



Australian Energy Market Commission

CONSULTATION PAPER

National Electricity Amendment (Reliability Panel Public Meetings) Rule 2013

Rule Proponent(s)

Reliability Panel

4 July 2013

For and on behalf of the Australian Energy Market Commission

**RULE
CHANGE**

Inquiries

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

E: aemc@aemc.gov.au

T: (02) 8296 7800

F: (02) 8296 7899

Reference: ERC0157

Citation

AEMC 2013, Reliability Panel Public Meetings, Consultation Paper, 4 July 2013, Sydney

About the AEMC

The Council of Australian Governments (COAG), through its then Ministerial Council on Energy (MCE), established the Australian Energy Market Commission (AEMC) in July 2005. In June 2011, COAG established the Standing Council on Energy and Resources (SCER) to replace the MCE. The AEMC has two main functions. We make and amend the national electricity, gas and energy retail rules, and we conduct independent reviews of the energy markets for the SCER.

This work is copyright. The Copyright Act 1968 permits fair dealing for study, research, news reporting, criticism and review. Selected passages, tables or diagrams may be reproduced for such purposes provided acknowledgement of the source is included.

Contents

1	Introduction	1
2	Background.....	2
2.1	The Reliability Panel	2
2.2	The proposal.....	2
2.3	Rationale for the proposal	2
3	Details of the rule change request.....	3
3.1	The proposed changes to the NER.....	3
3.2	Expected costs, benefits and impacts of the rule.....	3
3.3	Request for expedited process.....	4
3.4	Overview of previous Reliability Panel public meetings	4
4	Assessment framework	6
5	Issues for consultation.....	7
6	Lodging a submission.....	8
6.1	Lodging a submission electronically.....	8
6.2	Lodging a submission by mail	8
	Abbreviations.....	9

1 Introduction

On 19 February 2013, the Reliability Panel (Panel) submitted a rule change request to the Australian Energy Market Commission (AEMC or Commission) in relation to clause 8.8.3 of the National Electricity Rules (NER) which outlines the Panel's requirement to hold public meetings for each of its determinations and reviews.

The Consultation Paper

This Consultation Paper has been prepared by the staff of the AEMC to facilitate public consultation on the rule change proposal and to seek stakeholder submissions on the rule change request. This paper does not necessarily represent the views of the AEMC or any individual Commissioner of the AEMC.

This paper:

- sets out a summary of, and a background to, the rule change proposed by the Reliability Panel;
- identifies a number of questions and issues to facilitate the consultation on this rule change request; and
- outlines the process for making submissions.

The Panel considers the proposed rule change request to be non-controversial and has requested that the proposal be subject to the expedited rule making process as provided under section 96 of the National Electricity Law (NEL).

Submissions

Stakeholders have two weeks from the publication of the notice under section 95 of the NEL to submit written objections to the request for an expedited rule making process. Stakeholders have four weeks from the publication of the notice under section 95 of the NEL to provide written submissions on the content of the request. Additional information on the expedited process and due dates for submissions and objections are contained in Part 6 of this Consultation Paper.

Timetable

If the project proceeds on the expedited basis, the final rule determination (and final rule if applicable) is to be published by 15 August 2013.

2 Background

2.1 The Reliability Panel

The Reliability Panel was established by the AEMC under the NEL. The NER sets out the membership requirement, functions, and responsibilities of the Panel. The role of the Panel is:

- to monitor, review and report on, in accordance with the NER, the safety, security and reliability of the national electricity system;
- at the request of the AEMC, to provide advice in relation to the safety, security and reliability of the national electricity system; and
- any other functions or powers conferred on it under the NEL and the NER.

The functions of the Panel are set out in more detail in clause 8.8.1 of the NER.

2.2 The proposal

This rule change proposal was submitted by the Reliability Panel on 19 February 2013. Clause 8.8.3 of the NER requires the Reliability Panel to hold a public meeting for each of its reviews and determinations. Under clause 8.8.3(g), the NER requires these meetings to be held in the capital cities of the participating jurisdictions of the National Electricity Market (NEM) on a rotating basis. The proposal seeks to amend this requirement in the NER, to allow the Panel greater discretion to determine the manner in which it conducts its public meetings.

The rule change request satisfies the content requirements set out in section 8 of the National Electricity (South Australia) Regulations, and section 94(1)(a) and 94(1)(b) of the NEL.

2.3 Rationale for the proposal

For each determination and review that the Panel carries out, the NER requires the Panel to 'hold a meeting open to all Registered Participants' in the capital cities of the NEM on a rotating basis. For a number of projects to date, where the subject matter may have not been complex or contentious, it has been common for the Panel to hold the meeting in Sydney at the AEMC office and/or by teleconference. The Panel considers this to be a reasonable and practical approach which has saved administration and venue costs, and so seeks to change the NER accordingly.

3 Details of the rule change request

3.1 The proposed changes to the NER

The rule change request seeks to amend clause 8.8.3 of the NER, specifically:

- clause 8.8.3(g), to remove the requirement for the meetings to be held in the capital cities on a rotating basis;
- clause 8.8.3(g), to clarify that the selection of the relevant capital city for a particular meeting will be determined by the Panel having regard to the location of interested parties in participating jurisdictions;
- clause 8.8.3(f), so that all interested parties will be permitted to attend the meetings held by the Panel, and not just Registered Participants; and
- clause 8.8.3(f), to clarify that meetings may be conducted in person or by enabling technology such as teleconferencing or videoconferencing.

The Panel has included a draft rule in its proposal, which has been published on the AEMC website.

3.2 Expected costs, benefits and impacts of the rule

The proposed rule if implemented, would reduce the potential financial costs faced by the Panel and stakeholders in organising and travelling to attend public meetings, and would allow more flexible work practices for the Panel and its stakeholders. The Panel does not consider that the proposed rule will impose any additional costs on stakeholders or the market.

The rule change would permit all stakeholders, not just Registered Participants to attend the Reliability Panel's public meetings. In practice, the Panel already invites all interested parties to attend its public meetings, but the rule change would clarify the right for all interested parties to have access to the meetings.

While the Panel already makes use of enabling technologies in its meetings, the proposed rule would clarify the Panel's discretion regarding whether to conduct meetings in person, by telephone or video conference. Providing the Panel with the means to use enabling technologies may encourage greater stakeholder participation, thereby resulting in more robust and informative discussion. Both teleconference and video conference facilities are readily available in the marketplace.

The proposed rule would require the Panel to take into consideration whether there is special interest or relevance of a matter in a particular jurisdiction, when deciding where to hold a public meeting.

In its proposal, the Panel noted that stakeholders have previously provided positive comments on the usefulness of teleconferences that have been held, and have not raised any concerns regarding the location of public meetings that have been organised to date.

3.3 Request for expedited process

The Panel has requested that the rule change request be subject to the expedited rule making process as provided for under section 96 of the NEL on the grounds that the rule change relates to a non-controversial rule. Section 87 of the NEL defines a 'non-controversial rule' as 'a rule that is unlikely to have a significant effect on the national electricity market'. The Panel considers that this rule change will not have a significant effect because there will be no practical changes to the operation of the market. Under an expedited process, the Commission has six weeks from the publication of the notice under section 95 of the NEL to publish a final rule determination. There is no draft rule determination published.

3.4 Overview of previous Reliability Panel public meetings

The following table outlines the reviews carried out by the Panel for the period July 2009 - April 2013, the date and location of the meeting proposed, the number of registered attendees and whether the meeting went ahead.

On two occasions where there were a very small number of registered attendees, the public meeting was cancelled and a teleconference was held in its place. On these occasions, a greater number of stakeholders participated in the teleconference than had registered to attend the public meeting. This suggests that it may be beneficial for the Panel to have a flexible approach to carrying out its public meetings, and can result in a greater number of participants and consequently more robust discussion than would otherwise be the case.

It is important to note that the Panel advertises each public meeting on the AEMC website and stakeholders are informed via email.

Table 3.1 Reliability Panel public meetings July 2009 - April 2013

Review	Planned/advertised public meeting	Number of initial registrations	Meeting went ahead as planned
Review of the reliability standard and settings	13 July 2009 (Sydney)	11	Yes.
Review of the reliability standard and settings	12 February 2010 (Melbourne)	30	Yes.
Consultation on the amended Reliability	6 May 2010 (Sydney)	2	No, registered attendees withdrew

Review	Planned/advertised public meeting	Number of initial registrations	Meeting went ahead as planned
and Emergency Reserve Trader (RERT) guidelines			their registration so meeting was cancelled.
Annual Market Performance Review 2010	18 November 2010 (Sydney)	0	No, meeting was cancelled due to lack of registered attendees.
Review of the RERT	2 September 2010 (Melbourne)	4	Yes.
Annual Market Performance Review 2011	1 February 2012 (Sydney)	4	No, registered attendees withdrew their registration so meeting was cancelled.
System Restart Standard	11 April 2012 (Sydney)	0	No.
Review of the template for generator compliance programs	16 May 2012 (Sydney)	3	No, meeting was cancelled due to small number of registered attendees. Teleconference was held instead where 11 stakeholders participated.
Review of the guidelines for identifying reviewable operating incidents	24 October 2012 (Sydney)	0	No, meeting was cancelled due to lack of registered attendees. Teleconference with 7 interested stakeholders was held.
Energy Adequacy Assessment Projection Review and Annual Market Performance Review 2012 (joint meeting).	13 February 2013 (Sydney)	18	Yes.

4 Assessment framework

The Commission's assessment of this rule change request must consider whether the proposed rule promotes the National Electricity Objective (NEO) as set out under section 7 of the NEL. The NEO states:

“The objective of this Law is to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to –

- (a) price, quality, safety, reliability and security of supply of electricity;
and
- (b) the reliability, safety and security of the national electricity system.”

In assessing the rule change proposal against the NEO, the Commission will consider the likely long term impacts and benefits of adopting the rule change request compared to the counterfactual of not making the proposed change to the NER. It will also consider whether the proposed rule will or is likely to contribute to the achievement of the NEO.

The Reliability Panel considers that the proposed rule would meet the NEO by promoting more efficient operation of electricity services for the long term interests of consumers with respect to the price of the supply of electricity, because the proposed rule may reduce the potential financial costs faced by the Panel and stakeholders in organising and travelling to public meetings.

5 Issues for consultation

Taking into consideration the assessment framework and potential requirements to implement the proposed rule change, we have identified a number of issues for consultation that appear to be relevant to this rule change request.

The questions outlined below are provided as guidance to address these issues. Stakeholders are encouraged to comment on these issues as well as any other aspect of the rule change request or this paper including the proposed framework.

Question 1 **Are there any objections to proceeding with the rule change through the expedited process?**

Question 2 **Are there any stakeholders who would be disadvantaged as a result of the proposed rule?**

Question 3 **Should the NER give the Panel the discretion to conduct its meetings as it sees fit?**

Question 4 **Are there any issues with this rule change that we have not considered?**

6 Lodging a submission

The Commission has published a notice under section 95 of the NEL for this rule change proposal inviting written submissions. Objections to the expedited process are to be received by 18 July 2013. Submissions to the content of the rule change proposal are to be received by 1 August 2013.

Where practicable, submissions should be prepared in accordance with the Commission's Guidelines for making written submissions on rule change proposals.¹ The Commission publishes all submissions on its website subject to a claim of confidentiality.

All enquiries on this project should be addressed to Sophie Cazabon on (02) 8296 7800.

6.1 Lodging a submission electronically

Electronic submissions must be lodged online via the Commission's website, www.aemc.gov.au, using the "lodge a submission" function and selecting the project reference code "ERC0157". The submission must be on letterhead (if submitted on behalf of an organisation), signed and dated.

Upon receipt of the electronic submission, the Commission will issue a confirmation email. If this confirmation email is not received within 3 business days, it is the responsibility of the person making the submission to ensure that it has been delivered successfully.

6.2 Lodging a submission by mail

The submission must be on letterhead (if submitted on behalf of an organisation), signed and dated. The submission should be sent by mail to:

Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

Or by Fax to (02) 8296 7899.

The envelope must be clearly marked with the project reference code: ERC0157.

Except in circumstances where the submission has been received electronically, upon receipt of the hardcopy submission the Commission will issue a confirmation letter.

If this confirmation letter is not received within 3 business days, it is the submitter's responsibility to ensure successful delivery of the submission has occurred.

¹ This guideline is available on the Commission's website.

Abbreviations

AEMC	Australian Energy Market Commission
Commission	See AEMC
NEL	National Electricity Law
NEM	National Electricity Market
NEO	National Electricity Objective
NER	National Electricity Rules
Panel	Reliability Panel
RERT	Reliability and Emergency Reserve Trader