



## Simplification of National Electricity Rules definitions

### Overview of the rule change requests

The Australian Energy Market Commission (AEMC) has commenced consultation on two rule change requests from the Australian Energy Market Operator (AEMO) and from Dr Kerry Schott AO, Chair of the Energy Security Board (ESB). Both rule change requests propose to make non-controversial changes to particular National Electricity Rules (NER) definitions. As such, these will be run on a consolidated basis under the title of Simplification of NER definitions.

### Background

Informed by the Stronger Governance recommendations of the Finkel Review, the ESB is undertaking comprehensive review of the Rules, in order to streamline and optimise the rule making process. One outcome is Dr Kerry Schott AO's rule change request which aims to simplify the NER.

In addition, AEMO has collaborated with the ESB, submitting another rule change request addressing the Finkel recommendations by amending the NER where simplification will not materially change market participant rights or obligations.

### Issues for consideration

#### AEMO request

The AEMO request proposed changes to particular NER definitions, largely within Chapter 10 (Glossary). These are definitions that AEMO considers could be amended, consolidated, or otherwise removed with little material impact.

#### Dr Kerry Schott AO request

The Dr Kerry Schott AO request proposed changes to other NER definitions that were Dr Kerry Schott AO considers inconsistent with superior definitions in the National Electricity Law (NEL). These definitions are proposed to be amended to simply reference the same term in the NEL.

### Treatment as a non-controversial rule change request

The proponents have requested that the rule change requests be treated as non-controversial Rules in accordance with section 96 of the NEL. They consider that the proposed changes will not have a significant effect on the NEM and are of a non-controversial nature.

The Commission considers that the proposed rules meet the definition of a non-controversial rule, and therefore has decided to use the expedited process provided that it does not receive any valid requests not to use the expedited process by **1 October 2020**.

### Key dates and next steps

On 17 September, the AEMC published a consultation paper seeking stakeholder input on proposed amendments to simplify NER definitions.

Key dates for stakeholders in this process are as follows:

- Commencement of the rule change process: 17 September 2020
- Objections to the Commission's decision that the rule change requests are non-

controversial (and be subject to the expedited process): 1 October 2020

- Submissions to the consultation paper to be received by: 15 October 2020
- Final determination and final rule to be published under an expedited process by: 11 November 2020.

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17 September 2020