



Australian Energy Market Commission

CONSULTATION PAPER

National Electricity Amendment (Reliability Panel governance arrangements) Rule 2018

Rule Proponent(s)

Reliability Panel

26 April 2018

**RULE
CHANGE**

Inquiries

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

E: aemc@aemc.gov.au

T: (02) 8296 7800

F: (02) 8296 7899

Reference: ERC0233

Citation

AEMC 2018, Reliability Panel governance arrangements, Consultation Paper, 26 April 2018, Sydney

About the AEMC

The AEMC reports to the Council of Australian Governments (COAG) through the COAG Energy Council. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the COAG Energy Council.

This work is copyright. The Copyright Act 1968 permits fair dealing for study, research, news reporting, criticism and review. Selected passages, tables or diagrams may be reproduced for such purposes provided acknowledgement of the source is included.

Contents

1	Introduction	1
1.1	Background.....	2
2	Issues raised in the rule change request.....	3
2.1	Panel composition, appointments and removal of members.....	3
2.2	Consultation procedures.....	8
2.3	Timing and publication of specific reports and reviews	10
3	Assessment framework.....	12
3.1	Achieving the NEO.....	12
3.2	Making a more preferable rule.....	13
4	Process for this rule change.....	14
4.1	Treatment as a non-controversial rule change	14
4.2	Key dates	15
5	Lodging a submission	16
5.1	Lodging a request not to make a rule under an expedited process	16
5.2	Lodging a submission to this rule change request	16
5.3	Lodging a submission electronically	16
5.4	Lodging a submission by mail	16
	Abbreviations.....	17

1 Introduction

On 22 December 2017, the Reliability Panel (Panel) submitted a rule change request to the Australian Energy Market Commission (AEMC) seeking to amend particular clauses of the National Electricity Rules (NER) relating to the Panel's governance arrangements.

Overall, the request looks to:

- clarify some existing clauses
- update some clauses to align with the Panel's existing practices
- address some matters related to the current governance of the Panel.

The rule change request was submitted in relation to:

- clause 3.9.3A – Reliability standard and settings review
- clause 3.13.3 – Standing data
- clause 8.8 – Reliability Panel (governance arrangements)
- clause 8.9 – Rules consultation procedures.

This consultation paper has been prepared to facilitate public consultation on the rule change request and to seek stakeholder submissions.

This paper:

- provides a summary of, and background to, the rule change request
- identifies a number of questions and issues to facilitate consultation on this rule change request, and
- outlines the process for making submissions.

The scope of the consultation paper and the rule change in general is limited to the issues raised in the rule change request. Other issues related to the broader governance framework, or to the functions and responsibilities of the Panel are out of the scope, and could be considered through other rule change requests.

Given the tightly defined nature of the issues, and the background information provided in the rule change request, this consultation paper is brief. The AEMC will use an expedited process to consider this rule change request provided that it does not receive any valid request not to use the expedited process by **10 May 2018**.

Submissions are invited in relation to the matters identified below, and any other relevant issue. Submissions are due on **24 May 2018**.

1.1 Background

The Reliability Panel was established by the AEMC as required by the National Electricity Law (NEL)¹. The functions and powers of the Panel are:

- to monitor, review and report on, in accordance with the NER, the safety, security and reliability of the national electricity system
- at the request of the AEMC, to provide advice in relation to the safety, security and reliability of the national electricity system
- any other functions or powers conferred on it under the NEL and the NER.²

The NER set out the membership requirements of the Panel and more details on the Panel's functions and responsibilities.³

In February 2017, the Chair of the Panel initiated internal work to identify whether the current governance structure for the Panel was appropriate given the pace of change in the energy market. The review assessed governance arrangements in the context of the existing scope of Panel roles and responsibilities. The review was completed in July 2017, with the Panel agreeing to submit a rule change request to the AEMC on several governance matters.

The AEMC has considered some of the Panel's governance arrangements before. In August 2013, the AEMC made a more preferable rule on the Reliability Panel Public Meetings rule change request, providing the Panel with greater flexibility in how it conducts its public meetings.⁴

In March 2015, the AEMC made a more preferable rule on the Governance Arrangements and Implementation of the Reliability Standard and Settings rule change request, which sought to amend the governance arrangements for the reliability standard and settings.⁵ The final rule required the Panel to develop the Reliability Standard and Settings Guidelines in accordance with the Rules Consultation Procedures.⁶

1 Section 38(1) of the NEL. The Reliability Panel was initially established in 1997 by the National Electricity Code Administrator. The NEL provides that the AEMC must establish the Panel. With the establishment of the AEMC in 2005, the Panel formed part of the AEMC's institutional arrangements.

2 NEL section 38(2).

3 See in particular NER rule 8.8.

4 National Electricity Amendment (Reliability Panel Public Meetings) Rule 2013. See: <https://www.aemc.gov.au/rule-changes/reliability-panel-public-meetings>.

5 National Electricity Amendment (Governance Arrangements and Implementation of the Reliability Standard and Settings) Rule 2015. See: <https://www.aemc.gov.au/rule-changes/governance-of-the-reliability-standard-and-setting>.

6 Ibid.

2 Issues raised in the rule change request

The Panel's rule change request outlines a number of issues that may be grouped as follows:

- Panel composition, appointments and removal of members
- consultation procedures
- timing and publication of specific reports and reviews.

2.1 Panel composition, appointments and removal of members

2.1.1 Acting chair

NER clause 8.8.2(a)(1) provides that the chair of the Panel must be an AEMC commissioner and be appointed by the AEMC. Currently, the NER do not provide for the nomination of an acting chair. If the standing chair required extended leave, then the efficient operation of the Panel could be compromised. At the extreme, it could mean the Panel could not make a decision if Panel members' views were equally divided on a matter as the chair person holds the casting vote.

In the rule change request, the Panel proposes to amend the NER to allow the chair of the AEMC to appoint a commissioner (other than the AEMC chair) as an acting chair of the Panel for a specific period of time.⁷

AEMC staff have considered other solutions to the issue, particularly the option of providing for a permanent deputy chair of the Panel. However, this option has the following potential drawbacks:

- If a deputy chair of the Panel is another commissioner appointed by the AEMC (other than the AEMC chair and the Panel chair), this will lead to two commissioners being involved in the regular work of the Panel. This can be considered duplicative and therefore inefficient. In addition, these arrangements may lead to the over-representation of the AEMC on the Panel.
- If a deputy chair of the Panel is another Panel member (other than a commissioner), there are potential complexities in the appointment of a deputy chair representing a particular group of market participants. It may also be inappropriate for a representative of a particular group of the market participants to hold a casting vote.

⁷ Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 5.

2.1.2 Discretionary Panel members

NER clause 8.8.2 establishes that the Panel be composed of seven to ten members. It is to comprise an AEMC commissioner to act as chair, the CEO (or a delegate) of the Australian Energy Market Operator (AEMO), and at least five but not more than eight persons appointed by the AEMC. Five of the AEMC-appointed representatives must include a person each representing a particular registered participant category under the NER, specifically: generators, market customers, transmission networks and distribution networks. The AEMC may choose to appoint up to three more Panel members, referred to here as discretionary members.

Currently, the NER do not outline the general purpose of allowing for discretionary members. The NER also do not provide how such members are to be appointed and removed by the AEMC.

In the rule change request, the Panel seeks to amend the NER to:

- outline the purpose of discretionary members on the Panel
- specify that discretionary members are to be appointed and removed with appropriate consultation, as with the person representing the interests of end-user customers.⁸

2.1.3 Security and safety

Clause 8.8.2(c)(1) of the NER requires the AEMC to appoint persons to the Panel to broadly represent persons with direct interests in reliability. Security and safety of electricity supply are not mentioned in this clause, even though security and safety are among the Panel's functions under the NEL.⁹

The Panel proposes the NER to be amended in order to have the provisions on the Panel representation be consistent with the Panel's functions under the NEL. Specifically, the Panel seeks for the appointments to have regard to persons with security and safety interests, in addition to reliability interests.¹⁰

Note that while general safety in the national electricity market (NEM) is an important consideration under NEL, the Panel limits its consideration of "safety" to maintaining power system security.¹¹ The Panel considers that the power system is safe when it is maintained and is operating in a secure condition.

⁸ Ibid, p. 6.

⁹ NEL, s.38(2).

¹⁰ Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 7.

¹¹ Reliability Panel, 2017 Annual Market Performance Review, final report, 20 March 2018, Sydney. See: <https://www.aemc.gov.au/sites/default/files/2018-03/Final%20report.pdf>. Power system security is defined in the NER as the safe scheduling, operation and control of the power system in accordance with the power system security principles. These principles include maintaining the

The regulation of electrical safety and emergency response matters falls within the remit of jurisdictional departments or jurisdictional safety regulators in each state and territory. State and territory legislation governs the safe supply of electricity by network service providers and the broader safety requirements associated with electricity use in households and businesses.

2.1.4 Independence of distribution network service providers (DNSPs)

The NER provide that the persons appointed as Panel members must be independent of AEMO (the system operator).¹² If a person on the Panel ceases to be independent of AEMO, the AEMC must remove that person from the Panel.¹³ Currently, the exemption for independence from AEMO applies only to the transmission network service providers (TNSPs).¹⁴

In the rule change request, the Panel noted that increasingly often distribution networks have to coordinate with the system operator in order to operate a safe, secure and reliable system as TNSPs do.¹⁵ The Panel considers that this should be reflected in the NER.

Therefore, in its rule change request, the Panel proposes to amend the NER to extend the exemption for independence from system operators to the Panel member representing DNSPs.¹⁶

2.1.5 The majority opinion for registered participant appointments

Currently, the AEMC may only appoint a person representing a class of Registered Participant, if that person is agreed to by at least *“one third in number of the relevant class of Registered Participants”*.¹⁷ The NER do not give the AEMC guidance on how it should regard two nominees from the same class of Registered Participants, both of whom have at least the minimum one third of votes.

The Panel seeks to insert an additional provision in the appointment clause. This will require the AEMC to have regard to the preference expressed by the majority of the Registered Participants in the relevant class who voted on the nominees.¹⁸

power system in a secure operating state and returning the power system to a secure operating state following a contingency event or a significant change in power system conditions, including a major supply disruption. See NER Chapter 10.

12 Clause 8.8.2(c)(3) of the NER.

13 Clause 8.8.2(c)(5) of the NER.

14 Clause 8.8.2(c)(4) of the NER.

15 Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 7.

16 Ibid.

17 Clause 8.8.2(c1)(1) of the NER.

18 Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 7.

The Panel considers that discretion provided to the AEMC by this proposed additional provision is beneficial. In the rule change request, the Panel states that there may be factors that the AEMC may be aware of and/or want to consider, such as the overall skills mix of the Panel, succession planning, diversity or member availability.

According to the Panel, these circumstances warrant retaining some flexibility for the AEMC in choosing between candidates.¹⁹

2.1.6 Removal of a Panel member

Clause 8.8.2(d) of the NER currently sets out several circumstances in which the AEMC may remove any member of the Panel. In the rule change request, the Panel considered that some of these circumstances duplicate other provisions of the NER, and other circumstances do not appear to be relevant.²⁰ Specifically:

- Currently, Panel members may be removed if they become insolvent or under administration.²¹ In the rule change request, the Panel notes that being under administration is a concept that applies to corporations, not people. While a Panel member may, as a person, become insolvent, it is not clear that this is necessarily a reason why they would no longer be able to perform their duties on the Panel (and if they do become unable to perform their duties, they may be removed under clause 8.8.2(d)(5)).²² The Panel proposes to remove clause 8.8.2(d)(1) of the NER that provides for a Panel member to be removed from the Panel if he or she becomes insolvent or under administration.²³
- Clause 8.8.2(d)(3) provides that a Panel member may be removed if he or she resigns. In the rule change request, the Panel notes that a separate provision (clause 8.8.2(e)) allows a Panel member to resign from the Panel by giving a written notice. The Panel recognises that clause 8.8.2 (d)(3) was possibly intended to refer to a Panel member resigning from their employer. For example, resigning from employment with a generator, where that person was appointed to the Panel to represent generators (under cl. 8.8.2(a)(3)(A)).²⁴

The Panel argues in its rule change request that once a person resigns from their employer, it does not necessarily follow that they cease to be able to represent the relevant category of the energy sector. In addition, clause 8.8.2(c1)(2) requires the AEMC to remove a representative member if requested by a member of the relevant class and one third of the relevant class of Registered Participants agree. This could cover the situation where a person no longer represents the relevant

19 Ibid.

20 Ibid.

21 Clause 8.8.2(d)(1) of the NER.

22 Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 7.

23 Reliability Panel, Reliability Panel governance arrangements, attachment to the rule change request, 22 December 2017, p. 5.

24 Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 7.

sector.²⁵ The Panel seeks to streamline these clauses, by removing clause 8.8.2(d)(3).²⁶

- Clause 8.8.2(d)(3) also provides that a Panel member may be removed if he or she dies. The Panel argues that this provision is redundant, because on dying, a Panel member ceases to be a person. With no existence or legal agency, they are automatically no longer on the Panel.²⁷ Furthermore, the Panel states that even if this was not the case, the general provision allowing removal for failing to discharge the Panel member's obligations would cover this situation.²⁸ The Panel proposes to delete clause 8.8.2(d)(3) as being unnecessary.²⁹
- Clause 8.8.2(d)(4) provides that a Panel member may be removed if the AEMC is required to remove the person under other provisions. In its rule change request, the Panel argues that this clause should be removed, as other provisions³⁰ suffice.³¹

Question 1 Panel composition, appointments and removal of member

- (a) **What are stakeholders' views on the issues raised by the Panel and the Panel's proposed solutions, in relation to Panel composition, appointments and removal of members?**
- (b) **Are stakeholders aware of other governance arrangements that may address the acting chair issue?**
- (c) **Do stakeholders agree that the proposed exemption for independence from system operators for DNSPs, as is currently the case for TNSPs, is beneficial given the increasing need for distribution networks to coordinate with the system operator?**
- (d) **Do you agree that requiring the AEMC to have regard to the preference expressed by the majority of the Registered Participants in appointing a Panel member will strengthen the governance arrangements of the Panel?**
- (e) **Are there any other issues relevant to the Panel's composition,**

²⁵ Ibid, p.7-8.

²⁶ Reliability Panel, Reliability Panel governance arrangements, attachment to the rule change request, 22 December 2017, p. 5.

²⁷ Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 8.

²⁸ Ibid.

²⁹ Reliability Panel, Reliability Panel governance arrangements, attachment to the rule change request, 22 December 2017, p. 5.

³⁰ Specifically, NER clauses 8.8.2(c) and 8.8.2(c1)(2).

³¹ Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 8.

appointments and removal of members that the AEMC should consider?

2.2 Consultation procedures

The Reliability Panel applies two different consultation processes for its determinations and reviews: the Panel review process and Rules Consultation Procedures.

- The Panel review process has one round of public consultation and one report, with a mandatory public meeting.
- The Rules Consultation Procedures have two rounds of public consultation and an optional public meeting, with a draft report and a final report.

The Panel seeks to address four issues with the current consultation procedures through the rule change request:

- For the Annual Market Performance Review, the Panel review process is applied. As described above, this procedure requires holding one round of consultation. The Panel argues that as this review is a factual report of the state of the market, no consultation is required.³² This is consistent with the approach of the NEM market bodies who typically do not consult on their annual, factual reports.³³
- Both the initial determination of and any amendments to the established Reliability Standard and Settings Review Guidelines follow the Rules Consultation Procedures. In the rule change request, the Panel proposes that the shorter Panel consultation process should apply for any review of the established Reliability Standard and Settings Review Guidelines. This would be similar to the approach taken for updating guidelines on AEMO's exercise of power to issue directions and exercise of power to enter into contracts for reserves.³⁴ The Panel believes this will promote timely decision-making and provision of information to the market. Also these arrangements, according to the Panel, will reduce unnecessary and duplicative calls on stakeholders' limited resources.³⁵
- The Panel considers that the value of a mandatory public meeting for the Panel review process is unclear (clause 8.8.3(f)). Consequently, the rule change request proposes that a public meeting must be held only if a stakeholder requests one, but is optional otherwise, noting that the public meeting is optional under the Rules Consultation Procedures.³⁶ For example, the Panel review process was

³² Ibid, p.9.

³³ The examples of annual, factual reports with no consultation include: AEMC's Retail Competition Review, AEMC's Residential Electricity Price Trends Review, AEMO's Annual Report, AER's State of the Energy Market Report, AER's Annual Benchmarking Report.

³⁴ Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 9.

³⁵ Ibid, p.8.

³⁶ Ibid.

applied to the 2017 Annual Market Performance Review. However, stakeholders demonstrated no interest in attending a public meeting, and the meeting was not held. The lack of interest from stakeholders to participate in a public meeting could be partly explained by the fact that the Annual Market Performance Review is the factual report on the state of the market, with stakeholders likely focussing their resources on policy matters. Therefore, the Panel considers that the requirement of a mandatory public meeting is not appropriate for the Panel review process. It proposes to make a meeting mandatory if a stakeholder requests one, but otherwise optional.³⁷

- In the rule change request the Panel also covered the matter of notices and reports publication. Currently, under the Rules Consultation Procedures AEMO is required to publish the Panel's notices and reports related to the issues under consultation. The Panel argues that given the AEMC established the Reliability Panel and the AEMC employees provide secretariat services for the Panel, it is appropriate for the AEMC to publish the Panel's notices and reports.³⁸ Current practice is that the Panel's reports are published on the AEMC website. Requiring them to be published by both the AEMC and AEMO is inefficient.

The consultation procedures and changes to them should be suitable for the Panel's current role. Where possible, the procedures should also be suitable for future roles that could potentially be assigned to the Panel. For example, the Energy Security Board's high level design of the National Energy Guarantee suggests that an "independent entity", such as the Australian Energy Regulator or the Reliability Panel, will need to approve a request from AEMO that the reliability obligation on retailers be triggered.³⁹

Question 2 Consultation procedures

- (a) **How suitable are the proposed changes to the consultation procedures when considering:**
 - **the Panel's current role**
 - **future roles that could potentially be assigned to the Panel?**
- (b) **Do stakeholders agree that because the Annual Market Performance Review is of a factual nature, the consultation procedures for this review need to be amended to reflect this?**
- (c) **Consultation processes have deviated from those in the consultation procedures for some past Panel reviews and decisions. What are stakeholders' views on the value of the Panel having**

37 Ibid.

38 Ibid.

39 Energy Security Board, National Energy Guarantee: High Level Design Document, 20 April 2018, p.34. See also: <http://www.coagenergycouncil.gov.au/publications/initial-design-guarantee>.

taken this approach?

- (d) Do stakeholders have other comments related to the Panel's consultation procedures within the scope described above?

2.3 Timing and publication of specific reports and reviews

2.3.1 Timing of Annual Market Performance Review

The NER (clause 8.8.3(b)) require the Panel to conduct the Annual Market Performance Review at least each calendar year and at such other times as the AEMC may request.

The rule change request proposes that the Panel will conduct the Annual Market Performance Review in respect of each financial year, and will publish the review before the end of the following financial year.⁴⁰

In its rule change request, the Panel argues that the data used as a key input into this review is only available on a financial year basis.⁴¹ In addition, the terms of reference for the Annual Market Performance Review specifically require the Panel to report historical unserved energy on a financial year basis.⁴² Therefore, for the past several years the review has covered a financial year period.

Most other NEM publications are based on a financial year. By providing in the NER that the Annual Market Performance Review is to be prepared on a financial year basis, rather than a calendar year, could be beneficial for stakeholders. It will make it easier for them to navigate and compare information.

2.3.2 Publication of AEMO's demand forecast reports

The NER require that that AEMO has to provide a report to the Panel on the accuracy of its demand forecasts by 1 November each year. The NER also require the Panel to publish these reports.⁴³

In its rule change request, the Panel argues that it is unclear why the Panel should be required to publish AEMO's reports. The Panel states that it does not have a role in the accuracy of AEMO's forecasts, as the Panel does not have sufficient information to

⁴⁰ Ibid, p.11.

⁴¹ For example, the Electricity Forecasting Insights report (previously the *National Electricity Forecasting Report*) is published in June each year. It presents electricity consumption, maximum and minimum demand forecasts on a financial year basis. Further, the underlying data that informs AEMO's reports is audited by AEMO pre-publication. Given the timeframes involved, there is generally limited opportunity for the Panel to receive verified data ahead of AEMO's documents being published.

⁴² AEMC Terms of Reference to the Reliability Panel, Annual Market Performance Review, 8 August 2017. See: <https://www.aemc.gov.au/markets-reviews-advice/annual-market-performance-review-2017>.

⁴³ Clause 3.13.3(v).

assess such matters. Further, the Panel notes that in practice AEMO publishes the reports itself directly on its own website.

Therefore, the Panel proposes to amend the NER to make it clear that AEMO will periodically publish information on the accuracy of its demand forecasts on its own website.⁴⁴

Question 3 Timing and publication of specific reports and reviews

- (a) Do stakeholders agree with the arguments and proposed solutions provided by the Panel?**
- (b) What frequency and timing do stakeholders consider to be appropriate for the publication of information on the accuracy of demand forecasts?**

The Panel argues that the proposed rules, if made, would promote transparency and clarity for market participants in relation to the Panel processes.

The Panel considers that the rule change is not expected to have any cost impact on NEM participants or government, and accordingly to have no additional costs for consumers.⁴⁵

The rule change request does include a proposed rule. Copies of the rule change request may be found on the AEMC website.⁴⁶

⁴⁴ Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 11.

⁴⁵ Ibid, p.13.

⁴⁶ <https://www.aemc.gov.au/rule-changes/reliability-panel-governance-arrangements>.

3 Assessment framework

3.1 Achieving the NEO

Under the NEL the AEMC may only make a rule if it is satisfied that the rule will, or is likely to, contribute to the achievement of the national electricity objective (NEO).⁴⁷

The NEO is:⁴⁸

“To promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to -

- (a) price, quality, safety, reliability and security of supply of electricity;
and
- (b) the reliability, safety and security of the national electricity system.”

The relevant aspect of the NEO for this rule change request is the promotion of the efficient operation of electricity services for the long term interests of consumers with respect to the security and reliability of the national electricity system. In determining whether the proposed rule is likely to promote the NEO, we propose to consider the following criteria as part of the assessment of the rule change request:

- **Effective execution of responsibilities:** the potential of the proposed rule to allow the Reliability Panel to operate more effectively in discharging its responsibilities, therefore, contributing to the more efficient operation of the power system.
- **Transparency:** whether the proposed rule will promote transparency by providing clear, easy to understand governance arrangements of the Reliability Panel.
- **Appropriate and timely consultation processes:** whether the proposed rule will appropriately align consultation processes to the issues at hand and allow information to be provided to market participants in a more efficient and timely manner.
- **Clear roles and responsibilities:** the potential of the proposed rule to provide clarity around roles and responsibilities regarding the publication of key reports thus providing easier access for market participants.

The assessment framework will consider if the benefits of the proposed rules outweigh the costs and risks of such changes.

⁴⁷ Section 88 of the NEL.

⁴⁸ Section 7 of the NEL

Question 4 Assessment framework

- (a) Is the assessment framework set out above appropriate for considering the proposed rule?**
- (b) Are there other relevant considerations that should be included in the assessment framework?**

3.2 Making a more preferable rule

Under section 91A of the NEL, the AEMC may make a rule that is different (including materially different) to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule will or is likely to better contribute to the achievement of the NEO.

4 Process for this rule change

4.1 Treatment as a non-controversial rule change

The AEMC considers that the rule change request is a request for a non-controversial rule because it is unlikely to have a significant impact on the NEM.⁴⁹ This is because:

- the proposed rule is not anticipated to have a cost impact on NEM participants, and accordingly should not result in additional costs to consumers. The Panel outlines in its rule change request that the costs of the proposals will be limited to the amendment of existing AEMC and Panel internal procedures.⁵⁰
- the majority of the proposed amendments involve clarifications to the existing rules rather than changes in policy or effect.⁵¹
- the policy change of allowing for the appointment of an acting chair is an internal matter of the Panel, is standard governance practice, and maintains the requirement for the Panel chair to be an AEMC commissioner.⁵²
- the proposed changes to AEMO's procedures are minor and will not have any significant impact on AEMO's processes. These changes will reduce the burden of unnecessary administrative work and inefficient information duplication by the market bodies.⁵³

Rule changes that are considered to be non-controversial may be processed under an expedited (faster) process under which there is only one round of consultation and the AEMC must publish its final rule determination within six weeks of commencing the rule change process.⁵⁴

The AEMC will use an expedited process to consider this rule change request provided that it does not receive any valid requests not to use the expedited process by **10 May 2018**.

To be valid, an objection should set out the reasons why the rule change request will have a significant impact on the NEM.

49 Section 87 of the National Electricity Law.

50 Reliability Panel, Reliability Panel governance arrangements, rule change request, 22 December 2017, p. 13.

51 Ibid.

52 Ibid.

53 Ibid.

54 NEL s. 96. The AEMC has published a notice under sections 95 and 96 of the NEL to commence and assess this rule change request as a non-controversial rule.

4.2 Key dates

The **key dates** for stakeholders in this process are as follows:

Item	Date
Commencement of the rule change process	26 April 2018
Close of objections to an expedited process	10 May 2018
Close of submissions on the consultation paper and the proposed rule	24 May 2018
Final decision to be published under an expedited process	7 June 2018

5 Lodging a submission

The AEMC invites requests not to make a rule under the expedited process and written submissions on this rule change request.

All enquiries on this project should be addressed to Olga Iaroshevskaya on (02) 8296 0613 or olga.iaroshevskaya@aemc.gov.au.

5.1 Lodging a request not to make a rule under an expedited process

Written requests not to make a rule under the expedited process in section 96 of the NEL must include reasons for the request, and must be lodged with the AEMC by **10 May 2018**, either online or by mail.

5.2 Lodging a submission to this rule change request

Written submissions on the rule change request must be lodged with the AEMC by **24 May 2018**, either online or by mail, in accordance with the requirements specified below.

Where practicable, submissions should be prepared in accordance with the AEMC's guidelines for making written submissions on rule change requests.⁵⁵ The AEMC publishes all submissions on its website, subject to a claim of confidentiality.

5.3 Lodging a submission electronically

Electronic submissions, or requests not to make a rule under the expedited process, must be lodged online via the AEMC's website, www.aemc.gov.au, using the "lodge a submission" function and selecting the project reference code ERC0233.

The request or submission must be on letterhead (if submitted on behalf of an organisation), signed and dated.

5.4 Lodging a submission by mail

The submission must be on letterhead (if submitted on behalf of an organisation), signed and dated. The request or submission should be sent by mail to:

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

The envelope must be clearly marked with the project reference code: ERC0233.

⁵⁵ This guideline is available on the AEMC's website www.aemc.gov.au.

Abbreviations

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
DNSP	Distribution network service provider
NEL	National Electricity Law
NEM	National Electricity Market
NEO	National Electricity Objective
NER	National Electricity Rules
Panel	Reliability Panel
TNSP	Transmission network service provider