeholder submissions to the directions paper.</p> <p>On 2 February 2022, the AEMC consolidated this rule change request with the '<i>Capacity commitment mechanism for system security and reliability services</i>' rule change request submitted by Delta Electricity. The AEMC considers that both rule changes seek to address the issue of the scheduling and procurement of essential system services, and therefore should proceed through a combined process (with the updated name '<i>Operational security mechanism</i>').</p> <p>Read more <a href="#">here</a>.</p>
Operating reserve market	Infigen Energy Limited	2 July 2020	Preparation of draft determination	Deadline passed (11 February 2021)	This rule change request seeks to amend the NER to introduce a dynamic operating reserve market to operate alongside the existing NEM spot and FCAS markets to help respond to unexpected changes in supply and demand. Infigen argues that the current NEM design no longer offers sufficient incentives to deliver enough or the right type of reserves to respond to today's contingencies.

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					<p>The proposed operating reserve market comprises a dispatchable, raise-only service procured similar to contingency FCAS services in real-time and co-optimised with the other energy market services. The proposed operating reserves' main features are that:</p> <ul style="list-style-type: none"> <li>operating reserves could be procured at all times, or only during times of sufficiently tight supply/demand;</li> <li>the volume would be set by the Reliability Panel or through guidelines and procedures;</li> <li>reserves could be procured 30 minutes ahead of time (with a 15-minute call time) to align with the requirement to return the system to a secure operating state within 30 minutes;</li> <li>any plant capable of producing operating reserves within the 30-minute timeframe would be eligible;</li> <li>resources enabled in the operating reserve market would be withdrawn from the energy market until called upon by AEMO in response to certain reliability criteria;</li> <li>reserves would be paid the marginal 'availability' price when called (with the market price cap applied); and</li> <li>operating reserves would be co-optimised such that the incentives of offering operating reserves would not adversely impact the spot market, the forward contract market or associated activities and commitments of plant offering reserves.</li> </ul> <p>On 2 July 2020, the AEMC published a single consultation paper titled '<i>System Services Rule Changes</i>' seeking stakeholder feedback on this, and five other rule change requests relating to system services. Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 24 September 2020, the AEMC extended the timeframe to make a draft determination until 24 June 2021, to enable it to better align the work with the ESB's market design project and prioritise more urgent system security issues.</p> <p>On 5 January 2021, the AEMC published a directions paper relating to both this rule change request as well as Delta Electricity's '<i>Introduction of ramping services</i>' rule change request (see below). The directions paper assesses the ability of the current market frameworks to address variability and uncertainty in power system conditions</p>

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					<p>and outlines high-level designs for four options to procure reserve services. Submissions in response to the directions paper were due by 11 February 2021.</p> <p>The AEMC held a technical working group meeting on 22 April 2021, to present and discuss modelling commissioned to provide insights into the potential for a reserve service to benefit customers.</p> <p>On 16 June 2021, the AEMC further extended the timeframe to release a draft determination until 9 December 2021. The additional time was to allow the AEMC to consult with stakeholders on whether it would be in the long-term interests of consumers to unbundle the provision of operating reserves from the energy market where they are currently implicitly provided, as well as to undertake complex modelling and obtain further technical advice from AEMO.</p> <p>On 18 November 2021, the AEMC further extended the timeframe to make a draft determination until 30 June 2023, to give the AEMC more time to consider the complexity of the issues raised and to gather more information as the energy system evolves, in relation to things such as the operation of five-minute settlements and delivery of the post-2025 reforms by the ESB.</p> <p>Read more <a href="#">here</a>.</p>
Operational security mechanism (previously 'Capacity commitment mechanism for system security and reliability services')	Delta Electricity	2 July 2020	Preparation of draft determination	Deadline passed (21 October 2021)	<p>This rule change request seeks to amend the NER to introduce an ex-ante, day ahead capacity commitment mechanism and payment to provide access to operational reserves and other required system security or reliability services.</p> <p>Delta Electricity argues that as periods of low spot market prices increase, non-peaking dispatchable capacity will seek to minimise financial losses by decommitting capacity under high variable renewable energy (<b>VRE</b>) conditions. This means that the decommitted plant would be unavailable, as and when required to meet energy and system services needs and as a result, the NEM will more frequently experience periods of shortfalls in system security and reliability services.</p> <p>The proposed capacity commitment mechanism would provide a payment to keep non-peaking dispatchable generators online at their minimum safe operating level (<b>MSOL</b>) should they be needed for system security and reliability purposes based on AEMO forecasts during the pre-dispatch process.</p>

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					<p>Key components of the capacity commitment mechanism are:</p> <ul style="list-style-type: none"> <li>day-ahead commitment of dispatchable capacity, at a level set by AEMO to ensure peak demand (excluding VRE) can be reliably met;</li> <li>the in-service dispatch capability will be drawn on to respond to rapid changes in VRE and would be paid whenever it is dispatched at MSOL; and</li> <li>generators would guarantee to commit their coal/gas fired boiler synchronous units for either an entire day or for specific trading intervals during the day rather than via a half-hour ahead market for reserve.</li> </ul> <p>On 2 July 2020, the AEMC published a single consultation paper titled '<i>System Services Rule Changes</i>' seeking stakeholder feedback on this, and five other rule change requests relating to system services. Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 9 September 2021, the AEMC published a directions paper relating to this rule change request and the '<i>Synchronous services markets</i>' rule change request (see above). The directions paper sets out two different options to value, procure and schedule essential system services, in light of the changing generation mix, which provides fewer of these ancillary services:</p> <ul style="list-style-type: none"> <li><b>market ancillary services (MAS) approach:</b> which would introduce new services to be scheduled through the pre-dispatch engine to allow it to produce dispatch schedules that result in secure dispatch; and</li> <li><b>non-market ancillary services (NMA) approach:</b> which would introduce new services to be procured and scheduled in an optimisation approach outside of the spot market, to ensure secure dispatch in an efficient manner.</li> </ul> <p>The NMA approach is currently preferred by the AEMC, and also reflects the approach underpinning the ESB's unit commitment for security (<b>UCS</b>) and synchronous services mechanism (<b>SSM</b>), recommended in its final advice.</p> <p>Submissions on the directions paper were due by 21 October 2021.</p> <p>On 2 December 2021, the AEMC extended the timeframe to make a draft determination until 30 June 2022, to give the AEMC sufficient time to work through the complex issues raised in stakeholder submissions to the directions paper.</p>

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					<p>On 2 February 2022, the AEMC consolidated this rule change request with the 'Synchronous services markets' rule change request submitted by Hydro Tasmania. The AEMC considers that both rule changes seek to address the issue of the scheduling and procurement of essential system services, and therefore should proceed through a combined process (with the updated name 'Operational security mechanism').</p> <p>Read more <a href="#">here</a>.</p>
Introduction of ramping services	Delta Electricity	2 July 2020	Preparation of draft determination	Deadline passed (11 February 2021)	<p>This rule change request seeks to amend the NER to introduce a 30-minute raise and lower 'ramping' service using the existing framework for FCAS market design to respond to changes in output from variable renewable electricity generators.</p> <p>Delta Electricity suggests a ramping service would address the price volatility that exists when dispatchable generators ramp through their energy bid stacks in response to predictable, daily, high rates of change from solar ramping up and down.</p> <p>Key features of the proposed services and framework include the following:</p> <ul style="list-style-type: none"> <li>the services would be procured from dispatchable in-service generators;</li> <li>the services would be procured through a similar dispatch and settlement process to existing FCAS raise and lower services but with the provision for generators to offer (perhaps three) incremental rates of change at different prices;</li> <li>AEMO would determine the 30-minute ramping requirement in pre-dispatch;</li> <li>AEMO would determine eligible generators based on their ability to provide the new services; and</li> <li>participants in this service would not be prevented from bidding into the other FCAS markets as long as they can comply with the associated obligations of each market.</li> </ul> <p>On 2 July 2020, the AEMC published a single consultation paper titled 'System Services Rule Changes' seeking stakeholder feedback on this, and five other rule change requests relating to system services. Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 24 September 2020, the AEMC extended the timeframe to make a draft determination until 24 June 2021, to enable it to better align the work with the ESB's post-2025 market design project and prioritise more urgent system security issues.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>On 5 January 2021, the AEMC published a directions paper relating to both this rule change request as well as Infigen Energy's 'Operating reserve market' rule change request (see above). The directions paper assesses the ability of the current market frameworks to address variability and uncertainty in power system conditions and outlines high-level designs for four options to procure reserve services. Submissions on the directions paper were due by 11 February 2021.</p> <p>The AEMC held a technical working group meeting on 22 April 2021, to present and discuss modelling commissioned to provide insights into the potential for a reserve service to benefit customers.</p> <p>On 16 June 2021, the AEMC further extended the timeframe to make a draft determination until 9 December 2021. The additional time was to allow the AEMC to consult with stakeholders on whether it would be in the long-term interests of consumers to unbundle the provision of operating reserves from the energy market where they are currently implicitly provided, as well as to undertake complex modelling and to obtain further technical advice from AEMO.</p> <p>On 18 November 2021, the AEMC further extended the timeframe to make a draft determination until 30 June 2023, to give the AEMC more time to consider the complexity of the issues raised and to gather more information as the energy system evolves, in relation to things such as the operation of five-minute settlements and delivery of the post-2025 reforms by the ESB.</p> <p>Read more <a href="#">here</a>.</p>
Primary frequency response incentive arrangements	AEMO	19 September 2019	Consultation on draft determination	Deadline passed (28 October 2021)	<p>This rule change request seeks to amend the NER to address perceived disincentives to the voluntary provision of primary frequency response (<b>PFR</b>) by participants in the NEM. This is one of three rule change requests that relate to the frequency control arrangements in the NEM. The other two rule changes were submitted by Dr Peter Sokolowski and by AEMO and have now been finally determined.</p> <p>AEMO identified a number of aspects of the NER that are perceived to be disincentives to the voluntary provision of PFR (eg, AEMO considers there is a perception that the NER only requires generators to provide PFR when they are enabled to provide a frequency control ancillary service).</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>On 2 July 2020, the AEMC published a consultation paper titled '<i>System Services Rule Changes</i>' seeking stakeholder feedback on this, and six other rule change requests relating to system services. This consultation paper also included an update on the status of this AEMO rule change request and sought stakeholders' views on the directions for this project. Submissions on the consultation paper were due by 13 August 2020.</p> <p>On 17 December 2020, the AEMC published a directions paper in relation to this rule change request and Infigen Energy's '<i>Fast frequency response market ancillary service</i>' rule change request (see below). Submissions in response to the directions paper were due by 4 February 2021.</p> <p>On 16 September 2021, the AEMC released a draft determination and draft rule that cement existing requirements for the provision of PFR, and introduce complementary frequency performance incentives to reward behaviour that supports power system frequency. Key elements of the draft rule include:</p> <ul style="list-style-type: none"> <li>confirmation that the requirement for scheduled and semi-scheduled generators to automatically respond to fluctuations in power system frequency to a narrow response band will continue beyond 4 June 2023. The AEMC's view is that the continuation of these arrangements is justified, on the basis that the current mandatory PFR arrangements are an effective mechanism to improve frequency performance and to send a clear signal to market entrants that they are required to provide PFR;</li> <li>changes to better align economic incentives with the provision of primary frequency response, through reforms to the 'causer pays' process to better value behaviour that helps to control power system frequency. This also includes the introduction of frequency performance payments to participants that reduce the need for the procurement of regulation FCAS; and</li> <li>new reporting obligations for AEMO and the AER in relation to the levels of aggregate frequency responsiveness in the power system and the costs of frequency performance. This change is designed to support the provision of relevant information to market participants and to enable stakeholders to assess the effectiveness of the arrangements for frequency control, moving forward.</li> </ul> <p>Submissions on the draft determination were due by 28 October 2021.</p>



Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>On 2 December 2021, the AEMC extended the timeframe to make a final determination until 7 July 2022, to allow further analysis and consultation on the frequency performance payments process contained in the draft determination to be undertaken.</p> <p>Read more <a href="#">here</a>.</p>

## Completed Rule Changes

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Final rule determinations (since last update 1 March 2022)				
Governance of distributed energy resources technical standards	N/A	N/A	17 March 2022	<p>This final determination, which is consistent with the AEMC's earlier draft determination, establishes a plan for the next phase of the AEMC's work on governance of distributed energy resources (<b>DER</b>), and in particular on DER technical standards. The AEMC opted not to make a rule change to formally establish new governance arrangements, as it considered that it was already within its current powers to support the full realisation of potential benefits from DER.</p> <p>The AEMC sets out five distinct roles in its work plan, to promote consumer interests and develop DER technical standards. These are:</p> <ul style="list-style-type: none"> <li>• <b>Role one:</b> identification of when new DER technical standards are required;</li> <li>• <b>Role two:</b> work with relevant agencies to support current work on DER technical standards;</li> <li>• <b>Role three:</b> expand its involvement in Standards Australia's DER committees;</li> <li>• <b>Role four:</b> update DER technical standards in the NER, as required; and</li> <li>• <b>Role five:</b> report on progress in adopting existing technical standards in the NER.</li> </ul> <p>With respect to roles one and five, the AEMC has, together with the final determination, published draft terms of reference for the review under each of those work streams, which will be finalised following the conclusion of this rule change process.</p> <p>Read more <a href="#">here</a>.</p>
Enhancing operational resilience in relation to indistinct events	10 March 2022 (Schedule 3)  9 March 2023 (Schedule 1)  3 June 2024 (Schedule 2)	NER 2022 No. 1	3 March 2022	<p>This final rule expands the existing contingency event framework under the NER to cover 'indistinct events' (ie events that can impact several components of the power system in an unpredictable and uncertain way), to allow AEMO to more effectively and proactively manage these types of events.</p> <p>In particular, the final rule:</p> <ul style="list-style-type: none"> <li>• expands the definition of 'contingency event' in clause 4.2.3(a) of the NER to capture all 'plant' (ie all equipment involved in the generation, transmission or distribution of electrical energy), as well as sudden and unplanned changes to the energy output, consumption or flows of this equipment;</li> </ul>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<ul style="list-style-type: none"> <li>expands the scope of the reclassification criteria in clause 4.2.3B of the NER, such that AEMO must now include information about the measures it may implement to maintain power system security as a result of reclassification decisions;</li> <li>establishes a new principle that AEMO must, where practicable, make decisions about reclassification and implement measures to manage contingency events in a way that is predictable and consistent with the reclassification criteria, to help market participants understand how these events will be generally managed by AEMO; and</li> <li>introduces new reporting requirements pursuant to which AEMO must consider improvements to the reclassification criteria through its regular reporting activities, and publish specific reports when it is not practicable for AEMO to act consistently with the reclassification criteria.</li> </ul> <p>AEMO is required to update the reclassification criteria in consultation with relevant stakeholders to reflect the revised definition of 'contingency event' by 9 March 2023. The new principle and reporting requirements will also commence at this time.</p> <p>Read more <a href="#">here</a>.</p>
Extension of time and reduction in scope of the 2022 reliability standard and settings review	10 March 2022	NER 2022 No. 2	3 March 2022	<p>This final rule inserts a new part into the NER that requires the Reliability Panel to consider both the reliability standard and settings for the period 1 July 2025 to 30 June 2028 and to provide recommendations for changes to the reliability standard and settings under the current market arrangements by 1 September 2022. The draft determination had proposed 30 August 2022 for the completion of the Reliability Panel's review, however this was amended to align with the AEMC's usual timing for the publication of documents.</p> <p>Read more <a href="#">here</a>.</p>
<b>Other rules not yet commenced</b>				
Removal of unaccounted for energy from liable load in the Retailer Reliability Obligation	1 May 2022 (Schedule 1) 3 June 2024 (Schedule 2)	NER 2021 No. 16	23 December 2021	<p>This final rule amends clause 4A.F.3(b) of the NER to remove unaccounted for energy (<b>UFE</b>) from the calculation of liable load under the Retailer Reliability Obligation (<b>RRO</b>).</p> <p>UFE refers to all residual electricity losses in a local area that remain after calculating the sum of all recorded load, generation and distribution loss factors. UFE must be settled and paid for by market participants. Historically, UFE was billed to the incumbent local retailer under a 'settlement by difference' framework, given the incumbent retailer previously accounted for a clear majority of the energy consumed by customers within</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>the area. However, given the increase in retail competition, this framework is no longer fit for purpose.</p> <p>AEMO considered that the incorporation of UFE introduces variability and uncertainty into the calculation of liable load that liable entities (typically retailers and some large energy users) are unable to quantify or manage. In order to address this issue, the final rule replaces the term 'adjusted gross energy' (<b>AGE</b>) with a new term, 'adjusted metered energy' (<b>AME</b>), for the purpose of calculating liable load in the RRO. AME, as compared to AGE, does not include an allocation of UFE. All other aspects of the calculation of liable load and the RRO remain unchanged.</p> <p>Read more <a href="#">here</a>.</p>
<p>Integrating energy storage systems into the NEM</p>	<p>9 December 2021 (Schedule 7)</p> <p>3 June 2024 (Schedules 1 to 6)</p>	<p>NER 2021 No. 13</p>	<p>2 December 2021</p>	<p>This final rule introduces a new participant registration category, the Integrated Resource Provider (<b>IRP</b>), which will become available in June 2024. Storage and hybrid facilities that provide bi-directional energy flows will be allowed to register and participate under this single IRP registration category, rather than under two different categories as was previously the case.</p> <p>Changes to the recovery of non-energy costs have also been made through the introduction of two new data streams ie adjusted sent out energy (<b>ASOE</b>) and adjusted consumed energy (<b>ACE</b>), to calculate the recovery of non-energy costs based on a participant's gross energy flows, rather than the participant's registration category. This new approach to non-energy cost recovery incentivises participants to manage their demand for these services and takes an important step towards an efficient two-sided market.</p> <p>The final rule also maintains the existing framework to allow storage connected to the transmission network to elect whether to connect under a negotiated agreement at a negotiated price, or the prescribed service and corresponding prescribed transmission use of system (<b>TUOS</b>) charge. The AEMC is of the view that storage participants should not automatically pay network charges, including the prescribed TUOS charge. As is currently the case, TNSPs will be required to negotiate price and service levels consistent with those that have been negotiated for other transmission customers receiving the same service. In the case of storage participants, this could be zero, given many storage participants in the market have negotiated very low or zero network charges with their TNSPs.</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>It is important to note that the final rule is not intended to affect existing connection agreements, including charging arrangements and existing performance standards.</p> <p>Read more <a href="#">here</a>.</p>
<p>Compensation for market participants affected by intervention events</p>	<p>9 December 2021 (Schedules 2 and 3)</p> <p>1 August 2022 (Schedule 1)</p>	<p>NER 2021 No. 14</p>	<p>2 December 2021</p>	<p>The intervention framework under the NER provides AEMO with the ability to intervene in the market to address reliability or power system security issues. When AEMO intervenes in the market, the intervention pricing regime and other compensation regimes are triggered. This final rule change amends the way that compensation is calculated for affected participants and market customers with scheduled loads, which are dispatched differently as a result of AEMO intervention events.</p> <p>The final rule addresses concerns that market participants could be under-compensated under the current regime by:</p> <ul style="list-style-type: none"> <li>• incorporating frequency control ancillary services (<b>FCAS</b>) into the automatic compensation framework in clause 3.12.2 of the NER. This position is contrary to the position put forward in AEMO's original rule change request, which required participants to lodge an additional claim for FCAS compensation; and</li> <li>• modifying the way compensation is calculated for market customers with scheduled loads by adopting a volume-weighted approach to calculating the input BidP. Under a volume-weighted approach, all bid bands are treated independently of one another with compensation calculated with respect to each band individually and then added together. This ensures appropriate compensation is given irrespective of the bidding behaviour adopted by the scheduled load.</li> </ul> <p>Read more <a href="#">here</a>.</p>
<p>Efficient management of system strength on the power system</p>	<p>24 October 2021 (Schedule 10)</p> <p>1 December 2022 (Schedules 1, 2 and 9)</p> <p>15 March 2023 (Schedules 3 to 8)</p>	<p>NER 2021 No. 11</p>	<p>21 October 2021</p>	<p>This final rule aims to facilitate simpler, faster and more predictable connections for new renewable generators and storage providers, while continuing to support the stability of the power system. As the NEM's generation mix decarbonises and the uptake of inverter based resources (<b>IBR</b>) accelerates, the demand for essential system services, including system strength, has been increasing. Inadequate levels of system strength can lead to higher wholesale electricity prices due to delays in the connection process, as well as AEMO having to frequently intervene to maintain system security.</p> <p>To address these issues, the final rule is comprised of three components:</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<ol style="list-style-type: none"> <li><b>Maximising supply of system strength:</b> introduction of a new system strength standard that must be adhered to by a subset of Transmission Network Service Providers (<i>TNSPs</i>), known as System Strength Service Providers (<i>SSS Providers</i>). These SSS Providers (ie TasNetworks, TransGrid, Powerlink, AEMO and ElectraNet) are required to use reasonable endeavours to plan system strength services to meet AEMO's forecast of IBR connections for each system strength node and three-phase fault level for each node. SSS Providers must determine what services they need to procure in order to meet the standard.</li> <li><b>Minimising demand for system strength:</b> introduction of two new access standards for generators and for market network service providers and other loads that connect under Chapter 5 of the NER. These new access standards establish minimum requirements in relation to short circuit ratio and voltage phase shift angles, and also set out the maximum level of system strength that connecting parties can demand from the system.</li> <li><b>Coordinating supply and demand:</b> allowing generators and other large loads to elect whether to pay to use system strength services offered by TNSPs (with the charge designed to reflect the system strength costs that a connection party would impose on the grid) or to provide their own system strength instead. This is designed to incentivise generators and other loads to invest in their own system strength, and in turn, minimise demand for the procurement of system strength services. The system strength mitigation requirement expands the current 'do no harm' arrangements, and now includes an option for new connections to pay charges to avoid full impact assessments and other related remediation obligations.</li> </ol> <p>Read more <a href="#">here</a>.</p>
Generator registrations and connections	24 October 2021 (Schedule 2)  21 April 2022 (Schedule 1)	NER 2021 No. 12	21 October 2021	<p>This more preferable final rule has been made in response to two separate rule change requests:</p> <ul style="list-style-type: none"> <li><i>Generator registration and connections</i>, submitted by the Australian Energy Council; and</li> <li><i>Improving connection process for embedded generators</i>, submitted by Mr Damien Vermeer.</li> </ul> <p>Both requests pertained to issues in relation to requirements for smaller (5-30MW) generators and increasing the transparency of AEMO's processes and decision-making.</p> <p>There are two major components of this final rule determination:</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<ol style="list-style-type: none"> <li>The AEMC has decided against lowering the scheduling threshold for smaller generators (5-30MW), on the basis that there is no evidence to suggest these smaller generators are having a significant impact on forecasting and dispatch processes and requiring these generators to be scheduled would impose significant costs on them. In addition, the issues raised in the rule change requests in relation to increasing visibility and dispatchability of smaller participants, will largely be dealt with as part of the ESB's 'scheduled lite' work program in a more holistic way.</li> <li>The more preferable rule also requires AEMO to develop, publish and maintain a registration information resource and guideline on the process for registration, classification and exemption under Chapter 2 of the NER. AEMO will also be required to consult on material amendments to the registration information resource and guideline, which are likely to affect participant's rights.</li> </ol> <p>Read more <a href="#">here</a>.</p>
Access, pricing and incentive arrangements for distributed energy resources (NER and NERR)	<p><b>NER:</b>                      19 August 2021 (Schedules 1 and 3)                      1 July 2022 (Schedule 2)</p> <p><b>NERR:</b>                      19 August 2021 (Schedules 1 and 4)                      21 October 2021 (Schedule 2)                      31 March 2022 (Schedule 3)</p>	NER 2021 No. 9 NERR 2021 No. 4	12 August 2021	<p>On 12 August 2021, the AEMC made a final rule determination that amends the NER and NERR to facilitate and support the efficient integration of distributed energy resources (<b>DER</b>), including rooftop solar, battery storage and electric vehicles, into the grid.</p> <p>The final rules comprise of three key components:</p> <ul style="list-style-type: none"> <li><b>Clear obligations on DNSPs to support connection of DER to the grid:</b> <ul style="list-style-type: none"> <li>In order to address disparities that have emerged under the existing regulatory framework in relation to DER connection and the level of export services provided to customers, the final rules clarify that 'distribution services' includes both sending energy to customers and customers exporting generated energy to the grid. This also means that existing planning and investment requirements, incentive schemes and regulatory controls on network expenditure will apply to export services</li> <li>As a means to provide transparency on a DNSP's approach to the integration of DER, and ensure relevant information is given to network users about opportunities for export services, the final rules require DNSPs to include certain information in relation to DER in their regulatory proposals.</li> <li>DNSPs will be prevented from offering a static zero export limit to small customers seeking to connect DER to the network, unless the customer requests this, or an exception in the AER's connection charge guidelines applies.</li> </ul> </li> </ul>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<ul style="list-style-type: none"> <li>• <b>Enabling new network tariff options that reward customers:</b> <ul style="list-style-type: none"> <li>○ The final rules allow DNSPs to develop pricing options for export services (which would be part of the regulatory determination process and require approval from the AER), and also clarify that tariffs can be used to incentivise the efficient operation of the network through reward pricing, which will apply to both consumption and export services. The use of these price signals is intended to promote the efficient use of, and investment in, export services and smooth demand for these services.</li> <li>○ Given the significant policy change that allowing DNSPs to develop export pricing options represents, the final rules also introduce customer safeguards and other measures to assist with the phase-in of export pricing. These measures include:                             <ul style="list-style-type: none"> <li>▪ a requirement that DNSPs develop an export tariff transition strategy as part of their regulatory proposals to the AER;</li> <li>▪ a prohibition on DNSPs from assigning existing DER customers to an export tariff unless the customer or its retailer elects to be placed on the tariff;</li> <li>▪ a requirement that DNSPs include a basic export level for each proposed export tariff, which allows retail customers to export to the grid without charge up to that level for a 10-year period; and</li> <li>▪ increasing the individual and cumulative materiality threshold (from 0.5% to 1% and from 1% to 5% of annual revenue, respectively) under which DNSPs can implement new network tariffs, to improve the ability of DNSPs to develop and trial new network tariffs in relation to export pricing.</li> </ul> </li> </ul> </li> <li>• <b>Strengthening consumer protections and regulatory oversight by the AER:</b> To ensure that DNSPs are providing export services that meet customer expectations, the final rules introduce a number of additional regulatory oversight measures, including requirements for the AER to:             <ul style="list-style-type: none"> <li>○ publish an annual report providing information about the performance of DNSPs in providing export services to customers;</li> <li>○ undertake a review of existing arrangements, consider incentives for DNSPs to deliver efficient levels of export services and publish a report by 31 December 2022;</li> <li>○ publish a number of guidelines setting out its expectation of how DNSPs will meet the requirements of the final rules, including export tariff guidelines and a connection charge guideline; and</li> </ul> </li> </ul>



Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<ul style="list-style-type: none"> <li>○ develop customer export curtailment values (<b>CECV</b>), to guide efficient levels of network investment for the delivery of export services and for use as an input to network planning, investment and incentive arrangements. The first CECV must be published by 1 July 2022, and will be followed by annual CECV updates.</li> </ul> <p>Read more <a href="#">here</a>.</p>
Fast frequency response market ancillary service	22 July 2021 (Schedule 2) 9 October 2023 (Schedule 1)	NER 2021 No. 8	15 July 2021	<p>The final rule introduces two new market ancillary service categories for fast frequency response (<b>FFR</b>) into the NER:</p> <ol style="list-style-type: none"> <li>1. very fast raise; and</li> <li>2. very fast lower.</li> </ol> <p>FFR refers to the delivery of a rapid active power increase or decrease by generation or load in two seconds or less, to correct a supply-demand imbalance and assist in managing power system frequency. The introduction of these new FFR markets, which operate more rapidly than existing frequency control ancillary services, contributes to the management of power system risks associated with declining inertia as the generation mix continues to shift away from synchronous generators. These new FFR services may be procured by AEMO in order to control power system frequency following sudden and unplanned generation or power system outages, and it is expected that their use will reduce the overall costs of managing power system frequency. The market arrangements for these new services will be the same as those for existing fast raise and fast lower services, including in relation to registration, scheduling, dispatch, pricing, settlement and cost allocation.</p> <p>The final rule also amends AEMO's quarterly frequency performance reporting to provide increased transparency on the interaction between these new markets, existing frequency control ancillary services and the level of inertia in the system.</p> <p>In order to implement the final rule, AEMO must review, and, where necessary, amend, the market ancillary services specification by 19 December 2022, setting out a detailed description of, and performance parameters and requirements for, the two services.</p> <p>The FFR market ancillary service arrangements will commence from 9 October 2023.</p> <p>Read more <a href="#">here</a>.</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
Bill contents and billing requirements	25 March 2021 (Schedule 2) 4 August 2022 (Schedule 1)	NERR 2021 No. 2	18 March 2021	<p>This more preferable final rule requires retailers to comply with an AER mandatory guideline containing billing requirements (the <b>Billing Guideline</b>). The rule aims to simplify energy bills to enable households and small business to better understand and manage their energy usage and costs.</p> <p>The final rule:</p> <ul style="list-style-type: none"> <li>• includes a bill objective, setting out the purpose of an energy bill;</li> <li>• requires the AER to make a Billing Guideline, which will replace the current bill information requirements in rule 25(1) of the NERR;</li> <li>• outlines principles for the AER to take into account in making and amending the Billing Guideline;</li> <li>• allows the AER to specify in the Billing Guideline the types of billing information that a retailer must provide and whether information of different types may be provided to a small customer by different delivery methods with their consent; and</li> <li>• removes the obligations on retailers regarding electricity consumption benchmarks in rule 170 of the NERR (noting the AER may choose to include these or similar obligations in the Billing Guideline).</li> </ul> <p>The AEMC considers that the introduction of a Billing Guideline will simplify and increase transparency of energy bills, while also delivering a regulatory framework that is adaptable over time and reflects the variety of offers and consumer preferences in the market.</p> <p>The final rule establishes a 12-month timeframe for the AER to develop and publish, by 1 April 2022, the first Billing Guideline, which retailers will be required to comply with from 4 August 2022.</p> <p>Read more <a href="#">here</a>.</p>
Mandatory primary frequency response	26 March 2020 (Schedule 3) 4 June 2020 (Schedule 1) 4 June 2023 (Schedule 2)	NER 2020 No. 5	26 March 2020	<p>This rule requires all scheduled and semi-scheduled generators to support the secure operation of the power system by responding automatically to changes in power system frequency. The rule is designed to improve frequency control in the NEM.</p> <p>Key aspects of the rule include:</p> <ul style="list-style-type: none"> <li>• all scheduled and semi-scheduled generators, who have received a dispatch instruction to generate to a volume greater than 0MW, must operate their plant in</li> </ul>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<p>accordance with the performance parameters set out in the primary frequency response requirements (<b>PFRR</b>) as applicable to that plant;</p> <ul style="list-style-type: none"> <li>• AEMO must consult on and publish the PFRR; and</li> <li>• generators may request and AEMO may approve variations or exemptions to the PFRR for individual generating plant.</li> </ul> <p>This final determination relates to two rule change requests, one from AEMO and the other from private individual Dr Peter Sokolowski, which were consolidated in December 2019.</p> <p>Read more <a href="#">here</a>.</p>
Minor changes 2020	<p>19 March 2020 (Schedule 1)</p> <p>1 May 2022 (Schedule 2), delayed from 6 February 2022</p>	NER 2020 No. 3	12 March 2020	<p>The rule corrects minor errors and makes non-material changes to the NER.</p> <p>The change to clause 3.15.5 of the NER will commence on 1 May 2022. All other changes to Chapters 3, 5 and 11 of the NER commenced on 19 March 2020.</p> <p>Read more <a href="#">here</a>.</p>
Five minute settlement and global settlement implementation amendments	<p>12 August 2019 (Schedules 1 and 6)</p> <p>1 October 2021 (Schedule 2), delayed from 1 July 2021</p> <p>1 May 2022 (Schedules 3 to 5), delayed from 6 February 2022</p>	NER 2019 No. 7	8 August 2019	<p>This rule amends nine areas of the NER to assist in implementing the five-minute settlement and global settlement rule changes. For context:</p> <ul style="list-style-type: none"> <li>• The five-minute settlement rule change is due to commence on 1 October 2021 (delayed from 1 July 2021). AEMO and NEM participants must make changes prior to the commencement date such as upgrading metering to provide the required data and updating IT systems to store and process the required data.</li> <li>• The global settlement rule is due to commence on 1 May 2022 (delayed from 6 February 2022). This rule change provides that every retailer is billed for the loss-adjusted metered electricity that is consumed within their area by customers. Currently, only the local retailer is billed for this.</li> </ul> <p>Regarding wholesale market operations for five-minute settlement, the rule:</p> <ul style="list-style-type: none"> <li>• enables AEMO to calculate Marginal Loss Factors using 30-minute or shorter resolution data intervals;</li> <li>• provides for fast-start inflexibility profiles in pre-dispatch; and</li> <li>• provides that the Reliability Standard and Settings Guidelines need not be amended as part of the transitional arrangements for five-minute settlement.</li> </ul> <p>Regarding global settlement, the rule clarifies that:</p>

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
				<ul style="list-style-type: none"> <li>• non-contestable unmetered loads are to be assigned to the most appropriate Transmission Node Identified (<b>TNI</b>) or Virtual Transmission Node (<b>VTN</b>);</li> <li>• retailers do not have financial responsibility at a transmission or distribution boundary point;</li> <li>• customer loads are market loads; and</li> <li>• Unaccounted for Energy (<b>UFE</b>) will not be allocated to distribution-connected generators.</li> </ul> <p>Regarding information provision, the rule:</p> <ul style="list-style-type: none"> <li>• provides that AEMO need not run a Rules Consultation process when making minor or administrative amendments to the spot market operations timetable; and</li> <li>• amends the period during which metering data providers must provide AEMO with data so that, before global settlement commences, AEMO can publish information about the potential UFE liability that market customers will be subject to.</li> </ul> <p>The <i>'Delayed implementation of five minute and global settlement'</i> rule change in July 2020 delayed commencement of these amendments, as well as the <i>'Global settlement and market reconciliation'</i> and <i>'Five-Minute Settlement'</i> rules discussed below, to account for the impacts of the COVID-19 pandemic.</p> <p>Read more <a href="#">here</a>.</p>
Global settlement and market reconciliation	13 December 2018 (Schedule 5)  1 May 2022 (Schedules 1 to 4), delayed from 6 February 2022	NER 2018 No. 14	6 December 2018	<p>This AEMO-initiated rule change introduces a new framework for settling the demand side of the wholesale NEM, using a 'global settlement' framework instead of the current 'settlement by difference' approach.</p> <p>Global settlement was set to have a 'soft start' date of 1 July 2021 followed by full commencement on 6 February 2022. However, these dates were pushed back by the <i>'Delayed implementation of five minute and global settlement'</i> rule change so that the soft start is now scheduled for 1 October 2021 and full commencement will occur on 1 May 2022.</p> <p>Read more <a href="#">here</a>.</p>

# ➤ National Gas Rules

## Rule Change Requests

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
<b>New rule change requests (since last update 1 March 2022)</b>					
There have been no new rule change requests since the last update.					
<b>Existing rule change requests (as at last update 1 March 2022)</b>					
Minor changes 1 2022 (Gas)	AEMC	24 February 2022	Consultation on consultation paper	Deadline passed (24 March 2022)	<p>This rule change request was self-initiated by the AEMC to correct minor errors and make non-material, clarificatory changes to the NGR.</p> <p>More specifically, the proposed rule seeks to:</p> <ul style="list-style-type: none"> <li>ensure consistency of references to provisions in the NGR;</li> <li>remove duplication of a subheading in the NGR; and</li> <li>make other minor punctuation, spelling and formatting corrections.</li> </ul> <p>The AEMC considers that this rule change request should be subject to the expedited rule making process under s304 of the NGL, on the basis that it satisfies the definition of a 'non-controversial Rule' under s290 of the NGL. Written requests not to make a rule under the expedited process were required to be lodged by 10 March 2022. If a valid written request is received, the AEMC will instead proceed under the standard rule change process.</p> <p>Submissions on the consultation paper were due by 24 March 2022.</p> <p>Read more <a href="#">here</a>.</p>
Improving consultation procedures in the Rules (Gas)	AEMO	16 December 2021	Consultation on consultation paper	Deadline passed (3 February 2022)	<p>This rule change request seeks stakeholder feedback on how the consultation frameworks for subordinate instruments made under the NER, NERR and NGR can be streamlined and improved. In light of recent increases in reform activity and the pace of change in the power system, AEMO considers that the use of subordinate instruments in the future may also rise. As such, AEMO has proposed this rule change request to ensure that consultation procedures for these subordinate instruments are straightforward and efficient, but also flexible to suit different circumstances and levels of complexity.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>Specifically, AEMO's rule change request proposes to:</p> <ul style="list-style-type: none"> <li>replace the existing consultation framework for most subordinate instruments made under the NER, which currently involves two rounds of consultation as the default position, with a new consolidated consultation framework that requires only one round of consultation as the default (but with principles to determine when further consultation may be required); and</li> <li>remove the extended consultation procedure for subordinate instruments made under the NGR.</li> </ul> <p>Submissions on the consultation paper were due by 3 February 2022.</p> <p>A draft determination is due to be published on 14 April 2022.</p> <p>Read more <a href="#">here</a>.</p>
DWGM distribution connected facilities	Victorian Minister for Energy, Environment and Climate Change	21 October 2021	Consultation on draft determination	19 May 2022	<p>This rule change request seeks to amend Part 19 of the National Gas Rules, in order to integrate distribution connected facilities into the Victorian Declared Wholesale Gas Market (<b>DWGM</b>). Currently, only facilities that are connected to the declared transmission system are permitted to participate in the DWGM.</p> <p>Distribution connected facilities include hydrogen, biomethane and other renewable gas facilities. These types of facilities are already able to participate in gas markets elsewhere. For example, the rules governing the Short Term Trading Markets in Sydney, Adelaide and Brisbane have recognised distribution connected facilities for over a decade.</p> <p>This rule change process is being undertaken concurrently with various reviews by the AEMC, AEMO and jurisdictional officials, into different aspects of the national gas regulatory framework, to determine amendments required in order to bring hydrogen and renewable gas blends within the scope of the framework.</p> <p>The changes proposed by the rule change request broadly relate to:</p> <ol style="list-style-type: none"> <li>market operations including registration categories, scheduling, bidding and demand forecasts and constraints;</li> <li>market settlements including title, custody and risk, allocations and default notices; and</li> <li>system operation and planning including connection requirements, metering and gas quality management.</li> </ol>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>The consultation paper sets out three potential solutions to the issues relating to the participation of distribution connected facilities in the DWGM. The proponent's preferred option is to:</p> <ul style="list-style-type: none"> <li>integrate distribution connected facilities in supply / demand scheduling from declared networks;</li> <li>introduce new gas injection points for distribution supply facilities to offer gas into the DWGM; and</li> <li>amend the definition of 'demand' in the DWGM to incorporate all gas usage, whether from the transmission or distribution system, and to reflect the combined volumes from transmission customers and distribution demand within Victoria's gas retail market.</li> </ul> <p>Submissions on the consultation paper were due by 2 December 2021.</p> <p>On 31 March 2022, the AEMC published a draft determination amending the NGR to allow distribution connected facilities to register and participate in the DWGM. The draft rule is based on the principle that distribution connected facilities should be treated on an equivalent basis to facilities connected to the declared transmission system, to the extent possible.</p> <p>More specifically, the draft rule:</p> <ul style="list-style-type: none"> <li>creates a new category of registration for distribution connected facilities;</li> <li>establishes a process as between distributors and AEMO for identifying and managing constraints in the network;</li> <li>seeks to allocate distribution injection points to entry capacity certificate zones, to allow registered market participants to participate in auctions and secure capacity certificates to manage scheduling risk;</li> <li>implements new arrangements for the transfer of title for distribution system injections;</li> <li>expands existing rules to also cover distributed connected facilities and clarifies certain rights and obligations in respect of these facilities; and</li> <li>allocates responsibility for gas quality monitoring to distributors, and clarifies requirements for gas quality monitoring.</li> </ul> <p>The draft rule proposes that the new framework will commence on 1 October 2023.</p>

Rule Name	Proponent	Initiation Date	Stage	Deadline for Submissions	Summary of Request
					<p>The AEMC held a stakeholder workshop on 8 April 2022, for stakeholders to provide initial feedback on the proposed draft rule.</p> <p>Submissions on the draft determination are due by 19 May 2022.</p> <p>Read more <a href="#">here</a>.</p>



## Completed Rule Changes

Rule Name	Commencement Date	Amending Rule	Date of Final Determination	Details
<b>Final rule determinations (since last update 1 March 2022)</b>				
There have been no new final rule determinations since the last update.				
<b>Other rules not yet commenced</b>				
DWGM simpler wholesale price	19 March 2020 (Schedule 3) 31 March 2020 (Schedule 1) 1 January 2023 (Schedule 2)	NGR 2020 No. 2	12 March 2020	<p>This more preferable final rule amends the NGR to simplify wholesale pricing in relation to the Victorian Declared Wholesale Gas Market (<b>DWGM</b>) by:</p> <ul style="list-style-type: none"> <li>requiring that when AEMO produces pricing schedules, which determine market prices, it takes into account any transmission constraints that affect withdrawals of gas at system withdrawal points at which withdrawal bids may be made; and</li> <li>removing the link between authorised maximum daily quantity (<b>AMDQ</b>) or capacity certificates and uplift payments, so that a congestion uplift category is no longer required.</li> </ul> <p>The final rule differs from the draft rule such that the NGR no longer requires a congestion uplift category. On the basis of stakeholder consultation, the AEMC considered such a baseline-based mechanism did not appropriately allocate 'cost to cause' and would involve unwarranted complexity and cost.</p> <p>The final rule sets out the following timing for commencement:</p> <ul style="list-style-type: none"> <li>amendments for transitional arrangements commenced on 19 March 2020;</li> <li>amendments relating to accounting for transmission constraints that affect withdrawals of gas at system withdrawal points in the pricing schedule commenced on 31 March 2020; and</li> <li>amendments relating to the congestion uplift framework are to commence on 1 January 2023, immediately after the <i>National Gas Amendment (DWGM Improvement to AMDQ regime) Rule 2020</i> commences (see below).</li> </ul> <p>Read more <a href="#">here</a>.</p>
DWGM improvement to AMDQ regime	19 March 2020 (Schedule 2) 1 January 2023 (Schedule 1)	NGR 2020 No. 1	12 March 2020	<p>This rule improves the AMDQ regime by making it easier for participants to trade and allocate pipeline capacity rights in the DWGM.</p> <p>The final rule retires the current instruments of authorised MDQ and AMDQ credit certificates (<b>AMDQ CCs</b>), and replaces these with a new regime consisting of:</p>

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

## Disclaimer

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