



INFORMATION

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AER reporting on market outcomes

Final determination and rule published

The AEMC has made a final rule introducing a principles-based framework for the Australian Energy Regulator to report on significant price outcomes in the NEM.

Overview of the final rule

The final rule amends clause 3.13.7 of the National Electricity Rules (NER) by removing prescriptive requirements for the AER to report on significant variations between forecast and actual spot prices, spot prices above \$5,000/MWh and market ancillary services prices above \$5,000/MW. The rule introduces a principles-based reporting framework:

- **Price outcomes the AER will report on:** the AER is to report on significant price outcomes in the spot market (which includes the ancillary services markets), and any other NEM market as specified in a new Significant price reporting guideline.
- **Criteria and factors used to report:** the AER must outline criteria for determining significant prices in its Guideline, having regard to high price events and other appropriate matters. The reports must identify contributing factors, including available capacity, network availability, offer, bidding and rebidding behaviour, and any other relevant factors.
- **Type and frequency of reporting:** the AER must publish a report in a timely manner covering all significant price outcomes for each calendar quarter, with the flexibility to issue more frequent standalone reports on individual highly significant price events.

The AER must publish the Guideline by the rule commencement date of 29 September 2022 and report on significant prices occurring in the transitional period in a timely manner.

Benefits of the final rule

- Improved information transparency on a wider range of more relevant significant prices and factors that provide more insightful analysis into market outcomes and behaviour.
- Increased usefulness of reports by enabling the criteria for significant price outcomes in the Significant price reporting guideline to be amended with market developments.
- Reduced regulatory burden by avoiding prescriptive requirements that are not fit for purpose and improved resource efficiency by enabling more relevant prices to be targeted.

Background

The AER submitted a rule change request on 21 December 2021 that proposed replacing the prescriptive significant price reporting requirements with a new principles-based framework. The Commission adopted an expedited process in considering this non-controversial rule change request and no objections to using this process were received.

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19 May 2022