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- **Improving administrative efficiency:** Improving the effectiveness and efficiency of administrative processes can reduce costs for participants and contribute to cost savings being passed on to customers.

### QUESTION 3: ASSESSMENT FRAMEWORK

- 3.1. Is the assessment framework appropriate for considering the rule change request?
- 3.2. Are there other relevant considerations that should be included in the assessment framework?

#### 2.3.3 Making a more preferable rule

Under section 91A of the NEL, the Commission may make a rule that is different (including materially different) to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule will or is likely to better contribute to the achievement of the NEO.

#### 2.3.4 Making a differential rule

Under the Northern Territory legislation adopting the NEL, the Commission may make a differential rule if, having regard to any relevant MCE statement of policy principles, a different rule will, or is likely to, better contribute to the achievement of the NEO than a uniform rule. A differential rule is a rule that:

- varies in its term as between:
  - the national electricity system, and
  - one or more, or all, of the local electricity systems, or
- does not have effect with respect to one or more of those systems

but is not a jurisdictional derogation, participant derogation or rule that has effect with respect to an adoptive jurisdiction for the purpose of s. 91(8) of the NEL.

As the proposed rule relates to parts of the NER that currently do not apply in the Northern Territory,<sup>25</sup> the Commission has not assessed the proposed rule against additional elements required by the Northern Territory legislation.<sup>26</sup>

<sup>25</sup> The Northern Territory is not an adoptive jurisdiction, nor does Chapter 6A apply in the Northern Territory.

<sup>26</sup> From 1 July 2016, the NER, as amended from time to time, apply in the Northern Territory, subject to derogations set out in regulations made under the Northern Territory legislation adopting the NEL. Under those regulations, only certain parts of the NER have been adopted in the Northern Territory. (See the AEMC website for the NER that applies in the Northern Territory.) National Electricity (Northern Territory) (National Uniform Legislation) Act 2015.

## 3 PROCESS FOR THIS RULE CHANGE

### 3.1 Treatment as a non-controversial rule

The proponent has requested that the rule change request be treated as a non-controversial rule in accordance with section 96 of the NEL. The proponent considers that the proposed amendments are of the nature of procedural clarifications, which are intended to resolve potential drafting ambiguities and/or to address unintended consequences as to the way in which the procedural aspects of the prudent discount process apply in Victoria.<sup>27</sup>

The Commission considers that the proposed rule meets the definition of a non-controversial rule under section 87 of the NEL, in that it is unlikely to have a significant effect on the national electricity market. The rule change request is narrow in scope and the proposed changes are largely of an administrative nature, intended to better facilitate the achievement of the original policy intent of the prudent discount regime.

Rule changes that are considered to be non-controversial may be processed under an expedited (faster) process under which there is only one round of consultation and the AEMC is required to publish its final rule determination within eight weeks of commencing the rule change process.<sup>28</sup>

The Commission has decided to use an expedited process to consider this rule change request provided that it does not receive any valid requests not to use the expedited process by 22 October 2020. To be valid, an objection should set out the reasons why the rule change request is likely to have a significant effect on the national electricity market.

### 3.2 Key dates

Given the tightly defined nature of the issue, and the background information provided in the rule change request, this consultation paper is brief. Nevertheless, submissions are invited in relation to the matters identified above, and any other relevant issue.

The key dates for stakeholders in this process are as follows:

- Commencement of this rule change process: 8 October 2020
- Objections to an expedited process to be received by: 22 October 2020
- Submissions to the proposal to be received by: 5 November 2020
- Final decision to be published under an expedited process by: 3 December 2020.

<sup>27</sup> Rule change request, p. 3.

<sup>28</sup> The AEMC has published a notice under sections 95 and 96 of the NEL to commence and assess this rule change request as a non-controversial rule.

## 4 LODGING A SUBMISSION

The Commission invites both:

- requests not to make a rule under the expedited process
- written submissions on this rule change request.

All enquiries on this project should be addressed to Orrie Johan at [orrie.johan@aemc.gov.au](mailto:orrie.johan@aemc.gov.au).

### 4.1 Lodging a request not to make a rule under an expedited process

Written requests not to make a rule under the expedited process in section 96 of the NEL must include reasons for the request, and must be lodged with the Commission by **22 October 2020**. Requests must be submitted online in accordance with the process specified below.

### 4.2 Lodging a submission to this rule change request

Written submissions on the rule change request must be lodged with Commission by **5 November 2020**. Submissions must be lodged online in accordance with the process specified below.

Where practicable, submissions should be prepared in accordance with the Commission's guidelines for making written submissions on rule change requests.<sup>29</sup> The Commission publishes all submissions on its website, subject to a claim of confidentiality.

### 4.3 Lodging online

Submissions, or requests not to make a rule under the expedited process, must be lodged online via the Commission's website, [www.aemc.gov.au](http://www.aemc.gov.au), using the "lodge a submission" function and selecting the project reference code ERC0317.

The request or submission must be on letterhead (if submitted on behalf of an organisation), signed and dated.

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<sup>29</sup> This guideline is available on the Commission's website [www.aemc.gov.au](http://www.aemc.gov.au).

## ABBREVIATIONS

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
APA	Alcoa Portland Aluminium Pty Ltd
Commission	See AEMC
DTSO	Declared transmission system operator
NEL	National Electricity Law
NEO	National electricity objective
NER	National Electricity Rules
TNSP	Transmission network service provider
TUOS charges	Transmission use of system charges