



Purpose

The Commission is required under s. 108A of the National Electricity Law (NEL) to publicly report on rules not made within 12 months of the publication of the notification of the commencement of the rule change process.

Background

On 17 December 2020, the Australian Energy Market Commission (AEMC) initiated a rule change request from the COAG Energy Council, which proposed an amendment to the NEL to implement an operational mechanism for AEMO to enhance the power system's resilience to indistinct events. The intention was to address the AEMC's finding that the existing system security framework may be ill-suited to managing indistinct events and recommendation to introduce a framework for protected operations as a new operational tool for AEMO.

This is the third and final rule change arising from the AEMC's 2019 Review of the South Australian black system event and follows on from the recently completed General power system risk review (GPSRR) and Prioritising arrangements for system security during market suspension rule changes.

The consultation paper for this rule change request was published on 17 December 2020. A draft determination and draft rule were published on 28 October 2021.

Reason for the final rule determination not being made within 12 months

On 22 April 2021, the Commission extended the timeframe for making a draft determination until 28 October 2021.

The Commission made this decision because the rule change request raised issues of sufficient complexity and difficulty such that it was necessary that the period of time to make a final determination be greater than 12 months. In particular, stakeholders raised significant and highly complex issues around the approach to implementation, transparency and governance arrangements, and AEMO's powers in managing indistinct events. Stakeholders also requested additional time to engage with the Commission and explore these fundamental market design issues.

The extended timeframe also enabled the Commission to consult extensively with stakeholders on the issues raised in the rule change request, specifically to:

- hold four technical working groups to date (4 June 2021, 13 July 2021, 28 July, and 31 August 2021) on the rule change request and proposed policy
- hold numerous other bilateral meetings on aspects of the rule change request.

The final rule determination for this rule change request has therefore not been made within 12 months of the publication of the notice under s. 95 of the NEL.

Expected time for making a final rule determination

The draft determination and draft rule were published on **28 October 2021** and submissions closed **6 January 2022**. The final determination is expected to be made by **17 February 2022**.