



National Electricity Amendment (Implementation of demand management incentive scheme) Rule 2018 No. 3

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 Electricity - National Scheme (Tasmania) Act 1999 of Tasmania;
- (e) the National Electricity (New South Wales) Act 1997 of New South Wales;
- (f) the National Electricity (Victoria) Act 2005 of Victoria;
- (g) the National Electricity (Northern Territory)(National Uniform Legislation) Act 2015; and
- (h) the Australian Energy Market Act 2004 of the Commonwealth.

The Australian Energy Market Commission makes the following Rule under the National Electricity Law.

John Pierce
Chairman
Australian Energy Market Commission

National Electricity Amendment (Implementation of demand management incentive scheme) Rule 2018 No. 3

1 Title of Rule

This Rule is the *National Electricity Amendment (Implementation of demand management incentive scheme) Rule 2018 No.3*.

2 Commencement

This Rule commences operation on 10 April 2018.

3 Savings and Transitional Amendments to the National Electricity Rules

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

Schedule 1 Savings and Transitional Amendments to the National Electricity Rules

(Clause 3)

[1] Chapter 11 New Part ZZZH

In Chapter 11, after Part ZZZG, insert:

Part ZZZH Implementation of demand management incentive scheme

11.106 Implementation of demand management incentive scheme

11.106.1 Definitions

In this rule 11.106:

Amending Rule means the National Electricity Amendment (Implementation of demand management incentive scheme) Rule 2018.

commencement date means the day on which the Amending Rule commences operation.

existing demand management incentive scheme means a scheme developed and published by the *AER* under clause 6.6.3 of the *Rules* prior to 1 December 2016.

current regulatory control period means, for a *Distribution Network Service Provider*, a *regulatory control period* that commenced before the commencement date and, as at the commencement date, has not ended.

revised demand management incentive scheme means the Demand Management Incentive Scheme developed and published by the *AER* under clause 6.6.3 of the *Rules* on 14 December 2017.

11.106.2 Purpose

The purpose of this rule 11.106 is to allow a *Distribution Network Service Provider* to apply to the *AER* for the application of the revised demand management incentive scheme during its current regulatory control period.

11.106.3 Early application of revised demand management incentive scheme

- (a) A *Distribution Network Service Provider* may seek application of the revised demand management incentive scheme notwithstanding that the current regulatory control period may have commenced before 14 December 2017.

Submission of proposal

- (b) If a *Distribution Network Service Provider* wishes the revised demand management incentive scheme to apply during the current regulatory control period, the *Distribution Network Service Provider* must submit a proposal to the *AER* setting out:
- (1) the proposed start date for the application of the revised demand management incentive scheme, which must not be earlier than the later of:
 - (i) 60 *business days* after the proposal is submitted; or
 - (ii) 24 months prior to the end of the current regulatory control period;
 - (2) a description of how the proposed early application of the revised demand management incentive scheme will assist the *Distribution Network Service Provider* in undertaking efficient expenditure on relevant *non-network options* relating to demand management; and
 - (3) such other information that the *Distribution Network Service Provider* considers relevant to its application for early application of the revised demand management incentive scheme.

Publication and consultation on proposal

- (c) The *AER* must as soon as practicable, *publish*:
- (1) a proposal submitted under paragraph (b); and
 - (2) an invitation for written submissions from any person on the proposal within a period specified by the *AER*, being a period not less than 20 *business days* from the date of publication of the invitation for submissions.
- (d) Any person may make a written submission to the *AER* on the proposal, within the period specified in the invitation referred to in paragraph (c)(2).

Making of final decision

- (e) The *AER* must make a final decision on whether and how to apply the revised demand management incentive scheme to a *Distribution Network Service Provider* during its current regulatory control period.
- (f) The *AER*'s final decision must:
- (1) include a decision on the start date;

- (2) set out reasons for the decision; and
- (3) set out any amendments to the revised demand management incentive scheme necessary to give effect to the application of the revised demand management incentive scheme under paragraph (i).
- (g) The *AER* may make a decision on a start date which is different to the proposed start date, provided that the start date is not earlier than 24 months prior to the end of the current regulatory control period.
- (h) In making its final decision, the *AER* must consider the proposal submitted under paragraph (b) and any written submissions made on the proposal, and must have regard to the factors in clause 6.6.3(c).
- (i) If the *AER* makes a final decision that the revised demand management incentive scheme will apply then it will apply to the relevant *Distribution Network Service Provider* from the start date set out in the final decision, notwithstanding anything to the contrary in the revised demand management incentive scheme.
- (j) The revised demand management incentive scheme, as applicable to the *Distribution Network Service Provider*, is taken to be amended in accordance with the *AER*'s final decision under paragraph (f)(3).

Notice of final decision

- (k) The *AER* must, at least one *business day* before the start date determined under paragraph (f) *publish*:
 - (1) notice of the making of the final decision; and
 - (2) the final decision, including its reasons.

Application of existing scheme

- (l) Nothing in this Part ZZZH affects the application of an existing demand management incentive scheme to a *Distribution Network Service Provider* in respect of the current regulatory control period.

[END OF RULE AS MADE]
