



Australian Energy Market Commission

Rule Proposal

**Proposed National Electricity Amendment (Minor
Changes) Rule 2009**

Rule Initiated by:

Australian Energy Market Commission

19 February 2009

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

About the AEMC

The Council of Australian Governments, through its Ministerial Council on Energy, established the Australian Energy Market Commission (AEMC) in July 2005 as an independent statutory authority. Our key responsibilities are to consider Rule change proposals under the National Electricity Law and National Gas Law, conduct energy market reviews and provide policy advice to the Ministerial Council as requested, or on AEMC initiative.

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.

AEMC Initiated Amendment to the National Electricity Rules

1. Introduction

The Australian Energy Market Commission (Commission) is responsible for the rule-making functions conferred on it under legislation.

As part of its rule-making function, the Commission must review, amend and maintain the National Electricity Rules (Rules) in accordance with the National Electricity Law (NEL).

The purpose of this function, among other things, is to improve and enhance the quality of the Rules by ensuring that there is consistency in the format of the Rules and by removing sections which have expired under the Rules to condense the size of the Rules.

2. AEMC's power to initiate the making of a Rule

Under section 91(2) of the NEL,

“The AEMC must not make a Rule without a request under subsection (1) unless-

- (a) it considers the Rule corrects a minor error in the Rules; or
- (b) it considers the Rule involves a non-material change to the Rules; or
- (c) the Rule is in respect of any matter that is prescribed by the Regulations as a matter on which it may make a Rule on its own initiative.”

3. Rule proposal

This Rule proposal 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.

The proposed amendments are specified in the attached *Proposed National Electricity Amendment (Minor Changes) Rule 2009*.

4. Expedited Rule making process for Minor Changes Rule proposal

The Commission considers this Commission initiated Rule is a non-controversial Rule as it is unlikely to have a significant effect on the national electricity market (NEM). On this basis, the Commission proposes that this Rule proposal be consulted and determined under an expedited process with a four week consultation period.

5. Contribution to 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 national electricity objective (NEO).

The Commission considers that the Rule proposal is warranted and does not anticipate any undue compliance costs resulting from the Rule proposal. For the following reasons, the Commission considers the Rule proposal has the potential to contribute to the achievement of the NEO.

The Rule proposal 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.
- it removes participant derogations which have expired under the Rules.

These proposed minor and non controversial reforms will make the Rules more clear and accessible to 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. The Rule proposal will improve the regulatory certainty of the Rules' operation, thereby contributing to the effective regulation and efficient operation of the NEM.

6. Any relevant MCE statements of policy principles

Under section 33 of the NEL, the Commission must have regard to any relevant MCE statement of policy principles in making a Rule. There is no relevant MCE statement of policy principles relevant to this Rule proposal.

7. Submissions

The Commission invites parties to provide submissions on the Rule proposal by **20 March 2009**. Submission should be forwarded to submissions@aemc.gov.au.

Submissions should be submitted, where practicable, in accordance with the Commission's *Guidelines for making written submissions on Rule change proposals*. The Commission publishes all submissions on its website subject to a claim of confidentiality.

Any written objections to the expedited process must be received by **6 March 2009**.