



25 July 2024

Report on rule not made within 12 months under NEL section 108A and NERL section 269

Purpose

The Australian Energy Market Commission (AEMC or Commission) is required under s.108A of the National Electricity Law (NEL) and section 269 of the NERL to publicly report on rules not made within 12 months of the publication of the notice of the commencement of the rule change process.

Background

On 3 August 2023, the Commission initiated a rule change request from the Australian Energy Market Operator (AEMO). The rule change request sought to better integrate price-responsive resources into the National Electricity Market (NEM) by amending the National Electricity Rules.

During the first round of consultation, the Commission received 34 submissions. An update paper was subsequently published on 14 December 2023.

The Commission granted two extensions for the draft determination on 21 September 2023 and 21 February 2024 to allow for greater consideration of complex issues. The draft determination and more preferable draft rule were published on 25 July 2024.

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

The final rule determination has not been made within 12 months for the following reasons:

- This is a complex rule change that seeks to facilitate and incentivise the integration of virtual power plants, made up of millions of devices, into the NEM. This is a material change to the NEM and involves significant technical detail that needs to be thoroughly consulted on. Furthermore, the reform needs to be carefully considered so it does not negatively impact the growth of the market for Consumer Energy Resources (CER).
- Additional time was required to consult with stakeholders and consider feedback from submissions. This included forming a technical working group comprised of 18 representatives from stakeholder groups that met on six occasions across three months.

The final rule determination for these rule changes has therefore not been made within 12 months of publication of the notice under s. 95 of the NEL and s. 251 of the NERL.

Expected time for making a final rule determination

The final rule determination is expected to be made by **19 December 2024**.