

2020 2021

ANNUAL REPORT



30 September 2021

The Hon Dan van Holst Pellekaan MP

Minister for Energy and Mining
GPO Box 974
Adelaide SA 5001

Dear Minister

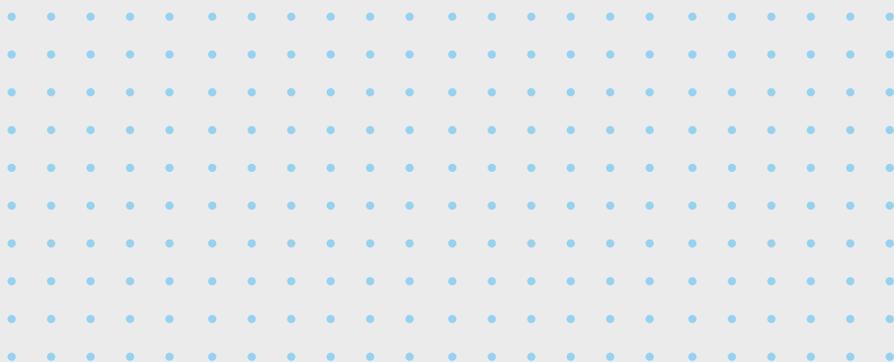
I am pleased to present the Australian Energy Market Commission's 2020–2021 annual report.

This report is prepared in accordance with Section 27 of the *Australian Energy Market Commission Establishment Act 2004* (SA).



Anna Collyer
CHAIR

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A strategic overview of our work in the year under review focusing on the AEMC's priority work areas

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FINANCIAL PERFORMANCE

Provides audited financial statements for the AEMC

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: 117

STATUTORY REPORTS

Under Section 27 of the *Australian Energy Market Commission Establishment Regulations 2005* we must include specific reports which are provided here, together with a compliance index

.....

Compliance **142**

Australia and the world experienced enormous changes in 2020-21.

The way we work and live our lives has been transformed with the pandemic, and access to reliable energy has enabled many aspects of that transformation.

As we managed the challenges of the past year, we were more conscious than ever of the value of collaboration with our stakeholders. Together, we work for Australia's future productivity and living standards by contributing to a decarbonised, affordable and reliable energy system for consumers.

31

RULE CHANGE
REQUESTS
COMPLETED

9

REVIEWS
COMPLETED

24

PROJECTS UNDERWAY
AT 30 JUNE 2021

How energy markets are governed

Energy Ministers' Meeting

Provides national leadership on energy market development which is important for the health of the national economy.

ESB Energy Security Board

Established by the nation's energy ministers to coordinate implementation of recommendations from the Independent Review into the Future Security of the National Electricity Market (Finkel Review). The Energy Security Board also provides whole of system oversight for energy security and reliability. It is comprised of an Independent Chair, Dr Kerry Schott AO, an Independent Deputy Chair, David Swift, and the heads of the AEMC, AER and AEMO.

AEMC Australian Energy Market Commission

As the rule-maker and adviser for Australian energy markets, it is our role to understand how the rapidly changing context in which we operate affects the interests of consumers in the long term and to design a future-proof system accordingly.

AEMO Australian Energy Market Operator

Electricity and gas systems and market operator. Works with industry to keep the lights on.

AER Energy Regulator

Compliance, enforcement and economic regulation. Polices the system and monitors the market.



Performance summary

RULE CHANGES, REVIEWS AND ADVICE STARTED AND COMPLETED

2019-20

35

RULE CHANGES INITIATED

48

RULE CHANGES COMPLETED

13

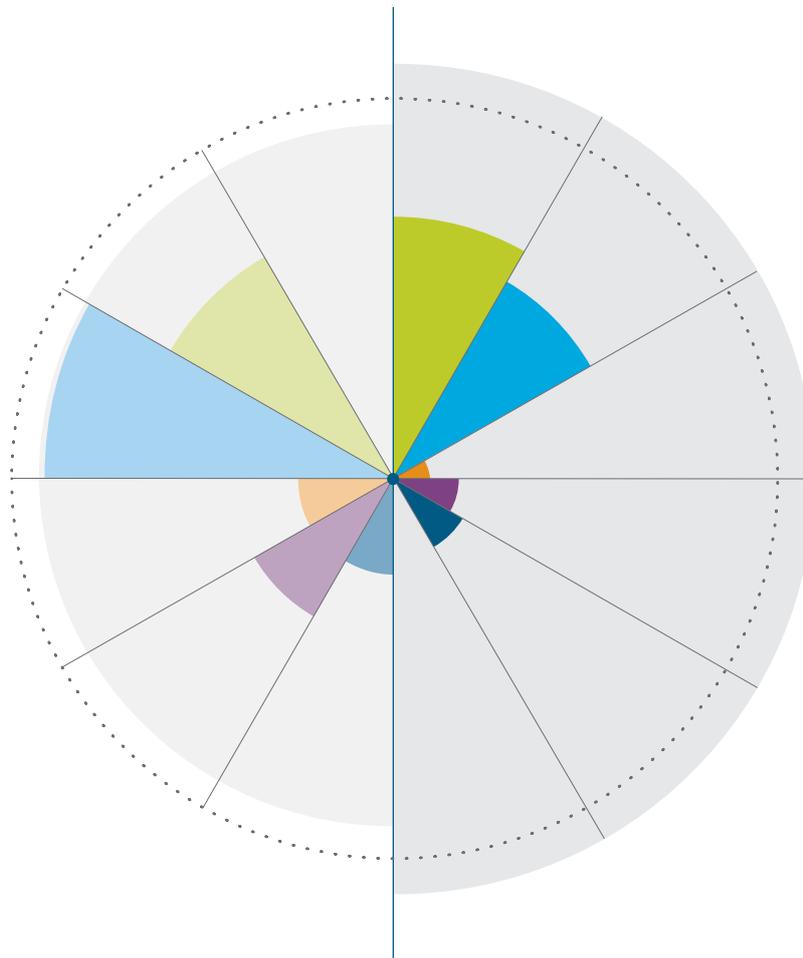
REVIEWS AND ADVICE STARTED

22

REVIEWS AND ADVICE COMPLETED

17

ESB PROJECTS



2020-21

36

RULE CHANGES INITIATED

31

RULE CHANGES COMPLETED

5

REVIEWS AND ADVICE STARTED

9

REVIEWS AND ADVICE COMPLETED

11

ESB PROJECTS

107

EMPLOYEES

64

AEMC RULE CHANGES AND REVIEWS

+

11

ENERGY SECURITY BOARD PROJECTS



19

NEW RULE CHANGE REQUESTS

7.4

OUT OF 10 FOR STAKEHOLDER CONSULTATION

22

FORUMS AND WORKSHOPS

1104

LEADERSHIP GROUP FORMAL STAKEHOLDER MEETINGS

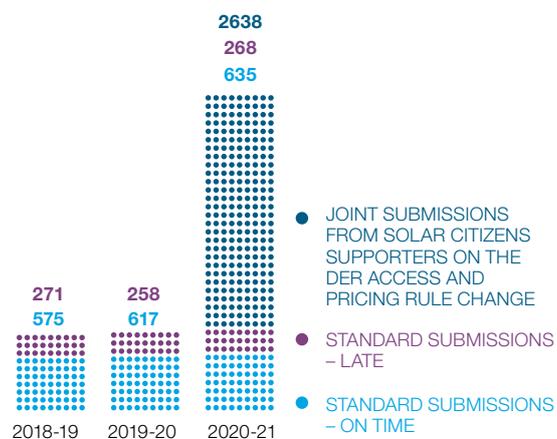
74%

RULE CHANGES COMPLETED WITHOUT EXTENSION

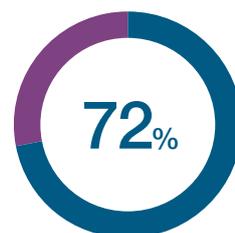
67%

MARKET REVIEWS COMPLETED WITHIN ORIGINAL TERMS OF REFERENCE TIMELINES

ENGAGING WITH OUR STAKEHOLDERS – REVIEW AND RULE CHANGE SUBMISSIONS



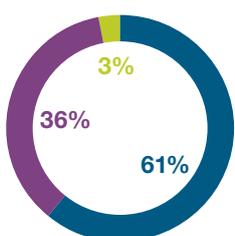
OF RULE CHANGES INITIATED WITHIN FOUR MONTHS



ANNUAL EXPENDITURE WITHIN BUDGET (TARGET +/- 5%)

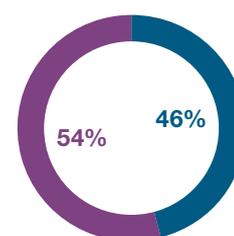


ACTUAL EXPENSES



- EMPLOYEE BENEFITS EXPENSE
- SUPPLIES AND SERVICES
- DEPRECIATION

STAFF BY GENDER



- MALE
- FEMALE

WORKING FASTER – CATEGORIES FOR COMPLETED ELECTRICITY, GAS AND RETAIL RULE CHANGES



Chair & Chief Executive's message



ANNA COLLYER
CHAIR

BEN BARR
CHIEF EXECUTIVE

In the past year, even as it sometimes felt we had slowed to a halt with the upheaval of the COVID-19 pandemic, the transformation of Australia's power system continued to accelerate and in fact surpassed the pace of change of anywhere else in the world.

Per capita we now have more solar PV capacity than any other nation.

In South Australia there has been a period where all electricity demand was met from renewables – a world's first for a jurisdiction of that size.

The speed and scope of change in 2020-2021 has focused our work even more keenly on collaborating with stakeholders to ensure we move together to build a future-ready energy market.

It's a future that is ever-nearer as storage technologies like batteries and electric vehicles become more accessible, households and businesses enthusiastically adopt renewable generation, and ageing coal-fired power stations retire.

Getting our work program right means keeping the lights on and keeping costs down for consumers while creating an environment that supports innovation and investment in the technologies required to drive the energy transition and decarbonisation.

We again received a high number of rule change requests. During the year, we completed 31 rule changes and nine reviews, and 24 projects were underway at 30 June. Some 16 of our completed rule changes were expedited and a further nine were fast-tracked.

The number of rules and reviews completed is lower than previous years. The pandemic forced us to prioritise our work to ease the burden on the energy industry, direct our limited resources to the most important projects, and support the Energy Security Board's post 2025 market redesign. Overall, our workload – when taking into account the brief of reform and projects currently underway but not completed – has again continued to grow.

Collaborating on a secure future market

The post 2025 work has been a Herculean task. We are proud of the way our staff have contributed through our membership of the ESB. We are also grateful to the consumer bodies, industry groups and other stakeholders who have generously contributed their time on this essential and visionary work.

Our staff have led aspects of the ESB work in areas including integrating distributed energy resources and preparing for the retirement of ageing coal generation by ensuring there are sufficient energy resources to meet demand.

At the same time, we have facilitated rule changes that work in parallel with those future reforms, including many that will help secure the power system.

System security remains the most pressing concern we have. Dealing with it presents both challenges and opportunities. Last year, the Australian Energy Market Operator (AEMO) intervened 344 times by issuing directions to maintain a stable power system. Continuing reforms to bolster system security should eventually give AEMO fewer reasons to need to intervene.



Every one of us is exposed to the rapidity of change in the energy environment and it is increasingly important that we check in with each other more often.

We have collaborated with our market body colleagues, as this work is tied to areas of core importance for them.

In 2020-2021 this included: decisions on a rules package submitted by AEMO to streamline interventions in the national electricity market; a request by the Australian Energy Regulator to ensure solar and wind farms don't turn off without telling AEMO, and requests by energy ministers flowing from our review of South Australia's black system event. We also urgently delivered a rule change to provide a targeted and temporary solution to imminent risks to AEMO's payments and prudential systems when demand for grid-sourced electricity is too low.

Working smarter with our stakeholders

We were regularly reminded, this past year, of the value of meaningful consultation with our stakeholders, which is at the very heart of our work program.

Having moved to a virtual world of online meetings when pandemic-related restrictions started, the AEMC has since trialled different technologies, seeking the best possible experience for our stakeholders. We are delighted this has enabled greater participation by smaller organisations and those in more remote parts of the nation. The traditional barriers of time and expense to attend in-person forums are largely eliminated when it comes to virtual meetings.

We have also used this time to implement more informal consultations in order to have more frequent dialogues with stakeholders. Every one of us is exposed to the rapidity of change in the energy environment and it is increasingly important that we check in with each other more often.

Our leadership was involved in 1104 stakeholder meetings and a further 22 AEMC-led forums or workshops over the year – a tremendous number for an organisation of our size and a positive outcome created largely by the new meeting technology forced upon all of us in the pandemic.

Reviewing the effectiveness of the changes we have already made, we are looking for ways we can improve our stakeholder engagement even more.

This has been a top priority. We have focused on ensuring that our processes are timely and clear, that we connect to a more diverse range of voices as the sector evolves and that stakeholders feel respected and heard.

We have introduced a dedicated stakeholder engagement function in our AEMC team, to ensure we keep a laser-like focus on this important priority.





Access to an affordable, reliable, decarbonising energy system helps business growth and improves the living standards of people in every part of the community.

We have also moved to make our information more accessible to stakeholders.

This includes the launch of a web-based, interactive version of the National Electricity Rules that can be navigated, saved and shared more easily by all users.

Our work on integrating distributed energy resources such as solar PV was deliberately customer-centric and collaborative. Aiming to raise the ante on collaboration, we engaged with a broader range of stakeholders. This included hosting large workshops and technical reference group meetings.

Our vision for the sector

The entire organisation has been involved in strategic planning work to ensure energy consumers have the best possible outcomes from the transformation underway. This work is aimed at ensuring we make the best contribution we can so that the energy sector underpins future prosperity.

The power system has already changed dramatically since the Commission was established in 2005. The sector will be different again in another decade as new technologies emerge. We are dealing with uncertainty about the nature and scope of that disruption. At the same time, there is uncertainty about the impact of responses to climate change on the sector. Successfully navigating these twin uncertainties will be critical to us. As well as posing challenges, this brings opportunities to get the settings right now for the future energy market.

During the year, we asked stakeholders how we could reach higher from our core dedicated and talented staff. We were genuinely influenced by the feedback and input we received and grateful to our stakeholders for their thoughtful ideas about AEMC's ongoing achievements.

Also front of mind for us in this extraordinary past year was our recognition that energy is fundamental to all sectors and individuals in the economy. Access to an affordable, reliable, decarbonising energy system helps business growth and improves the living standards of people in every part of the community.

Looking forward, we are excited by the opportunities ahead to improve upon the way we work. We plan on prioritising our future work to be both pragmatic and forward-thinking. Most importantly, we anticipate constantly adapting the way we collaborate with stakeholders to make sure we get the broadest perspectives and the best solutions for the challenges of today and tomorrow.

Anna Collyer

Chair

Benn Barr

Chief Executive

Strategic overview

Getting our work program right means keeping the lights on and keeping costs down for consumers while creating an environment that supports innovation and investment in the technologies needed for the energy transition and decarbonisation.



WHAT WE AIM TO DO

Deliver effective outcomes for consumers through practical rule changes and expert advice

Improve the energy market through forward-thinking action and decisions

Continuously adapt the way we engage and collaborate with all stakeholders

HOW WE DO IT

We lead, listen, collaborate, adapt and influence

We work for Australia's future productivity and living standards, by contributing to a decarbonising, affordable and reliable energy system for consumers.

OUR PRIORITY INITIATIVES

In a rapidly changing world, we will focus our efforts over the next year on:

- 1** Implementing a **new decision-making framework** and a **prioritisation framework** so that we focus on the most important issues and deliver timely and effective rule changes when they are needed
- 2** **Effectively collaborating with the ESB and other market bodies** to secure clear commitment on rule changes and advice that drive required market design change and lead to better long-term outcomes for energy consumers
- 3** **Improving engagement with stakeholders** to allow us to deeply engage with and understand stakeholder contexts and needs
- 4** **Forward thinking** to consider where the sector is moving and deliver the right outcomes
- 5** **Improving the accessibility and effectiveness** of our work and supporting communications
- 6** **Continuing to invest in our people** to enhance and develop our ways of working to deliver on our strategic plan

OUR 2021-2022 WORK PROGRAM



Essential System Services

Finding new ways to procure enough essential services to keep the power system stable and secure remains a critical priority for the sector. Building on the reforms we have already implemented, we are seeking solutions that make sense for a different energy future, for energy bills, for stable supply and for the many not the few.



Enabling and integrating Distributed Energy Resources

Solar, batteries and new energy technology are placing electrical power into the hands of consumers at an unprecedented rate. Work is underway to make sure distributed energy resources are integrated into the power system in a functional, responsible, effective way. Effectively integrating these distributed resources into the NEM and properly valuing the flexibility from customer demand in a market that has always been dominated by supply is essential to getting us to the NEM of the future.



Working with the Energy Security Board (ESB) on market development

The Energy Security Board submitted its final report to the Energy National Cabinet Reform Committee in July 2021. As a member of the ESB, the AEMC was integral to its work program, which is designed to support an orderly transition to a modern, new Australian energy system with a rapidly increasing growth in large and small-scale renewable generation.



Transmission planning and investment framework

New transmission investment is critical to the transitioning energy sector. We need to build transmission in areas where we have not required large amounts of transmission capacity previously, driven by new generation. We need up-to-date and fit-for-purpose frameworks that will deliver timely investment.



Removing regulatory burden

Opportunities to remove unnecessary regulatory burden from the rules will be taken by the Commission whenever possible.



Consumer vulnerability

Ensuring the benefits of reform are realised by consumers is at the core of what we do. The Commission will continue to prioritise any rule changes that ensure benefits are afforded to the most vulnerable consumers.



Essential system services

Right now, Australia's energy system is changing faster and more substantially than anywhere else in the world. System security is the most critical issue in the national electricity market and a key priority for the AEMC.

As the power system transitions to a lower emission generation mix, moving from a system of large, remote, synchronous power stations towards smaller, distributed, inverter-based generators, many critical system services are no longer provided as by-products of energy generation.

This impacts on the reliability and security of the power system and brings with it both opportunities and challenges.

The AEMC has already implemented a range of reforms to meet immediate system security needs, as shown in the graphic below.

Building on these initial reforms we are looking ahead, rethinking the way system services are provided so that they support the evolving power system. We are seeking solutions that make sense for a different energy future, for energy bills, for stable supply, and for the many, not the few. We are also looking for solutions that are well considered, practical, and delivered in a collaborative and coordinated way. We want answers that make sense in the long term.

By defining the outcome we want rather than the precise way it is to be provided, we're encouraging innovation and allowing the best way for those services to be provided over time.

Stakeholders have also recognised these needs and have put forward seven rule change requests that propose new ways of providing the planning, procurement, pricing and payment for system services necessary to support the security and reliability of the power system.

These system services rule change requests are interdependent with the work of the ESB to develop advice on a long-term, fit-for-purpose market framework to support security and reliability that could apply post 2025.

These rule changes provide us with an opportunity to complement the thinking and assessment done in the ESB's work program, as well as incorporating technical input from AEMO. They allow us to address the issues in a cohesive way and consider the system security issues that are more urgent in nature.

Mindful of the challenge for stakeholders engaging in the large volume of regulatory reforms underway, we have divided the seven requests into four related workstreams and are publishing joint papers for consultation where possible.



Frequency control

Designing new, coordinated and lowest-cost ways to incentivise frequency response services for the medium to longer term.

Frequency varies whenever electricity supply does not exactly match consumer demand. Uncontrolled changes in frequency can cause blackouts.

Primary frequency response occurs when generators and loads correct changes in frequency by changing their power output or consumption immediately. The changing generation mix, as well as some generators no longer prioritising their ability to correct frequency deviations on a voluntary basis, have resulted in declining frequency performance.

AEMO uses ancillary services to maintain key technical characteristics of the power system. Frequency control services are provided by a range of technologies, including generation, storage and demand response. These are enabled through the market arrangements for frequency control ancillary services (FCAS) that operate alongside the energy market.

The AEMC's frequency control work plan sets out a series of actions that the ESB, AEMO, the AEMC and the AER are undertaking to review and reform the frequency control frameworks in the national electricity market.



RULE CHANGE

Fast frequency response market ancillary service

Proposing a blueprint for ultra-fast frequency services that can work at short notice to avoid blackouts.

Primary frequency response incentive arrangements

Following on from the rule to mandate the provision of primary frequency response to address the immediate system security needs, this is working to develop enduring arrangements for primary frequency response to maintain a secure power system.



POTENTIAL BENEFITS

- allowing AEMO to better tailor the power system's speed in responding to frequency variations
- introducing more flexibility
- spurring on market innovation
- keeping costs down for consumers

- improving frequency performance in the power system to address system security
- reducing reliance on load shedding
- minimising the overall costs to the market

Two of the system services rule changes focus on frequency control:



Reserve services

Considering arrangements to explicitly value reserves in the NEM so there are sufficient levels and types of reserves available when needed to respond to unexpected changes in supply and demand.



Reserves are capacity that is available to change the supply/demand balance in the near future to keep the system secure and reliable. They are needed for reliability to ensure that sufficient supply is available in real time, and in the right places, to match demand. They also ensure that supply can meet demand following an event like an unscheduled generator outage or loss of a transmission line.

We need reserves for events that are expected such as peak consumer demand, and unexpected events like the simultaneous loss of multiple generators.

In-market reserves are made up of capacity that has bid itself available but has not yet been dispatched in the energy market. These are currently valued implicitly through the spot market.

Out-of-market reserves are procured for specific purposes, such as the Reliability and Emergency Reserve Trader (RERT) which is used as a last resort to meet demand.

Current arrangements are likely to provide sufficient in-market reserves to address expected events but may not be sufficient to address increasing variability and uncertainty as the power system transitions.



Two of the system services rule changes focus on reserve services:



RULE CHANGE

Operating reserve market

Considering whether a new reserves service market is required and how it would operate.



POTENTIAL BENEFITS

- managing risks relating to the closure of large coal generators
- decreasing uncertainty which can deter investment
- encouraging new technologies to enter the market
- providing additional means for demand flexibility
- replacing the need for some RERT capacity, producing better economic outcomes

Introduction of ramping services

Looking at a proposal to introduce 30-minute raise and lower “ramping” services using the existing framework for frequency control ancillary services (FCAS) market design.

- quick response to significant and sustained changes in the output of variable renewable energy
- more orderly exit of synchronous generators that presently provide this service
- price signal for alternatives such as demand response and storage technologies
- addressing price volatility
- reducing AEMO interventions



System strength/investment

Proposed solutions for the longer term timeframes for building the new assets needed to provide system services.

System strength is the power system’s ability to keep the voltage under control in the face of a disturbance. It is one of the essential services that every power system needs to keep the lights on and there is a finite amount of it on any network. Maintaining it is fundamental to supporting the decarbonisation of the power sector. A lack of system strength can prevent cheaper, lower-emissions renewables getting their energy to market because they have to be turned off to protect the grid.

The rapid transition to a power system that includes new inverter-based resources like wind and solar generators, batteries and hydrogen producers, is creating higher demand for system strength, at the same time as those generators that currently provide system strength are reducing their operations or retiring from the market.

Our *Investigation into system strength frameworks in the NEM* considered the existing minimum system strength framework and do no harm obligation and in practice found these to be reactive and slow to provide system strength, increasing costs to consumers.

We recommended an approach with three components to evolve the existing frameworks for providing system strength.

1. Supply side: a new system strength planning standard
2. Demand side: new system strength access standards
3. Coordination: a charging mechanism so participants connecting to the system have an alternative to providing their own system strength.

These recommendations are informing our consideration of the system services rule change relating to system strength.

A lack of system strength can prevent cheaper, lower-emissions renewables getting their energy to market because they have to be turned off to protect the grid.



RULE CHANGE

Efficient management of system strength on the power system

A proposal to allow for transmission network service providers to be more proactive in the provision of system strength in the NEM through substantially amending the minimum system strength requirements.



POTENTIAL BENEFITS

- increased efficiency in delivery of system strength services leading to a reduction in total system costs
- less requirement to manage system strength issues through market interventions
- more efficient operation of transmission networks
- a more streamlined and cost-effective connection process for generators



One of the system services rule changes relates to system strength:

Synchronous services/ operations

Proposed mechanisms to support efficient scheduling and procuring of resources providing system services that are not accounted for in the real-time market prices or settings

System strength and inertia are key technical parameters that are needed for the secure and reliable operation of the system. These are collectively referred to as “synchronous services”. Currently no market mechanisms exist to dynamically value, price and procure these security services. Therefore, market participants capable of providing these services

are not explicitly remunerated. There needs to be consideration of mechanisms to value and procure specific services that help keep the NEM secure as the system transitions.

These are being considered through two system services rule changes.



RULE CHANGE

Synchronous services markets

Considering introducing a market for synchronous services such as inertia, voltage control and fault level.



POTENTIAL BENEFITS

- more efficient operation of the market and use of resources
- less need for AEMO to intervene in the market operation through directions and inflexible constraints
- bridging the gap between the investment/ planning timeframe and the operational timeframe

Capacity commitment mechanism for system security and reliability services

Considering the introduction of a day-ahead capacity commitment mechanism and payment to provide access to operational reserve and other required system security or reliability services.

- meeting the peak demand under conditions where variable renewable energy (VRE) is limited
- responding to large changes in VRE output
- coordinating the provision of system services such as inertia, FCAS and voltage control
- reduced system security costs including FCAS, directions and RERT costs
- more competitive energy pricing in the spot and contract market
- incentivising investment in new technology, increasing competition and putting downward pressure on electricity prices

NEXT STEPS

September 2021

Directions paper *Synchronous services markets and Capacity commitment mechanism for system security and reliability services*

Draft determination *Primary frequency response incentive arrangements*

October 2021

Final determination *Efficient management of system strength on the power system*

December 2021

Draft determination *Introduction of ramping services and Operating reserve market*

Draft determination *Capacity commitment mechanism for system security and reliability services*

Draft determination *Synchronous services market*

Final determination: *Primary frequency response incentive arrangements*

Two of the system services rule changes focus on synchronous services/operations:



Making solar, batteries and new energy technology work for everyone

Distributed energy resources are placing electrical power into the hands of consumers at an unprecedented rate.

Between 2.6 million and three million Australian households have already installed solar panels on their rooftops. Within the decade, a further three million households will follow. Battery storage installations are also increasing, adding sophistication and options to generation and storage in households.

Distributed energy resources (DER) will play a central role in the energy grid of the future, but there's some work to do to embed them into the existing power system, which wasn't designed for power flowing both to and from consumers.

Work is underway to make sure DER are integrated into the power system in a functional, responsible, effective way. Planning ahead means we can get the right settings in place to accommodate and benefit from the influx of distributed energy resources.

In July 2020, four organisations – the Australian Council of Social Services, Total Environment Centre, St Vincent de Paul Society Victoria and SA Power Networks (SAPN) – recognised the need to address the above issues and proposed changes to the National Electricity Rules to integrate DER into the electricity grid in a way that benefits all electricity users.

These rule change requests were submitted to the AEMC following a nine-month consultation process that was conducted as part of ARENA's Distributed Energy Integration Program (DEIP). The DEIP process was led by a steering group of consumer representatives, industry associations and market bodies and included three large workshops and six technical reference group meetings.

The AEMC's reform package is designed to change the power system to allow more customers to connect solar and make it more worthwhile for them to install batteries and switch to electric vehicles.

At the same time we're making changes to Australia's electricity distribution networks to create a smarter, enhanced system that can better manage supply and demand with electricity flowing in both directions.

better manage the flow of electricity in the power system

better match supply and demand, smoothing out the demand peaks and troughs over the day

get more from the poles and wires we already have

work for everyone, whether they have solar or not, and distribute the benefits of solar evenly across the network

have network tariff design and solar export services driven by customer preferences

A smarter energy system will:

The AEMC's reform package is designed to change the power system to allow more customers to connect solar and make it more worthwhile for them to install batteries and switch to electric vehicles.

The package of reforms has three key components:

1. Changing distribution power networks' existing obligations to provide services that help people send power back into the grid. Give networks a stronger reason to deliver quality export services that customers value. At the moment, there are no financial penalties for poor network export service and no rewards for good service.
2. Enabling new network tariff options to reward solar customers who change their consumption patterns to use their own energy at times when it benefits the grid (such as when there is excess demand) or who shift their exports to periods of high electricity demand. This will encourage battery use.
3. Strengthening consumer protections and regulatory oversight to ensure distribution network service providers (DNSPs) are offering efficient export services that meet customer expectations.

In developing these reforms we have worked extensively with a range of stakeholders through two public forums, seven technical working group meetings, formal submissions and a large number of bilateral meetings.

We are very grateful for the high level of commitment demonstrated by key stakeholders throughout the DEIP and rule change process to explore ideas and find common ground to accelerate reforms in the interests of consumers.

NEXT STEPS

The AEMC made final electricity and retail rules in August 2021. Following our final determination, the AER, DNSPs, retailers, consumer groups, governments and other key stakeholders will be responsible for implementing the reforms. There will be continued consultation, led by the AER, and the expectation is for the sector to work with retail customers in each jurisdiction to develop network service options that meet customer needs and preferences.

ABOUT THE DISTRIBUTED ENERGY INTEGRATION PROGRAM (DEIP)

The DEIP is a collaboration of consumer associations, energy peak bodies, energy market authorities and industry that have been working together for some time to maximise the value of customers' distributed energy resources for all energy users.

This joint initiative is led by ARENA – the Australian Renewable Energy Agency – and includes AEMO, the AEMC,

the AER, the Clean Energy Regulator, Energy Consumers Australia, the Clean Energy Council, the Australian Energy Council, Energy Networks Australia, CSIRO, and the Clean Energy Finance Corporation.

The group is tackling the big renewable energy issues, holding regular events with leaders from across the energy industry.

It supports information exchange and collaboration on distributed energy issues,

identifying knowledge gaps and priorities, and accelerating reforms in the interest of customers.

Its work has led to the package of reforms to the rules being developed by the AEMC. Much has already been achieved and there is more to do. However, it's important for energy consumers to know that there is an organised, industry-wide collaborative approach to the change underway.



Working with the Energy Security Board on market development

The Energy Security Board (ESB) was tasked by the nation's energy ministers in March 2019 to advise on a long-term, fit-for-purpose national electricity market design (post 2025 project).

Throughout 2020 and 2021 the ESB continued to work with the AEMC, AEMO, AER and state, territory and federal jurisdictions. It engaged with stakeholders across the energy sector through forums, working groups, meetings and submissions to progress the post 2025 project.

The ESB submitted its final report to the Energy National Cabinet Reform Committee in July 2021. The proposals are designed to support an orderly transition to a modern, new Australian energy system with a rapidly increasing growth in large and small-scale renewable generation.

The final advice is a package of timely and interrelated reforms and actions to successfully integrate the transition to renewable generation already underway. This entry of new generation must coordinate with the exit of ageing coal fuelled generation.

Maximising opportunities and managing the risks associated with this transition will deliver affordable, smart and clean energy in a seamless way for consumers.

As a member of the ESB, the AEMC was integral to the ESB work program, contributing to the development of the four reform pathways that address each of the challenges and opportunities presented by the energy transitions underway.



ENERGY SECURITY BOARD MEMBERS



Dr Kerry Schott AO
Independent Chair



David Swift
Independent Deputy Chair



Clare Savage
Chair of the Australian Energy Regulator



Anna Collyer
Chair of the Australian Energy Market Commission



Daniel Westerman
CEO and Managing Director of the Australian Energy Market Operator



Resource adequacy mechanisms and ageing thermal retirement

Preparing for ageing coal fuelled generation retirement by giving incentives for the right mix of resources - weather dependent renewables and firm and flexible generation. This will restore confidence that energy is there when it is needed, reducing both the risks of extreme price volatility and the need for expensive government interventions.

Essential system services and scheduling and ahead mechanisms

Backing up power system security by getting services like inertia, voltage and frequency control into the market, and optimising their procurement and dispatch to save money while keeping the lights on. These technical reforms are critical to restoring confidence in the reliability and security of the system now, avoiding costs for consumers, and setting us up for batteries and emerging new technologies.

Integration of distributed energy resources and flexible demand

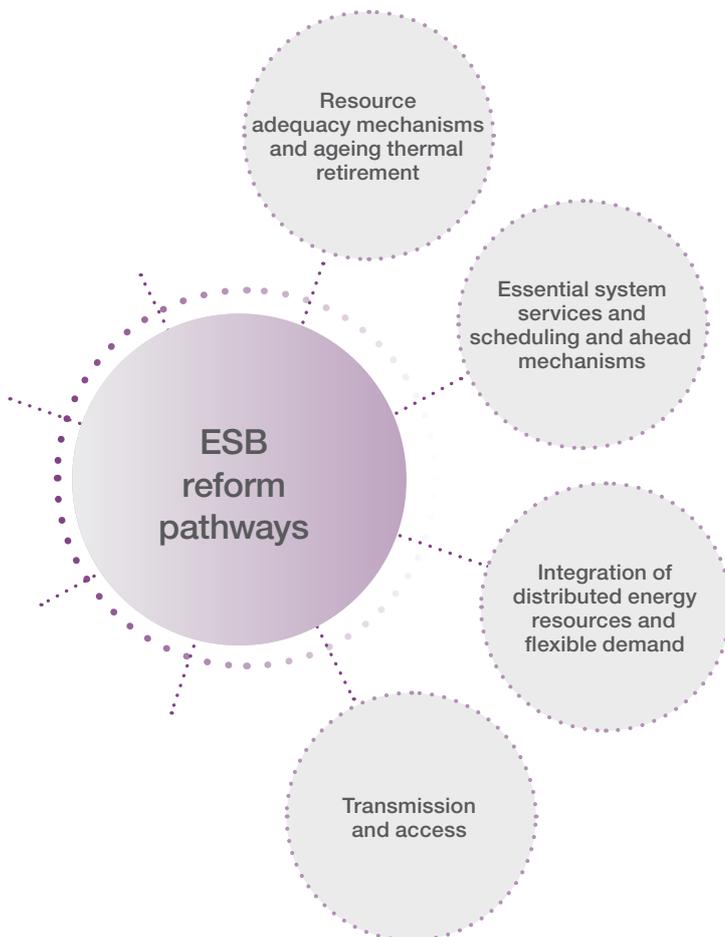
Unlocking the benefits of recent changes including solar PV, batteries, and smart appliances by putting the necessary arrangements in place to make better use of existing rooftop solar and household batteries and open further opportunities for these and other smart appliances so all customers can benefit from not having to pay for unnecessary investments. The AEMC contribution to this workstream also included membership of the steering group for the Distributed Energy Integration Program (DEIP), a collaboration of government agencies, market authorities, industry and consumer associations aimed at maximising the value of distributed energy resources for all energy users.

Transmission and access

Opening the grid to cheaper large-scale renewables by reducing the costs associated with getting new, geographically dispersed generation to customers, and improving how they access and use the grid. Upgrading the transmission network to make the most of the new grid, manage future congestion and connect the new generation and storage needed as efficiently as possible.

In addition to the above four workstreams in the post 2025 project, in 2020–2021 the AEMC assisted the ESB by:

- providing advice and quantitative analysis in relation to the ESB’s advice on transmission fair costs allocation (inter-regional charging)
- participating in the working group developing the ESB’s data strategy
- participating in the working group and assisting with the preparation of the rule changes for the actionable ISP project, and interim reliability measures that were approved by energy ministers
- participating in the working group for the renewable energy zones (REZ) arrangements
- assisting the ESB’s advice and work on reviewing the National Electricity Rules
- assisting the ESB’s administrative functions.



Our organisation

As an independent body we listen, make practical rule changes and provide expert advice in a rapidly changing world. Our people's expertise is key to our delivery of effective outcomes for consumers.





About the AEMC

The Australian Energy Market Commission undertakes reviews and provides the Energy Ministers' Meeting with advice on improvements to the design of regulatory and energy market arrangements that will benefit consumers in accordance with the national energy objectives. We also make and amend rules under the National Electricity Law (NEL), the National Gas Law (NGL) and the National Energy Retail Law (NERL).

We are an independent, statutory body that delivers high quality and impartial advice to policy makers and makes changes to the energy market rules in response to requests from governments, industry, consumer groups and individuals. The AEMC was established by the *Australian Energy Market Commission Establishment Act 2004* (SA) in 2005.

Consumers' interests are at the heart of everything we do

Our decision-making on rules and advice on improvements to the design of regulatory and energy market arrangements is driven by the national energy objectives.

Our work sets the foundations for an energy market that drives industry to deliver safe, secure and reliable energy supply to consumers in a sustainable manner, over the long term. We design regulatory frameworks to support consumers where markets cannot or are not delivering the outcomes consumers expect.

None of our decisions are taken lightly. We recognise that the security, reliability and cost of energy underpins quality of life for all Australians.

The AEMC is an expert adviser to governments

We seek to promote efficient investment in energy services as well as their efficient operation and use. We do this with respect to price, quality, safety, reliability and security of supply in the long-term interests of energy consumers. Many of our reviews arise from terms of reference provided by the Energy Ministers' Meeting, but we can also initiate our own reviews on matters related to the rules.

We recognise that the security, reliability and cost of energy underpins quality of life for all Australians.

The AEMC regularly monitors and reports on a range of matters including the level of competition in energy retail markets, future price trends, and energy market performance. We also seek to understand the impact on the energy sector of policies outside the energy market portfolio – such as emissions reduction policies – and highlight any issues in our advice to help promote integrated and consistent policy outcomes.

Our advice to governments informs their decisions and supports implementation of their energy policies. The AEMC's key task is to design legal frameworks that support the delivery of safe, secure, reliable energy at least cost for consumers. We are informed by evidence to support decision making and ongoing collaboration with stakeholders. We make changes to the rules and review specific outcomes of the market like energy retail competition and price, or particular aspects of the regulatory framework, like gas pipeline regulation and transmission access. We do this in a way that acknowledges the reality of power system physics and engineering and we are guided by the national energy objectives, built on economic principles.

Governments are encouraged to use the AEMC as an expert resource, as well as submitting rule change requests where they believe the long-term interests of consumers can be better served through different regulatory arrangements.



Overview of Australia's energy system

Electricity

The national electricity market (NEM) is a set of physical and financial arrangements that underpins the production, buying, sale, purchase, transportation and consumption of electricity on the east coast of Australia. The NEM covers South Australia, Tasmania, Victoria, New South Wales, the Australian Capital Territory and Queensland.

Western Australia and the Northern Territory are not physically connected to the NEM and have their own electricity systems, although the Northern Territory has adopted parts of the NEM's rules framework. Some standalone electricity systems exist in all states to service remote areas.

For the power system to work, electricity must be consumed at exactly the same time it is produced (unless it is stored as chemical, thermal or kinetic energy). To balance supply and demand instantaneously, a variety of large and small generators produce electricity which is transported along high and low voltage networks to be consumed by households and businesses.

The flow of electricity through the physical energy system is controlled by a number of competitive wholesale markets including the spot market, contract market and ancillary services market, and regulated monopoly networks.

Energy retail markets connect retailers and their customers. Retail markets provide the frameworks to support retail competition and promote consumer choice.

A retailer buys the electricity that their customers consume from the wholesale market, packages up the fees and costs of supplying this electricity into an energy deal and bills the customer for the services involved. Consumers have the ability to choose their retailer for electricity in all six NEM jurisdictions and for gas in all Australian states and territories.

As technology advances, competition increases and retailers differentiate their offerings, consumers have greater opportunities for participation in retail markets. Advanced metering technology will provide richer consumption information and more service possibilities.

Distributed energy resources allow people to generate their own electricity and have greater control over their energy bills.

Gas

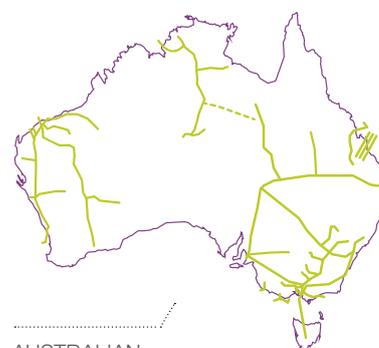
The gas market in Australia is made up of three distinct regions, the Eastern gas region, the Western gas region and the Northern gas region.

The east coast gas market is an interconnected system that links all of Australia's states and territories except for Western Australia. Western Australia has a gas market that is operated in a similar way to the east coast market, but is physically separate. A key difference between gas and electricity is that gas can be stored more easily than electricity. Gas producers extract gas (from conventional sources such as sandstone, or unconventional sources such as coal seams) and sell this wholesale gas to large gas users such as manufacturers and electricity generators. They also sell to gas retailers who in turn sell it on to household and business consumers. Pipeline businesses transport the gas from where it is produced, to where it is consumed.

Governments, the energy market bodies and independent jurisdictional regulators each have specific roles and responsibilities within the regulatory arrangements that support the electricity and gas systems and markets.



NATIONAL ELECTRICITY MARKET (NEM)



AUSTRALIAN GAS PIPELINES



Guiding principles

The AEMC makes and amends electricity rules that:

- govern the operation of the NEM – the competitive wholesale electricity market and associated electricity system
- govern the economic regulation of transmission and distribution networks
- facilitate the provision of services to retail customers.

We also make rules that cover wholesale gas markets, economic regulation of natural gas pipelines and rules that relate to information disclosure and arbitration for noncovered pipelines.

The gas rules apply to three types of wholesale gas markets:

- gas supply hubs (located in Wallumbilla, Queensland and Moomba, South Australia)
- short-term trading market hubs (at Brisbane, Sydney and Adelaide)
- the declared wholesale gas market in Victoria (the DWGM).

Western Australia has adopted a modified version of the National Gas Law. Some AEMC amendments to the National Gas Rules apply in Western Australia in relation to certain covered pipelines. Under the National Energy Retail Law, the AEMC makes and amends retail energy rules. In this capacity we set rights for energy consumers and obligations for energy retailers and distributors.

The AEMC also conducts independent reviews and provides advice to governments on all these sectors.

National energy objectives

We must have regard to the National Electricity Objective (NEO), the National Gas Objective (NGO), and the National Energy Retail Objective (NERO) – together, the national energy objectives – when making rules and conducting reviews under the NEL, NGL and NERL.

These three objectives focus all activities of the AEMC on what really matters: the long-term interests of consumers. The objectives were designed to accommodate change in the energy sector by focusing on customer outcomes.

THE AEMC'S KEY RULE-MAKING PRINCIPLES

The AEMC adopts the following key principles for clear, effective, certain and consistent rules:

A rule must be consistent with its legal context

When making or amending rules, the AEMC must consider whether the relevant change falls within its rule-making power and is consistent with the broader legislative context. We must also consider how the rule will be interpreted and applied.

A rule must be proportionate and appropriate

When making or amending a rule to implement a particular policy outcome, the AEMC needs to consider whether the nature and scope of a proposed rule is appropriate and proportionate to the issue it is intended to address. We must also strike a balance between precision and simplicity.

A rule must be clear, concise and well-organised

When making or amending a rule, the AEMC must adopt a drafting approach that best achieves well-organised, coherent, concise and consistent rules. Rules must be clear and logical to the reader and assist them in easily navigating the framework and understanding its nature, scope and effect.

The AEMC may only make a rule, or a recommendation, if it is satisfied that it will or is likely to contribute to the achievement of the relevant objective.



The National Electricity Objective (NEO)

The objective of this Law is 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 National Energy Retail Objective (NERO)

The objective of this Law is to promote efficient investment in, and efficient operation and use of, energy services for the long-term interests of consumers of energy with respect to price, quality, safety, reliability and security of supply of energy.



The National Gas Objective (NGO)

The objective of this Law is to promote efficient investment in, and efficient operation and use of, natural gas services for the long-term interests of consumers of natural gas with respect to price, quality, safety, reliability and security of supply of natural gas.



What we do

Work program 2020–2021



Reviews and advice

The AEMC undertakes reviews and advice to answer questions or investigate matters that are relatively broad in scope. Our final reports recommend actions that governments, industry participants or other parties could take to improve regulatory and market arrangements. Many of our reviews are underpinned by terms of reference from one or more energy ministers, or from the jurisdictions as a whole, but we can also initiate our own reviews on matters related to the rules. In conducting our reviews and preparing advice we consult widely on matters which are related to the progress of the energy ministers' reform agenda.

We regularly review the state of competition in retail energy markets, the drivers of retail electricity prices, liquidity in gas markets, whether the economic regulatory framework is flexible enough to deal with increasing levels of distributed energy resources and drivers that could impact future transmission and generation investment.

During 2020–2021 we completed eight reviews and made one formal submission to a government inquiry. A further five reviews were underway at 30 June 2021.

We received 183 written submissions from stakeholders in relation to reviews we worked on this year.

Sixty-seven per cent of the reviews completed this year were completed within the original terms of reference timelines. Extended timeframes were only required for two reviews with set timelines. The *2020 Biennial review into liquidity in wholesale and gas pipeline trading markets* was completed slightly later than six weeks prior to the mid-year Energy Ministers' Meeting date as this date was not yet confirmed when we set the timelines for this review. The timing for the *Electricity network economic regulatory framework review 2020* final report was impacted by the challenges of engaging with stakeholders in line with COVID-19 restrictions.

We initiated five new reviews in 2020–2021. We have completed the review of the retailer of last resort scheme, and we are currently analysing the regulatory framework for metering services, the gas supply guarantee, and the efficient and timely delivery of large discrete transmission projects.

The Reliability Panel completed its *Annual market performance review 2020*, Review of the system restart standard 2020 and began a review of the reliability standard and settings guidelines. (See page 37 for further information about the Reliability Panel and its responsibilities.)

Some standing reviews were delayed this year as part of the joint market body prioritisation framework in response to the COVID-19 pandemic.

MARKET REVIEWS COMPLETED WITHIN ORIGINAL TERMS OF REFERENCE TIMELINES





What we do

Rules

Requests for new rules or changes to the existing framework must come from outside the AEMC. Any government, regulatory body, organisation or individual can request a rule change and have it assessed against the national energy objectives. The South Australian Minister also has the power to make rules on the recommendation of the Energy Ministers' Meeting and the Energy Security Board.

We believe that solving complex problems requires different perspectives, and that broad cross-sector collaboration in the rule change process will produce the best outcomes for consumers.

To that end we consistently strive to find new methods of collaborating with stakeholders, whether through working groups, ad hoc roundtables or technological solutions to improve accessibility.

This year we also published a guide to the AEMC's rule drafting philosophy, complementing the existing rule change process guide for stakeholders. Both guides are available in the corporate publications section of our website and we are always willing to assist stakeholders seeking further information about opportunities to engage with the AEMC.

Between July 2020 and June 2021 we completed 31 rule changes. A further 19 were underway at 30 June 2021.

This year:

- stakeholders submitted 19 new rule change requests
- we received 772 standard submissions to rule change requests, and a further 2638 messages in joint submissions from Solar Citizens supporters in response to the *Access, pricing and incentive arrangements for distributed energy resources* rule change
- we made 17 rules¹ amending the National Electricity Rules
- we made three rules amending the National Gas Rules

¹ In some cases consolidated rule change requests resulted in a single rule being made.

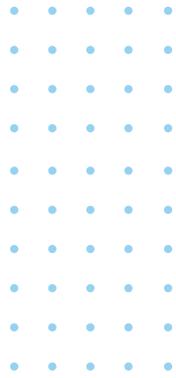
- we made three rules amending the National Energy Retail Rules
- we made four determinations not to make a rule in response to rule requests (three electricity; one retail)
- one retail rule change request was not initiated under section 249(2) as the subject matter of the rule change request was outside the scope of the AEMC's rule making power
- no rule change decisions were challenged by judicial review.

The AEMC considers the key to producing a well-drafted instrument is to write simply and with precision. Further information about our approach to drafting rules can be found in the guide to the AEMC's rule drafting philosophy which is available on our website.

Our reasons for making (or not making) a rule, including how our decision serves the long-term interests of consumers, are set out in the final determination for each rule change that is published on our website. This rule-making test contributes to greater regulatory predictability and transparency of the rule making process. Our decisions are subject to judicial review and a number of other accountability mechanisms, including reporting obligations under the *Australian Energy Market Commission Establishment Act 2004 (SA)* and the energy ministers' Statement of Expectations, apply to the AEMC's performance of its functions.

RULE CHANGES COMPLETED WITHOUT EXTENSION AFTER INITIATION





Standard rule changes were completed almost six weeks earlier than the average period in 2019-2020.

Since 10 July 2019 the AEMC has also been subject to the Commonwealth Office of Best Practice Regulation’s Regulation Impact Statement requirements (currently, the Regulatory Impact Analysis Guide for Ministers’ Meetings and National Standard Setting Bodies), subject to certain exceptions.

Rule-making timeframes

We seek to complete rule change processes as quickly as possible while recognising the importance of balancing broad public consultation with achieving the right outcomes for consumers. The rule change process must be undertaken within the statutory timeframes required by the national energy laws. The standard timeframe under the law for a rule change is approximately 130 working days (six months). We must start as soon as practicable after receiving a rule change request.

To facilitate constructive consultation and encourage targeted feedback we start rule changes after an initial period of analysis and generally publish a consultation paper to facilitate stakeholder submissions. Before we start the statutory process, we make practical decisions about whether the standard timeframes are achievable given the request’s scope and competing reform priorities. We are able to extend the timeframe both at the start of a project and throughout the process in certain circumstances which are specified in the national energy laws.

We did not extend any of the rule changes we completed in 2020–2021 at initiation. We extended eight rule change processes after initiation, which was a significant decrease from the 18 extensions recorded in 2019–2020.

Where we extended rule changes during the consultation process, it was due to the complexity and difficulty of issues being considered and further issues raised by stakeholders during consultation. In recent years the AEMC’s rule changes or reviews have often related to work underway by the other market bodies or the Energy Security Board; where this is the case we make every effort to align our timing so it is easier for stakeholders to engage with us on these joint workstreams.

Rule changes by category

Standard

We completed 31 standard rule changes in the year under review. These rule changes were completed in an average of 124 working days, which is just under six months and an improvement of almost six weeks in comparison with the average time taken in 2019–2020.

Fast-tracked

The National Electricity Rules allow the AEMC to fast track a rule change submitted by another electricity market body when the market body has consulted with the public on the nature and content of the request before making that request.

We completed six fast-tracked rule changes this year, all of which related to security and reliability in the national electricity market.

Expedited

Thirteen of the sixteen rule changes completed this year under the expedited process were non-controversial. Three rule changes were expedited due to the urgency of the proposed changes:

- *Delayed implementation of five minute and global settlement*
- *Deferral of network charges*
- *NEM settlement under low, zero and negative demand conditions.*

See pages 58 and 64 for the reasons these three rule changes were expedited.

Timeliness

We received 19 new requests to change rules this year, compared with 33 in 2019–2020. Seventy-two per cent of the rule change requests we initiated this year were initiated within four months of receipt of the proponent’s request. We have continued to delay some regulatory work through the joint market body prioritisation framework as a result of the COVID-19 pandemic’s impacts on the energy sector. More information about which projects have been delayed can be found on our website in the corporate publications section.



What we do

Rule change request proponents

Proponents	Requests in 2020-2021
AEMO	5
Dr Kerry Schott AO	2
AER	1
Australian Energy Council	1
Mr Damien Vermeer	1
ElectraNet	1
ERM Power, Energy Users Association of Australia, Major Energy Users, AGL Energy, Delta Electricity	1
GE International, Goldwind Australia, Siemens Gamesa Renewable Energy, Vesta Australia Wind Technology	1
Infigen Energy	1
The Hon Lily D'Ambrosio, Minister for Energy, Environment and Climate Change; Minister for Solar Homes	1
SA Power Networks	1
St Vincent de Paul Society Victoria	1
Total Environment Centre and Australian Council of Social Service	1
TransGrid	1

Stakeholders can shape the design and regulation of the Australian energy market through participation in the rule change process, including by submitting rule change requests.

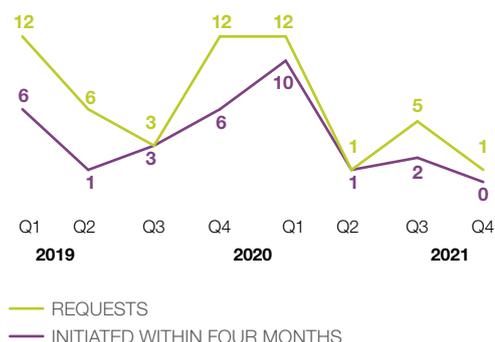
A unique aspect of our role is that any party, except the AEMC, can propose a change to the rules.²

Since the AEMC's establishment in 2005, we have dealt with more than 300 rule change requests from a variety of different proponents including governments, members of industry, consumer groups, energy regulatory market bodies, public advocacy groups, major energy user groups, business groups and individuals.

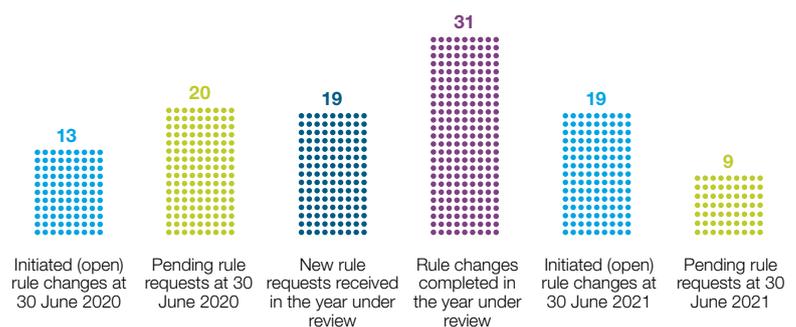
When the AEMC receives a rule change request, we assess whether a new or amended rule is necessary. The AEMC considers best practice in regulation when determining whether or not to make a rule, as well as rule-making tests and limitations on our rule making powers under the national energy laws.

² The AEMC is able to initiate rule changes for minor or non-material changes to the rules.

NEW RULE REQUESTS FROM STAKEHOLDERS



RULE CHANGES REQUESTED, INITIATED AND COMPLETED*



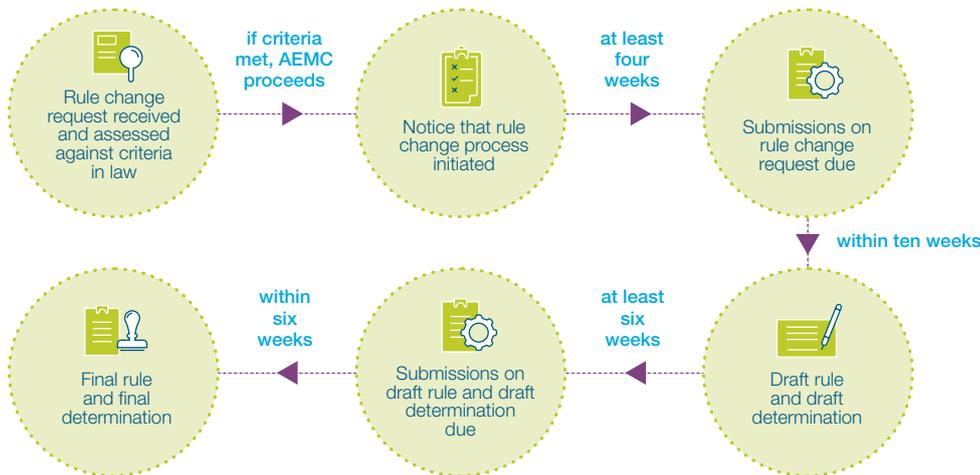
* Some single requests have resulted in the initiation of multiple related rule changes (electricity/gas/retail)

Managing rule-making timeframes

Standard rule change process

Approximately 130 working days

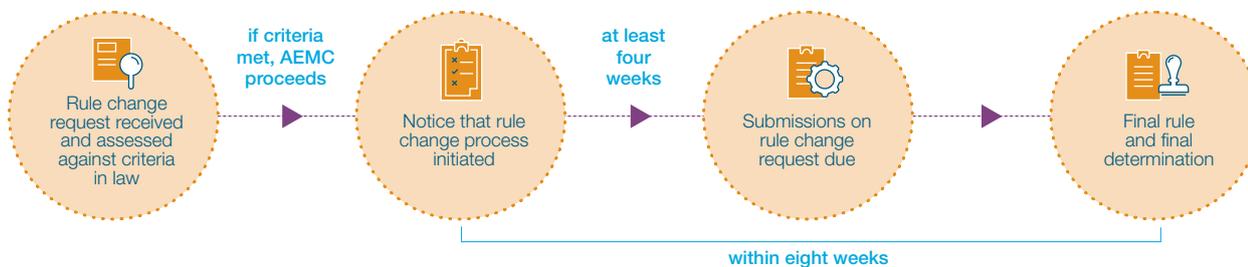
The timeframe for a standard rule change process is approximately six months from the publication of a consultation paper on the proposed rule to the final rule determination; however, this timeframe can be extended in certain circumstances. Under the standard process there are two opportunities for stakeholders to make written submissions: the first in advance of the draft determination and the second in advance of the final determination.



Expedited rule change process

Approximately 30 working days

The Commission may expedite the rule-making process if the request is for a non-controversial or urgent rule (as defined in the national energy laws). Under the expedited process there is only one round of written consultation on the rule change and no draft determination is made. A final determination must be made within eight weeks of commencement of the rule change.



Fast track rule change process

Approximately 85 working days

The rule-making process can be fast-tracked where there has been adequate previous public consultation on proposed rule changes by a market regulatory body, or if the request arises from an AEMC review. Under the fast-track process, there is only one round of consultation on a draft rule and determination.

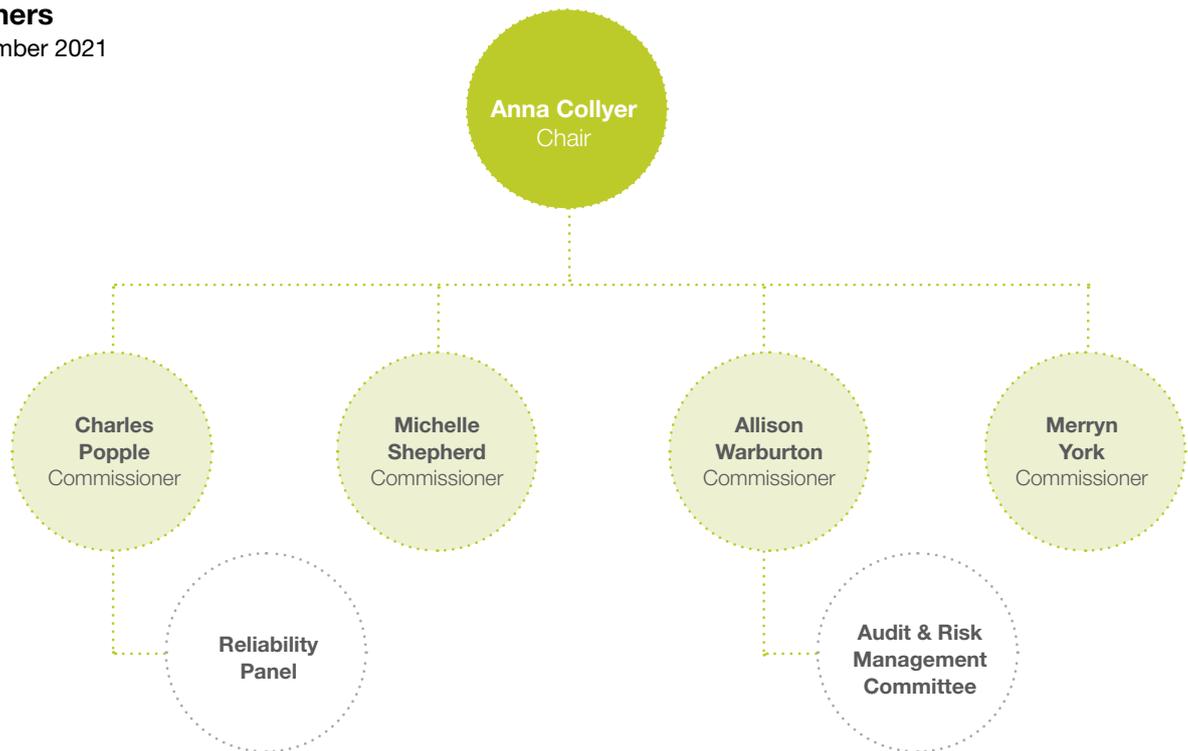




Organisation charts

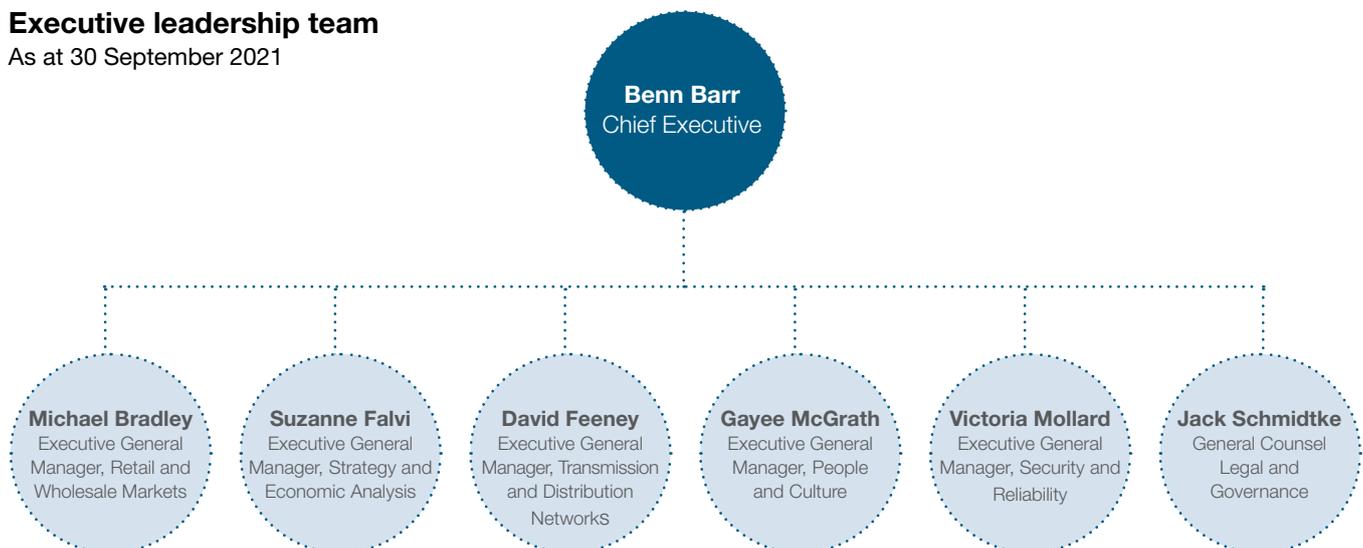
Commissioners

As at 30 September 2021



Executive leadership team

As at 30 September 2021





AEMC Commissioners

AEMC Commissioners are appointed by Australia’s state, territory and federal governments to make the rules under the national energy laws, and to advise governments on overall energy market development. A two-thirds majority of the Energy Ministers’ Meeting is now required to confirm a new Commissioner appointment.

Our Commissioners bring a breadth of commercial, government and regulatory experience to their roles and hold advanced qualifications in engineering, law, commerce and economics.

The Commissioners exercise the AEMC’s statutory rule-making and market development functions, subject to some delegations as explained below. Most of the functions relating to the management and day-to-day running of the organisation are the responsibility of the Chief Executive and the Executive Leadership Team. The Commission retains the majority of the statutory rule-making powers and market development functions and is also responsible for the AEMC’s strategic direction.

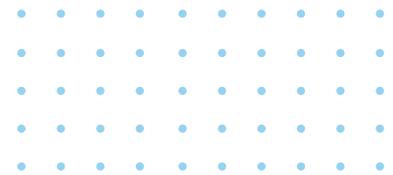
The Commissioners review the corporate governance framework of the organisation, oversee the development of the AEMC’s strategic priorities and business planning, and approve corporate development initiatives as proposed by the Chief Executive with the executive leadership team. The Commission holds monthly organisational meetings to review operational matters. In terms of risk management and reporting, the Commissioners review the AEMC’s budget, monitor its financial performance, and consider and approve the annual financial statements.

The role of AEMC Chair is agreed to by the Energy Ministers’ Meeting and appointed by the South Australian Governor on the recommendation of the South Australian Minister responsible under the *Australian Energy Market Commission Establishment Act 2004* (SA).

Leading energy sector lawyer and innovator Anna Collyer began her term as the new Chair of the Australian Energy Market Commission on 1 February 2021.

We thank Merryn York for her guidance and leadership as Acting Chair following John Pierce’s retirement as Chairman on 3 July 2020.

Our Commissioners bring a breadth of commercial, government and regulatory experience to their roles and hold advanced qualifications in engineering, law, commerce and economics.



AEMC Commissioners



ANNA COLLYER

Chair

Anna Collyer has more than two decades of experience in the Australian energy sector and has worked extensively on industry reform. She was appointed as Chair of the Australian Energy Market Commission on 1 February 2021.

As a partner of Allens law firm from 2001 to 2020, and in her early career, Anna focused on the energy sector throughout its evolution, from the initial reforms of the 1990s to its current period of major transformation.

Drawing on her in-depth sector knowledge and strategic approach, Anna advised a broad range of clients in the public and private sectors on major projects and transactions, working closely with energy ministers on a number of occasions.

Anna's leadership roles have focused on managing complex organisational change. As Allens' Head of Innovation she fostered innovation at all levels of the firm, not only in technological developments but also in new ways of working and addressing disruption.

Anna has a Bachelor of Laws (Honours) and a Bachelor of Commerce from the University of Melbourne.



CHARLES POPPLE

Commissioner and Chair of the Reliability Panel

Charles Pople was appointed as a part time Commissioner of the AEMC on 17 February 2018. He has spent more than four decades in the energy network sector. In the 1990s he played a significant role in the development of the national electricity market including reform of the network sector and the implementation of transmission system planning and pricing arrangements.

Charles has held management roles with Victorian Power Exchange, VENCORP, SPI PowerNet and SP AusNet. As a consultant, his focus was on energy markets and regulatory arrangements, with a view to achieving a balance between security, environmental challenges, and competitive pricing and products for energy consumers.

Charles has a Bachelor of Engineering from Monash University and a Master of Engineering Science in power system engineering from the University of Melbourne.



MICHELLE SHEPHERD

Commissioner

Michelle Shepherd was appointed as a part time Commissioner of the AEMC on 11 June 2018. She has more than 20 years' experience in energy policy and regulation in both the private and public sectors and has been involved in energy market development across Australia.

Before her appointment she was the General Manager Regulatory and Government Affairs at Alinta Energy for six years where she was actively involved in energy policy reform and the commercial implementation of policy changes nationally.

Prior to Alinta Energy, Michelle spent nearly 10 years at AGL where she played a key role in the development of regulatory frameworks across Australia. She has also worked for the Australian Competition and Consumer Commission, UK Competition Commission and the Federal Department of Finance.

Michelle has strong board experience and a focus on governance. She was a board member of the YMCA WA for four years, serving as Vice President (Deputy Chair) for her final two years of service. Michelle also spent almost five years on the board of REMCo when it operated the WA gas market.

She holds a Bachelor of Commerce from Curtin University and a Bachelor of Applied Economics from Murdoch University and is a graduate of the Australian Institute of Company Directors.



ALLISON WarBURTON
Commissioner

Allison Warburton was appointed as a part time Commissioner of the AEMC on 12 March 2018. She has worked in the energy sector for more than 20 years, advising energy users, governments and major corporations on energy policy and legislation.

Allison was previously a partner and national head of Minter Ellison's climate change and renewables practice. She has been involved in emissions reduction and clean energy projects, and advised on the renewable energy target, the Emissions Reduction Fund and other legislative schemes to report on and reduce emissions.

In 2016 she was appointed by the Queensland Government to its independent Renewable Energy Expert Panel to advise on credible pathways to achieving the government's renewable energy target.

Allison served as a non-executive director of Stanwell Corporation until January 2018 and previously advised the Australian Greenhouse Office on developing new laws to regulate geological carbon capture and storage.

Allison has a Bachelor of Arts and a Bachelor of Laws with Honours from the University of Queensland. She is a member of the Australian Institute of Company Directors and the Queensland Law Society.



MERRYN YORK
Commissioner

Merryn York was appointed as a part time Commissioner of the AEMC on 25 August 2019. She has more than 30 years' experience in the Australian energy sector, predominantly with Queensland's electricity transmission network provider.

An electrical engineer by profession, Merryn has worked in all facets of transmission network service delivery including asset management, regulation, capital investment and governance, customer engagement and business development, and network planning and performance.

From 2011 to 2019 she served as Powerlink's Chief Executive, with a focus on leading the business in its transformation to align with the changing external environment and better meet customer expectations.

In 2018 Merryn was appointed by the Queensland Government to its Queensland Energy Security Taskforce. She was a member of the AEMC Reliability Panel from 2013 for three years.

Merryn has also served as an Energy Networks Australia (ENA) board member and chaired the ENA's Policy and Strategy Committee.

Merryn has a Bachelor of Engineering (Honours) in Electrical Engineering, a Master of Engineering Science, and a Graduate Certificate in Applied Law from the University of Queensland and is a graduate of the Australian Institute of Company Directors.

Executive leadership team

The AEMC's Commissioners are supported by the Chief Executive and the AEMC's executive leadership team. Together they discharge rule-making and market development roles in line with the AEMC's Code of Conduct which requires AEMC staff to act with fairness, honesty, impartiality and integrity in all our dealings.

Our executive general managers set the agenda for the organisation and are accountable for its operating principles. They develop and implement the organisation's strategy and direct our rule-making and review functions.

The Chief Executive and executive leadership team have delegations in relation to some statutory decisions, including initiation of rule changes, and a range of other operational matters, including the employment of staff and engagement of consultants.

As energy market transformation continues to result in a significantly increased workload for the AEMC, our leadership team's focus on the most effective use of available resources has enabled us to continue to meet commitments to our stakeholders.



BENN BARR
Chief Executive

Benn joined the AEMC in April 2020 following six years as Deputy Director General in the Queensland Department of Natural Resources, Mines and Energy.

He has over 15 years' experience in energy and climate change policy and has a deep understanding of the national energy market and opportunities for renewable energy. He has expertise in the energy market and regulation, with a track record of providing strategic policy advice to government across a diverse range of resource management areas, as well as contributing to the national Council of Australian Governments (COAG) energy agenda.

Benn has a strong interest in effective modern governance, having recently undertaken professional development at the John F Kennedy School for Government at Harvard University.

He was the Secretary of the Council for the Australian Federation, a collaborative intergovernmental group of state and territory Premiers and Chief Ministers, and has served as the Queensland Government's senior official for the COAG Energy Council.

Benn has a Bachelor of Economics from James Cook University and is a graduate of the Australian Institute of Company Directors.



MICHAEL BRADLEY
Executive General Manager,
Retail and Wholesale Markets

Michael leads the team responsible for reviews and rule changes relating to the competitive parts of Australia’s electricity and gas sectors. He joined the AEMC in 2016 and has directed a number of major projects including our annual retail competition and price trends reviews.

Michael has wide-ranging commercial, regulatory and policy development experience. Before joining the AEMC, he worked as an economic consultant in the infrastructure and telecommunications industries and has held a number of senior management positions at Telstra.

Michael has a Bachelor of Economics from the University of Sydney.



SUZANNE FALVI
Executive General Manager,
Strategy and Economic Analysis

Suzanne leads the team responsible for the AEMC’s strategic approach, stakeholder engagement and communication, and economic and data analysis. She joined the AEMC in 2012 as a senior lawyer and subsequently led the Security and Reliability team, followed by a period in 2019–2020 as the AEMC’s Acting Chief Executive. Suzanne previously worked as a senior policy adviser for government as in-house counsel in a solar technology research and development company, and for Minter Ellison specialising in competition, energy and administrative law and commercial litigation. She recently acted as the Program Director for the ESB’s post 2025 project. She holds a Bachelor of Economics, a Bachelor of Law with Honours and a Master of Laws in International Law from the Australian National University.



DAVID FEENEY
Executive General Manager,
Transmission and Distribution Networks

David leads the team responsible for reviews and rule changes relating to the operation and economic regulation of electricity and gas networks.

He joined the AEMC from Australia’s largest telecommunications company, Telstra, where he performed a commercial development role and led the organisation’s wholesale pricing strategy. Prior to this David managed industry engagement and commercial access arrangements for NBN Co.

David has previously held senior economist positions with NSW Treasury and the Productivity Commission. He holds a Bachelor of Commerce from the University of Newcastle and a Master of Public Affairs from the University of Sydney.



Executive leadership team



GAYEE MCGRATH
Executive General Manager,
People and Culture

Gayee has worked with the AEMC since 2016 and is currently the head of People and Culture, the team responsible for organisational culture, professional development and recruitment.

Her background is in executive management; she previously worked as Executive General Manager for CiEvents, a global strategic event management agency, and spent 16 years with Qantas in senior executive roles.

Gayee has qualifications in business studies, and certifications in leadership, executive management and human resources.



VICTORIA MOLLARD
Executive General Manager,
Security and Reliability

Victoria leads the team responsible for reviews and rule changes relating to system security and reliability, which have been a principal focus for the energy market bodies in the past three years. She also leads the Reliability Panel secretariat.

Victoria has been at the AEMC since 2012 and has predominantly worked on transmission frameworks and wholesale market reforms. Before joining the AEMC in 2012, she worked for NERA Economic Consulting advising clients on a range of matters of competition, regulatory principle and policy across the water, transport and energy sectors.

She holds a Bachelor of Commerce and Arts, and Masters of Commerce in Economics from the University of Auckland.



JACK SCHMIDTKE
General Counsel,
Legal and Governance

Jack leads the team which provides and coordinates support to the Commission on legal, regulatory and governance matters, and drafts amendments to the National Energy Rules. In 2018 he was seconded to the Energy Security Board to work on key energy market reforms.

Jack has worked as a legal adviser in both the corporate and public sectors. Before joining the AEMC in 2014, he worked for Herbert Smith Freehills and DLA Piper in their corporate practice groups and as an in-house legal counsel, providing legal advice on regulatory matters, corporate governance, and public and private mergers and acquisitions. He was also an Associate to the Hon. Richard Conti, a Judge of the Federal Court of Australia.

Jack holds a Bachelor of Law with First Class Honours and a Bachelor of Arts from the University of Sydney.



Reliability Panel

The Reliability Panel forms part of the AEMC’s institutional arrangements and has detailed functions and powers conferred on it under the National Electricity Law and Rules.

It is responsible for monitoring, reviewing and reporting on the safety, security and reliability of the national electricity system, and providing advice in relation to these matters at the request of the AEMC.

The Panel is comprised of members who represent a range of participants in the national electricity market, including small and large consumers, generators, network businesses, retailers and AEMO.

The National Electricity Rules confer detailed functions and powers on the Panel across decision-making, advisory, monitoring and reporting tasks. It exercises these by conducting market reviews, publishing guidelines for market operation and determining power system standards based on advice from AEMO, which help to maintain a secure and reliable power system for consumers.

The Panel completed three projects this year and had one review underway at 30 June 2021.

THE RELIABILITY PANEL’S STANDING REVIEWS

Annual market performance review (AMPR)

The Panel has been conducting this review since 2006. It provides observations and commentary on the reliability, security and safety performance of the power system during each 12 month period. The review is a requirement of the National Electricity Rules and is conducted in accordance with the terms of reference issued by the AEMC.

Reliability standard and settings review

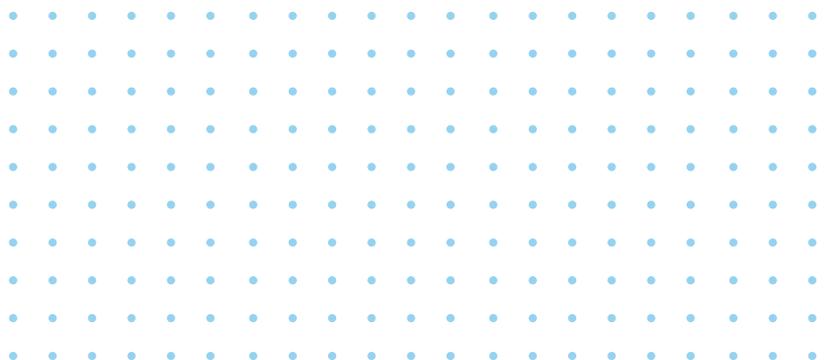
Every four years the Panel is required to review the reliability standard and the reliability settings. This periodic review enables the Panel to consider whether the standards and settings remain suitable for current market arrangements and to ensure they continue to meet the requirements of the market, market participants and consumers.

Template for generator compliance review

Under the National Electricity Rules, the Reliability Panel must determine, modify as necessary, and publish the template for generator compliance programs. The template provides certainty for generators as to what is required of their compliance programs. The guidelines are to be reviewed every five years.

Review of system standards

The Panel is required to monitor, review and report on the system standards to determine whether they appropriately and adequately describe the expected technical performance conditions of the power system. The system standards are set out in Schedule 5.1a of the National Electricity Rules.





Reliability Panel

Review of the system restart standard 2020

The system restart standard sets out requirements for AEMO's procurement of system restart ancillary services (SRAS). Major supply disruptions and black system events are rare but not impossible. The most recent black system event was in South Australia in September 2016. Prior to that event, two have occurred: in northern Queensland in 2009 and New South Wales in 1964.

AEMO procures SRAS from facilities that can either self-start without drawing power from the network or can support the stable restoration of the power system following its initial re-energisation.

This Reliability Panel's 2020 review of the system restart standard focused on specific issues and made two determinations.

The first determination accounted for changes made in the AEMC's recent *System restart services, standards and testing* rule that allows new technologies to provide the system restart ancillary services procured by AEMO. The Panel identified a number of amendments to remove language that represents a barrier to AEMO's procurement of SRAS from these new services or technologies.

The Panel's second determination, published in January 2021, made amendments to a key standard used to restore the power system after major disruptions in Queensland, following a decision by AEMO to combine the existing North and South Queensland sub-networks into a single Queensland sub-network for SRAS procurement purposes.

A full review of the system restart standard by the Reliability Panel is intended to take place following the conclusion of AEMO's next SRAS procurement round.

Annual market performance review 2020

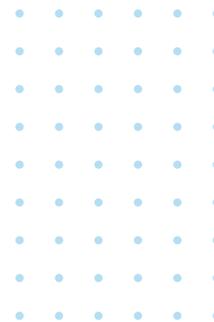
The Reliability Panel's *Annual market performance review 2020* examined the reliability, security and safety of the national electricity market from July 2019 to June 2020 in the context of changes to the power generation mix and market dynamics, severe weather events, and other global disruptions.

The review's final report found that over the past year the market had the tools it needed to keep energy supply secure and reliable. But it also signalled the importance of planning now for the transition underway.

Key findings from the 2020 review:

- the reliability performance of the market was satisfactory and the existing regulatory framework provided the tools needed to manage reliable supply. However, high peak demand and extreme environmental events such as bushfires and storms posed operational challenges.
- changes to Australia's mix of power generation sources are affecting market dynamics by creating more variability in the system which is presenting challenges for forecasting and operation of the power system.
- the rapid uptake of distributed energy resources, such as rooftop solar, is creating challenges in managing key elements of system security, including minimum system load, system strength, inertia and voltage control.

The Reliability Panel's final report acknowledged the reforms underway to address reliability and security issues, including the AEMC's system security work program and the Energy Security Board's post 2025 market review.



Reliability standard and settings guidelines

Since the guidelines for the Reliability Panel's periodic reviews of the reliability standard and settings were first established in December 2016, the national electricity market has undergone a period of rapid transition. This is expected to continue due in large part to changes in the generation mix and associated reforms.

For this reason, the Panel considered it appropriate to undertake a review of the guidelines, with a focus on the assessment principles, assessment approach and modelling approach.

The review's final report was published in July 2021 and included updated guidelines which opened previously 'closed' reliability components for consideration in the next review and removed prescriptive inputs for modelling.

Panel members at 30 June 2021

The AEMC is fortunate that experts across the energy sector willingly dedicate their time to serve as members of the Reliability Panel.

Panel members are selected on the basis of their direct interests in the reliability of electricity supply. Consideration is also given to balancing Panel membership representation according to geographical location and participating jurisdictions.

The AEMC appoints members to the Panel for a period of up to three years. Members are appointed in consultation with industry, end-use consumers and consumer groups.

Members who are appointed to represent registered participants must be agreed to by at least one third of the category of registered participant they represent (for example, generator, market customer, network service provider).

The National Electricity Rules require that the Panel is comprised of the following membership:

- an AEMC Commissioner (appointed for up to three years)
- the Chief Executive Officer or delegate of AEMO
- four members who represent registered participants including:
 - generators
 - market customers
 - transmission network service providers (TNSPs)
 - distribution network service providers (DNSPs)
- a person representing the interests of end-use customers for electricity.

The AEMC has some discretion to appoint up to three members who may have expertise in areas that are not otherwise represented by other Panel members.

One new Panel member was appointed in 2020–2021. Essential Energy's David Salisbury was appointed as the DNSP representative on the Reliability Panel, following consultation with registered DNSPs, to replace the outgoing DNSP representative, Trevor Armstrong, formerly of Ausgrid. Chris Murphy's term as a discretionary Panel member also concluded in December 2020. A replacement discretionary member has not yet been appointed.

The AEMC and the Reliability Panel thank Trevor and Chris for their significant and valued contributions over their long periods of tenure on the Reliability Panel.



Reliability Panel



CHARLES POPPLE

Chair

Charles Popple, a Commissioner at the AEMC, has spent more than four decades in the energy network sector. In the 1990s he played a significant role in the development of the National Electricity Market including reform of the network sector and the implementation of transmission system planning and pricing arrangements. He has also held management roles with Victorian Power Exchange, VENCORP, SPI PowerNet and SP AusNet. As a consultant, his focus was on energy markets and regulatory arrangements, with a view to achieving a balance between security, environmental challenges, and competitive pricing and products for energy consumers. Mr Popple has a Bachelor of Engineering from Monash University and a Master of Engineering Science in power system engineering from the University of Melbourne.

STEPHEN CLARK

Stephen Clark, Technical and Economic Lead - Project Marinus at TasNetworks, is the transmission network service provider representative on the Panel. He is responsible for assessing the economic benefits of further interconnection between Tasmania and Victoria, as well as exploring the system performance issues associated with large amounts of inverter-connected generation feeding an isolated power system.

KATHY DANAHER

Kathy Danaher, Vice Chairwoman of Ark Energy, is a discretionary member of the Panel. She is responsible for wholesale electricity trading, hedging and transmission procurement for the Sun Metals zinc refinery, one of the largest single site consumers of electricity in Queensland. Ms Danaher holds a Bachelor of Science with Honours in Marine Biology, Bachelor of Business (Accounting), and is a Certified Practising Accountant with CPA Australia.

KEN HARPER

Ken Harper is Group Manager – Operational Support at AEMO, responsible for operational forecasting, planning power system operations up to seven days ahead, congestion and grid modelling, and training of gas and electricity operators. He has more than 25 years' experience in developing, analysing and operating energy trading operations, having worked at Marsden Jacob Associates, Alinta Energy, Delta Electricity, Snowy Hydro, Red Energy and EnergyAustralia.

CRAIG MEMERY

Craig Memery has represented energy users for the last decade and now leads PIAC's Energy and Water Consumer Advocacy Program, which promotes access to affordable, sustainable energy and water for NSW households, through improvements in policy, regulation and markets that benefit all energy users and targeted supporting measures for people facing hardship and disadvantage. He is also a board member of the Energy & Water Ombudsman NSW and Chair of the Australian Energy Regulator's Consumer Reference Group.

KEITH ROBERTSON

Keith Robertson is the General Manager Regulatory Policy at Origin Energy. Mr Robertson is responsible for advocating for effective wholesale, retail and environmental market regulations at Origin Energy. He has over 20 years of experience in the energy sector and has held senior positions in strategy and development, energy trading, and sales and marketing.



DAVID SALISBURY

David Salisbury is Executive Manager Engineering at Essential Energy. He is an experienced executive and an accomplished engineer with expertise in gas distribution and electricity and gas transmission across the UK, and electricity distribution in Australia. Mr Salisbury has a strong technical background with in-depth commercial and regulatory experience and first-hand knowledge of using technology to enable transformation. Mr Salisbury held the position of Head of Network Engineering and Asset Management for Gas Transmission at National Grid in the United Kingdom before relocating to Australia in 2017.

The AEMC is fortunate that experts across the energy sector willingly dedicate their time to serve as members of the Reliability Panel.



JOHN TITCHEN

John Titchen, Managing Director of Goldwind Australia, is a discretionary member of the Panel. Since its establishment in 2009, Mr Titchen has led the development of Goldwind Australia’s portfolio of wind and solar generation. Mr Titchen has previously worked for the Electricity Commission of NSW, Pacific Power and Hydro Tasmania.

KEN WOOLLEY

Ken Woolley is the Executive Director Merchant Energy at Alinta Energy and a Director of Latrobe Valley Power. Mr Woolley is responsible for power generation asset management and operations, wholesale gas, electricity and renewable trading functions and power development at Alinta Energy. He has more than two decades of experience in the energy sector, including roles as Executive Director Power Generation at Alinta Energy and General Manager Power Development at AGL Energy. Mr Woolley holds a Bachelor of Engineering from Monash University and is a Fellow of the Institute of Engineers.



Reliability Panel

Member	Organisation and position	Market segment	Term expiry	Panel meetings	
				Eligible	Attended
Current members as at 30 June 2021					
Charles Popple (Chair)	Chair and AEMC Commissioner	AEMC	6 February 2023	13	13
Stephen Clark	Technical and Economic Lead – Project Marinus, TasNetworks	TNSPs	17 December 2021	13	13
Kathy Danaher	Vice Chairwoman, Ark Energy	Discretionary	31 August 2021	13	12
Ken Harper	Group Manager Operational Support, AEMO	AEMO	N/A	13	13
Craig Memery	Project team leader – Energy + Water Consumer's Advocacy Program, Public Interest Advocacy Centre	End-use customers of electricity	30 June 2023	13	12
Keith Robertson	General Manager Regulatory Policy, Origin Energy	Market customers	31 December 2022	13	13
David Salisbury	Executive Manager, Engineering, Essential Energy	DNSPs	31 December 2023	7	7*
John Titchen	Managing Director, Goldwind Australia	Discretionary	17 December 2021	13	13
Ken Woolley	Executive Director Merchant Energy, Alinta Energy	Generators	30 May 2023	13	13

* including attending in September as a guest before his appointment started



Our stakeholders

Engagement with stakeholders has always been a core part of the AEMC’s work program. Our ability to connect regularly with stakeholders and understand the opportunities and challenges that exist for them is critical to achieving reforms that solve problems efficiently and that best prepare the grid for the future.

Now, as Australia manages a once-in-a-generation energy transformation, the importance of timely and effective stakeholder engagement has never been higher. The significance of the rule changes and reforms is larger, their volume is greater, and their pace is as fast as ever.

As an organisation, the AEMC has reflected on how it can continue to improve its processes and touchpoints with stakeholders with a focus on

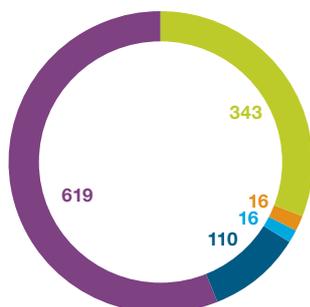
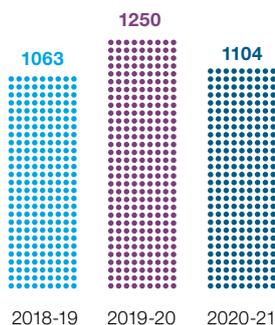
- ensuring they are timely
- that we are connecting with the parties who need to be involved
- that information and processes are as clear and accessible as possible; and
- that stakeholders feel heard and respected.

This has led to stakeholder engagement being given additional focus as one of the executive leadership team’s top priorities for the year. In addition to a sharpened awareness across the organisation, a dedicated stakeholder engagement function was established and resourced to provide an ongoing focus for this priority. The AEMC also completed a comprehensive stakeholder perceptions survey to benchmark its performance and undertook a number of initiatives to respond to feedback received through this and our quarterly stakeholder surveys.

As with most organisations, the AEMC has had to rethink how it connects and consults with stakeholders in the context of pandemic-related travel restrictions. We have received positive feedback on both the quick transition and the effectiveness of our online approach, and have endeavoured to take advantage of the opportunities that the online environment brings by way of increased stakeholder participation from parties who previously had resourcing, time or cost barriers to attending in-person forums. We see this as an opportunity to continue exploring and will seek ongoing feedback from stakeholders on the effectiveness of our consultation methods as the impact of the pandemic evolves.

Better engagement and collaboration with stakeholders will be a key priority initiative for the first year of the AEMC Strategic Plan.

ENGAGEMENT INITIATIVES – STAKEHOLDER MEETINGS AND EVENTS



- FORMAL MEETINGS ATTENDED BY COMMISSIONERS, EXECUTIVE GENERAL MANAGERS AND STAFF WITH COAG ENERGY COUNCIL AND JURISDICTIONS
- CONSUMER AND INDUSTRY FORUMS ATTENDED BY COMMISSIONERS
- CONSUMER AND INDUSTRY FORUMS ATTENDED BY EXECUTIVE GENERAL MANAGERS
- INSTITUTIONAL COOPERATION - COMMISSIONER MEETINGS WITH AER, AEMO LEADERSHIP
- OTHER CONSUMER AND INDUSTRY MEETINGS ATTENDED BY COMMISSIONERS AND EXECUTIVE GENERAL MANAGERS



Our stakeholders



Stakeholder engagement team

In 2020, the Commission made the commitment to invest in a standalone stakeholder engagement function.

Sitting within the Strategy and Economic Analysis team, the team provides a dedicated and focused resource to help achieve the AEMC's stakeholder engagement objectives. It provides support for engagement with key stakeholders; monitors stakeholder sentiment and developments; supports policy teams in effective collaboration with their stakeholders, and identifies opportunities for continuous improvement in the organisation's consultation processes.

In 2020, the team worked to establish the function, acquiring the tools and resources to support high-quality stakeholder engagement across the organisation and completing an opportunity analysis. Moving into 2021, the team plans to implement a number of continuous improvement measures and further embed enhanced stakeholder engagement across the organisation.

Stakeholder perceptions survey

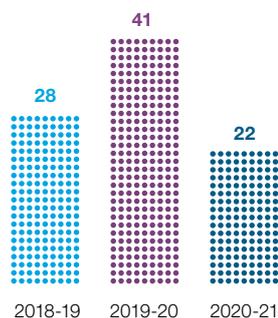
In 2020, the AEMC completed a comprehensive stakeholder perceptions survey. This provided a refreshed understanding of key stakeholder sentiment on the organisation's performance.

The survey was based on in-depth interviews with 45 key stakeholders across four segments: consumer representatives, think tanks and academics, government, industry/market participants and regulatory/market bodies.

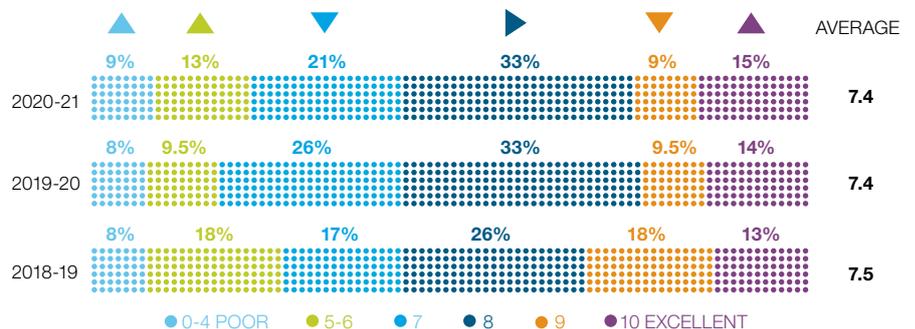
Stakeholders provided views on the AEMC's standard consultation procedures, its priority rule change areas, its openness and willingness to engage, its collaboration and relationships, the accessibility of its published documents, and importantly, the role it plays in readying the market for the energy transition.

The survey provided valuable insight into stakeholder expectations and reflections and is being used to inform engagement initiatives and focus areas and inform a key priority initiative of the AEMC Strategic Plan.

ENGAGING WITH OUR STAKEHOLDERS – FORUMS AND WORKSHOPS



SURVEY RESULTS: OVERALL RATINGS OF AEMC'S APPROACH TO CONSULTATION



The 15 projects we surveyed were selected to source feedback from a wide range of stakeholder types across different focus areas.

Consultation on rule changes and reforms

A unique aspect of the energy market and regulatory change process in Australia is that anyone can submit a request to change the arrangements. Rules can be changed in response to requests submitted to us by individuals, consumer groups, industry or governments.

This year we received 19 new rule change requests from stakeholders. We completed a total of 31 rule changes through the year and finalised nine reviews.

We received 955 standard submissions on rule change requests or reviews, and an additional 2638 informal submissions on the *Access, pricing and incentive arrangements for distributed energy resources* rule change, compared with 846 standard submissions received in 2019–2020.

In addition to the work we do on AEMC rule changes and reviews, we have also been an integral part of the work the Energy Security Board (ESB) has been doing on the post-2025 market design. The ESB members have worked together to make the National Electricity Market (NEM) fit-for-purpose. This required significant input from the AEMC and dedicated staff assignments to progress the project. Our role in working with other market bodies on this reform was essential to ensuring the NEM continues to work in the interests of consumers.

As part of our commitment to identifying ways in which we can improve our engagement and communication, this year we sent out 1013 invitations to stakeholders to participate in one or more quarterly online surveys about projects in which they were actively involved, for example by making a submission or attending a public forum.

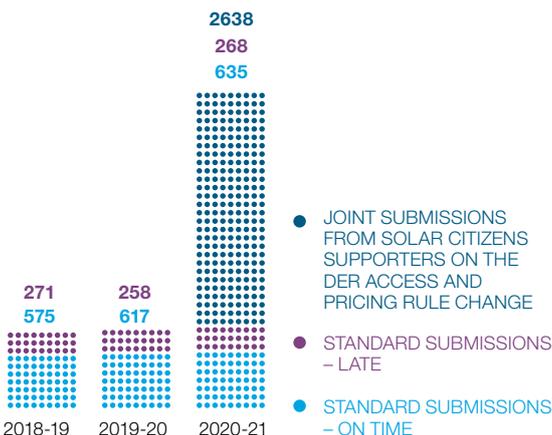
The 15 projects we surveyed were selected to source feedback from a wide range of stakeholder types across different focus areas.

We were pleased to receive responses from 19 per cent of individuals who shared their opinions about our stakeholder engagement and the AEMC’s efforts to adapt our processes to COVID-19 restrictions.

The average rating this year remained steady at 7.4 (out of 10). Seventy-eight per cent of respondents rated the AEMC’s overall approach to engagement on the review or rule change they participated in as quite good, very good or excellent (seven or more out of 10).

We are grateful for our stakeholders’ continued willingness to provide detailed constructive feedback and we continue to act on these recommendations and critiques wherever possible.

ENGAGING WITH OUR STAKEHOLDERS – REVIEW AND RULE CHANGE SUBMISSIONS





Our stakeholders

Improving information accessibility for stakeholders

CASE STUDY 1: A better way to read the National Electricity Rules

In late June, the AEMC launched an online, interactive version of the National Electricity Rules (NER). Prior to these changes, stakeholders needing to use the rules had to download and scroll through over 1700 pages of the NER in document form. The new approach allows users to quickly navigate through hyperlinks, to access cross-references, to view pop-up definitions for thousands of defined terms, and to carry out targeted searches and navigate more easily.

The development of this interactive version of the rules was in response to a recommendation from the ESB in its review of the NER. The AEMC drew upon data which showed that there were over 50,000 downloads of the document version of the rules by stakeholders in the previous 12-month period.

The AEMC collaborated with the ESB to send a survey to our stakeholders in 2020, on how users access and use the rules along with what features they would like to see. This produced valuable feedback which was considered by the AEMC throughout the six-month design process for the online platform.

In the month following the launch of the interactive platform, the NER page became the most popular page on the website with 2,900 unique visitors.

The AEMC will continue to look at innovative ways to present information to consumers and stakeholders with plans to develop online versions of the National Gas Rules and/or National Energy Retail Rules in the second half of 2021.

Improving the online environment for stakeholders

CASE STUDY 2: Online events and consultation

Prior to the pandemic, in-person workshops and forums were an essential part of our stakeholder engagement. When the pandemic began, effectively reproducing these events in the virtual world was essential for the organisation.

We quickly moved our in-person events online and trialled many different technologies to ensure that stakeholders were getting the best online experience.

Like many organisations we found both challenges and benefits in this new environment.

Previously AEMC events were held almost exclusively in Sydney, which meant that stakeholders were not always able to attend our events due to budgetary or scheduling constraints. Now anyone can attend our events regardless of where they live, or what their budget is – a development that has been very well received by stakeholders.

The AEMC is monitoring developments in online event technology to ensure that stakeholders continue to get the best experience while attending our events, and we continue to reach out to stakeholders through these events and quarterly surveys, for their suggestions on how we can further improve our engagement.

In our quarterly surveys in 2020 and 2021 we asked participants to “rate the AEMC’s efforts to adapt its stakeholder engagement during the COVID-19 pandemic”. The results from the first part of this year were increasingly positive, showing an average rating of 8.4 (out of 10) compared with 8.0 in June 2020.



Raising the bar on stakeholder collaboration

CASE STUDY 3: Collaboration fosters collective accountability for better customer outcomes

In 2021, the AEMC completed work on access and pricing reforms to better integrate distributed energy resources such as rooftop solar and batteries into the grid of the future (as discussed on page 17). These rule changes were submitted to the Commission following a nine-month consultation process that was conducted as part of ARENA's Distributed Energy Integration Program.

DEIP, a collaboration of government agencies, market authorities, industry and consumer associations, aims to maximise the value of customers' distributed energy resources for all energy users.

Along with distributed energy resources, there are several other workstreams under DEIP, including electric vehicle grid integration, interoperability and dynamic operating envelopes.

Led by a steering group, of which the AEMC is a member, the access and pricing forum is driven by the premise that collaborating on distributed energy resources issues will more efficiently identify knowledge gaps and priorities, as well as accelerate reforms for customers.

Implementing reforms that impact how distributed energy resources are provided is a significant change management exercise – especially given renewable generation is a big part of Australia's commitment to reduce emissions. Building trust in the sector is key to long-term success.

Broader consultation saw a wide range of stakeholders collaborating to identify knowledge gaps and work priorities, and to develop and test reform options. Three large workshops and six technical reference group meetings were held over the nine-month period, with more than 120 stakeholders participating in this process. The final outcomes report made 12 findings and proposed next steps based on the stakeholder feedback, including written submissions.

DEIP has proven to be an important initiative to promote a customer-centric culture and collaborative approach to stakeholder engagement through openness and transparency, and by taking the time to listen and understand each other.

Both the collaboration of DEIP members and the consultative approach taken on the access and pricing reforms for export services rule change were instrumental in paving the way for major rule changes.

THE DEIP STEERING GROUP IS CURRENTLY MADE UP OF 13 ORGANISATIONS

- AEMC
- AEMO
- AER
- ARENA
- Australian Energy Council
- Clean Energy Council
- Clean Energy Finance Corp
- Clean Energy Regulator
- CSIRO
- Energy Consumers Australia
- Energy Ministers' Meeting
- Energy Networks Australia
- Energy Security Board



Our people

We are passionate about our contribution to the development of Australia’s energy markets. That passion shows as we undertake careful analysis and engage meaningfully with our consumer, industry and government stakeholders to make decisions.

We take the quality of our work seriously. We are proud of our unique employee value proposition and of the diverse perspectives that make up our organisation, harnessed to deliver market reform that’s working for the benefit of Australia’s future.

Workforce planning

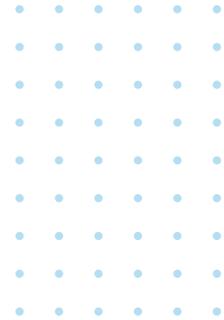
As part of our business planning process, our workforce plan responds to AEMC’s strategic priorities, which are realised through the efforts of our high calibre workforce. Ensuring that skills, capabilities and resourcing are aligned to the current and future needs of our work program is critical in delivering outcomes for consumers, industry and government.

Investing in the energy sector’s future workforce

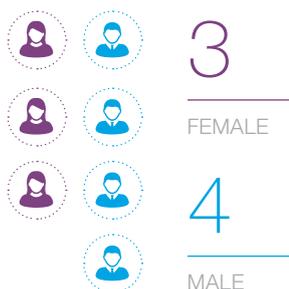
As part of our workforce strategy, we invest in the development of the energy sector’s future talent through our 12 month graduate program. Our program gives capable individuals valuable experience in the energy sector, builds core skills and knowledge, and provides an opportunity for career progression. Our intake of nine graduates in 2021 provides a strong pipeline of policy advisers, as well as specialist economics and legal practitioners that form part of our project resourcing.

Building capabilities

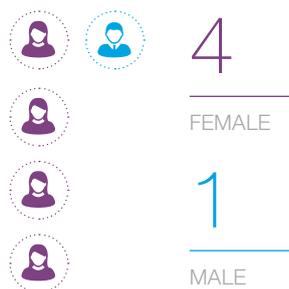
As a learning organisation we invest in the development of our people’s capability. Our learning program prioritises the development of core capabilities across project management, analysis, communication, and leadership, supported by a culture of continuous feedback. We engage with industry to ensure our technical skills continue to evolve and harness our internal expertise across economics and engineering disciplines to transfer critical knowledge and skills to our policy advisory teams. Our program has adapted to virtual delivery in response to the impact of COVID-19. Additionally, in 2021 we awarded our annual economics scholarship to staff pursuing further study in environmental and resource economics, and the economics of hydrogen production.



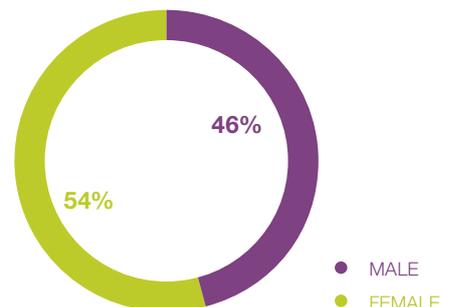
EXECUTIVE LEADERSHIP TEAM



COMMISSIONERS



STAFF BY GENDER





We value feedback and provide an opportunity for our people to have a voice on their employment experience through our annual survey.

Managing culture, risk, and providing tools to thrive

Central to our people strategy is driving a culture of psychological safety and wellbeing. We value feedback and provide an opportunity for our people to have a voice on their employment experience through our annual survey. In 2020 this resulted in us developing a new approach to hybrid work and putting processes in place to increase the effectiveness of performance feedback.

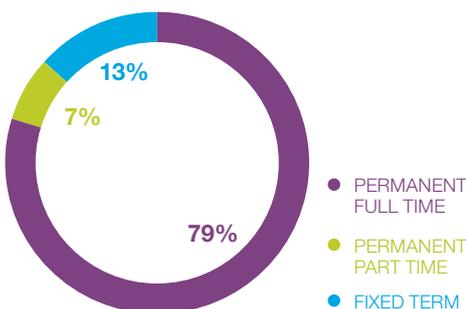
We take an integrated approach to managing workplace health and safety, including delivery of a wellbeing program designed to support mental fitness through education, online resources, individual wellbeing plans and counselling services. Additionally, we take measures to optimise our physical work environment, undertaking risk assessments and other preventative practices to ensure a proactive approach to managing risk. We track our performance and regularly report on the effectiveness of our programs and interventions to our executive leadership team and Commission.

We continue to respond to the pandemic and its impact on our people, providing additional resources and support including paid leave for pandemic-related purposes, and promoting connectivity within and between teams including increasing the frequency of all staff communication. Our COVID Safe Plan forms part of our risk management framework which is regularly updated to reflect government guidelines and covers: work arrangements, including working from home; hygiene, sanitisation and cleaning practices; travel; office facilities and layout to ensure social distancing; visitor management, and emergency response.

Inclusion

In response to our 2020 engagement survey we have increased our focus on supporting gender diversity. This included changes to flexible work practices and the current review of our leave policy and leadership program. Work is also underway to incorporate cultural awareness training into our learning program for 2021.

STAFF BY STATUS



STAFF BY ROLE



- STAFF DIRECTLY ASSOCIATED WITH RULES AND MARKET DEVELOPMENT PROJECT DELIVERY
 - CORPORATE SUPPORT (INCLUDES ADMINISTRATION, OPERATIONS, HUMAN RESOURCES, FINANCE AND IT)
 - COMMISSIONERS³
- ³ Commissioners are appointed under instrument by the SA Governor and are not employees of the AEMC.





Governance

Legislative framework

The AEMC is a body corporate established under South Australian law and its key functions and powers in relation to the making of national energy rules and market reviews are set out in the national energy laws (Part 4, National Electricity Law; Part 2 of Chapter 2, National Gas Law; Part 9, National Energy Retail Law) and the *Australian Energy Market Commission Establishment Act 2004* (SA).

In addition to its powers and functions under these laws, the AEMC is required to comply with a number of South Australian, New South Wales and Commonwealth laws relating to such matters as record keeping, information disclosure, financial reporting and employment-related matters. For example, the AEMC complies with the *Fair Work Act 2009* (Cth), New South Wales work health and safety laws and South Australian laws such as the *Freedom of Information Act 1991* (SA), the *Public Finance and Audit Act 1987* (SA) and the *State Records Act 1997* (SA). Since 10 July 2019 the AEMC has also been subject to the Commonwealth Office of Best Practice Regulation's Regulation Impact Statement requirements (currently, the Regulatory Impact Analysis Guide for Ministers' Meetings and National Standard Setting Bodies), subject to certain exceptions.

Memoranda of understanding

To assist in the performance of its operations, the AEMC has entered into Memoranda of Understanding (MOU) with the following organisations:

- Australian Competition & Consumer Commission
- Australian Energy Market Operator
- Australian Energy Regulator
- Australian Renewable Energy Agency
- Energy and Water Ombudsman New South Wales
- Energy and Water Ombudsman Queensland
- Energy and Water Ombudsman South Australia
- Energy and Water Ombudsman Victoria
- Energy Ombudsman Tasmania
- Essential Services Commission of Victoria

- Independent Competition and Regulatory Commission of the ACT
- National Competition Council
- Office of the Tasmanian Economic Regulator

These MOUs set out principles to promote communication, coordination and information sharing between the AEMC and the other market bodies and jurisdictional regulators to contribute to the efficiency and effectiveness of energy markets and regulation in the long-term interests of consumers.

Corporate responsibility

AEMC Commissioners are appointed by Australia's state, territory and federal governments to make the rules under the national energy laws, and to advise governments on overall energy market development. A two-thirds majority of the Energy Ministers' Meeting is required to confirm a new Commissioner appointment. The Commissioners are supported by the AEMC's executive leadership team and staff. Together they discharge rule-making and market development roles in line with the AEMC's code of conduct which requires AEMC staff to act with fairness, honesty, impartiality and integrity in all our dealings.

Key performance indicators

The AEMC's Statement of Intent sets out how the AEMC will meet the expectations of the Energy Ministers' Meeting through the AEMC's strategic priorities and work program. It also sets out the AEMC's deliverables and performance indicators to measure its performance in meeting those expectations.

Our KPIs cover these areas:

- organisational development and budget management
- progress on the work program
- engagement with stakeholders.



As part of actioning the AEMC's Strategic Plan, we will redesign our performance framework to ensure close alignment between our KPIs and objectives in the plan. The KPIs in our current Statement of Intent are good indicators of our outputs but we are also interested in developing a KPI framework that measures not only our outputs, but the outcomes and impact of what we do. Our Statement of Intent from energy ministers will be updated regularly in this context and informed by the energy ministers' Strategic Energy Plan which outlines the strategic direction of the energy sector.

Performance

In 2020–2021 the AEMC completed 31 rule changes and initiated 36 new rule change requests. Nineteen rule changes were underway at the end of the financial year. We met the target initiation timeframe of four months for 72 per cent of the rule change requests we initiated this year. Seventy-four per cent of rule changes were completed without extension after initiation, an improvement from the 63 per cent which were extended in 2020–2021.

We completed nine reviews this year, with a further five underway as at 30 June 2021. Sixty-seven per cent of reviews were completed within the original timeframes specified in the terms of reference. The *2020 Biennial review into liquidity in wholesale and gas pipeline trading markets* was completed slightly later than six weeks prior to the mid-year Energy Ministers' Meeting date as this date was not yet confirmed when we set the timelines for this review. The timing for the *Electricity network economic regulatory framework review 2020* final report was impacted by the challenges of engaging with stakeholders in line with COVID-19 restrictions.

Our directors, executive general managers, Chief Executive and Commissioners participated in more than 1100 stakeholder meetings this year, many of which were held virtually via Zoom or Microsoft Teams, as was also the case for the majority of the AEMC's stakeholder forums and workshops this year.

Our ongoing survey of stakeholder feedback on our consultation processes for individual rule and review projects continued throughout the year.

This survey program began in 2014-2015 and focuses on sourcing direct stakeholder feedback to improve the AEMC's processes. We initiated surveys for 38 per cent of completed projects in which we asked stakeholders to provide feedback and recommendations on our consultation processes. Seventy-eight per cent of stakeholders rated our project consultation in 2020–2021 as seven or higher (out of 10).

This year AEMC staff turnover was 26 per cent.

We recognise the challenges the COVID-19 pandemic has posed for our employees and we have provided them with ongoing practical support in a number of different ways as detailed in the *Our People* section of this report. This issue remains a priority for us in 2021-2022.

The Commission and executive leadership team

The AEMC's Commissioners exercise their statutory rule-making and market development functions, subject to some delegations as explained below. Most of the functions relating to the management and day-to-day running of the organisation are the responsibility of the Chief Executive and the executive leadership team. The Commission retains the majority of the statutory rule making powers and market development functions and is also responsible for the AEMC's strategic direction.

The Chief Executive and executive leadership team also have delegations in relation to some statutory decisions, including initiation of rule changes, and a range of other operational matters, including the employment of staff and engagement of consultants.

The Commissioners review the corporate governance framework of the organisation, overseeing the development of the AEMC's priority areas and business planning, and approving corporate development initiatives as proposed by the Chief Executive with the executive leadership team. The Commission holds monthly organisational meetings to review operational matters.

In terms of risk management and reporting, the Commissioners review the AEMC's budget, monitor its financial performance, and consider and approve the annual financial statements.



Governance

Statement of Intent key performance indicators

Area	Measure	2018-2019	2019-2020	2020-2021
Organisation				
Budget management	Annual expenditure is within +/-% of initial budget	-12.6%	-8.7%	+3.9
Staff management	Staff turnover, on average, of between 10% and 20% per year (to reflect proactive management of underperformance and retention of key staff)	19%	18.6%	26%
Staff development	100% of staff have objectives and personal development plans which are reviewed annually	94%	100%	100%
Effective governance	Annual management review of risk assessment framework and implementation of appropriate internal audit work program	Completed	Completed	Completed
Work program				
Rule requests	75% of requests initiated within four months of receipt 100% of rule changes made within statutory timelines (including where extensions are requested)	79% 100%	70% 100%	72% 100%
Rule change extensions	Proportion of rule change processes that are extended	6%	37%	26%
Rule change challenges	0% of rule change challenges are upheld	No challenges	No challenges	No challenges
Market reviews and advice	85% of reviews completed within original Terms of Reference timelines	60%	78%	67%
Efficient resource use	Proportion of FTE and total budget spend on rule-making, reviews and advice	FTE: 85% Total budget: 78%	FTE: 88% Total budget: 82%	FTE: 88% Total budget: 76%
Stakeholder engagement				
Energy Ministers and jurisdictions engagement	Number of formal meetings attended by Commissioners and/or staff with Energy Ministers and/or jurisdictional leads	310	358	343
Commissioner forums	Number of consumer and industry forums attended by Commissioners	29	23	16
Staff-led forums	Number of consumer and industry forums attended by AEMC executive general managers	21	28	16
Institutional cooperation	Number of meetings between Commissioners and AEMO and AER leadership	48	59	110
Stakeholder satisfaction survey (every three years)	At least 7 out of 10 stakeholders satisfied with the AEMC's performance – giving a score of 7 or more out of 10	68% compared with 70% in FY16	Survey due 2022	Survey due 2022
Consultation process surveys	Develop project-specific stakeholder satisfaction surveys and ensure at least 25% of projects initiate survey upon project completion	30% of completed projects	25% of completed projects	38% of completed projects



Commission statutory and governance meetings 2020-2021

Commissioner	Current term	Statutory Commission meetings		Statutory Commission Sub-Committee meetings	Organisational meetings	
		Eligible	Attended	Attended	Eligible	Attended
Anna Collyer	1 February 2021 to 31 January 2026	16	15 ⁴	0	4	4
Charles Pople	17 February 2018 to 16 February 2023	38	35	5	10	10
Michelle Shepherd	11 June 2021 to 10 June 2024	38	35	8	10	10
Allison Warburton	12 March 2018 to 11 March 2022	38	36	10	10	9
Merryn York	25 August 2019 to 24 August 2024	38	35	5	10	9
John Pierce (former Chairman)	2 June 2015 to 3 July 2020	1	1	0	0	0

⁴ AEMC Chair Anna Collyer absented herself from the statutory Commission meeting held on 6 April 2021 in order to manage a potential conflict (actual or perceived) with the primary agenda item. Further details regarding the management of the potential conflict are set out on page 54.



Governance

Conflicts of interest

Under Section 22 of the *Australian Energy Market Commission Establishment Act 2004* (SA), Commissioners must disclose any direct or indirect conflicts of interest in any matter the AEMC is considering. These disclosures are formally minuted and published on the AEMC website. The following declarations of interest were made by Commissioners in 2020–2021.

Anna Collyer was a partner of law firm Allens up until 31 December 2020 and is entitled to a share in profits of the firm for work undertaken prior to 31 December 2020. To manage any actual or perceived conflict arising from this entitlement, Anna will have no involvement in the AEMC's final selection and approval process for engaging external legal service providers during 2021.

Anna is entitled to post retirement income from Allens following her retirement from the partnership, which is determined by a set formula. To manage any actual or perceived conflict, she has waived her entitlement to this income for the duration of her term as Chairperson.

In October 2020, the AEMC received two separate rule change requests in the form of participant derogations from TransGrid and ElectraNet in relation to the financeability of ISP projects (including the financeability of Project EnergyConnect). TransGrid had engaged Allens as a legal adviser on Project EnergyConnect, however Anna was not personally involved in that work. To manage any actual or perceived conflict, she absented herself from the AEMC's decision-making (including not attending any agenda items at Commission meetings) in relation to the TransGrid and ElectraNet rule change requests (ERC0320 and ERC0322). Further, Anna did not have access to Commission meeting papers related to these rule change requests prior to the relevant Commission meetings being held and the relevant statutory decisions being made.

Allison Warburton is a director of, and holds a beneficial interest in, Lacuna Holdings Pty Ltd, which provides business and administrative support services to legal practitioners and small law firms. To manage any actual or perceived conflict, she will have no involvement in the AEMC's final selection and approval process for engaging external legal service providers during the period in which she is a director of, or maintains an interest in, Lacuna Holdings Pty Ltd.

Charles Popple does not consider that he has any commitments that give rise to conflicts that require management.

Michelle Shepherd does not consider that she has any commitments that give rise to conflicts that require management.

Merryn York does not consider that she has any commitments that give rise to conflicts that require management.

Audit and risk management

Risk management is a fundamental component of managing our operations. Our processes to identify, assess and manage risk include:

- Audit and Risk Management Committee monitoring of the overall risk management framework, financial reporting processes, processes for compliance, performance of auditors and oversight of the audit program
- a broad-based risk assessment process which is used to develop a rolling three-year internal audit plan and to inform risk management activities
- a risk appetite statement which is shared with all AEMC staff
- the corporate planning processes which prioritise actions based on assessed risks
- the identification and management of compliance areas on a functional basis with legal support where necessary
- the project control framework which is used for all rule change and review projects. This includes the creation of a risk register, where relevant, and the active management of identified risks.



Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for monitoring the overall risk management framework, the financial reporting processes, the compliance processes, the performance of auditors and overseeing the audit program.

This includes monitoring auditors and management and advising the Commission of the results of that monitoring in relation to:

- the overall risk management framework
- financial reporting processes
- systems for internal control and management of financial risks
- processes for monitoring of compliance with legislation and regulation and the AEMC’s Code of Conduct and fraud prevention
- audit scopes, outcomes and actions
- performance of auditors.

The Committee provides advice to the Commission on the need for audit and risk management programs for AEMC panels, committees and working groups, such as the Reliability Panel. Where such programs are required the Committee is to monitor the audit outcomes and review the audit programs of those panels, committees and working groups and advise the Commission of the adequacy of these audit processes.

The Committee is responsible for recommending to the Commission the appointment of internal auditors.

In discharging its responsibilities, the Committee is authorised by the Commission to:

- obtain external professional advice (including legal)
- seek information from any employee who shall cooperate with the Committee

- seek information from parties outside of the AEMC or its advisory committees
- require attendance of AEMC officers at meetings of the Committee
- request the Chair of advisory committees to provide information.

The AEMC’s Audit and Risk Management Committee Charter is available on our website.

Committee members

The AEMC’s Audit and Risk Management Committee (ARMC) is comprised of:

David Pendleton *Independent Chair*

David is a financial services professional with over 30 years of experience in financial functions, audit, superannuation, governance and risk management. Most recently he was Chief Operating Officer and CFO at the Australian Broadcasting Corporation where he was responsible for all financial, operational and technical functions of the ABC. He is currently a non-executive director of The Helmsman Project and an Independent Member of the Wodonga City Council Audit Committee. David was formerly a director of MediaHub Australia, the National DAB Licence Company and Symphony Australia.

Stephen Horne *Independent Committee member*

As a non-executive director since 2015, Stephen has developed a portfolio of audit committee experience spanning the Commonwealth, NSW government, NSW local government and Victorian local government sectors, with a diverse range of entity types. He previously served for 38 years in the NSW public sector, including roles of Assistant Auditor-General for NSW, looking after performance audits, and the Chief Executive of IAB, a government trading enterprise undertaking internal audits and misconduct investigations.



Governance

Commission Audit and Risk Management Committee membership and meetings 2020-2021

Members	Committee term	Eligible	Attended
David Pendleton (Independent Chair)	From 31 December 2019	5	5
Allison Warburton	From 23 April 2018	5	5
Jane Byrne (former Independent Chair)	1 July 2015 – 30 June 2021	5	5

Allison Warburton

AEMC Commissioner and Committee member

Allison has worked in the energy sector for more than 20 years, advising energy users, governments and major corporations on energy policy and legislation. Allison was previously national head of Minter Ellison's climate change and renewables practice and has been involved in emissions reduction and clean energy projects, and advised on the Renewable Energy Target, the Emissions Reduction Fund and other legislative schemes to report and reduce emissions.

In 2016 she was appointed by the Queensland Government to its independent Renewable Energy Expert Panel to advise on credible pathways to achieving the government's renewable energy target. She served as a non-executive director of Stanwell Corporation Limited until January 2018 and previously advised the Australian Greenhouse Office on developing new laws to regulate geological carbon capture and storage.

Allison has a Bachelor of Arts and a Bachelor of Laws from the University of Queensland and is a Member of the Australian Institute of Company Directors, and the Queensland Law Society.

Jane Byrne stepped down as independent Chair of the ARMC on 30 June 2021. We thank Jane for her service to the AEMC.

Fraud prevention

Within our risk management framework, procedures are in place to help identify sources of potential fraud or corrupt practices, prevent occurrences, and investigate and take appropriate action on reported breaches. No instances of fraud were identified during the year under review.

Business continuity

The objective of the AEMC's business continuity and disaster recovery plan is to ensure that business processes are robust and able to withstand minor business interruptions and to ensure the ongoing ability of the AEMC to continue its operations in the event of a major business interruption. Please see page 45 for our stakeholders' feedback on how we have adapted our engagement processes in response to the COVID-19 pandemic, and page 49 for our approach to managing the risk of coronavirus in the workplace.

Freedom of information

The AEMC is subject to the *Freedom of Information Act 1991 (SA)*. All documents we publish regarding our rule making, reviews, advice and all versions of the National Electricity Rules, National Gas Rules and National Energy Retail Rules are on our website at www.aemc.gov.au. They can also be inspected at our offices. A request under the *Freedom of Information Act 1991 (SA)* is not required to inspect them.

The AEMC did not receive any freedom of information (FOI) requests in 2020–2021.

Rules and reviews



Table A

Electricity rules made by the AEMC in 2020–2021

Electricity rule made	Benefit/impact	
 <p>Delayed implementation of five minute and global settlement</p>	<p>This rule was one of the AEMC’s measures to guide the national electricity market through the COVID-19 pandemic.</p> <p>Five-minute settlement involves the biggest IT overhaul Australia’s energy market has ever seen. It is a major market reform to inject more fast-response energy options into the power system and will mean the wholesale electricity spot price is settled every five instead of every 30 minutes. The change will benefit batteries, new generation gas peaker plants and demand response (where energy use is traded in the market).</p> <p>The final determination gave energy businesses an extra three months to get ready for the change to make up for time lost in responding to the early challenges of COVID-19.</p> <p>Modelling showed the costs of a longer delay would have outweighed the benefits that a delay would bring to some businesses’ cash flow. It would have cost the industry between \$19 million and \$41 million to delay the reform compared with a savings benefit of \$10–\$24 million.</p> <p>AEMO welcomed the AEMC’s decision and expressed their intention to work with the industry to identify lower-cost software solutions and to minimise overall implementation costs, to help ensure the consumer benefits of these reforms are fully realised.</p> <p>Next steps: On 30 July 2021, AEMO submitted a rule change request to the AEMC proposing an urgent rule to provide contingency options for a potential delay to the implementation of the five minute settlement and global settlement and market reconciliation rule changes, if this is determined to be necessary. The final determination for this rule change is scheduled to be published on 30 September 2021.</p>	<p>Consolidation Rule 2020 No. 10 (NER version 144; NT NER version 54)</p> <p>Date made 9 Jul 2020</p> <p>Commenced 9 Jul 2020</p> <p>Proponent AEMO</p> <p>Category Expedited</p>
	 <p>Deferral of network charges</p>	<p>With this rule, the AEMC formally agreed to allow some retailers to defer network bills for six months to help keep the energy market resilient for consumers during COVID-19.</p> <p>The decision was designed to help protect consumers from the impact of multiple retailer failure in the market – a risk during the COVID-19 pandemic.</p> <p>The change built on earlier moves by the AER to protect consumers in financial hardship from disconnection and allow them to defer paying energy bills.</p> <p>While the market would normally govern which retailers stay in operation and which retailers exit, COVID-19 restrictions placed on how retailers operate meant things were not business as usual.</p> <p>This measure aimed to ease some of the pressure, given that network charges make up more than 40 per cent of the average retail bill.</p> <p>Next steps: Some retailers were able to defer the payment of network charges to DNSPs incurred between 6 August 2020 and 6 February 2021 for eligible customers for six months. The final due date for deferred network charges was 6 August 2021.</p>

Electricity rule made

Benefit/impact



Minor rule changes are made annually, or as needed, to correct minor errors and make non-material changes to the rules.

They improve the quality of the rules in terms of accuracy and consistency.

Consolidation Rule 2020 No. 12 (NER version 149; NT NER version 57)

Date made 20 Aug 2020

Commenced 27 Aug 2020

Proponent AEMC

Category Expedited



This rule is part of a package of seven rule changes progressed by the AEMC as part of its interventions work program.

It aimed to improve mechanisms for intervening in the market when the power system becomes insecure or unreliable.

Intervention mechanisms include the reliability and emergency reserve trader, directions and instructions. There has been a significant increase in the use of intervention mechanisms by AEMO over the past four years, primarily in response to system security issues such as inadequate system strength in South Australia.

The final rule amends the National Electricity Rules to reduce costs to consumers while maintaining efficient price signals and incentives for investors when AEMO intervenes in the market.

It was made in response to a rule change request from AEMO following the recommendations made by the AEMC's *Investigation into intervention mechanisms in the NEM*. The rule change was fast-tracked as stakeholder feedback on this issue was initially sought and received in 2019 as part of the AEMC's earlier work.

Consolidation Rule 2020 No. 13 (NER version 150; NT NER version 58)

Date made 10 Sep 2020

Commenced 17 Sep 2020

Proponent AEMO

Category Fast-tracked



The AEMC has made a final rule that will minimise the cost to consumers when it is necessary for AEMO to intervene in the electricity market.

In response to AEMO's increased reliance on intervention mechanisms, AEMO and the AEMC have undertaken reviews relating to intervention pricing and the interventions framework. This final determination actioned a recommendation made by the AEMC in its August 2019 *Investigation into intervention mechanisms in the NEM* final report.

The final rule replaced the existing requirements with a principle that AEMO must use reasonable endeavours to select effective mechanisms for addressing supply scarcity that minimise direct and indirect costs.

The final rule also applied transparency and accountability requirements to cover the additional discretion provided to AEMO on the choice of intervention mechanisms. The AEMC considers it is important that market participants and other stakeholders should have an ability to reasonably predict how AEMO will intervene in the market.

The rule change request was fast-tracked as stakeholder feedback on this issue was initially sought and received in 2019 as part of the AEMC's earlier work.

Next steps: The final rule requires AEMO to: develop, consult on and publish procedures setting out its method and assumptions in selecting mechanisms; review its procedures in consultation with stakeholders at least every four years; and following intervention, report on the basis on which it determined the mechanisms to be used.

Consolidation Rule 2020 No. 14 (Schedule 5 – NER version 150 and NT NER version 58; Schedules 1, 2 and 3 – NER version 151 and NT NER version 59; Schedule 4 will be consolidated in new versions of the NER and NT NER on commencement)

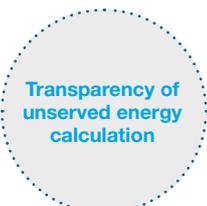
Date made 10 Sep 2020

Commenced 22 Oct 2020 (Schedules 1, 2 and 3); 24 Oct 2021 (Schedule 4); 17 Sep 2020 (Schedule 5)

Proponent AEMO

Category Fast-tracked

Table A
Electricity rules made by the AEMC in 2020–2021

Electricity rule made	Benefit/impact		
 <p>Reallocation of national transmission planner costs</p>	<p>This final rule addressed errors related to the mechanics of charging for national transmission planner costs.</p> <p>AEMO’s Integrated System Plan (ISP) outlines what and when transmission investment is needed in the national electricity market.</p> <p>In the process of implementing recent changes to implement the actionable ISP framework, both AEMO and TNSPs identified a number of issues relating to timing and uncertainty related to budgeting and charging of national transmission planner function fees to TNSPs.</p> <p>The final rule aims to facilitate the original policy intent of the integrated system planning rule by providing the correct transitional and administrative mechanisms.</p> <p>Next steps: The final rule commenced on 29 October 2020 and included transitional provisions for the 2020–2021 and 2021–2022 financial years.</p>	Consolidation	Rule 2020 No. 15 (NER version 152; NT NER version 60)
		Date made	29 Oct 2020
		Commenced	29 Oct 2020
		Proponent	AEMO
		Category	Expedited
 <p>Transparency of unserved energy calculation</p>	<p>The AEMC has made a rule that improves the transparency of a key tool used in monitoring the reliability of the national electricity market.</p> <p>In the national electricity market, the concept of “unserved energy” is used to measure any supply interruptions that consumers experience from a shortage of generation, demand-side participation or interconnector capacity.</p> <p>Actual unserved energy, as opposed to forecast unserved energy, is a reporting tool that helps market participants to track the performance of the NEM over time.</p> <p>This rule change request related to the calculation of unserved energy and the clarity of the framework that underpins the calculation.</p> <p>The request was submitted by the AEMC’s Reliability Panel after the publication of their final report on the <i>Definition of unserved energy</i> review in August 2019.</p> <p>The final rule:</p> <ul style="list-style-type: none"> made the inputs into and method for calculating unserved energy more transparent, equipping market participants with more information to support improved decision making provided improved clarity as to how to interpret the unserved energy definition was able to be implemented at minimal cost by AEMO. <p>Next steps: The Reliability Panel acknowledged that some of the issues raised by stakeholders were outside of the scope of the unserved energy review. Broader issues with respect to the reliability standard may be considered during the Panel’s next review of the reliability standard and settings.</p>	Consolidation	Rule 2020 No. 16 (Schedule 2 – NER version 154 and NT NER version 62; Schedule 1 – NER version 156 and NT NER version 64)
		Date made	19 Nov 2020
		Commenced	17 Dec 2020 (Schedule 1); 19 Nov 2020 (Schedule 2)
		Proponent	Reliability Panel
		Category	Expedited

Electricity rule made

Benefit/impact



This rule removed, amended or consolidated some non-controversial National Electricity Rules definitions that were redundant, had errors or inconsistencies, or could be consolidated or aligned. The changes should improve the clarity, transparency, and certainty of the NER definitions, and help make the NER easier to read.

The final rule followed two rule change requests, submitted by AEMO and Dr Kerry Schott AO, Chair of the Energy Security Board. Both requests stemmed from recommendations in the Finkel review.

Next steps: Three terms for which changes were not straightforward or did not add clear value were not included in the final rule and can be considered under a future process.

Consolidation	Rule 2020 No. 17 (NER version 157 and NT NER version 65)
Date made	26 Nov 2020
Commenced	22 Feb 2021
Proponent	AEMO, Dr Kerry Schott AO
Category	Expedited



The AEMC has made a final rule to streamline the process to determine compensation for generators and loads which are directed to provide certain services to support the secure operation of the power system. These *other compensable services* may include, for example, a direction for a battery to maintain a specific state of charge.

The rule change was part of a wider AEMC work program to update the framework for interventions in the national electricity market.

Amending the compensation framework for other compensable services from two steps to one step will improve efficiency and reduce the administrative burden on AEMO and registered participants.

The final rule also makes related changes that improve transparency, predictability, consistency and the allocation of risk.

Next steps: AEMO required a period of three months to adjust its processes and procedures to implement the rule, therefore it commenced operation on 21 March 2021.

Consolidation	Rule 2020 No. 18 (Schedule 2 – NER version 156 and NT NER version 64; Schedule 1 – NER version 160 and NT NER version 68)
Date made	17 Dec 2020
Commenced	21 Mar 2021 (Schedule 1); 17 Dec 2020 (Schedule 2)
Proponent	AEMO
Category	Standard



This rule increased clarity, consistency, administrative efficiency and transparency in the framework for the granting of prudent discounts on electricity transmission network charges in Victoria.

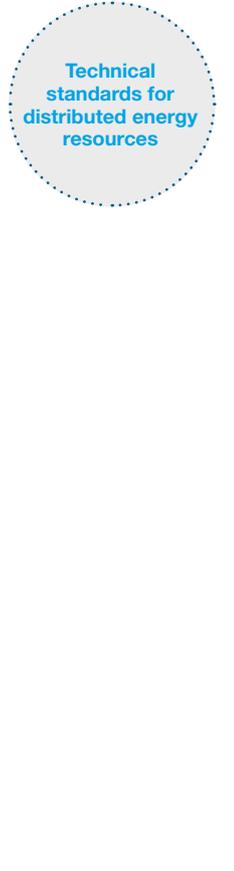
Victoria is considered an “adoptive jurisdiction”, meaning AEMO’s declared network functions apply, including entering into agreements with declared transmission service operators (DTSOs) to provide transmission services. The prudent discount framework allows certain transmission customers to apply for reduced charges where this would avoid them inefficiently bypassing the transmission network.

The final rule addressed concerns raised by both the rule change proponent and stakeholders by making changes to the obligations governing AEMO as the transmission network service provider, and the DTSOs which own and operate transmission network assets in Victoria.

Next steps: The final rule commenced on 17 December 2020, however any pre-existing prudent discount requests made by Victorian transmission customers remained subject to the previous prudent discounts framework.

Consolidation	Rule 2020 No. 19 (NER Version 156 and NT NER Version 64)
Date made	17 Dec 2020
Commenced	17 Dec 2020
Proponent	The Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change, Minister for Solar Homes
Category	Expedited

Table A
Electricity rules made by the AEMC in 2020–2021

Electricity rule made	Benefit/impact	
 <p>Minor changes 4 2020</p>	<p>Minor rule changes are made annually, or as needed, to correct minor errors and make non-material changes to the rules.</p> <p>They improve the quality of the rules in terms of accuracy and consistency.</p>	<p>Consolidation Rule 2020 No. 20 (NER Version 156 and NT NER Version 64)</p> <p>Date made 17 Dec 2020</p> <p>Commenced 17 Dec 2020</p> <p>Proponent AEMC</p> <p>Category Expedited</p>
 <p>Technical standards for distributed energy resources</p>	<p>The AEMC made this rule to set new minimum technical standards for household energy technologies that connect to the power system, such as solar panels, as part of a raft of changes we are looking at to future-proof the power system so it can confidently handle more solar.</p> <p>This work is part of an ongoing and larger-scale project to embed solar and other distributed energy resources into the overall power system.</p> <p>The new standards allow us to do two important things at once – welcome more new technologies into the power system and at the same time help protect grid stability. The more we keep the system stable, the more solar we can connect and the faster we can decarbonise.</p> <p>The new standards will apply to inverters – equipment that converts direct current (DC) to alternating current (AC) in order for electrical devices to function. They will ensure that household energy systems won't trip and disconnect when there are voltage disturbances on the network.</p> <p>The AEMC made the decision to use existing rules and industry frameworks rather than establishing a new set of arrangements, because it will be faster and less costly to implement. This means the standards will more quickly be able to address the concerns of the Energy Security Board and AEMO about the impact that inverters tripping can have on the total power system.</p> <p>Next steps: The change is forward looking rather than retrospective, and so will apply only to new and upgraded systems rather than existing ones. It applies to all jurisdictions in the national electricity market and will take effect from December 2021. Many manufacturers have already begun to upgrade their systems after similar changes were introduced in South Australia in late 2020.</p>	<p>Consolidation Rule 2021 No. 1 (Schedule 1 – NER Version 158 and NT NER Version 66; Schedule 2 will be consolidated in new versions of the NER and NT NER on commencement)</p> <p>Date made 25 Feb 2021</p> <p>Commenced 18 Dec 2021 (Schedule 1); 4 Mar 2021 (Schedule 2)</p> <p>Proponent AEMO</p> <p>Category Standard</p>

Electricity rule made

Benefit/impact



This rule clarified obligations on weather-reliant generators such as large scale solar and wind farms. In order to bolster system security, they will now be prevented from turning down or off without informing AEMO.

The amount of semi-scheduled generation has risen rapidly in recent years. It now accounts for a sizeable share of generating capacity in the NEM and is forecast to rise much further still.

The final rule acts on one of the Energy Security Board's recommended interim security measures aiming to improve visibility of and confidence in system-security services while new market arrangements are being developed through the post 2025 market design work.

The effect of the final rule is to require semi-scheduled generators to follow their available resource and not curtail generation in response to market prices without first informing AEMO and waiting for an updated dispatch instruction.

In addition, if AEMO instructs a semi-scheduled generator to reduce its output during a semi-dispatch interval due to a network constraint or uneconomic offer, the generator must not exceed the dispatch level regardless of its energy source availability.

The rule change was fast-tracked as it was submitted by the AER which undertook significant and extensive consultation in developing the rule change request.

Next steps: The Energy Security Board's post 2025 project is taking a holistic look at what should change so the national electricity market can meet the needs of consumers in a future with diverse sources of non-dispatchable generation, demand response, storage, and distributed energy.

Consolidation Rule 2021 No. 2 (Schedule 4 – NER Version 159 and NT NER Version 67; Schedule 1 – NER Version 162 and NT NER Version 69; Schedules 2 and 3 will be consolidated in new versions of the NER and NT NER on commencement)

Date made 11 Mar 2021

Commenced 12 Apr 2021 (Schedule 1); 1 Oct 2021 (Schedule 2); 24 Oct 2021 (Schedule 3); 11 Mar 2021 (Schedule 4)

Proponent AER

Category Fast-tracked



Minor rule changes are made annually, or as needed, to correct minor errors and make non-material changes to the rules.

They improve the quality of the rules in terms of accuracy and consistency.

Consolidation Rule 2021 No. 3 (NER Version 163 and NT NER Version 70)

Date made 22 Apr 2021

Commenced 22 Apr 2021

Proponent AEMC

Category Expedited



Minor rule changes are made annually, or as needed, to correct minor errors and make non-material changes to the rules.

They improve the quality of the rules in terms of accuracy and consistency.

Consolidation Rule 2021 No. 4 (NER Version 165 and NT NER Version 72)

Date made 27 May 2021

Commenced 27 May 2021

Proponent AEMC

Category Expedited

Table A
Electricity rules made by the AEMC in 2020–2021

Electricity rule made	Benefit/impact		
	<p>This new rule will better identify emerging risks to power system security by changing the way AEMO and network service providers assess the kind of risks that could lead to cascading outages or major supply disruptions.</p> <p>It introduced a new, more holistic annual general power system risk review (GPSRR) to replace the existing power system frequency risk review which previously occurred about once every two years.</p> <p>System security is a priority area for the AEMC and this new rule provides an extra tool to increase the transparency of emerging system security risks and consider the risk of unforeseen events.</p> <p>Promptly identifying and assessing risks to the security of energy supply can also reduce both direct and indirect costs to consumers.</p> <p>A key element of the new review is the requirement for providers to collaborate with AEMO and ensure the operator has the information it needs to conduct these risk reviews.</p> <p>As well as monitoring risks over time, the new approach will help AEMO and network service providers improve their capacity to identify, understand and consider ways to mitigate against those risks. This is particularly important as the energy market transitions to a different future with a changing generation mix.</p> <p>Next steps: One more power system frequency risk review will be completed in this transition period, with the first of the new reviews to be delivered by mid-2023.</p>	<p>Consolidation Rule 2021 No. 5 (Schedule 2 – NER Version 166 and NT NER Version 73; Schedule 1 will be consolidated in new versions of the NER and NT NER on commencement)</p> <p>Date made 3 Jun 2021</p> <p>Commenced 10 Jan 2022 (Schedule 1); 3 Jun 2021 (Schedule 2)</p> <p>Proponent COAG Energy Council</p> <p>Category Fast-tracked</p>	
	<p>The AEMC acted urgently to avoid significant disruption to the Australian Energy Market Operator’s payments and prudential systems when the demand for grid-sourced electricity is low.</p> <p>AEMO, which made this rule change request, had advised that net regional demand in South Australia could be zero or negative by spring 2021 as a result of more electricity being produced by rooftop solar panels or other distributed energy resources than retailers and major industrial users are consuming from generators via the grid.</p> <p>The energy rules and AEMO’s settlement systems were designed when the grid was dominated by one-way electricity flows from large-scale generators to customers – so there was always sufficient demand to recoup non-energy costs.</p> <p>As AEMO’s settlement systems are integrated, if it cannot settle non-energy costs, this then trickles through to the settlement of all trades, including energy – leading to market disruption.</p> <p>This final rule provided a practical, targeted and temporary solution to the imminent risks to financial settlement on the national electricity market.</p> <p>It enabled payments for trade on the NEM to be settled by AEMO even during conditions of low, zero or negative regional demand.</p> <p>Next steps: This rule will commence on 1 September 2021. The AEMC’s work program on adapting the regulatory framework for a world where two-way flows of electricity are commonplace and distributed energy resources are fully integrated also includes the <i>Integrating energy storage systems into the NEM</i> rule change, and the roll-out of global settlement, which takes effect in May 2022.</p>	<p>Consolidation Rule 2021 No. 6 (Schedules 1 and 2 will be consolidated in new versions of the NER and NT NER on commencement)</p> <p>Date made 17 Jun 2021</p> <p>Commenced 1 Sep 2021 (Schedule 1); 1 Oct 2021 (Schedule 2)</p> <p>Proponent AEMO</p> <p>Category Expedited</p>	

Table B

Determinations to not make a rule in response to an electricity rule request

Electricity rule request	Reasons	
<p>Participant derogation – financeability of ISP projects (TransGrid)</p>	<p>The AEMC has decided against changing the energy rules to bring forward cash flows for certain large-scale transmission projects after concluding the existing rules are not an impediment to financing.</p> <p>We also concluded the proposed changes would leave consumers facing higher upfront costs.</p> <p>The rule change requests from TransGrid and ElectraNet wanted planned large-scale transmission projects outlined in the Integrated System Plan, including Project EnergyConnect, the Victoria-New South Wales Interconnector (VNI) minor and HumeLink, to be treated differently under the rules.</p>	<p>Determination date 8 Apr 2021</p> <p>Proponent TransGrid</p> <p>Category Standard</p>
	<p>The final determinations followed detailed consultations and consideration of submissions from a range of stakeholders including TransGrid and ElectraNet, the AER, the ACCC, major user groups and several gentailers.</p> <p>We also commissioned analysis from Cambridge Economic Policy Associates for advice on whether the rules were a barrier to financing and to consider specific issues raised by network businesses.</p> <p>Our final determination concluded the current rules do not prevent these projects attracting finance. It also found the changes suggested by TransGrid and ElectraNet would be likely to substantially increase costs to consumers in the near to medium term, and would make the regulatory framework more complex, increasing the costs of regulation and reducing incentives for networks to build projects on time.</p> <p>Next steps: The AEMC intends to work with its market body colleagues to look at options for supporting large transmission projects that would benefit consumers over the long term as part of a broader review.</p>	<p>Determination date 8 Apr 2021</p> <p>Proponent ElectraNet</p> <p>Category Standard</p>
<p>Prioritising arrangements for system security during market suspension</p>	<p>The AEMC took the pragmatic approach of clarifying the applicability of the National Electricity Rules during market suspension through a final determination rather than a rule change.</p> <p>The determination stated that the rules continue to apply during a market suspension, such as a Black System Event (BSE), unless otherwise provided for in the rules.</p> <p>In its consideration of the request, the AEMC observed that circumstances had materially changed since the rule change was requested. These changes included AEMO implementing the recommendations made by the AER in its black system compliance report.</p> <p>There was unanimous stakeholder support – including from the AER and AEMO – not to make a rule change but instead to clarify the matter in a final determination.</p>	<p>Determination date 17 Jun 2021</p> <p>Proponent COAG Energy Council</p> <p>Category Standard</p>

Table C

Electricity rules under consideration at 30 June 2021

Electricity rule request	Status at 30 June 2021	Proponent	AEMO
<div data-bbox="113 506 328 712" style="border: 1px dashed gray; border-radius: 50%; padding: 10px; text-align: center;"> <p>Primary frequency response incentive arrangements</p> </div> <p data-bbox="363 506 1086 580">The AEMC is working with stakeholders, AEMO, the ESB and the AER to develop enduring arrangements for primary frequency response (PFR) to apply beyond the sunset date for the interim mandatory PFR arrangements.</p> <p data-bbox="363 600 1086 674">Stable frequency is an important part of maintaining a secure power system. Frequency varies whenever electricity supply does not exactly match consumer demand and uncontrolled changes in frequency can cause blackouts.</p> <p data-bbox="363 694 1086 797">Primary frequency response occurs when generators and loads correct changes in frequency by changing their power output or consumption immediately. It is automatic and begins immediately after a frequency change beyond a specified level is detected.</p> <p data-bbox="363 817 1086 1021">In recent years, the control of frequency in the power system has been deteriorating. The gradual shift toward more variable sources of electricity generation and consumption, and difficulties in predicting this variability, increases the potential for imbalances between supply and demand that can cause frequency disturbances. At the same time, some generators who are not contracted to provide frequency control through the ancillary service markets have been decreasing or removing their responsiveness to correct frequency deviations on a voluntary basis.</p> <p data-bbox="363 1041 1086 1144">This rule change is part of the AEMC’s frequency control work plan which sets out a series of actions that the ESB, AEMO, the AEMC and the AER are undertaking to review and reform the frequency control frameworks in the national electricity market.</p> <p data-bbox="363 1164 1086 1267">It is also one of seven requests relating to the provision of systems services that the AEMC is currently assessing. These system services rule change requests relate to the Energy Security Board’s post 2025 market design project, in particular the essential system services market design initiative.</p> <p data-bbox="363 1288 1086 1339">A directions paper published in December 2020 identified three pathways to enduring PRF arrangements in the NEM:</p> <ul data-bbox="379 1359 1086 1541" style="list-style-type: none"> • Maintain the existing mandatory PFR arrangement with improved PFR pricing. • Revise the mandatory PFR arrangement by widening the frequency response band and develop new FCAS arrangements for the provision of PFR during normal operation (primary regulating services). • Remove the mandatory PFR arrangement and replace it with alternative market arrangements to procure PFR during normal operation. <p data-bbox="363 1561 1086 1711">The extended timeframe for this rule change request will allow AEMO to undertake further work to understand the operational and economic impacts of incentive- or market-based provision of continuous primary frequency response. AEMO’s advice will inform the AEMC’s draft decision on whether and how new incentive arrangements could complement or replace the mandatory primary frequency response arrangements that were introduced in June 2020.</p> <p data-bbox="363 1731 1086 1776">Next steps: The draft determination is scheduled to be published in September 2021.</p>		Initiated	19 Sep 2019
		Category	Standard

Electricity rule request

Status at 30 June 2021



We published a draft rule in November 2020 which proposed changes to the rules that govern how electricity generators connect to the grid, helping prepare the ground for the introduction of renewable energy zones.

Under the existing rules these transmission lines of 30 kilometres or longer are classified as connection assets, which are different from the network. As a result, there can only ever be one connection point where the line joins the wider transmission network.

This single connection point has created obstacles when multiple generators have sought to share assets, because they had to agree on one set of technical performance standards, a joint bidding strategy, share one transmission loss factor, and more. This effectively prevented multiple parties from sharing and led to under-usage of the existing infrastructure and a disincentive to invest in new infrastructure.

Under the new rule these assets would be treated as part of the network, allowing the creation of multiple connection points so multiple generators can connect using their individual settings.

Although part of the network, a special access regime would continue to apply in these circumstances so that the owner of the asset could control third party access to its asset. This would encourage investment from “first movers” and is different from the rest of the network, where open access applies. The special access regime would be limited to assets that are radial extensions of the network - they cannot be looped or meshed.

The new arrangements would also enhance power system security and reliability, creating a single point of accountability for power system security and ensuring all material additions to the network are visible to the primary transmission network service provider for planning and operation purposes.

Next steps: On 8 July 2021 we published the final determination and final rule. In a win-win, investors may now recoup costs while shared access makes connection costs lower for generators than under the existing rules. The new approach is also likely to support additional generators joining the network, typically those using renewable energy, who will find the shared costs and greater flexibility appealing.

Proponent	AEMO
Initiated	5 Mar 2020
Category	Standard

Table C
Electricity rules under consideration at 30 June 2021

Electricity rule request	Status at 30 June 2021		
 <p data-bbox="150 555 295 667">Compensation for participants affected by intervention events</p>	<p data-bbox="363 501 1091 607">This draft rule proposes changing the arrangements for compensating electricity generators, pumped hydro units and large-scale batteries affected when AEMO intervenes to maintain the reliability and security of the national electricity market.</p> <p data-bbox="363 622 1091 757">When AEMO intervenes in the market by activating the reliability and emergency reserve trader or issuing a direction, it is required to pay compensation. AEMO pays this compensation to those participants directed to provide services and to those participants dispatched differently as a result of the intervention.</p> <p data-bbox="363 772 1091 931">This draft rule, which is based on two rule change requests from AEMO, relates to the second kind of compensation, referred to as affected participant compensation. It contributes to the ongoing viability of participants providing frequency services to the market, which are increasingly important as the generation fleet transitions. The draft rule also improves the consistency, transparency and predictability of compensation processes.</p> <p data-bbox="363 947 1091 1025">The consideration of these two rule change requests is part of a wider Commission work program to update the framework for interventions in the national electricity market.</p> <p data-bbox="363 1041 1091 1227">Next steps: In June 2021 we extended the time to make the final determination on this rule change to better align with the revised timeline for <i>Integrating energy storage systems into the NEM</i>, allowing the AEMC to consider these rule changes together. A directions paper outlining the proposed approach to the final rule and allowing for additional consultation was published on 15 July 2021.</p>	Proponent	AEMO
		Initiated	11 Jun 2020
		Category	Standard
 <p data-bbox="150 1368 295 1413">Synchronous services markets</p>	<p data-bbox="363 1279 1091 1335">This rule change request proposes creating a market for synchronous services including inertia, voltage control and fault level/system strength.</p> <p data-bbox="363 1350 1091 1485">The current frameworks do not explicitly and transparently compensate stakeholders for providing synchronous services. Instead, AEMO must intervene in the market through directions to dispatch synchronous generation to maintain system strength. There could be lower cost ways of maintaining system security.</p> <p data-bbox="363 1500 1091 1659">This rule change request set out a process whereby system service requirements would be incorporated into the formulation of 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 and non-synchronous generation, while also delivering the necessary levels of system services.</p> <p data-bbox="363 1675 1091 1753">The rule change was extended in June 2021 due to the complexity of the issues involved and to align with the ESB's post 2025 market design program in collaboration with the other market bodies.</p> <p data-bbox="363 1769 1091 1825">Next steps: A directions paper is scheduled to be published in September 2021.</p>	Proponent	Hydro Tasmania
		Initiated	2 Jul 2020
		Category	Standard

Electricity rule request

Status at 30 June 2021



This rule change is considering targeted reforms to help keep the lights on in the face of increasing uncertainties as the power system transforms.

Reserves in the NEM are currently valued implicitly by the energy market. These reserves are needed to ensure energy is available when we need it.

As the system transforms, variability and uncertainty in supply and demand is increasing the risk that sufficient reserves are not available when needed to keep the lights on. This project is looking at whether to explicitly procure and value operating reserves.

In January 2021 we released a joint direction paper for this project and *Introduction of ramping services* which set out the two proposed rule changes and two additional potential approaches to procuring reserves.

This rule change is considering whether to create an operating reserve market alongside the existing energy and frequency control ancillary markets for resources, which would explicitly procure operating reserves.

The reserve services workstream is being progressed concurrently with the ESB's consideration of reserve services within its essential system services market design initiative, part of the post 2025 market design project.

Next steps: A draft determination is scheduled to be published in December 2021.

Proponent	Infigen Energy
Initiated	2 Jul 2020
Category	Standard



This draft rule proposes a blueprint for introducing new, ultra-fast frequency services that can step in at short notice to keep the electricity system secure and avoid blackouts.

Frequency varies when electricity supply and demand don't match. While small imbalances in supply and demand are common and easily accommodated, larger imbalances are harder to control. They can include problems like faults causing large generators or large consumers to disconnect from the system, or storms damaging major transmission towers.

In the past, the power system had higher levels of inertia – produced by large continuously spinning machinery in coal, hydro and gas-fired power stations – which acted as a buffer against changes in frequency. As the generation mix changes, the level of inertia in the system is forecast to decline over the next decade – meaning more and faster services to control frequency are needed.

Fast frequency services will come largely from batteries – but also from wind and solar PV, and potentially from energy users changing their demand for electricity in response to market needs, known as demand response. These new services will respond in two seconds or less – compared with the existing fastest services that operate over timeframes of six seconds.

The proposed arrangements would allow AEMO to procure fast frequency response services to better tailor the power system's speed in responding to variations in frequency.

These ultra-fast services will introduce more flexibility and spur on market innovation as solar, wind, demand-response and batteries compete to provide these sought-after services.

This will keep costs down for consumers compared with the alternative of producing more of different types of frequency response which aren't as granular.

Next steps: The final determination was published on 15 July 2021. The new services set out in this rule change will be in place in two years, three months, which allows AEMO time to develop a product specification and make required IT and system changes.

Proponent	Infigen Energy
Initiated	2 Jul 2020
Category	Standard

Table C
Electricity rules under consideration at 30 June 2021

Electricity rule request	Status at 30 June 2021		
 <p>Efficient management of system strength on the power system</p>	<p>The AEMC’s draft determination on this rule change set out a plan to make it simpler, faster and more predictable for new large energy resources like hydrogen, wind, solar and batteries to connect to the energy grid and operate stably.</p> <p>System strength was traditionally supplied by synchronous generators physically coupled to the grid, such as coal, gas and hydro. They provided it by ensuring voltage – which is like the water pressure inside a pipe – had a waveform that was very smooth and didn’t get too big or too small.</p> <p>Many of these generators are exiting the market or scaling back their operations. But new non-synchronous resources like wind, solar, batteries and hydrogen facilities are connecting to the system and creating shortfalls of system strength.</p> <p>These shortfalls can trigger connection delays and reduce output from those already connected, leading to costs that are then borne by consumers.</p> <p>The draft plan to deliver the levels of system strength we need involves:</p> <ul style="list-style-type: none"> • A new obligation on transmission networks to provide the right amount of system strength to keep the power system secure. • New access standards for large loads like hydrogen and generators like utility-scale solar and wind farms to make sure their equipment uses system strength efficiently. • A new way of charging for system strength for generators and large loads; paying to use transmission networks’ system strength or providing their own. <p>We are working through stakeholder submissions to the draft determination, in order to finalise a final determination.</p> <p>Next steps: The final determination is scheduled to be published in October 2021.</p>	<p>Proponent TransGrid</p> <p>Initiated 2 Jul 2020</p> <p>Category Standard</p>	
 <p>Capacity commitment mechanism for system security and reliability services</p>	<p>This rule change request proposes to introduce a day ahead capacity commitment mechanism and payment to provide access to operational reserve and other required system security or reliability services.</p> <p>It seeks to address the risk of decreasing levels of dispatchable capacity available to respond to system reliability or security challenges at the same time that the need for the reserves and system services provided by dispatchable capacity increases.</p> <p>By keeping synchronous generators operating and online, this rule change, if made, could provide operating reserve capacity along with synchronous services such as inertia and system strength.</p> <p>This rule change request was initiated via the joint system services consultation paper and has since been extended due to the complexity of the issues involved and to align with the ESB’s post 2025 market design program in collaboration with the other market bodies.</p> <p>Next steps: A directions paper is scheduled to be published in September 2021.</p>	<p>Proponent Delta Electricity</p> <p>Initiated 2 Jul 2020</p> <p>Category Standard</p>	

Electricity rule request

Status at 30 June 2021



This rule change is considering targeted reforms to help keep the lights on in the face of increasing uncertainties as the power system transforms.

Reserves in the NEM are currently valued implicitly by the energy market. These reserves are needed to ensure energy is available when we need it.

As the system transforms, variability and uncertainty in supply and demand is increasing the risk that sufficient reserves are not available when needed to keep the lights on. This project is looking at whether to explicitly procure and value operating reserves.

In January 2021 we released a joint directions paper for this project and *Introduction of ramping services* which set out the two proposed rule changes and two additional potential approaches to procuring reserves.

This rule change is considering whether to create a 30-minute raise and lower “ramping” services market, using the existing framework for FCAS market design.

The reserve services workstream is being progressed concurrently with the ESB’s consideration of reserve services within its essential system services market design initiative, part of the post 2025 market design project.

Next steps: A draft determination is scheduled to be published in December 2021.

Proponent	Delta Electricity
Initiated	2 Jul 2020
Category	Standard



Our draft determination on this rule change set out a new plan to make room on the grid for more home solar and batteries.

The grid infrastructure was built when power only flowed one way. Connecting more small solar customers and making it worthwhile to install batteries means we can decarbonise the electricity sector more quickly and cheaply, but to do that we need to make changes to the power system.

The reform package in the draft rule addressed the problem of “traffic jams” on the network which are occurring now and will only get worse as more solar connects. Blocking power exports because the grid is under strain will cost all consumers more, because it means less renewable, cheaper energy gets into the system.

Changes proposed in this rule change included:

- changing distribution networks’ existing incentives to provide services that help people send power back into the grid
- letting networks offer two-way pricing to better manage the poles and wires
- flexible pricing solutions at the network level.

Building more poles and wires to deal with more solar traffic is very expensive and ends up on all consumers’ energy bills whether they have solar or not. Letting networks give customer incentives to use the system better means supply and demand on the grid can be smoothed out over the course of the day. It helps address large amounts of solar being exported in the middle of the day when it benefits the system least.

The proposal does not mandate default charges for exporting power but rather, allows networks to offer customer incentives for exporting power when it is needed. Any pricing plans developed by networks require extensive consultation and be approved by the AER.

Next steps: On 1 July 2021 we extended the date for publishing the final determination on this rule change to work through the key considerations. The final determination is scheduled to be published in August 2021.

Proponent	SA Power Networks, St Vincent de Paul Society Victoria, Total Environment Centre and Australian Council of Social Service
Initiated	30 Jul 2020
Category	Standard

Table C
Electricity rules under consideration at 30 June 2021

Electricity rule request	Status at 30 June 2021			
 <p data-bbox="137 577 308 645">Integrating energy storage systems into the NEM</p>	<p data-bbox="363 501 1086 577">This rule change proposes changes to the National Electricity Rules so large-scale batteries and other storage can take their place more efficiently in the power system.</p> <p data-bbox="363 600 1086 676">The AEMC’s draft energy storage plan simplifies arrangements for market players that send energy both ways. It improves how they register to participate in the market and streamlines their obligations.</p> <p data-bbox="363 698 1086 855">By creating a universal category called an integrated resource provider, the same rules would apply to anyone who provides storage or combination energy services – whether it be batteries, pumped hydro, companies that aggregate energy from small generation and storage units, or large-scale hybrid facilities that combine different technologies behind the one connection point (like factories with solar PV and a battery).</p> <p data-bbox="363 878 1086 954">The change would level the playing field with other market participants. Batteries for example, will no longer need to register twice (to both draw energy from the grid and send it out) as they are currently required to do.</p> <p data-bbox="363 976 1086 1052">We have already approved major reform on five minute settlement, which will make the market more responsive and create financial incentives for fast-response energy generation like batteries to participate.</p> <p data-bbox="363 1075 1086 1151">The energy storage integration work intersects with work underway by the Energy Security Board, which is looking at small and large-scale storage as an important part of a two-sided energy market.</p> <p data-bbox="363 1173 1086 1249">In April 2021 we extended the date for making a draft decision on integrating energy storage after AEMO asked for extra time for further work on reviewing the impact of the proposed rule change on their systems.</p> <p data-bbox="363 1272 1086 1328">Next steps: At 30 June 2021 we were finalising the draft determination, scheduled to be published in July 2021.</p>	<p>Proponent AEMO</p>	<p>Initiated 20 Aug 2020</p>	<p>Category Standard</p>
 <p data-bbox="137 1415 308 1482">Generator registrations and connections</p>	<p data-bbox="363 1339 1086 1415">This rule change is considering how smaller generators participate in the market.</p> <p data-bbox="363 1438 1086 1594">The Australian Energy Council requested to lower the threshold for scheduling generators to include 5-30MW generators. The request to change the rules was based on concerns that if there was a rapid increase in the number of smaller, largely renewable generators, this would challenge AEMO’s ability to efficiently manage the power system. A similar request was submitted by Mr Damien Vermeer.</p> <p data-bbox="363 1617 1086 1693">Under the draft determination, published on 24 June 2021, smaller generators will not need to be scheduled in the national electricity market.</p> <p data-bbox="363 1715 1086 1872">Non-scheduled generation has only grown by 1.1% as a proportion of total generation capacity since 2010. The AEMC found that the significant costs to connect and register a scheduled plant ranged from \$1.3-1.8million, with ongoing costs from \$150,000 to \$550,000 per year – and this could represent a barrier for smaller generators.</p> <p data-bbox="363 1895 1086 1971">The draft determination did propose minor amendments to the rules to improve certainty and efficiency in both the connection process and generator technical performance standards.</p> <p data-bbox="363 1993 1086 2069">It clarified the conditions under which AEMO must approve non-scheduled generating unit classifications and codified what it already does in practice, by requiring AEMO to update and publish its guide to generator exemptions and classification of generating units.</p> <p data-bbox="363 2092 1086 2121">Next steps: We are awaiting submissions to the draft determination. The final determination is scheduled for publication in September 2021.</p>	<p>Proponent Australian Energy Council, Mr Damien Vermeer</p>	<p>Initiated 8 Oct 2020</p>	<p>Category Standard</p>

Electricity rule request

Status at 30 June 2021



For the past few decades, the main challenge to power system security has been keeping the power system going when a single piece of equipment fails, like a power plant suddenly going offline.

However, as the power plants on our grid change and weather events become more intense and frequent, “indistinct” events are emerging as a risk to the grid.

Indistinct events are when the grid is severely affected by situations like a major storm system or a bushfire. These events may increase the risk of failure for many generators or transmission lines, but it is very hard to predict exactly how they might affect the grid. Changes in the generation mix from synchronous to inverter-based technology can also impact the power system’s susceptibility to indistinct events.

The proposed rule, requested by the former COAG Energy Council, is designed to benefit consumers by helping keep the lights on in the face of new threats to the power system. It will help AEMO adequately plan and respond to indistinct events, while ensuring that they do so at least cost to consumers.

Next steps: The draft determination is scheduled for publication in October 2021.

Proponent	COAG Energy Council
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Initiated	17 Dec 2020
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Category	Standard
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This rule change request to amend the formulas used for financial settlement of non-energy costs was submitted by Infigen Energy. It aimed to address the settlement risk and equitable distribution of costs when there is low operational demand.

The AEMC has published a draft determination proposing not to make a rule because the issue is being resolved in the final determination for a related rule change request, *NEM settlement under low, zero and negative demand conditions*.

Next steps: We are awaiting submissions to the draft determination. The final determination is scheduled for publication in August 2021.

Proponent	Infigen Energy
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Initiated	22 Apr 2021
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Category	Standard
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Table D

Retail rules made by the AEMC in 2020–2021

Retail rule made	Benefit/impact											
<div data-bbox="119 504 327 705" style="border: 1px dashed gray; border-radius: 50%; padding: 10px; text-align: center;"> <p>Maintaining life support customer registration when switching</p> </div>	<p>Under this new rule, customers needing life support equipment – such as kidney dialysis machines – will find it easier and cheaper to shop around for better energy deals.</p> <p>Customers who use life support equipment have special existing protections under the energy rules that place obligations on energy retailers and distribution network businesses to have safeguards around switching off electricity or gas to their home.</p> <p>The AEMC has already moved to strengthen these protections with changes that took effect in early 2019. These included making sure consumers were protected as soon as they informed their retailer or distributor of their life support status.</p> <p>This new rule allows life support customers to re-use certain medical documents that are needed when switching energy suppliers. This means they don't have to visit a doctor to provide confirmation of their life support status every time they change energy retailers or distributors.</p> <p>It follows a request to change the rules by the Energy and Water Ombudsman NSW, who said customers needing life support equipment faced extra costs and mobility issues associated with additional doctor visits in order to change energy providers.</p> <p>The final rule is expected to reduce costs for life support customers and give them more flexibility to access retail energy markets.</p> <p>Next steps: A number of other issues relating to life support were raised by stakeholders during the initial consultation phase and during consultation on the draft rule. The majority of these issues were outside the scope of the rule change request, which focused on reducing barriers to retail competition for life support customers.</p> <p>The range of diverging views on reforms, coupled with participants' valuable operational expertise and responsibility for decisions affecting customers means that industry must play a key role in coordinating reforms to life support systems ahead of rule change processes being initiated by market bodies. It is essential that participants actively communicate with each other to reach high-level consensus on priority areas for change.</p>	<table border="1"> <tr> <td data-bbox="1114 488 1276 638">Consolidation</td> <td data-bbox="1276 488 1468 638">Rule 2021 No. 1 (Schedules 2 and 3 - NERR Version 25; NERR Version 28 – Schedule 1)</td> </tr> <tr> <td data-bbox="1114 638 1276 683">Date made</td> <td data-bbox="1276 638 1468 683">25 Feb 2021</td> </tr> <tr> <td data-bbox="1114 683 1276 817">Commenced</td> <td data-bbox="1276 683 1468 817">1 Aug 2021 (Schedule 1); 4 Mar 2021 (Schedules 2 and 3)</td> </tr> <tr> <td data-bbox="1114 817 1276 896">Proponent</td> <td data-bbox="1276 817 1468 896">Energy and Water Ombudsman NSW</td> </tr> <tr> <td data-bbox="1114 896 1276 940">Category</td> <td data-bbox="1276 896 1468 940">Standard</td> </tr> </table>	Consolidation	Rule 2021 No. 1 (Schedules 2 and 3 - NERR Version 25; NERR Version 28 – Schedule 1)	Date made	25 Feb 2021	Commenced	1 Aug 2021 (Schedule 1); 4 Mar 2021 (Schedules 2 and 3)	Proponent	Energy and Water Ombudsman NSW	Category	Standard
Consolidation	Rule 2021 No. 1 (Schedules 2 and 3 - NERR Version 25; NERR Version 28 – Schedule 1)											
Date made	25 Feb 2021											
Commenced	1 Aug 2021 (Schedule 1); 4 Mar 2021 (Schedules 2 and 3)											
Proponent	Energy and Water Ombudsman NSW											
Category	Standard											

Retail rule made

Benefit/impact



The AEMC made this rule to simplify electricity and gas bills, protecting consumers while also unlocking innovation and competition.

This request was submitted by the Hon Angus Taylor MP, Minister for Energy and Emissions Reduction so that households and small businesses could better understand their energy bills, avoiding confusion and frustration. Existing billing provisions will be replaced with a mandatory guideline to be developed by the AER. Energy retailers will be required to comply with this billing guideline, which will govern how they prepare and issue bills to small customers.

The rule sets out the purpose of an energy bill - for example to enable small customers to easily understand payment amounts, dates and methods.

In making the billing guideline, the AER will need to consider the need for consumer protections, enabling innovation and consumer choice, compliance costs for retailers and thus consumers, and the potential benefits of standardised language and terminology across bills, contracts and offers.

Next steps: The AER will publish the first billing guideline by 1 April 2022. Retailers will be required to comply with the billing guideline from 4 August 2022, however the AER may specify different commencement dates for certain provisions in the billing guideline after this date, provided that all provisions in the first billing guideline commence by 31 March 2023.

Consolidation Rule 2021 No. 2 (Schedule 2 - NERR Version 26; Schedule 1 will be consolidated in a new version of the NERR on commencement)

Date made 18 Mar 2021

Commenced 4 Aug 2022 (Schedule 1); 25 Mar 2021 (Schedule 2)

Proponent The Hon Angus Taylor MP, Minister for Energy and Emissions Reduction

Category Standard



Minor rule changes are made annually, or as needed, to correct minor errors and make non-material changes to the rules.

They improve the quality of the rules in terms of accuracy and consistency.

Consolidation Rule 2021 No. 3 (Schedule 1 - NERR Version 27; NERR Version 28 - Schedule 2)

Date made 27 May 2021

Commenced 27 May 2021 (Schedule 1); 1 Aug 2021 (Schedule 2)

Proponent AEMC

Category Expedited

Table E

Retail rule requests not initiated under section 249(2)

Retail rule request	Reasons	
	The AEMC decided not to take any action in relation to the rule change request submitted by the proponent as the subject matter of the rule change request is outside the scope of the AEMC's rule making power.	Decision date 17 Aug 2020
		Proponent Mr Stephan Kraus

Table F

Determinations to not make a rule in response to a retail rule request

Retail rule request	Reasons	
	See Table A for information about the electricity rule which was made in response to this request.	Determination date 25 Feb 2021
		Proponent AEMO
		Category Standard

Table G

Retail rules under consideration at 30 June 2021

Retail	Status at 30 June 2021	
	See Table C	Proponent SA Power Networks, St Vincent de Paul Society Victoria, Total Environment Centre and Australian Council of Social Service
		Initiated 30 Jul 2020
		Category Standard

Table H

Gas rules made by the AEMC in 2020–2021

Gas rule made	Benefit/impact	
<p>Minor changes 4 2020 (gas)</p>	<p>Minor rule changes are made annually, or as needed, to correct minor errors and make non-material changes to the rules.</p> <p>They improve the quality of the rules in terms of accuracy and consistency.</p>	<p>Consolidation Rule 2020 No. 5 (NGR Version 56)</p>
		<p>Date made 17 Dec 2020</p>
		<p>Commenced 17 Dec 2020</p>
		<p>Proponent AEMC</p>
		<p>Category Expedited</p>
<p>Minor changes 2 2021 (gas)</p>	<p>Minor rule changes are made annually, or as needed, to correct minor errors and make non-material changes to the rules.</p> <p>They improve the quality of the rules in terms of accuracy and consistency.</p>	<p>Consolidation Rule 2021 No. 1 (NGR Version 59)</p>
		<p>Date made 27 May 2021</p>
		<p>Commenced 27 May 2021</p>
		<p>Proponent AEMC</p>
		<p>Category Expedited</p>
<p>DWGM maintenance planning</p>	<p>The AEMC made this rule to clarify AEMO's role and simplify maintenance planning coordination in the Victorian declared wholesale gas market (DWGM).</p> <p>The final rule introduced a consistent standard for system security across the Victorian DWGM; incorporated producers into the maintenance coordination processes that already applied to other asset operators in the DWGM; and simplified the rules by amending relevant definitions.</p> <p>Next steps: On 29 March 2021 AEMO published an updated version of its <i>Wholesale Market Maintenance Planning Procedures (Victoria)</i> to take the final rule into account. The rule commenced on 22 April 2021.</p>	<p>Consolidation Rule 2021 No. 4 (Schedule 2 - NGR Version 57; NGR Version 58 - Schedule 1)⁵</p>
		<p>Date made 17 Dec 2020</p>
		<p>Commenced 22 Apr 2021 (Schedule 1); 21 Jan 2021 (Schedule 2)</p>
		<p>Proponent AEMO</p>
		<p>Category Expedited</p>

5 Please note this rule was made in the year 2020, despite the title referring to 2021.

Table I

Market reviews and advice summary table

COAG ENERGY COUNCIL INITIATED REVIEWS

AEMC project	Proponent	Start date	End date	Status at 30 June 2021
2020 biennial review into liquidity in wholesale and gas pipeline trading markets	COAG Energy Council	30 January 2020	17 July 2020	Completed
Electricity network economic regulatory framework review 2020	COAG Energy Council	4 June 2020	1 October 2020	Completed
Residential electricity price trends 2020	COAG Energy Council	29 June 2020	21 December 2020	Completed
Review of the retailer of last resort scheme	Ministerial forum of Energy Ministers	8 October 2020	25 February 2021	Completed
Coordination of generation and transmission investment implementation – access and charging	COAG Energy Council	1 March 2019	Ongoing	The AEMC – as part of the ESB – is now focusing as a priority on progressing the work on renewable energy zones.
Review of the gas supply guarantee	Energy Senior Officials	9 September 2020	Ongoing	Preparation of draft report

OTHER REVIEWS AND ADVICE

AEMC project	Proponent	Start date	End date	Status at 30 June 2021
Amendments to the RERT guidelines August 2020	Reliability Panel	8 April 2020	21 August 2020	Completed
Investigation into system strength frameworks in the NEM	AEMC	26 March 2020	15 October 2020	Completed
Review of the system restart standard 2020	AEMC	26 June 2020	28 January 2021	Completed
Annual market performance review 2020	AEMC	22 September 2020	20 May 2021	Completed
Review of the regulatory framework for metering services	AEMC	3 December 2020	Ongoing	Preparation of draft report
Review of the reliability standard and settings guidelines	Reliability Panel	4 March 2021	Ongoing ⁶	Preparation of final report and guidelines
Review into efficient and timely delivery of large discrete transmission projects	AEMC	30 March 2021	Ongoing	Preparation of consultation paper

⁶ Completed 1 July 2021.

Table J

Market reviews and advice completed

Review name	Overview	Expected benefits/impacts from recommendations
 <p>2020 biennial review into liquidity in wholesale and gas pipeline trading markets</p>	<p>In 2016, the AEMC completed a review of the gas markets and gas transportation arrangements on the east coast of Australia. In the final report, the AEMC recommended a number of metrics that would capture the characteristics of a liquid market and allow for the monitoring of liquidity in the Australian wholesale gas and pipeline capacity trading markets. The AEMC also recommended that it should report to energy ministers every two years on the growth in trading liquidity in these markets. In December 2017 the COAG Energy Council directed the AEMC to conduct a review into liquidity in wholesale gas and pipeline trading markets. This is the second biennial review.</p>	<p>Our 2020 biennial review identified a number of positive signs, evidence that progress is being made towards the energy ministers' vision to establish a liquid wholesale gas market that provides the right market signals for investment and supply. However, the findings varied across the different gas markets and traded products.</p> <p>Surveys of gas market participants, conducted in early March, showed that stakeholders reported being either satisfied or very satisfied with liquidity in the Victorian declared wholesale gas market, short term trading markets and the day-ahead auction of pipeline capacity. Slightly lower levels of satisfaction were observed for the gas supply hubs at Wallumbilla and Moomba, with much lower levels of satisfaction for the pipeline capacity trading platform.</p> <p>A number of significant reforms are underway in the east coast that could contribute to further liquidity growth, particularly at the gas supply hubs and for pipeline capacity trading, and progress should continue to be monitored.</p> <p>Next steps: This report set a baseline for the state of market liquidity against which the effects of the COVID-19 pandemic can be assessed in the next review in 2022. The economic effects of the pandemic may affect domestic and international demand, prices, and industry confidence both in overall terms and in relation to future liquidity development.</p>
 <p>Electricity network economic regulatory framework review 2020</p>	<p>The annual grid of the future review of the economic regulatory framework for electricity networks is part of the AEMC's work to support the continual evolution of the energy sector.</p> <p>Its main purpose is to consider whether the economic regulatory framework for electricity networks continues to support the delivery of the national electricity objective in light of changes in the energy market.</p> <p>Last year's review of the future of the electricity grid focussed intensively on distributed energy resources and detailed a series of key recommendations and actions required to integrate the increasing uptake of distributed energy resources into the national electricity market in ways that benefit everyone who uses the power system.</p>	<p>The final report for the <i>Electricity network economic regulatory framework review 2020</i> outlined the AEMC's reform priorities in network economic regulation and how these fit with longer term market reforms led by the Energy Security Board's post 2025 market design for the national electricity market.</p> <p>Stakeholder consultation for this review highlighted major developments and issues for consideration. The final report explored the implications of those issues and outlined how the AEMC will undertake a holistic review of the regulatory framework for distribution networks. The result will be to clarify the role of distribution businesses and ensure the appropriate regulatory arrangements are in place to support network transformation.</p> <p>The report also highlighted the significant transmission investment that has been proposed over the next few years and raised the question about whether the existing economic regulatory framework remains fit-for-purpose when these large, discrete, non-recurrent transmission investments are required.</p> <p>Next steps: The report identified two key priorities for 2021:</p> <ul style="list-style-type: none"> • focusing on the role and economic regulation of distribution network service providers in light of integrating distributed energy resources (2021) • considering whether implementing the ISP will require changes to the transmission investment framework

Table J
Market reviews and advice completed

Review name	Overview	Expected benefits/impacts from recommendations
 <p>Residential electricity price trends 2020</p>	<p>The price trends report is a core document used to inform a range of stakeholders including AEMO, the International Energy Agency and the Reserve Bank of Australia.</p> <p>It helps consumers understand costs included in their electricity bill. It also provides governments with information about which parts of the sector are driving changes in electricity prices and provides context for long-term decision making on energy policy.</p> <p>The AEMC residential price trend review focusses on the drivers of household bills across the three key parts of the electricity supply chain – wholesale (generation); regulated networks (transmission and distribution); and environmental (government policy schemes).</p>	<p>The AEMC’s 2020 price trends report examined the direction household electricity prices will take over the next three years and what is driving that direction.</p> <p>This report has been giving governments forward looking, policy relevant information on energy prices for more than a decade.</p> <p>Understanding what’s driving prices can help give state and territory governments the information they need to help determine if price changes announced each year by retailers are consistent with changes in the power system’s underlying costs.</p> <p>Analysis showed that prices will fall over 2020–2021 and 2021–2022 and could increase slightly in 2022–2023 if there is less capacity following the scheduled exit of some coal-fired power from the market.</p> <p>The main reason for the drop is lower gas prices and the introduction of new sources of energy generation like solar and wind.</p> <p>This year’s report also demonstrates that there are still significant savings to be had from consumers shopping around for the best energy deal.</p> <p>Price trends affect individual households differently, depending on how much electricity they use, and which energy offer they are on. Knowing how much power you use and when you use it is becoming more important as new technologies and information platforms become more accessible.</p> <p>Next steps: Recent announcements on increasing renewable energy capacity in both NSW and Victoria that were made after the analysis was conducted may affect the outcome for 2023 prices. This new information will be reflected in the 2021 report.</p>
 <p>Review of the retailer of last resort scheme</p>	<p>The AEMC’s 2020 retail competition review recommended changes to the retailer of last resort (RoLR) scheme.</p> <p>The RoLR scheme is an existing feature of the national electricity market designed to protect consumers if their energy retailer goes out of business.</p> <p>It transfers customers of failed retailers to new providers to make sure their energy service continues. It has only ever been triggered on a small number of occasions.</p> <p>In October 2020 the Ministerial forum of Energy Ministers (formerly COAG Energy Council) asked the AEMC to provide advice to governments on updating the RoLR scheme.</p>	<p>Our review of the retailer of last resort scheme found key improvements should be made to protect consumers’ financial interests and the financial resilience of the retail market.</p> <p>We recommended measures to ensure that consumers don’t bear the financial burden of their retailer going out of business, including opening up the potential for customers who are transferred automatically to be placed on a competitive market offer, rather than a more expensive standing or default offer, as happens now.</p> <p>Consumers would benefit from being placed on a market offer when transferred to a retailer of last resort rather than a standard or default offer because experience shows that it may take many years for customers to shift onto lower priced market offer contracts.</p> <p>The measures would also give retailers who are designated retailers of last resort greater certainty around recovering their costs and reduce barriers to encourage a wider pool of retailers to participate in the scheme, subject to them meeting stringent financial tests.</p> <p>Next steps: The final report included proposals for jurisdictions to progress the recommendations for changes to the RoLR in coordination with the AEMC’s rule change process.</p>

Review name	Overview	Expected benefits/impacts from recommendations
 <p>Amendments to the RERT guidelines August 2020</p>	<p>This version of the RERT guidelines incorporates amendments that reflect and enable the functioning of the National Electricity Amendment (Interim Reliability Measure) Rule 2020. The Reliability Panel has also added more explanatory notes to make the guidelines easy-to-read.</p> <p>Apart from consulting with AEMO, energy ministers did not require the Panel to comply with the usual public consultation requirements for the guidelines. This is because the changes to the guidelines were limited to implementing the rule and therefore relatively minimal.</p>	<p>On 19 August 2020 the Energy Security Board (ESB) published a set of changes to the National Electricity Rules to establish an out of market capacity reserve, the Interim Reliability Reserve.</p> <p>These rules were recommended and approved by energy ministers in August 2020, following consultation undertaken by the ESB at the request of the then COAG Energy Council in March 2020.</p> <p>The rules required the Reliability Panel to update the reliability and emergency reserve trader guidelines to reflect the new interim arrangements. These Panel guidelines provide direction and guidance to AEMO in its operation of the RERT, the electricity market’s emergency reserve.</p> <p>The updated guidelines took effect on 21 August 2020, when the rule that established the Interim Reliability Reserve commenced.</p>
 <p>Investigation into system strength frameworks in the NEM</p>	<p>The AEMC initiated this review into what is needed to keep the power system strong as new technologies are integrated.</p> <p>We believe that while system strength frameworks have worked to keep the power system secure, they need to evolve. This is because of the pace of the power system transition and the need to support the rapid connection of large numbers of new non-synchronous generation such as wind and solar that is already underway.</p> <p>Sufficient levels of system strength will be critical to keeping the system secure as this transition continues. And further investment in system strength could potentially boost the power system’s resilience and remove constraints on the network.</p> <p>The focus of this work is on how system strength services can be planned for, procured, priced and who pays for the service.</p>	<p>System strength keeps the system stable. As well as keeping generators operating securely, system strength services help the system to ride out faults such as those that can follow a lightning strike on a power line. Keeping the system stable helps to avoid blackouts.</p> <p>The Investigation into system strength frameworks in the NEM review’s final report put forward a plan to stabilise the power system as the market transformation accelerates.</p> <p>Resulting from extensive collaboration to understand stakeholder issues, the recommended changes will improve the connection process for new generators and set a clear direction for how transmission networks, the market operator and generators should work together to keep system voltage stable.</p> <p>The proposed changes would establish:</p> <ul style="list-style-type: none"> • a network planning standard for higher levels of system strength in the grid • new technical standards on generators connecting to the grid • Improved coordination between system strength supply and demand. <p>If put in place, the proposals will evolve the framework for managing system strength to develop a better way forward.</p> <p>Next steps: We are continuing to work closely with the ESB, AEMO and the AER to progress our thinking in alignment with the post 2025 market design program. Based on the high-level design of the evolved framework set out in this review’s final report, we will continue to develop the next level of detail of these reforms, as well as any transitional mechanisms, through the Efficient management of system strength on the power system rule change.</p>

Table J
Market reviews and advice completed

Review name	Overview	Expected benefits/impacts from recommendations
 <p>Review of the system restart standard 2020</p>	<p>This review by the Reliability Panel sought stakeholder feedback on the Panel’s approach to amending the system restart standard, which helps to re-energise the power system after major supply disruptions or black system events.</p> <p>Changes made in the AEMC’s recent system restart services, standards and testing rule will allow new technologies to provide system restart ancillary services (SRAS) and introduce a new type of SRAS to support the stable restoration of the power system following a black system event or major supply disruption.</p>	<p>The system restart standard sets out requirements for AEMO’s procurement of system restart ancillary services (SRAS). Major supply disruptions and black system events are rare but not impossible events. The most recent black system event was in South Australia in September 2016. Prior to that event, two others have occurred: in northern Queensland in 2009 and New South Wales in 1964.</p> <p>SRAS are provided by facilities that can either self-start without drawing power from the network or can support the stable restoration of the power system following its initial re-energisation. Once an SRAS provider has restarted its own plant, it provides energy to restart other generators and commence the processes required to restore the power system. This process is then carefully managed by AEMO, networks and other generators so that power is restored to customers as quickly as possible.</p> <p>The Reliability Panel’s first determination for this review accounted for changes made in the AEMC’s recent <i>System restart services, standards and testing</i> rule that allows new technologies to provide the system restart ancillary services procured by AEMO. The Panel identified a number of amendments to remove language that represents a barrier to AEMO’s procurement of SRAS from these new services or technologies.</p> <p>The Panel’s second determination, published in January 2021, made amendments to a key standard used to restore the power system after major disruptions in Queensland.</p> <p>It followed a decision by AEMO to combine the existing North and South Queensland sub-networks into a single Queensland sub-network for SRAS procurement purposes. The new system restart standard includes a locational requirement for AEMO to procure SRAS north of Bundaberg in addition to targets for the speed, level, and reliability of restoration in Queensland as a whole.</p> <p>Next steps: A full review of the system restart standard settings applying to all NEM sub-networks will occur following the conclusion of AEMO’s next procurement round.</p>

Review name	Overview	Expected benefits/impacts from recommendations
 <p>Annual market performance review 2020</p>	<p>The annual market performance review is a requirement under the National Electricity Rules.</p> <p>It provides the Panel with the opportunity to consider specific events that have occurred in the national electricity market over the previous financial year, and to assess the performance of the power system against standards and guidelines determined by the Reliability Panel.</p> <p>The annual market performance review may assist governments, policy makers and market institutions to monitor the performance of the power system, and to identify the likely need for improvements to the various measures available for delivering reliability, security and safety.</p>	<p>The Reliability Panel's <i>Annual market performance review 2020</i> examined the reliability, security and safety of the national electricity market from July 2019 to June 2020.</p> <p>It looked at performance as Australia's power system is transitioning through a rapidly changing environment including changes to the power generation mix and market dynamics, severe weather events, and other global disruptions.</p> <p>The review's final report found that over the past year the market had the tools it needed to keep energy supply secure and reliable. But it also signalled the importance of planning now for the transition underway.</p> <p>Key findings from 2019–2020:</p> <ul style="list-style-type: none"> the reliability performance of the market was satisfactory and the existing regulatory framework provided the tools needed to manage reliable supply. However, high peak demand and extreme environmental events such as bushfires and storms posed operational challenges. changes to Australia's mix of power generation sources are affecting market dynamics by creating more variability in the system which is presenting challenges for forecasting and operation of the power system. the rapid uptake of distributed energy resources, such as rooftop solar, is creating challenges in managing key elements of system security, including minimum system load, system strength, inertia and voltage control. <p>The Panel recognises that there are reforms underway that aim to address the above findings of present and future reliability and system security issues, including the AEMC's system security work program, as well as the Energy Security Board's post 2025 market review.</p> <p>Next steps: The Panel will continue to assess and monitor system security as part of its future work and will continue to work closely with the relevant bodies to influence the direction of this work.</p>

Table K

Market reviews and advice current at 30 June 2021

Review name	Overview	Expected benefits/impacts from recommendations
	<p>In response to the AEMC's recommendations in the final report for the <i>Optional firm access, design and testing</i> review, the COAG Energy Council has asked the AEMC to implement a biennial regime to report on drivers of change that impact transmission and generation investment.</p>	<p>Transmission access reform involves paying generators the actual value of supplying electricity from the location they're in, rather than a one-size-fits-all reference price for each region. When there's congestion in a part of the grid, the value of energy would drop, returning to the reference price when congestion eases. The change is designed to be a transparent way of allocating the risks associated with power system physics - risks that have always been there. And it is designed to create sharper incentives for generators to locate in areas that work better for consumers and removes barriers to batteries.</p> <p>In September 2020 we published three papers on transmission access reform, alongside the Energy Security Board's post 2025 market reform consultation paper.</p> <ul style="list-style-type: none"> • A transmission access reform interim report highlighting the need for reform, how it relates to the ESB's work and a detailed update on the preferred design • A consultant's report providing an in-depth cost benefit analysis of modelling of the benefits of implementing the reform • A report providing preliminary indications of the implementation costs of the reform. <p>Final results from the independent modelling of the transmission access reforms being developed under the ESB's 2025 market design show the reforms will deliver at least \$6 billion in consumer benefits.</p> <p>Benefits include:</p> <ul style="list-style-type: none"> • capital fuel cost savings as a result of electricity generators being located more efficiently • efficiencies in the way energy is dispatched • savings from changing the method of calculating energy that is generated but lost as heat before it reaches consumers. <p>After considering stakeholder feedback, the AEMC decided not to publish a final report in December 2020 on transmission access reform as was previously proposed.</p> <p>Instead, the AEMC – as part of the ESB – has focused as a priority on progressing the work on renewable energy zones. We see REZs as a key interim step, that will build towards the long-term solution of locational marginal pricing and firm transmission rights.</p> <p>The Energy Security Board published a directions paper in January 2021 and a consultation paper in April 2021, both of which outlined the transmission access and coordination of generation and transmission market design initiative.</p> <p>Next steps: The AEMC is working with the Energy Security Board on final recommendations.</p>

Review name	Overview	Expected benefits/impacts from recommendations
 <p>Review of the gas supply guarantee</p>	<p>The gas supply guarantee is a mechanism to ensure availability of gas to meet the demands of gas generators during peak demand periods across national electricity market jurisdictions.</p> <p>The guarantee was initiated by the Australian Government in March 2017 in a package of gas market initiatives which included the national domestic gas reservation policy.</p> <p>Under the guarantee, gas producers and pipeline service providers made voluntary commitments to supply gas-fired generators to regions under system stress, such as demand spikes during heat waves.</p>	<p>Energy ministers have asked the Australian Energy Market Commission (AEMC) to review the nation’s gas supply guarantee arrangements.</p> <p>The purpose of this review is to advise energy ministers on:</p> <ul style="list-style-type: none"> • whether there continues to be value in retaining a mechanism of this or similar type • whether, and in what form, such a mechanism should be incorporated in the national energy framework. <p>The AEMC will adopt a two-stage approach to carry out this review. The findings of stage one will determine if stage two is required.</p> <p>Stage one will identify if there is a problem and how material the problem is. If the AEMC concludes that there is no longer a problem, or the problem is solved by other mechanisms in place in either the electricity or gas markets, then stage two will not be required and will not go ahead.</p> <p>Stage two will identify potential solutions and recommend an implementation and transition plan to the problem established through stage one of the review.</p> <p>In undertaking the review, the AEMC will consult with AEMO, the AER, the ACCC, and industry participants as well as state and territory governments.</p> <p>Next steps: The draft report was published in July 2021.</p>
 <p>Review of the regulatory framework for metering services</p>	<p>In 2017 the AEMC introduced new rules around competition in metering, including transferring responsibilities for metering away from distribution network service providers. The reforms were designed to increase competition, encourage new products, services and pricing to benefit consumers, and give them better information about their energy use.</p> <p>We committed to reviewing the change after three years to assess how the market had developed. During those three years, the energy landscape has changed significantly.</p>	<p>We initiated this review of the rules governing electricity meters to see what more can be done to help customers benefit from smart meter technology.</p> <p>The review will assess what might be needed for increased take-up of smart meters, and whether roles and responsibilities around metering under current rules need revising.</p> <p>While smart meter use has not accelerated to the degree some people expect, this technology will be integral to work now under way to help the power system transition.</p> <p>Smart meters will be key to integrating distributed energy resources such as solar PV, electric vehicles and battery technology. They will also be an important consideration in developing a two-sided market, which is one of several post 2025 market development initiatives being led by the Energy Security Board.</p> <p>This focus on the grid of the future is particularly relevant to smart meter technology as it relies on greater access to data and demand side participation.</p> <p>The review we conduct will be broader than originally envisaged when we first drafted the metering reforms back in 2015. Not only will we look at the ability of small customers to appoint their own metering coordinator and whether some form of access regulation is required for metering services, we will also look more holistically at the entire framework governing metering.</p> <p>We published a consultation paper in December 2020, established a reference group which met in May 2021 and have undertaken extensive consultation with a range of stakeholders.</p> <p>Next steps: The directions paper is scheduled for publication in September 2021.</p>

Table K
Market reviews and advice current at 30 June 2021

Review name	Overview	Expected benefits/impacts from recommendations
 <p>Review of the reliability standard and settings guidelines</p>	<p>The reliability standard and settings guidelines set out the principles and assumptions the Reliability Panel will use when it reviews the reliability standard and settings.</p> <p>Given the transformation in the electricity market since the guidelines were established, the Panel considers it is important to update them.</p>	<p>The Reliability Panel is required to conduct a review of the reliability standard and settings every four years under the National Electricity Rules.</p> <p>In undertaking the review, the NER mandates that the Panel must comply with the reliability standard and settings guidelines.</p> <p>Since the guidelines were first established in December 2016, the national electricity market has undergone a period of rapid transition. This is expected to continue due in large part to changes in the generation mix and associated reforms.</p> <p>Key issues for consideration in the review of the guidelines included:</p> <ul style="list-style-type: none"> • the assessment principles for the panel to consider in regard to meeting the National Electricity Objective • the assessment approach – whether the Panel can review the form and level of the reliability standard and market settings in its periodic review • the modelling approach – general principles and the suite of inputs and scenarios that may be used to inform the Panel’s modelling of the reliability standard and settings. <p>The Reliability Panel published a consultation paper in March 2021 seeking stakeholder input into the review of the guidelines and received thirteen submissions. This review was finalised in July 2021.</p> <p>Next steps: The review’s final report was published in July 2021. It set out updated guidelines for the next review of reliability standards and settings.</p>
 <p>Review into efficient timely delivery of large discrete transmission projects</p>	<p>Substantial investment in transmission infrastructure is required to facilitate Australia’s energy transition away from reliance on traditional thermal generation towards distributed renewable energy resources.</p> <p>The AEMC has initiated this review because it is important that the regulatory framework can accommodate investments of the size and scale required for the energy transition, and that it is sufficiently robust to effectively manage the uncertainty stemming from the pace of Australia’s energy transition.</p>	<p>The <i>Participant derogation – financeability of ISP projects</i> (TransGrid and ElectraNet) raised significant issues, in particular in relation to the timely and efficient delivery of major transmission projects, including current and future ISP projects.</p> <p>As these issues were too broad to be addressed as part of the two rule changes, the AEMC proposed to explore options to support the timely and efficient delivery of major transmission projects in a review outside of the rule change process.</p> <p>This review will</p> <ul style="list-style-type: none"> • identify issues with the existing regulatory frameworks in relation to the timely and efficient delivery of major transmission project • explore options for improvements to the way transmission planners identify and assess investment options and network service providers undertake activities related to major project delivery • recommend possible changes to the National Electricity Rules and other regulatory instrument (if required), better enabling the timely and efficient delivery of transmission services where these add value. <p>Next steps: The issues paper was published in August 2021 and invited stakeholders to lodge submissions prior to 30 September 2021.</p>

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Report of the Auditor General

INDEPENDENT AUDITOR'S REPORT



Government of South Australia

Auditor-General's Department

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**To the Acting Chairperson
 Australian Energy Market Commission**

Opinion

I have audited the financial report of Australian Energy Market Commission for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Australian Energy Market Commission as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Acting Chairperson, the Chief Executive and the Financial Controller.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of Australian Energy Market Commission. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Responsibilities of the Chief Executive and the Commissioners for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Commissioners are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 26(2) of the *Australian Energy Market Commission Establishment Act 2004*, I have audited the financial report of Australian Energy Market Commission for the financial year ended 30 June 2021.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

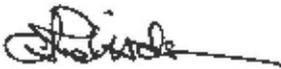
- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Energy Market Commission internal control

Report of the Auditor General

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and the Commission about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson
Auditor-General
23 September 2021

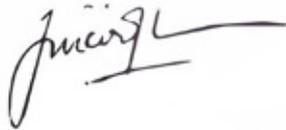
Certification of the financial statements

We certify that the:

- financial statements of the Australian Energy Market Commission (“the Commission”):
 - are in accordance with the accounts and records of the Commission;
 - comply with relevant Treasurer’s Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Commission at the end of the financial year and the result of its operations and cash flows for the financial year.
- internal controls employed by the Commission for the financial year over its financial reporting and its preparation of financial statements have been effective.



Benn Barr
Chief Executive



Tricia Khoo
Financial Controller



Merryn York
Acting Chairperson

21 September 2021



Statement of comprehensive income

for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Contributions from participating jurisdictions	2.1	29,633	30,862
Sales of goods and services	2.2	1,665	802
Interest	2.3	42	143
Other revenue	2.4	140	1,020
Total income		31,480	32,827
Expenses			
Employee benefits expenses	3.4	20,879	19,437
Supplies and services	4.1	10,129	8,745
Depreciation and amortisation	4.2	3,417	1,714
Interest expense	4.3	318	142
Net loss on disposal of non-current assets	4.4	1	187
Total expenses		34,744	30,225
Net result		(3,264)	2,602
Total comprehensive result		(3,264)	2,602

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the participating jurisdictions as owners.



Statement of financial position

as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	6.1	17,313	15,432
Receivables	6.2	1,554	2,671
Total current assets		18,867	18,103
Non-current assets			
Property, plant and equipment	5.1	24,595	27,825
Intangible assets	5.4	991	1,084
Total non-current assets		25,586	28,909
Total assets		44,453	47,012
Current liabilities			
Payables	7.1	1,503	1,225
Lease liabilities	7.2	2,452	2,408
Employee benefits	3.5	1,950	1,697
Other liabilities	7.3	2,824	548
Total current liabilities		8,729	5,878
Non-current liabilities			
Payables	7.1	61	79
Employee benefits	3.5	589	725
Lease liabilities	7.2	21,185	23,339
Provisions	7.4	862	700
Total non-current liabilities		22,697	24,843
Total liabilities		31,426	30,721
Net Assets		13,027	16,291
Equity			
Retained earnings		11,010	14,274
Contributed capital		2,017	2,017
Total Equity	8.1	13,027	16,291

The accompanying notes form part of these financial statements. The total equity is attributable to the participating jurisdictions as owners.



Statement of changes in equity

for the year ended 30 June 2021

	Note	Contributed capital \$'000	Retained earnings \$'000	Total Equity \$'000
Balance at 1 July 2019		2,017	11,451	13,468
Changes in accounting policy on adoption of AASB 16		–	221	221
Restated balance at 1 July 2019		2,017	11,672	13,689
Net result for 2019–20		–	2,602	2,602
Total comprehensive result for 2019–20		–	2,602	2,602
Balance at 30 June 2020		2,017	14,274	16,291
Net result for 2020–21		–	(3,264)	(3,264)
Total comprehensive result for 2020–21		–	(3,264)	(3,264)
Balance at 30 June 2021	8.1	2,017	11,010	13,027

The accompanying notes form part of these financial statements. All changes in equity are attributable to the participating jurisdiction as owners.



Statement of cash flows

for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Cash inflows			
Receipts from participating jurisdictions		32,404	27,882
Sales of goods and services		1,395	661
Other receipts		1,820	4,279
Interest received		70	173
GST recovered from the ATO		1,072	1,060
Receipts for paid parental leave scheme		14	27
Cash generated from operations		36,775	34,082
Cash outflows			
Employee benefits payments		(20,658)	(19,053)
Payments for supplies and services		(11,047)	(10,281)
Payments for paid parental leave scheme		(15)	(25)
Interest paid		(351)	(186)
Cash used in operations		(32,071)	(29,545)
Net cash provided by operating activities		4,704	4,537
Cash flows from investing activities			
Cash outflows			
Purchase of property, plant and equipment		(407)	(5,431)
Purchase of intangibles		(294)	(149)
Cash used in investing activities		(701)	(5,580)
Net cash used in investing activities		(701)	(5,580)
Cash flows from financing activities			
Repayment of principal portion of lease liabilities		(2,122)	(652)
Cash used in financing activities		(2,122)	(652)
Net cash used in financing activities		(2,122)	(652)
Net increase/(decrease) in cash and cash equivalents		1,881	(1,695)
Cash and cash equivalents at the beginning of the period		15,432	17,127
Cash and cash equivalents at the end of the period	6.1	17,313	15,432

The accompanying notes form part of these financial statements.

Notes to the financial statements

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For the year ended 30 June 2021

1 About the Australian Energy Market Commission

The Commission is a body corporate established under South Australian law.

The Commission does not control any other entity and has no interests in unconsolidated structured entities. The Commission has not entered into any contractual arrangements which involve the sharing of control or significant influence over another entity.

The objectives and activities of the Commission are detailed in note 1.2.

Additionally, since March 2018, the Commission continues to administer resources on behalf of the Energy Security Board ("ESB"). The ESB was established by the COAG Energy Council to coordinate the implementation of the reform blueprint produced by Australia's Chief Scientist, Dr Alan Finkel AO. The ESB will also provide whole-of-system oversight for energy security and reliability to drive better outcomes for consumers. The ESB Board comprises the independent Chair and Deputy Chair, together with the Chairs of the Australian Energy Market Commission, the Australian Energy Regulator, and the Chief Executive Officer and Managing Director of the Australian Energy Market Operator.

Transactions and balances relating to these administered resources are not recognised as the Commission's income, expenses, cash inflows or cash outflows, assets or liabilities. They are recognised as administered income, expenses, cash inflows, cash outflows, assets or liabilities under note 11.

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- South Australian Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the provisions of the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards (with reduced Disclosure Requirements).

For the purposes of preparing the financial statements, the Commission is a not-for-profit entity. The Commission applies Tier 2 Australian Accounting Standards reporting requirements.

The financial statements are prepared on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

The Commission is not subject to income tax. The Commission is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

Notes to the financial statements continued

For the year ended 30 June 2021

1.2 Objectives and activities

Objectives

The Australian Energy Market Commission (“the Commission”) was established on 22 July 2004 pursuant to the *Australian Energy Market Commission Establishment Act 2004* (South Australia). The Commission operates in Australia from a single office in Sydney, NSW.

The Commission’s key functions under the AEMC Establishment Act, the National Electricity Law, National Gas Law, and the National Energy Retail Law, are to:

- consider rule change requests and make rule determinations;
- conduct market reviews on request of Energy Ministers or on the AEMC’s own initiative; and
- provide advice on request from Energy Ministers.

Activities

The Commission undertakes the following activities:

- make and revise the energy rules;
- undertake reviews and provides advice to governments and others on improvements to regulatory and energy market arrangements;
- responsible for developing electricity guidelines and standards together with the Reliability Panel; and
- undertake major projects which may involve a combination of reviews and rule changes conducted over an extended period of time.

1.3 Economic dependency

The continued existence of the Commission in its present form is dependent on Government policy in each of the jurisdictions who fund the Commission, and the Commonwealth Government. The Commission is unable to borrow funds and retains capital and cash reserves sufficient to meet the majority of its liabilities and unrecognised contractual commitments.

To assist with revenue certainty, in February 2021 the Council of Australian Governments’ Energy Council advised the approval of funding of \$31.133m for 2021–22.

2 Income

Income is recognised to the extent it is probable that the flow of economic benefits to the Commission will occur and can be reliably measured.

Income has been aggregated according to its nature and has not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

2.1 Contributions from participating jurisdictions

	2021 \$'000	2020 \$'000
Operational funding	29,633	30,862
Total contributions from participating jurisdictions	29,633	30,862

The Commission’s funding is provided through contributions by the participating jurisdictions within the meaning of the National Electricity Law and the National Gas Law and the National Energy Retail Law. All jurisdictions’ contributions to the Commission are expenses of the respective State and Territory Governments and are not inter-agency transactions.

Contributions are recognised as an asset and income when the Commission obtains control of the contributions or obtains the right to receive the contributions and the income recognition criteria are met (i.e. the amount can be reliably measured and the flow of resources is probable).

Notes to the financial statements continued

For the year ended 30 June 2021

Generally, the Commission has obtained control or the right to receive for:

- Contributions with unconditional stipulations – this will be when the agreement becomes enforceable i.e. the earlier of when the receiving entity has formally been advised that the contribution has been approved; agreement/contract is executed; and/or the contribution is received.
- Contributions with conditional stipulations – this will be when the enforceable stipulations specified in the agreement occur or are satisfied; that is income would be recognised for contributions received or receivable under the agreement.

All contributions received by the Commission have been contributions with unconditional stipulations attached and have been recognised as an asset and income in the period in which they are earned.

2.2 Sales of goods and services

All revenue from the sale of goods and services is revenue recognised from contracts with customers.

	2021 \$'000	2020 \$'000
Recovery for staff secondment costs	1,665	802
Total sales of goods and services	1,665	802

Provision of staff secondment to customers requires ongoing provision of services over the term of the agreement, for which recovery revenue is recognised over the time services are provided. This is because the employees' obligations are satisfied over time.

Payments are generally due monthly in arrears for ongoing provision of staff secondment services. Revenue is based on recovery for the employment costs incurred and estimated on-costs if applicable in respect of the staff secondment services, or as provided for in the secondment agreement.

Contract balances

	30 June 2021 \$'000	1 July 2020 \$'000
Receivables from contracts with customers, included in 'Receivables'	244	61

Receivables from contracts relate to the Commission's rights to consideration for work completed in respect of the secondment contracts with the Energy Security Board, and the NSW Department of Planning, Industry and Environment.

2.3 Interest revenues

	2021 \$'000	2020 \$'000
Cash and cash equivalents	42	143
Total interest revenue	42	143

Notes to the financial statements continued

For the year ended 30 June 2021

2.4 Other revenue

	2021 \$'000	2020 \$'000
Vacation Fee	–	1,020
Expense recovery	140	–
Total other revenue	140	1,020

On 5 July 2019, a Deed of Variation of Lease (“Variation Deed”) was executed between the Landlords of the previous tenancy at 201 Elizabeth Street and the Commission to allow for an early termination (due to the Landlords’ intention at that time of converting the office building into residential apartments). The Variation Deed provided the Commission with various alternative dates for early termination in exchange for an incentive payment (or otherwise known as a Vacation Fee). The Commission elected to early terminate the lease on 31 March 2020 and accordingly, was entitled to receive the above Vacation Fee. This was invoiced in March 2020, but was only received on 2 July 2020.

3 Commissioners, committees and employees

3.1 Key management personnel

Key management personnel of the authority include the Commissioners, the Chief Executive and six members of the Executive Leadership Team who have responsibility for the strategic direction and management of the Commission.

Total compensation for the Commission’s key management personnel is \$4,345,000 (2020: \$5,079,000) paid during the financial year.

Transactions with key management personnel and other related parties

The Commission is a statutory authority established pursuant to the *Australian Energy Market Commission Establishment Act 2004*.

The Commission is not owned or controlled by the South Australian Government. Related parties of the Commission include all key management personnel, their close family members and any entities controlled by those persons.

There were no transactions with key management personnel or other related parties during the financial year.

3.2 Commissioners

The following persons held the position of Commissioner during the financial year:

- Anna Collyer (Chair, appointed 1 February 2021)
- John Pierce (Chair, retired 3 July 2020)
- Allison Warburton
- Charles Popple
- Merryn York
- Michelle Shepherd

Remuneration of Commissioners

	2021 No	2020 No
The number of Commissioners whose remuneration received or receivable falls within the following bands:		
\$240,000–\$259,999	2	1
\$320,000–\$339,999	3	3
\$380,000–\$399,999	1	–
\$619,999–\$639,999	–	1
Total number of Commissioners	6	5

Notes to the financial statements continued

For the year ended 30 June 2021

Remuneration of Commissioners reflects all costs of performing Commission member duties including sitting fees, salaries and wages, superannuation contributions, salary sacrifice benefits and fringe benefits and any net fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by Commissioners for the year was \$1,891,000 (2020: \$1,881,000).

3.3 Committee members

Remuneration of committee members

Committee Members during the 2020–21 financial year were:

Reliability Panel

Charles Popple (Chair)

Audit and Risk Management Committee (ARMC)

Jane Byrne (Chair)

David Pendleton

Allison Warburton

	2021 No	2020 No
The number of ARMC members whose remuneration received or receivable falls within the following bands:		
\$0–\$19,999	3	3
Total number of members	3	3

Remuneration of ARMC members reflects all costs of performing ARMC member duties including sitting fees, salaries and wages, superannuation contributions, salary sacrifice benefits and fringe benefits and any net fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by ARMC members for the year was \$43,000 (2020: \$43,000).

3.4 Employee benefits expense

	2021 \$'000	2020 \$'000
Salaries and wages	16,965	15,720
Long service leave	82	(31)
Annual leave	1,308	1,080
Employment on-costs – superannuation	1,569	1,540
Payroll and Fringe Benefits Tax	922	1,119
Relocation expenses	33	9
Total employee benefit expenses	20,879	19,437

Employees are appointed under common law contracts and are not employees under the South Australian *Public Sector Act 2009*. Commissioners are appointed by the Governor of South Australia on the recommendation of the Minister following nomination by the Ministerial Council on Energy or the Commonwealth as appropriate in accordance with the *Australian Energy Market Establishment Act 2004*.

Employee benefits expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements. These are recognised when incurred.

Employment on-costs superannuation

The superannuation employment on-cost represents the contributions made by the Commission to the superannuation plan in respect of current services of current Commission staff.

Notes to the financial statements continued

For the year ended 30 June 2021

Employee remuneration

	2021 No	2020 No
The number of employees whose remuneration received or receivable falls within the following bands:		
\$154,001–\$174,000	10	5
\$174,001–\$194,000	6	6
\$194,001–\$214,000	3	4
\$214,001–\$234,000	8	15
\$234,001–\$254,000	6	3
\$254,001–\$274,000	1	1
\$274,001–\$294,000	2	3
\$294,001–\$314,000	1	1
\$314,001–\$334,000	2	2
\$334,001–\$354,000	1	1
\$354,001–\$374,000	1	–
\$374,001–\$394,000	3	–
\$414,001–\$434,000	1	1
\$574,001–\$594,000	–	1
Total number of employees	45	43

The total remuneration received by those employees for the year was \$10,671,000 (2020: \$10,153,000).

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year, as established by the South Australia Department of Treasury and Finance. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any net fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Commission.

3.5 Employee benefits liability

	2021 \$'000	2020 \$'000
Current		
Accrued salaries and wages	571	445
Annual leave	1,355	1,096
Long service leave	24	156
Total current employee benefits	1,950	1,697
Non-current		
Long service leave	589	725
Total non-current employee benefits	589	725
Total employee benefits	2,539	2,422

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Notes to the financial statements continued

For the year ended 30 June 2021

Salaries and wages, annual leave and personal/carer's leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability is expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for personal/carer's leave as all personal/carer's leave is non-vesting and the average personal/carer's leave taken in future years by employees is estimated to be less than the annual entitlement for personal/carer's leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 10.1.

4 Expenses

Employee benefits expenses are disclosed in note 3.4.

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Commission will occur and can be reliably measured. Expenses have been aggregated according to their nature and have not been offset unless required or permitted by another accounting standard, or where offsetting reflects the substance of the transaction or other event.

4.1 Supplies and services

	2021 \$'000	2020 \$'000
Property expenses [^]	250	1,066
Information technology expenses	1,643	1,421
Accounting, legal and audit expenses	321	353
Project contractor and consultancy expenses [#]	4,568	3,010
Other contractor and consultancy expenses	225	100
Project support expenses [*]	786	848
General office administration expenses	83	203
Low-value leases	3	10
Short term leases	10	-
Variable lease payments	525	205
Travel and accommodation expenses	102	648
Recruitment expenses	667	393
Staff training expenses	747	284
Other staff related expenses	199	204
Total supplies and services	10,129	8,745

[^] Prior financial year included \$1,356,000 of short-term lease payments. These leases relate to the Commission's former office accommodation and car parking spaces and the hire of art work. The difference between \$1,356,000 and \$1,066,000 primarily related to other miscellaneous office overheads and the write off of the provision for make good for the Commission's former office accommodation.

[#] Includes professional services such as economic advice, modelling, and legal advice directly related to project work on rule changes, market reviews and expert panels.

^{*} Includes stakeholder communication, venue hire, research data and statutory advertising directly related to project work on rule changes, market reviews and expert panels.

Notes to the financial statements continued

For the year ended 30 June 2021

Consultants

The number of consultancies and dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	No	2021 \$'000	No	2020 \$'000
Below \$10,000	8	15	8	43
\$10,000 or above	36	5,192	30	3,012
Total	44	5,207	38	3,055

4.2 Depreciation and amortisation

	2021 \$'000	2020 \$'000
Leasehold improvements	440	37
Plant and equipment	98	129
Right-of-use plant and equipment	29	31
Right-of-use buildings	2,243	964
IT Infrastructure	295	189
Intangible assets	312	364
Total depreciation and amortisation	3,417	1,714

All non-current assets with a limited useful life are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential. Amortisation is used in relation to intangible assets such as software, while depreciation is applied to tangible assets such as property, plant and equipment.

Useful life

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of Assets	Useful Life (years)
Plant and Equipment	4–20
Leasehold improvements	10
Right-of-use plant and equipment	Lease term
Right-of-use buildings	10
Intangibles	4–5
IT Infrastructure	3–5

Review of accounting estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

Notes to the financial statements continued

For the year ended 30 June 2021

4.3 Interest expense

	2021 \$'000	2020 \$'000
Interest expense on lease liabilities	318	142
Total interest expense	318	142

The Commission does not capitalise interest expense.

4.4 Net loss on disposal/write-off of non-current assets

	2021 \$'000	2020 \$'000
Plant and equipment		
Proceeds from disposal	–	–
Less net book value of assets disposed	1	104
Net loss from write-off of plant and equipment	1	104
IT infrastructure		
Proceeds from disposal	1	–
Less net book value of assets disposed	1	80
Net loss from write-off of IT infrastructure assets	–	80
Intangible assets		
Proceeds from disposal	–	–
Less net book value of assets disposed	–	3
Net loss from write-off of Intangible assets	–	3
Total assets		
Total proceeds from disposal	1	–
Less total value of assets disposed	2	187
Total net loss from disposal of assets	1	187

Any loss on disposal of assets are recognised at the date control of the asset is passed to the buyer and are determined after deducting the written down value from the proceeds of the asset sale at the time.

Notes to the financial statements continued

For the year ended 30 June 2021

5 Non-financial assets

5.1 Property, Plant and equipment by asset class

Property, plant and equipment comprises tangible assets owned and right-of-use (leased) assets. The assets presented below do not meet the definition of investment property.

	2021 \$'000	2020 \$'000
Right-of-use buildings		
Right-of-use buildings at cost	22,638	23,129
Accumulated depreciation at the end of the period	(3,207)	(964)
Total right-of-use property	19,431	22,165
Leasehold improvements		
Leasehold improvements at fair value	4,400	4,390
Accumulated depreciation at the end of the period	(477)	(37)
Total leasehold improvements	3,923	4,353
Work in progress	28	10
Total leasehold improvements	3,951	4,363
Plant and equipment		
Plant and Equipment, at cost (deemed fair value)	573	546
Accumulated depreciation at the end of the period	(332)	(235)
Total plant and equipment	241	311
Work in progress	–	30
Total plant and equipment and work in progress	241	341
Right-of-use plant and equipment		
Right-of-use plant and equipment at cost	81	125
Accumulated depreciation at the end of the period	(16)	(32)
Total right-of-use plant and equipment	65	93
IT Infrastructure		
IT Infrastructure, at cost (deemed fair value)	1,539	1,258
Accumulated depreciation at the end of the period	632	395
Total IT infrastructure	907	863
Total property, plant and equipment	24,595	27,825

Notes to the financial statements continued

For the year ended 30 June 2021

5.2 Property, Plant and equipment owned by the Commission

Property, plant and equipment owned by the Commission with a value equal to or in excess of \$2,000 is capitalised, otherwise it is expensed. Property, plant and equipment owned by the Commission is recorded at fair value. Detail about the Commission's approach to fair value is set out in note 10.2.

All property, plant and equipment assets are classified as a level 2 asset for the purposes of the fair value hierarchy.

Impairment

Plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

Reconciliation 2020–21

	Leasehold improvements \$'000	Plant and equipment \$'000	IT Infrastructure \$'000	Total \$'000
Carrying amount at the beginning of the period	4,353	311	863	5,527
Acquisitions	10	29	340	379
Disposals/write-offs	–	(2)	(59)	(61)
Depreciation adjustment for write-offs	–	1	58	59
Depreciation	(440)	(98)	(295)	(833)
Carrying amount at the end of the period	3,923	241	907	5,071
Work in Progress	28	–	–	28
Closing balance at the end of the period	3,951	241	907	5,099

5.3 Property, plant and equipment leased by the Commission

Right-of-use assets for property, plant and equipment leased by the Commission as lessee are measured at cost. Additions to leased property, plant and equipment during 2020–21 were \$81,000 (2020: \$23,173,000).

Short term leases of 12 months or less and low value leases, where the underlying asset value is less than \$15,000, are not recognised as right-of-use assets. The associated lease payments are recognised as an expense and are disclosed in note 4.1.

The Commission has a limited number of leases:

- a lease of 2,105.2 square metres for the current office premises with Dexus CPA Pty Ltd in Sydney CBD. The lease commenced from 1 February 2020 for a term of 10 years with an option to renew for another 5 years.
- 3 car parking spaces with a 10-year lease term, with Dexus CPA Pty Ltd, commenced from 1 February 2020.
- 8 HP printers with a 5 year lease term, with Data#3, installed in the office premise from 1 July 2020.
- Office telephone handsets with a 3 year lease term (which expired in March 2021), with Aurilo Communications.

The lease liabilities relating to the right-of-use assets are disclosed in note 7.2. The Commission's maturity analysis of its lease liabilities is disclosed in note 10.3. Expenses relating to leases, including depreciation and interest expenses, are disclosed in note 4. Cashflows relating to leases are disclosed in note 8.2.

Impairment

Property, plant and equipment leased by the Commission has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

Notes to the financial statements continued

For the year ended 30 June 2021

5.4 Intangible assets

	2021 \$'000	2020 \$'000
Computer software, at cost (deemed fair value)	2,733	2,972
Accumulated amortisation	(1,961)	(1,888)
Total intangible assets	772	1,084
Work in progress	219	–
Total intangible assets and work in progress	991	1,084

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The acquisition of, or internal development of software is capitalised when the expenditure meets the definition criteria and recognition criteria and when the amount of the expenditure is greater than or equal to \$2,000.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Commission only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets are reviewed on an annual basis.

All intangible assets are classified as a level 2 asset for the purposes of the fair value hierarchy.

Impairment

There were no indications of impairment on intangible assets at 30 June 2021.

Reconciliation 2020–21

	2021 \$'000	2020 \$'000
Reconciliation of computer software		
Carrying amount at the beginning of the period	1,084	1,302
Acquisitions	–	149
Disposals/write-offs	(239)	(1,233)
Amortisation adjustment for write-offs	239	1,230
Amortisation	(312)	(364)
Carrying amount at the end of the period	772	1,084

6 Financial assets**6.1 Cash and cash equivalents**

	2021 \$'000	2020 \$'000
Cash at bank and on hand	10,358	8,272
Short-term deposits	6,955	7,160
Total cash and cash equivalents	17,313	15,432

Cash and cash equivalents include cash at bank and cash on hand and in other short-term, highly liquid investments with maturities of six months or less that are readily converted to cash and which are subject to insignificant risk in changes in value.

Cash is measured at nominal value.



Notes to the financial statements continued

For the year ended 30 June 2021

Short-term deposits

Short-term deposits are made for varying periods of six months and nine months. The deposits are lodged with the ANZ bank and earn interest at the respective short-term deposit rates.

6.2 Receivables

	2021 \$'000	2020 \$'000
Current		
Interest receivable	6	36
Prepayments	841	642
GST input tax recoverable	463	265
Other receivables	244	1,728
Total receivables	1,554	2,671

Receivables are generally settled within 30 days after issue of an invoice or the goods and services have been provided under a contractual arrangement. Collectability of receivables is reviewed on an on-going basis.

Other than as recognised in the allowance for doubtful debts, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

The net amount of GST payable to the ATO is included as part of receivables.

Receivables, prepayments and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Refer to note 10.3 for further information on risk management.

7 Liabilities

Employee benefits liabilities are disclosed in note 3.5.

Liabilities have been classified according to their nature and have not been offset unless required or permitted by a specific accounting standard, or where offsetting reflects the substance of the transaction or other event.

7.1 Payables

	2021 \$'000	2020 \$'000
Current		
Creditors	19	9
Accrued expenses	1,201	964
Employment on-costs	283	251
Paid Parental Leave Scheme payable	–	1
Total current payables	1,503	1,225
Non-Current		
Employment on-costs	61	79
Total non-current payables	61	79
Total payables	1,564	1,304

Notes to the financial statements continued

For the year ended 30 June 2021

Payables and accruals are raised for all amounts owing but unpaid. Creditors represent the amounts owing for goods and services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Commission.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received at the end of the reporting period.

All payables are non-interest bearing. All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received. The carrying amount of payables represents fair value due to their short-term nature.

Employment on-costs

Employee benefit on-costs include payroll tax, workers compensation levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged.

The Commission contributes to several externally managed superannuation schemes on behalf of employees. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid.

As a result of an actuarial assessment performed by the SA Department of Treasury and Finance, the proportion of long service leave taken as leave has remain unchanged from the 2020 rate of 42% and the average factor for the calculation of employer superannuation cost on-costs has changed from the 2020 rate (9.8%) to 10.1%. These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current financial year is a decrease in the employment on-cost and employee benefits expense of \$3,000 (2020: increase of \$1,000). The estimated impact on 2021 and 2020 is \$344,000 and \$330,000 respectively.

Paid parental leave scheme

The Paid Parental Leave Scheme payable represents amounts which the Commission has received from the Commonwealth Government to forward onto eligible employees via the Commission's standard payroll processes. That is, the Commission is acting as a conduit through which the payment to eligible employees is made on behalf of the Department of Human Services.

7.2 Lease liabilities

	Note	2021 \$'000	2020 \$'000
Current lease liabilities		2,452	2,408
Non-current lease liabilities		21,185	23,339
Total lease liabilities	5.3	23,637	25,747

The Commission measures lease liabilities at amortised cost.

All material cash outflows are reflected in the lease liabilities disclosed above.

7.3 Other liabilities

	2021 \$'000	2020 \$'000
Current		
Unearned revenue	2,824	53
Lease incentive liability	–	495
Total other liabilities	2,824	548

Notes to the financial statements continued

For the year ended 30 June 2021

7.4 Provisions

	2021 \$'000	2020 \$'000
Non-current		
Provision for make good	862	700
Total non-current provisions	862	700
Reconciliation of provision for make good		
Carrying amount at the beginning of the period	700	339
Provision to make good leasehold premises	162	700
Provision written off	–	(339)
Carrying amount at end of the period	862	700

Provisions are recognised when the Commission has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted for the time value of money and the risks specific to the liability. The Commission has no requirement to recognise a workers compensation provision as workplace injuries are insured through iCare insurance (NSW), Zurich (ACT), WorkCover (QLD), EML (VIC), Allianz West (WA) and ReturntoWorkSA (SA).

Provision for make good

The Commission has recognised a provision for make good as a result of its obligation to return refurbished leasehold improvements to their original condition at the end of its lease for the current office premises. In accordance with AASB 16 *Leases*, the provision for make good on the current office premises has been recognised as part of the right-of-use property, whilst the provision for makegood on the previous tenancy has been written off.

8 Other disclosures

8.1 Equity

	2021 \$'000	2020 \$'000
Contributed Capital		
New South Wales	750	750
Victoria	556	556
Queensland	432	432
South Australia	173	173
Tasmania	54	54
Australian Capital Territory	36	36
Western Australia	14	14
Northern Territory	2	2
Total contributed capital	2,017	2,017
Retained earnings	11,010	14,274
Total Equity	13,027	16,291

Notes to the financial statements continued

For the year ended 30 June 2021

The Ministerial Council on Energy Standing Committee of Officials meeting of 7th December 2006 approved the maintenance of a Capital reserve to meet any adverse funding situation or unexpected cash flows. Each State and Territory provided their portion of the funds for the Capital reserve which is intended to be retained by the Commission for its lifetime or until such time as sufficient reserves have been created through annual surpluses.

8.2 Cash flow

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Total cash outflows for leases was \$2,685,000 (2020: \$903,000).

9 Outlook

9.1 Unrecognised commitments

Commitments include operating, capital and outsourcing arrangements arising from contractual sources are disclosed at their nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office. If GST is not payable to, or recoverable from, the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

Capital commitments

	2021 \$'000	2020 \$'000
Capital expenditure contracted for at the reporting date but are not recognised as liabilities in the financial report, are payable as follows:		
Within one year	221	12
Total capital commitments	221	12

Expenditure commitments

	2021 \$'000	2020 \$'000
Within one year	2,855	2,655
Later than one year but not longer than five years	50	70
Total commitments – other	2,905	2,725

The Commission's other commitments are for agreements for provision of services.

9.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

The Commission is not aware of any contingent assets and liabilities.

9.3 Impact of standards not yet effective

The Commission has not early adopted new and changed Australian Accounting Standards and interpretations not yet effective.

9.4 Events after reporting period

There are no events occurring after 30 June that have a material financial implication on the financial statements.

Notes to the financial statements continued

For the year ended 30 June 2021

10 Measurement and risk

10.1 Long service leave liability – measurement

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability.

The actuarial assessment performed by the SA Department of Treasury has provided a basis for the measurement of long service leave and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data across South Australian Government entities.

AASB 119 *Employee Benefits* requires the use of the yield on long-term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long-term Commonwealth Government bonds has increased from 2020 (0.75%) to 2021 (1.25%).

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$109,000 (2020: \$85,000) and a decrease in the employee benefits expense of \$127,000 (2020: \$99,000). The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the South Australia Department of Treasury and Finance have maintained the salary inflation rate unchanged from 30 June 2020 at 2.5% for long service leave liability.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience, known applications for leave and notification from employees of their intention to take leave.

10.2 Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost plus any incidental cost involved with the acquisition. Non-current assets are subsequently measured at fair value less accumulated depreciation. All non-current tangible assets with a value equal to or in excess of \$2,000 are capitalised.

Revaluation of non-current assets

All non-current assets are valued at written down current cost (a proxy for fair value); and revaluation of non-current tangible assets or group of assets is only performed when its fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years. No revaluation was performed for the year ended 30 June 2021 as the Commission did not have non-current assets which met the revaluation criteria.

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. The recoverable amount is determined as the higher of the asset's fair value less costs of disposal and depreciated replacement cost. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Plant and equipment have not been assessed for impairment as they are non-cash generating assets, that are specialised in nature and held for continual use of their service capacity and are subject to regular revaluation.

10.3 Financial instruments

Financial risk management

Risk management is managed by the Commission's risk management framework in accordance with ISO 31000 – International Standard for Risk Management – Principles and guidelines.

Notes to the financial statements continued

For the year ended 30 June 2021

Liquidity risk

The Commission is funded principally from contributions by the Jurisdictions. On an annual basis, the Commission submits its annual budget together with a 3 year forward estimate to the COAG Energy Council for approval.

Categorisation of financial instruments

Details of significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset and financial liability, are disclosed in the respective financial asset/financial liability note.

Classification of financial instruments

The Commission measures all financial instruments at amortised cost.

Categorisation analysis of financial assets and liabilities

Category of financial asset and financial liability	Notes	2021 Carrying amount/ Fair value (\$'000)	2020 Carrying amount/ Fair value (\$'000)
Financial assets			
Cash and cash equivalents	6.1	17,313	15,432
Financial assets at amortised cost			
Receivables ^{1, 2}	6.2	250	1,764
Total financial assets		17,563	17,195
Financial liabilities			
Financial liabilities at amortised cost			
Payables ¹	7.1	825	641
Lease liabilities	7.2	23,637	25,747
Total financial liabilities		24,462	26,388

1 Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, Commonwealth tax etc. they would be excluded from the disclosure. The standard defines 'contract' as enforceable by law. All amounts recorded are carried at cost.

2 Receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.

Notes to the financial statements continued

For the year ended 30 June 2021

11 Disclosure of administered items

Since March 2018, the Commission continues to administer resources on behalf of the ESB. Refer to note 1 for further details.

Transactions and balances relating to these administered resources are not recognised as the Commission's income, expenses, cash inflows or cash outflows, assets or liabilities. They are recognised as administered income, expenses, cash inflows, cash outflows, assets or liabilities.

As at the time of reporting, there were sufficient funds administered on behalf of the ESB to meet its commitments/obligations in respect of the administered resources as and when they fall due.

	2021 \$'000	2020 \$'000
Administered income		
Contributions from the Commonwealth	6,698	1,146
Interest revenue	–	14
Total administered income	6,698	1,160
Administered expenses		
Secondment fees	1,656	880
Supplies and services	4,096	3,355
Depreciation	1	1
Total administered expenses	5,753	4,236
Net result	945	(3,076)
Administered current assets		
Cash	2,480	1,380
Plant and equipment	1	2
Total administered assets	2,481	1,382
Administered current liabilities		
Accrued expenses – due to the AEMC	201	47
Total administered liabilities	201	47
Net administered assets	2,280	1,335
Administered equity		
Retained earnings	2,280	1,335
Total administered equity	2,280	1,335
Changes in equity		
Balance at the beginning of the period	1,335	4,411
Net result	945	(3,076)
Balance at the end of the period	2,280	1,335



Notes to the financial statements continued

For the year ended 30 June 2021

	2021 \$'000	2020 \$'000
Cash flows from operating activities		
Cash inflows		
Contributions from the Commonwealth	6,698	1,146
Interest received	–	14
Total administered income	6,698	1,160
Cash outflows		
Secondment fees	(1,576)	(841)
Payments for supplies and services	(4,022)	(3,380)
Total administered expenses	(5,598)	(4,221)
Net cash inflows/(outflows) from operating activities	1,100	(3,061)
Net increase/(decrease) in cash	1,100	(3,061)
Cash and cash equivalents at the beginning of the period	1,380	4,441
Cash and cash equivalents at the end of the period	2,480	1,380

Statutory reports



Statutory reports

MCE statements of policy principles

There are currently no statements of policy principles made by the Ministerial Council on Energy.⁷

External consultants

The AEMC supplements its own resources with consultants. In 2020–2021 the total amount expended was \$5.2m.

External consultants – spending bands

Number and dollar amount of consultancies that fell within the following	No.	2020–2021 \$000
Above \$10,000	36	5,192
Below \$10,000	8	15
Total	44	5,207

External consultants – project descriptions

Company	Project description
ACIL Allen Consulting	Preparation of a report on consumer archetypes for <i>Two-sided markets</i>
Allens	Provision of legal advice on rule change, review and corporate projects
Aon Risk Services Australia	Business insurance renewal
Ayrton Consulting	Provision of advice on AEMC drafting guidelines
Cambridge Economic Policy Associates	Modelling for the financeability of ISP rule changes; support for the DEIP working group on DER access and pricing reforms; work on transmission loss factor reforms for COGATI
CBRE	Office relocation services
Creative Energy Consulting	Economic analysis and advice for <i>Synchronous services markets</i>
Deloitte Touche Tohmatsu	Assessment of participant costs and capability for the <i>Delayed implementation of five minute and global settlement</i> rule change
Deloitte Consulting	Advice on IT managed services provider selection
eGloo Technologies	IT workshop on technology platform
Elisabeth Ross Consulting	Advice on DER integration and the role of DNSPs
Endgame Economics	Modelling expertise for the reserve services rule changes
Energiea	Advice on the cost of establishing a second connection point for <i>Two-sided markets</i>
Energy Synapse	Advice on demand response in the NEM for <i>Two-sided markets</i> and <i>System services and ahead markets</i>
EY	Internal governance and human resources
Farrier Swier Consulting	Advice on the transmission regulatory framework for <i>Efficient management of system strength on the power system</i> ; stakeholder interviews for the <i>2020 economic regulatory framework review</i> ; insights report on effectiveness of the TSS process and options for implementing export charges
Fold 7	Analytical framework implementation

⁷ The Ministerial Council on Energy (MCE) is referenced in the AEMC's governing legislation and is a legally enduring body comprising the federal, state and territory ministers responsible for energy. On 1 July 2011 the MCE was amalgamated with the Ministerial Council on Mineral and Petroleum Resources and renamed the Standing Council on Energy and Resources (SCER). In December 2013 COAG established the COAG Energy Council as part of a decision to streamline the COAG council system and refocus it on COAG's priorities. In 2020 the COAG Energy Council was superseded by the Energy National Cabinet Reform Committee and the Energy Ministers' Meeting (EMM).



Statutory reports

Company	Project description
GHD	Assessment of scheduling costs report for <i>Generator registrations and connections</i> rule change; advice for the <i>Investigation into system strength in the NEM</i> review and associated rule changes; advice on technical and performance standards for dedicated connection assets
Greenview Strategic Consulting	Advice and analysis on enduring primary frequency response arrangements
Hard Software	Advice on IT costs of implementing locational marginal pricing for COGATI
Houston Kemp Economists	Economic advice on interest rate to apply to deferred network charges
HWL Ebsworth Lawyers	Property law advice
InLightening	Organisational development
Intelligent Energy Systems	Advice on modelling methodology for the <i>Reliability standard and settings review 2021</i>
Johnson Winter & Slattery Lawyers	Provision of legal advice on rule change, review and corporate projects
King & Wood Mallesons	Provision of legal advice on rule change, review and corporate projects
KPMG Middle Market Advisory	Advice on DER integration and the role of DNSPs; policy development and report drafting for <i>Implementing a general power system risk review</i> and <i>Prioritising arrangements for system security during market suspension</i>
List G	Provision of legal advice on rule change, review and corporate projects
Mercer	Internal governance and human resources
Minter Ellison Lawyers	Provision of legal advice on rule change and review projects
NERA Economic Consulting	Modelling services for COGATI
Newgate Research	Qualitative and quantitative stakeholder research
Orgonomix	Internal governance and organisational development
PM Partners	Review of AEMC business processes
Renascent Australia	Office relocation services
Seaton Legal	Provision of legal advice on rule change and review projects
Seyfarth Shaw	Employment law advice
Slattery Australia	Office relocation services
Spire Workplace Health	Work health and safety services
Tablelands Pastoral Company	Peer review for the financeability of ISP rule changes
ThinkPlace Australia	AEMC strategic planning process
Todd Davies & Associates	Review of governance, risk and audit arrangements
We are Unity	Human resources services



AEMO's use of powers of direction

A report of the AEMC under section 27 of the *Australian Energy Market Commission Establishment Act 2004* (SA) must include a report on AEMO's use of powers of direction. AEMO can direct registered participants to undertake actions that are in AEMO's view necessary to help deliver power system security. A registered participant who is subject to a direction from AEMO may be entitled to compensation for complying with the direction. AEMO can also issue instructions to any registered participants. Participants complying with an instruction are not able to obtain compensation. The directions below were issued by AEMO between 1 July 2020 and 30 June 2021 in relation to power system security under clause 4.8.9(a) of the National Electricity Rules (NER).

1

Between 1 July 2020 and 2 July 2020, AEMO issued 2 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 09:00 hrs on 1 July 2020 and 16:30 hrs on 1 July 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 1 July 2020 and 06:30 hrs on 2 July 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

2

Between 17 July 2020 and 19 July 2020, AEMO issued 2 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:00 hrs on 17 July 2020 and 15:30 hrs on 18 July 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 18 July 2020 and 15:30 hrs on 19 July 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

3

Between 31 July 2020 and 1 August 2020, AEMO issued 2 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 15:30 hrs on 31 July 2020 and 15:30 hrs on 1 August 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:30 hrs on 31 July 2020 and 15:30 hrs on 1 August 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

4

Between 20 August 2020 and 22 August 2020, AEMO issued 2 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:00 hrs on 20 August 2020 and 15:30 hrs on 21 August 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 21 August 2020 and 15:30 hrs on 22 August 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

5

Between 28 August 2020 and 4 September 2020, AEMO issued 11 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 14:30 hrs on 28 August 2020 and 13:00 hrs on 30 August 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:00 hrs on 28 August 2020 and 15:30 hrs on 30 August 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:00 hrs on 28 August 2020 and 15:30 hrs on 30 August 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 16:30 hrs on 31 August 2020 and 16:30 hrs on 1 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 1 September 2020 and 16:00 hrs on 2 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 22:25 hrs on 1 September 2020 and 16:00 hrs on 2 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 23:20 hrs on 1 September 2020 and 16:00 hrs on 2 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 2 September 2020 and 16:30 hrs on 3 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 21:00 hrs on 2 September 2020 and 16:30 hrs on 3 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:40 hrs on 3 September 2020 and 06:43 hrs on 4 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:55 hrs on 3 September 2020 and 16:00 hrs on 4 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

6

Between 5 September 2020 and 12 September 2020, AEMO issued 8 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 16:30 hrs on 5 September 2020 and 16:30 hrs on 6 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 6 September 2020 and 17:00 hrs on 7 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 6 September 2020 and 04:00 hrs on 8 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:00 hrs on 7 September 2020 and 06:00 hrs on 8 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 20:00 hrs on 9 September 2020 and 15:00 hrs on 10 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:00 hrs on 10 September 2020 and 15:00 hrs on 11 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:45 hrs on 11 September 2020 and 14:00 hrs on 12 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:45 hrs on 11 September 2020 and 14:00 hrs on 12 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

7

Between 12 September 2020 and 16 September 2020, AEMO issued 5 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.



AEMO's use of powers of direction

A direction was issued between 16:30 hrs on 22 September 2020 and 16:30 hrs on 23 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

9

Between 24 September 2020 and 30 September 2020, AEMO issued 6 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:00 hrs on 24 September 2020 and 15:30 hrs on 25 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 25 September 2020 and 15:30 hrs on 26 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 27 September 2020 and 13:30 hrs on 29 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 27 September 2020 and 16:30 hrs on 28 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 29 September 2020 and 15:00 hrs on 30 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 19:15 hrs on 29 September 2020 and 13:15 hrs on 30 September 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

10

Between 30 September 2020 and 7 October 2020, AEMO issued 6 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:30 hrs on 30 September 2020 and 15:30 hrs on 1 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:15 hrs on 30 September 2020 and 16:00 hrs on 7 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 1 October 2020 and 15:30 hrs on 3 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:10 hrs on 1 October 2020 and 16:00 hrs on 7 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 19:45 hrs on 3 October 2020 and 16:00 hrs on 4 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 4 October 2020 and 15:30 hrs on 5 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

11

Between 7 October 2020 and 16 October 2020, AEMO issued 15 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:30 hrs on 7 October 2020 and 15:30 hrs on 8 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 7 October 2020 and 16:30 hrs on 12 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 17:30 hrs on 21 October 2020 and 07:25 hrs on 22 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

13

Between 23 October 2020 and 26 October 2020, AEMO issued 6 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:00 hrs on 23 October 2020 and 13:30 hrs on 26 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 23 October 2020 and 13:30 hrs on 26 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:15 hrs on 23 October 2020 and 06:30 hrs on 24 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:15 hrs on 23 October 2020 and 17:30 hrs on 24 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:40 hrs on 24 October 2020 and 16:30 hrs on 25 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 25 October 2020 and 15:00 hrs on 26 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

14

Between 28 October 2020 and 5 November 2020, AEMO issued 16 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 16:30 hrs on 28 October 2020 and 17:30 hrs on 29 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 28 October 2020 and 17:00 hrs on 2 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 28 October 2020 and 16:00 hrs on 29 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 29 October 2020 and 15:30 hrs on 30 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:30 hrs on 29 October 2020 and 16:30 hrs on 1 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 30 October 2020 and 15:00 hrs on 31 October 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 31 October 2020 and 15:00 hrs on 1 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 1 November 2020 and 10:00 hrs on 2 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 09:20 hrs on 2 November 2020 and 15:30 hrs on 2 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 23:09 hrs on 9 November 2020 and 15:00 hrs on 10 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 08:50 hrs on 10 November 2020 and 14:30 hrs on 10 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 00:10 hrs on 11 November 2020 and 05:40 hrs on 11 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 06:45 hrs on 11 November 2020 and 07:45 hrs on 11 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

17

Between 10 November 2020 and 20 November 2020, AEMO issued 14 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:00 hrs on 10 November 2020 and 16:00 hrs on 11 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 10 November 2020 and 17:00 hrs on 14 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 10 November 2020 and 04:00 hrs on 13 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 08:50 hrs on 11 November 2020 and 12:15 hrs on 11 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 11 November 2020 and 17:00 hrs on 12 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 12 November 2020 and 16:00 hrs on 13 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:55 hrs on 13 November 2020 and 16:30 hrs on 15 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:00 hrs on 13 November 2020 and 16:00 hrs on 14 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:00 hrs on 13 November 2020 and 15:30 hrs on 15 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:30 hrs on 14 November 2020 and 16:30 hrs on 17 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:30 hrs on 15 November 2020 and 17:00 hrs on 16 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 15 November 2020 and 04:00 hrs on 17 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 18 November 2020 and 12:30 hrs on 19 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 17:15 hrs on 19 November 2020 and 13:30 hrs on 20 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

18

Between 22 November 2020 and 3 December 2020, AEMO issued 11 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:00 hrs on 22 November 2020 and 17:00 hrs on 23 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 22:00 hrs on 22 November 2020 and 16:30 hrs on 23 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 22:00 hrs on 22 November 2020 and 17:00 hrs on 23 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:05 hrs on 23 November 2020 and 15:00 hrs on 24 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 19:45 hrs on 23 November 2020 and 16:00 hrs on 24 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:50 hrs on 24 November 2020 and 14:00 hrs on 25 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 28 November 2020 and 15:00 hrs on 29 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 29 November 2020 and 14:30 hrs on 30 November 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 30 November 2020 and 04:00 hrs on 2 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:45 hrs on 1 December 2020 and 15:30 hrs on 2 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 2 December 2020 and 10:00 hrs on 3 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

19

Between 4 December 2020 and 9 December 2020, AEMO issued 5 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 11:00 hrs on 4 December 2020 and 04:00 hrs on 8 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 11:00 hrs on 4 December 2020 and 13:30 hrs on 7 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 11:00 hrs on 4 December 2020 and 18:00 hrs on 7 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 7 December 2020 and 16:00 hrs on 8 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 18:00 hrs on 8 December 2020 and 16:00 hrs on 9 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

20

Between 9 December 2020 and 14 December 2020, AEMO issued 4 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:00 hrs on 9 December 2020 and 07:30 hrs on 14 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 9 December 2020 and 15:30 hrs on 12 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 07:45 hrs on 10 December 2020 and 04:00 hrs on 13 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:30 hrs on 12 December 2020 and 16:00 hrs on 13 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

21

Between 16 December 2020 and 25 December 2020, AEMO issued 13 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 18:00 hrs on 16 December 2020 and 17:30 hrs on 20 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 16 December 2020 and 15:30 hrs on 17 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 17 December 2020 and 15:30 hrs on 18 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:45 hrs on 18 December 2020 and 15:30 hrs on 19 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:30 hrs on 19 December 2020 and 16:00 hrs on 20 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 20 December 2020 and 19:30 hrs on 22 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 20 December 2020 and 18:00 hrs on 22 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 22 December 2020 and 16:30 hrs on 23 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 22 December 2020 and 16:00 hrs on 23 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:35 hrs on 23 December 2020 and 18:00 hrs on 24 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:35 hrs on 23 December 2020 and 17:00 hrs on 24 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 14:20 hrs on 24 December 2020 and 16:00 hrs on 25 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:35 hrs on 24 December 2020 and 17:30 hrs on 25 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

22

Between 26 December 2020 and 1 January 2021, AEMO issued 10 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 16:30 hrs on 26 December 2020 and 16:30 hrs on 27 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 26 December 2020 and 19:00 hrs on 28 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 26 December 2020 and 04:00 hrs on 1 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:30 hrs on 27 December 2020 and 16:30 hrs on 28 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:30 hrs on 28 December 2020 and 17:00 hrs on 29 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:25 hrs on 28 December 2020 and 16:30 hrs on 1 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:40 hrs on 29 December 2020 and 15:30 hrs on 30 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:36 hrs on 30 December 2020 and 17:00 hrs on 31 December 2020. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:57 hrs on 31 December 2020 and 15:00 hrs on 1 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:40 hrs on 31 December 2020 and 15:15 hrs on 1 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

23

Between 1 January 2021 and 9 January 2021, AEMO issued 5 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:00 hrs on 1 January 2021 and 19:00 hrs on 2 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 1 January 2021 and 18:00 hrs on 2 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:30 hrs on 2 January 2021 and 11:30 hrs on 9 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:30 hrs on 2 January 2021 and 14:30 hrs on 9 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 17:00 hrs on 3 January 2021 and 12:00 hrs on 7 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

24

Between 11 January 2021 and 22 January 2021, AEMO issued 15 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:45 hrs on 11 January 2021 and 14:00 hrs on 12 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 12 January 2021 and 11:15 hrs on 13 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 12 January 2021 and 20:00 hrs on 17 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 13 January 2021 and 23:30 hrs on 16 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 13 January 2021 and 18:30 hrs on 17 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:00 hrs on 16 January 2021 and 18:30 hrs on 17 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 17 January 2021 and 17:00 hrs on 18 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:45 hrs on 17 January 2021 and 12:30 hrs on 20 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:00 hrs on 18 January 2021 and 01:30 hrs on 20 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:00 hrs on 19 January 2021 and 14:30 hrs on 20 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:10 hrs on 20 January 2021 and 15:00 hrs on 21 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 03:55 hrs on 22 January 2021 and 05:15 hrs on 22 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 04:30 hrs on 22 January 2021 and 05:15 hrs on 22 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 04:30 hrs on 22 January 2021 and 05:15 hrs on 22 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 04:30 hrs on 22 January 2021 and 05:15 hrs on 22 January 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

25

Between 25 January 2021 and 4 February 2021, AEMO issued 16 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.



AEMO's use of powers of direction

A direction was issued between 14:30 hrs on 4 February 2021 and 20:00 hrs on 6 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:30 hrs on 4 February 2021 and 19:00 hrs on 6 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 6 February 2021 and 10:30 hrs on 9 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

27

Between 11 February 2021 and 20 February 2021, AEMO issued 9 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 18:00 hrs on 11 February 2021 and 19:30 hrs on 12 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 08:45 hrs on 12 February 2021 and 16:30 hrs on 12 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 12:45 hrs on 12 February 2021 and 12:00 hrs on 15 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 12 February 2021 and 19:30 hrs on 13 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 13 February 2021 and 17:30 hrs on 15 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 13 February 2021 and 10:30 hrs on 15 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 21:00 hrs on 17 February 2021 and 10:30 hrs on 19 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 21:00 hrs on 17 February 2021 and 10:30 hrs on 19 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 19 February 2021 and 16:00 hrs on 20 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

28

Between 20 February 2021 and 25 February 2021, AEMO issued 6 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:30 hrs on 20 February 2021 and 20:00 hrs on 21 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 20 February 2021 and 04:00 hrs on 24 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:00 hrs on 21 February 2021 and 18:00 hrs on 24 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 22 February 2021 and 04:00 hrs on 25 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 14:00 hrs on 24 February 2021 and 18:00 hrs on 25 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:00 hrs on 24 February 2021 and 18:30 hrs on 25 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

29

Between 25 February 2021 and 7 March 2021, AEMO issued 12 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 23:30 hrs on 25 February 2021 and 17:00 hrs on 27 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:45 hrs on 26 February 2021 and 16:00 hrs on 27 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 06:00 hrs on 27 February 2021 and 17:30 hrs on 28 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 27 February 2021 and 13:30 hrs on 28 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 27 February 2021 and 16:30 hrs on 28 February 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:40 hrs on 27 February 2021 and 17:00 hrs on 7 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 28 February 2021 and 18:00 hrs on 1 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 28 February 2021 and 14:35 hrs on 2 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 19:45 hrs on 28 February 2021 and 14:30 hrs on 2 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 14:30 hrs on 1 March 2021 and 16:00 hrs on 3 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 2 March 2021 and 16:00 hrs on 4 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 4 March 2021 and 16:30 hrs on 6 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

30

Between 7 March 2021 and 17 March 2021, AEMO issued 14 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:30 hrs on 7 March 2021 and 04:00 hrs on 10 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 7 March 2021 and 15:00 hrs on 12 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 10:00 hrs on 9 March 2021 and 14:00 hrs on 10 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 05:00 hrs on 11 March 2021 and 17:30 hrs on 12 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:15 hrs on 12 March 2021 and 04:00 hrs on 16 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 15:15 hrs on 12 March 2021 and 18:30 hrs on 14 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 12 March 2021 and 22:30 hrs on 13 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 19:00 hrs on 12 March 2021 and 00:15 hrs on 13 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 01:00 hrs on 13 March 2021 and 23:00 hrs on 14 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 13 March 2021 and 17:30 hrs on 14 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 22:00 hrs on 14 March 2021 and 14:30 hrs on 15 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 00:01 hrs on 16 March 2021 and 14:00 hrs on 16 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 00:01 hrs on 16 March 2021 and 15:30 hrs on 16 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 16 March 2021 and 17:45 hrs on 17 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

31

Between 17 March 2021 and 27 March 2021, AEMO issued 15 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 18:00 hrs on 17 March 2021 and 18:00 hrs on 18 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 17 March 2021 and 16:30 hrs on 18 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 17 March 2021 and 23:30 hrs on 18 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 17 March 2021 and 15:00 hrs on 18 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 19:00 hrs on 18 March 2021 and 16:30 hrs on 20 March 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

33

Between 1 April 2021 and 9 April 2021, AEMO issued 15 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 18:00 hrs on 1 April 2021 and 17:00 hrs on 2 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 1 April 2021 and 16:45 hrs on 7 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 1 April 2021 and 15:30 hrs on 2 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 2 April 2021 and 17:00 hrs on 3 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 2 April 2021 and 15:30 hrs on 3 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 3 April 2021 and 17:00 hrs on 4 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 3 April 2021 and 16:00 hrs on 4 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 11:00 hrs on 4 April 2021 and 06:00 hrs on 6 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 4 April 2021 and 15:30 hrs on 5 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 5 April 2021 and 16:00 hrs on 6 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 6 April 2021 and 14:00 hrs on 7 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 7 April 2021 and 15:00 hrs on 8 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:30 hrs on 7 April 2021 and 16:30 hrs on 8 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 8 April 2021 and 15:30 hrs on 9 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 8 April 2021 and 17:00 hrs on 9 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

34

Between 9 April 2021 and 17 April 2021, AEMO issued 17 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:00 hrs on 9 April 2021 and 17:30 hrs on 11 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 14:00 hrs on 17 April 2021 and 14:30 hrs on 18 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 19 April 2021 and 16:00 hrs on 20 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

36

Between 25 April 2021 and 4 May 2021, AEMO issued 8 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 18:00 hrs on 25 April 2021 and 15:00 hrs on 26 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 29 April 2021 and 15:00 hrs on 30 April 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 30 April 2021 and 16:30 hrs on 1 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 30 April 2021 and 17:00 hrs on 1 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 30 April 2021 and 18:00 hrs on 1 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 1 May 2021 and 15:00 hrs on 2 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:30 hrs on 1 May 2021 and 15:30 hrs on 2 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 3 May 2021 and 16:00 hrs on 4 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

37

Between 9 May 2021 and 22 May 2021, AEMO issued 8 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:30 hrs on 9 May 2021 and 14:00 hrs on 10 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:35 hrs on 9 May 2021 and 15:00 hrs on 10 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 19:00 hrs on 10 May 2021 and 13:30 hrs on 11 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 14 May 2021 and 15:00 hrs on 15 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 09:30 hrs on 16 May 2021 and 16:00 hrs on 16 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 18 May 2021 and 16:00 hrs on 19 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 18:00 hrs on 21 May 2021 and 08:00 hrs on 22 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 08:40 hrs on 22 May 2021 and 15:30 hrs on 22 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

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Between 22 May 2021 and 26 May 2021, AEMO issued 7 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 16:00 hrs on 22 May 2021 and 17:00 hrs on 23 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:10 hrs on 22 May 2021 and 16:00 hrs on 23 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 23 May 2021 and 16:30 hrs on 24 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:00 hrs on 23 May 2021 and 17:00 hrs on 24 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 16:45 hrs on 24 May 2021 and 12:30 hrs on 26 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 19:00 hrs on 24 May 2021 and 14:30 hrs on 25 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 25 May 2021 and 05:00 hrs on 26 May 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

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Between 4 June 2021 and 10 June 2021, AEMO issued 10 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 18:00 hrs on 4 June 2021 and 15:00 hrs on 5 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 5 June 2021 and 16:05 hrs on 6 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 5 June 2021 and 16:45 hrs on 6 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 6 June 2021 and 04:00 hrs on 8 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:30 hrs on 6 June 2021 and 17:00 hrs on 7 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 7 June 2021 and 11:25 hrs on 8 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 19:00 hrs on 7 June 2021 and 04:00 hrs on 8 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.



AEMO's use of powers of direction

A direction was issued between 18:00 hrs on 8 June 2021 and 15:30 hrs on 9 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 21:00 hrs on 8 June 2021 and 15:00 hrs on 9 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 21:10 hrs on 9 June 2021 and 15:30 hrs on 10 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

40

Between 22 June 2021 and 24 June 2021, AEMO issued 4 directions to participants in SA to maintain power system security under clause 4.8.9 of the NER.

A direction was issued between 17:00 hrs on 22 June 2021 and 07:00 hrs on 23 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made no claims for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 22 June 2021 and 17:30 hrs on 23 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 17:00 hrs on 23 June 2021 and 15:00 hrs on 24 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

A direction was issued between 18:00 hrs on 23 June 2021 and 06:00 hrs on 24 June 2021. The directed participant received compensation for the provision of energy pursuant to the direction, in accordance with NER clause 3.15.7(c). The directed participant made a claim for additional compensation under NER clause 3.15.7B.

Use by registered participants of inspection and testing rights from 1 July 2020 to 30 June 2021

AEMO was not informed of any inspections conducted under clause 5.7.1, or any tests conducted under clause 5.7.2 of the National Electricity Rules. These provisions relate to the right of registered participants to enter the facilities and test the equipment of other participants to assess compliance with technical requirements.



Compliance

This report details our performance from 1 July 2020 to 30 June 2021 in accordance with the *Australian Energy Market Commission Establishment Act 2004 (SA)* (the “Act”) and the *Australian Energy Market Commission Establishment Regulations 2020 (SA)*.

This index indicates where each of the items which the AEMC must report on is located within the report.

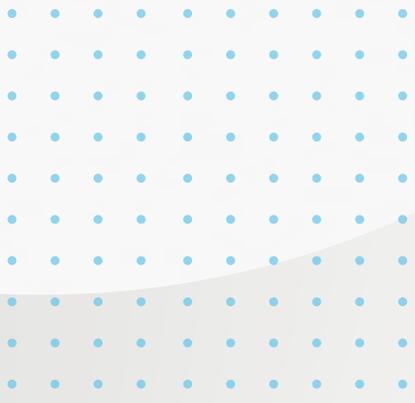
1. A report of the AEMC under section 27 of the Act must include a report on the following in respect of the financial year concerned:

- a. the National Energy Law provisions and other legislative provisions that confer functions on the AEMC p22
- b. the AEMC’s relationship to other bodies involved in the administration of National Energy Laws p3
- c. the membership and organisation of the AEMC p30-36
- d. the AEMC’s strategic plans and the relationship of the plans to objectives set out in the National Energy Laws p9-20
- e. the AEMC’s activities and their efficiency and effectiveness p50-53; 88-116
- f. the AEMC’s financial affairs p87-100
- g. disclosures made by Commissioners under section 22 of the Act p54
- h. positions in the employment of the AEMC, including salary levels for the positions, any positions created or filled and any positions abolished or vacated p96-97
- i. the extent to which external consultants have been engaged by the AEMC, the nature of the work undertaken by the consultants and the total cost to the AEMC of the consultancies p99-100
- j. the occupational health, safety and rehabilitation programs of the AEMC and their effectiveness p48-49
- k. any instances of fraud in the operations of the AEMC and the strategies implemented to prevent and control fraud p56

- l. in relation to electricity:
 - I. the extent to which the operation of the Rules has met the national electricity market objective and the strategic development of the Rules to meet the national electricity market objective p88-108
 - II. any statements of policy principles that have been issued by the MCE in relation to the AEMC and any directions that have been given by the MCE to the AEMC p100
 - III. the rule making activities of the AEMC under the National Electricity Law, including:
 - A. requests for Rules in each of the categories of jurisdictional derogations, participant derogations, non-controversial Rules and urgent Rules, and p26-29
 - B. the stages at which proposed Rules are in the Rule making procedure, and p90-107
 - C. decisions of the AEMC not to proceed with requests for Rules, and p26; 95-95; 106
 - D. Rules made, and p88-107
 - E. Rules that have come into operation p88-107
 - IV. MCE directed reviews and AEMC initiated reviews under the National Electricity Law p108-116
 - V. market development functions p11-19
 - VI. recommendations made by the AEMC for the MCE to request the making of Rules p108-116
 - VII. the composition and activities of the Reliability Panel and of any other panels or committees that have been established by the AEMC p40-42
 - VIII. AEMO’s use of powers of direction in relation to power system security under clause 4.8.9(a) of the Rules p101-122

- IX. The use by registered participants of inspection and testing rights under clauses 5.7.1 and 5.7.2 of the Rules p122
- X. The extent and effectiveness of demand side participation in the national electricity market, including measures that could be undertaken to enhance demand side participation in the national electricity market p11; 17-18

2. The AEMC’s report must include its audited financial statements for the financial year and the Auditor-General’s report on the financial statements. p87-116



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