



Australian Energy Market Commission

RULE DETERMINATION

National Electricity Amendment (Minor Changes) Rule 2009

Rule Proponent

Australian Energy Market Commission

26 March 2009

**RULE
CHANGE**

A handwritten signature in black ink, appearing to read "John Tamblin", is positioned above the printed name and title of the Chairman.

JOHN TAMBLYN
Chairman

For and on behalf of the Australian Energy Market Commission

Inquiries

The Australian Energy Market Commission
PO Box A2449
Sydney South NSW 1235

E: aemc@aemc.gov.au

T: (02) 8296 7800

F: (02) 8296 7899

Citation

AEMC 2009, *Minor Changes*, Final Rule Determination, 26 March 2009, Sydney

About the AEMC

The Council of Australian Governments, through its Ministerial Council on Energy, established the Australian Energy Market Commission (AEMC) in July 2005 to be the Rule maker for national energy markets. The AEMC is currently responsible for Rules and policy advice covering the National Electricity Market and elements of natural gas markets. It is a statutory authority. Our key responsibilities are to consider Rule change proposals, conduct energy market reviews and provide policy advice to the Ministerial Council as requested, or on AEMC initiative.

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Abbreviations

AEMC	Australian Energy Market Commission
Commission	see AEMC
NEL	National Electricity Law
NEO	national electricity objective
NEM	national electricity market
Rules	National Electricity Rules

Summary

In accordance with sections 102 and 103 of the National Electricity Law (NEL), the Australian Energy Market Commission (Commission) has determined to make this final Rule determination and the National Electricity Amendment (Minor Change) Rule 2009 (the “final Rule”).

The final Rule is scheduled to commence operation on 31 March 2009.

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1 The Rule proposal

On 19 February 2009, the Commission gave notice under sections 95 and 96 of the NEL of its intention to initiate:

- the proposed National Electricity Amendment (Minor Changes) Rule 2009 (the "Rule proposal ") under the expedited Rule making process, subject to any written objections to the expedited Rule making process; and
- public consultation on the Rule proposal.

The Commission expedited the Rule making process on the basis that it considers the Rule proposal is a non-controversial Rule as it is unlikely to have a significant effect on the national electricity market (NEM).

The Rule proposal was initiated by the Commission to correct minor errors in the Rules and to make non-material changes to the Rules in accordance with section 91(2) of the NEL.

The Rule proposal seeks to:

- correct several formatting and numbering anomalies in the Rules; and
- remove participant derogations which have expired under the Rules.

Interested parties were invited to make written objections to the expedited Rule making process by 6 March 2009 and submissions on the Rule proposal by 20 March 2009. No written objections or submissions were received.

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2 Final Rule Determination

2.1 Commission's Determination

In accordance with sections 102 and 103 of the NEL, the Commission has determined to make this final Rule determination and the final Rule.

The final Rule is scheduled to commence operation on 31 March 2009.

2.2 Commission's considerations

This final Rule determination sets out the Commission's reasons for making the final Rule. The Commission has taken into account:

1. the Commission's powers under the NEL to make the final Rule;
2. the Commission's Rule proposal;
3. any submissions received on the Rule proposal;
4. the Commission's analysis on the ways in which the final Rule will or is likely to contribute to the achievement of the national electricity objective (NEO); and
5. any relevant MCE statement of policy principles

2.2.1 The Commission's power to make the Rule

Under section 34(1)(b) of the NEL the Commission may make Rules for or with respect to any matter or thing contemplated by the NEL, or is necessary or expedient for the purposes of the NEL.

Under section 91(2) of the NEL, the Commission may make a Rule if:

- it considers the Rule corrects a minor error in the Rules; or
- it considers the Rule involves a non-material change to the Rules.

In accordance with the NEL, the Commission may make the final Rule as it seeks to:

- correct several formatting and numbering anomalies in the Rules, which the Commission considers are corrections to minor errors in the Rules; and
- remove participant derogations which have expired under the Rules, which the Commission considers involves non-material changes to the Rules.

2.2.2 Submissions received on the Rule proposal

There were no submissions on the Rule proposal.

2.2.3 Assessment of the Rule: the Rule making test and the national electricity objective

Under section 88 of the NEL, the Commission may only make a Rule if it is satisfied that the Rule will or is likely to contribute to the achievement of the NEO.

The Rule making test requires the Commission to consider whether the final Rule promotes 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.

2.2.4 The Commission’s assessment of the national electricity objective

The Commission is satisfied that the final Rule is likely to contribute to the achievement of the NEO for the following reasons:

- The Commission considers that the final Rule is warranted and does not anticipate any undue compliance costs resulting from the final Rule.
- The final Rule supports effective and transparent regulation and operation of the NEM, by clarifying the operation of the Rules in the following two ways:
 - it corrects several formatting and numbering anomalies in the Rules; and
 - it removes participant derogations which have expired under the Rules.
- These proposed minor and non controversial reforms will improve the clarity and accessibility of the Rules for stakeholders. This is important as the Rules inform stakeholders of their rights and obligations for participating in the NEM and stakeholders rely on these Rules in their commercial transactions and documentation. This will improve the regulatory certainty of the Rules’ operation, thereby contributing to the effective regulation and efficient operation of the NEM.

2.2.5 Any relevant MCE statement of policy principles

Under the NEL, the Commission must have regard to any relevant MCE statement of policy principles in making a Rule. The Commission notes that there is no relevant MCE statement of policy principles to which it must have regard to in relation to this final Rule.