



## **Efficient provision of inertia ERC0339**

**8 February 2024**

### **Report on rule not made within 12 months under NEL section 108A**

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#### **Purpose**

The Australian Energy Market Commission (AEMC or 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 notice of the commencement of the rule change process, including the reasons why the rule was not made within the timeframe.

#### **Background**

On 2 March 2023, the AEMC initiated a rule change request from the Australian Energy Council (AEC) that sought to introduce an overarching mechanism for obtaining inertia services in real time, operated by the Australian Energy Market Operator (AEMO).

A consultation paper related to the AEC's rule change request was published on 2 March 2023. The draft determination and draft rule for the project is due to be published by 27 June 2025.

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

The AEC's efficient provision of inertia rule change project (ERC0339) has received 2 extensions under s.107 of the NER – on 2 March 2023 and 15 February 2024. The extensions for the rule change were required for the following reasons:

- The issues raised in the rule change request are difficult and complex and require additional time to examine, consider, and address. The rule change request gives rise to policy design decisions interrelated to and reliant on one another, as well as to other ongoing rule changes (e.g. the Improving security services for the energy transition project (ERC0290)) which increases the complexity and difficulty in addressing the issues raised.
- Additionally, the assessment of the rule change requires additional time to collaborate effectively with other market bodies and stakeholders and undertake technical analysis of the complex issues involved.
- The assessment of the rule change request is being closely coordinated with the work of AEMC projects and other market bodies, with this work being taken into account in the rule change process.

The final determination for these rule changes 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 draft and final rule determination**

The draft determination and draft rule are expected to be published by **27 June 2025**. The final determination and final rule are expected to be made by **19 September 2025**.