



## Final determination to simplify NER definitions

**The Australian Energy Market Commission (AEMC) has made a more preferable final rule that amends the National Electricity Rules (NER), simplifying some NER definitions to improve the clarity, transparency, and certainty of the NER.**

### The AEMC's final rule determination

The final rule, which comes into effect on 22 February 2021, amends some NER definitions that were redundant, had errors or inconsistencies, could be consolidated, or differed from the definition in the National Electricity Law (NEL). The key features of the final rule include the following:

- 17 unused terms, nine rarely used terms, five terms with common meaning and two terms defined globally and locally were deleted from the NER.
- Five terms with errors and six terms with inconsistent use were amended
- Inconsistencies in the placement, font and inclusion of terms in Chapter 10 were addressed
- 12 terms with multiple grammatical forms were consolidated under a single term
- 13 full terms were replaced with an acronym wherever possible
- 10 definitions in the NER were replaced with a reference to the NEL definition.

The AEMC has determined to only include non-controversial changes under this rule change, with any changes which were complex or could have unintended consequences excluded from the final rule. After a rigorous review of all proposed changes, five terms which the AEMC considered may not be non-controversial were omitted from the final rule.

### Background

On 17 September 2020, the AEMC initiated two rule change requests from the Australian Energy Market Operator (AEMO) and Dr Kerry Schott AO, Chair of the Energy Security Board, aiming to simplify some defined terms in the NER. The two rule changes were consolidated under the expedited *Simplification of NER definitions* rule change. Both rule change requests stem from recommendations in the Finkel review.

### Rule change request from AEMO

On 3 July 2020, the AEMC received a rule change request from AEMO proposing amendments to particular definitions of the NER that could be amended, consolidated, or otherwise removed with little material impact.

### Rule change request from Dr Kerry Schott AO

On 14 August 2020, Dr Kerry Schott AO submitted a rule change request proposing definitions in the NER which were found to be inconsistent with the NEL, are amended to reference the definition in the NEL.

### Consultation process

On 17 September 2020, the AEMC published a consultation paper and commenced the expedited rule change. The AEMC received three submissions in response to the consultation paper.

On 5 November 2020, the AEMC extended the time for making a final rule determination for the *Simplification of NER definitions* by two weeks due to the complexity of drafting and to allow for rigorous review of the final rule.

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