



Draft National Electricity Amendment (Including distribution network resilience in the National Electricity Rules) Rule 2025

The Australian Energy Market Commission makes the following Rule under the National Electricity Law to the extent applied by:

- (a) the *National Electricity (South Australia) Act 1996* of South Australia;
- (b) the *Electricity (National Scheme) Act 1997* of the Australian Capital Territory;
- (c) the *Electricity - National Scheme (Queensland) Act 1997* of Queensland;
- (d) the *National Electricity (New South Wales) Act 1997* of New South Wales;
- (e) the *Electricity - National Scheme (Tasmania) Act 1999* of Tasmania;
- (f) the *National Electricity (Victoria) Act 2005* of Victoria;
- (g) the *National Electricity (Northern Territory) (National Uniform Legislation) Act 2015* of the Northern Territory; and
- (h) the *Australian Energy Market Act 2004* of the Commonwealth.

Anna Collyer
Chairperson
Australian Energy Market Commission

Draft National Electricity Amendment (Including distribution network resilience in the National Electricity Rules) Rule 2025

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Including distribution network resilience in the National Electricity Rules) Rule 2025*.

2 Commencement

Schedule 1 of this Rule commences operation on [1 July 2027].

Schedule 2 of this Rule commences operation on [2 October 2025].

Schedule 3 of this Rule commences operation on [5 June 2025].

3 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

4 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 2.

5 Savings and Transitional Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(d)(5), omit "and".

[2] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(d)(6), omit "*disruptions.*" and substitute "*disruptions*; and".

[3] Clause 5.13.1 Distribution annual planning review

After clause 5.13.1(d)(6), insert new clause 5.13.1(d)(7) as follows:

- (7) identify risks of power *outages* caused by severe weather events, taking into account the impacts of climate change.

[4] Clause 5.13.1 Distribution annual planning review

In clause 5.13.1(f), after "system limitations" insert "and risks identified under paragraph (d)(7)".

[5] Schedule 5.8 Distribution Annual Planning Report

In clause S5.8(b)(5), omit "factors affecting;" and substitute "the risks identified under clause 5.13.1(d)(7) and factors affecting:".

[6] Schedule 5.8 Distribution Annual Planning Report

In clause S5.8(d2), after "information on *system limitations*" insert "and the risks identified under clause 5.13.1(d)(7) ".

[7] Schedule 5.8 Distribution Annual Planning Report

In clause S5.8(d2)(1), after "*system limitation*" insert "or risk of power *outage*".

[8] Schedule 5.8 Distribution Annual Planning Report

In clause S5.8(d2)(2), omit "the *system limitation*" and substitute "that issue".

[9] Schedule 5.8 Distribution Annual Planning Report

After clause S5.8(j), insert new clause S5.8(j1) as follows:

- (j1) if any severe weather events occurred in the preceding year, information on the performance of the *Distribution Network Service Provider* and outcomes for consumers as specified by the *AER* in the *Network Resilience Guidelines*;

[10] Schedule 5.8 Distribution Annual Planning Report

After clause S5.8(k)(1A), insert new clause S5.8(k)(1B) as follows:

- (1B) an explanation of how the *Distribution Network Service Provider* takes into account the risks identified under clause 5.13.1(d)(7) when developing and implementing its *asset management* and investment strategy;

[11] Schedule 5.8 Distribution Annual Planning Report

In clause S5.8(m), after "*forward planning period*;" omit "and".

[12] Schedule 5.8 Distribution Annual Planning Report

After clause S5.8(m), insert new clause S5.8(m1) as follows:

- (m1) information on the amount and nature of the *Distribution Network Service Provider's resilience expenditure* which occurred in the preceding year (if any), and on the amount and nature of its planned *resilience expenditure* in the *forward planning period*;

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 6.2.8 Guidelines

In clause 6.2.8(a)(1), after "*Asset Exemption Guidelines*" insert ", the *Network Resilience Guidelines*".

[2] Clause 6.2.8 Guidelines

In clause 6.2.8(e), after "subject to paragraph (f), " insert "and except as otherwise provided in this Chapter,".

[3] New clause 6.4.6 Network Resilience Guidelines

After clause 6.4.5, insert new clause 6.4.6 as follows:

6.4.6 Network Resilience Guidelines

- (a) The *AER* must, in accordance with the *Rules consultation procedures*, develop, maintain and *publish* guidelines (the *Network Resilience Guidelines*) that:
 - (1) provide examples of *resilience expenditure*, which may include expenditure to assist *Distribution Network Service Providers* to:
 - (i) continue to adequately provide *network services* despite severe weather events;
 - (ii) communicate effectively with consumers, emergency services personnel and other relevant bodies before, during and after a severe weather event; and
 - (iii) promptly provide a level of *supply* to support consumers' essential needs while the *Distribution Network Service Provider* works to restore full *supply* through its *network*, if a power *outage* occurred as a result of a severe weather event;
 - (2) provide examples of the types of information *Distribution Network Service Providers* could include in their *regulatory proposals* to support forecasts of *resilience expenditure*, including information on climate change impacts;
 - (3) specify the information *Distribution Network Service Providers* must include in their *Distribution Annual Planning Reports* under clause S5.8(j1);
 - (4) explain how *resilience expenditure* will be addressed in incentive schemes provided for in this Chapter; and

- (5) include any other matters the *AER* considers relevant.
- (b) Nothing prevents the *AER* from publishing the *Network Resilience Guidelines* in the same document as another guideline published under this Chapter.
- (c) There must be *Network Resilience Guidelines* in force at all times after the date on which the *AER* first publishes the *Network Resilience Guidelines* under the *Rules*.
- (d) The *AER* may, from time to time and in accordance with the *Rules consultation procedures*, amend or replace the *Network Resilience Guidelines*.
- (e) Clauses 6.2.8(e) and (f) do not apply to the *Network Resilience Guidelines*.

[4] Clause 6.5.6 Forecast operating expenditure

In clause 6.5.6(e), omit paragraphs (1), (2) and (3), including the numbers.

[5] Clause 6.5.6 Forecast operating expenditure

In clause 6.5.6(e)(4), omit "(4)" and substitute "(1)".

[6] Clause 6.5.6 Forecast operating expenditure

In clause 6.5.6(e)(5), omit "(5)" and substitute "(2)".

[7] Clause 6.5.6 Forecast operating expenditure

In clause 6.5.6(e)(5A), omit "(5A)" and substitute "(3)".

[8] Clause 6.5.6 Forecast operating expenditure

After clause 6.5.6(e)(3), insert new paragraph (4) as follows:

- (4) the extent to which the operating expenditure forecast would efficiently reduce the risk and impact on consumers of power *outages* caused by severe weather events;

[9] Clause 6.5.6 Forecast operating expenditure

In clause 6.5.6(e)(6), omit "(6)" and substitute "(5)".

[10] Clause 6.5.6 Forecasting operating expenditure

In clause 6.5.6(e)(7), omit "(7)" and substitute "(6)".

[11] Clause 6.5.6 Forecasting operating expenditure

In clause 6.5.6(e)(8), omit "(8)" and substitute "(7)".

[12] Clause 6.5.6 Forecast operating expenditure

In clause 6.5.6(e)(9), omit "(9)" and substitute "(8)".

[13] Clause 6.5.6 Forecasting operating expenditure

In clause 6.5.6(e)(9A), omit "(9A)" and substitute "(9)".

[14] Clause 6.5.6 Forecasting operating expenditure

In clause 6.5.6(e)(10), after "*SAPS options*;" omit "and".

[15] Clause 6.5.6 Forecasting operating expenditure

In clause 6.5.6(e)(11), after "or (s);" insert " and".

[16] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e), omit paragraphs (1), (2) and (3), including the numbers.

[17] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e)(4), omit "(4)" and substitute "(1)".

[18] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e)(5), omit "(5)" and substitute "(2)".

[19] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e)(5A), omit "(5A)" and substitute "(3)".

[20] Clause 6.5.7 Forecast capital expenditure

After clause 6.5.7(e)(3), insert new paragraph (4) as follows:

- (4) the extent to which the capital expenditure forecast would efficiently reduce the risk and impact on consumers of power *outages* caused by severe weather events;

[21] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e)(6), omit "(6)" and substitute "(5)".

[22] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e)(7), omit "(7)" and substitute "(6)".

[23] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e)(8), omit "(8)" and substitute "(7)".

[24] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e)(9), omit "(9)" and substitute "(8)".

[25] Clause 6.5.7 Forecast capital expenditure

In clause 6.5.7(e)(9A), omit "(9A)" and substitute "(9)".

[26] Chapter 10 Glossary

In chapter 10, insert the following definitions in alphabetical order:

Network Resilience Guidelines

Guidelines made by the *AER* under clause 6.4.6.

resilience expenditure

Operating expenditure and capital expenditure by *Distribution Network Service Providers* of the kinds outlined in clauses 6.5.6(e)(4) and 6.5.7(e)(4).

Schedule 3 Savings and Transitional Amendment to the National Electricity Rules

(Clause 5)

[1] New rule 11.18X Rules consequential on the making of the National Electricity Amendment (Including distribution network resilience in the National Electricity Rules) Rule 2025

In chapter 11, after rule 11.18X, insert:

11.18X Rules consequential on the making of the National Electricity Amendment (Including distribution network resilience in the National Electricity Rules) Rule 2025

11.18X.1 Definitions

For the purposes of this rule 11.18X:

Amending Rule means the *National Electricity Amendment (Including distribution network resilience in the National Electricity Rules) Rule 2025*.

commencement date means [2 October 2025], being the date Schedule 2 of the Amending Rule commences.

new resilience expenditure factors means the amendments made by Schedule 2 of the Amending Rule to the *operating expenditure factors* in clause 6.5.6(e) and the *capital expenditure factors* in clause 6.5.7(e).

new resilience reporting rules means the amendments made by Schedule 1 of the Amending Rule to clause 5.13.1 and Schedule 5.8.

Victorian DNSP means each of the following *Distribution Network Service Providers*:

- (a) AusNet Transmission Group Pty Ltd (ABN 78 079 798 173) or any successor to its business;
- (b) Citipower Pty Ltd (ACN 064 651 056) or any successor to its business;
- (c) Jemena Electricity Networks (Vic) Limited (ACN 064 651 083) or any successor to its business;
- (d) Powercor Australia Limited (ACN 064 651 109) or any successor to its business; and
- (e) United Energy Distribution Pty Ltd (ACN 064 651 029) or any successor to its business.

11.18X.2 Network Resilience Guidelines

By 1 December 2026, the *AER* must develop and *publish* the *Network Resilience Guidelines* (as defined in the Amending Rule) in accordance with clause 6.4.6 of the *Rules* as in force on the commencement date.

11.18X.3 Application of new resilience expenditure factors to Victorian DNSPs' regulatory proposals

- (a) Despite clause 6.10.3(b), Victorian DNSPs' revised *regulatory proposals* for the 2026-2031 *regulatory control period* submitted under clause 6.10.3 may include revisions to take into account the new resilience expenditure factors.
- (b) In the summaries published by the *AER* under clause 6.11.1A, the *AER* must include any revisions made under paragraph (a) above in its summary for clause 6.11.1A(b) rather than clause 6.11.1A(a).
- (c) The *AER's* distribution determination for the Victorian DNSPs for the 2026-2031 *regulatory control period* must take into account the new resilience expenditure factors.

11.18X.4 Application of new resilience reporting rules to Distribution Annual Planning Reports

The first year in which *Distribution Network Service Providers* are required to comply with the new resilience reporting rules is 2028.