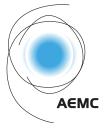
AUSTRALIAN ENERGY MARKET COMMISSION



# **Rule determination**

National Electricity Amendment (Removing the requirement to publish transmission information guidelines) Rule 2025

Australian Energy Regulator

27 March 2025

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## About the AEMC

The AEMC reports to the energy ministers. We have two functions. We make and amend the national electricity, gas and energy retail rules and conduct independent reviews for the energy ministers.

## Acknowledgement of Country

The AEMC acknowledges and shows respect for the traditional custodians of the many different lands across Australia on which we all live and work. We pay respect to all Elders past and present and the continuing connection of Aboriginal and Torres Strait Islander peoples to Country. The AEMC office is located on the land traditionally owned by the Gadigal people of the Eora nation.

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# Summary

- 1 The Australian Energy Market Commission (AEMC or Commission) has made a final rule to remove rule 6A.17 from the National Electricity Rules (NER), and hence remove the obligations on the AER to publish transmission information guidelines (Information Guidelines) and on electricity transmission network service providers (TNSPs) to report against the Information Guidelines, as set out in that rule. This means that from **27 March 2025**, the Information Guidelines and all obligations relating to the Information Guidelines are no longer in force.
- 2 The Information Guidelines set out the manner and form in which TNSPs must provide specific financial, operating, compliance and performance information to the AER.<sup>1</sup>
- 3 This final rule is made in response to a rule change request submitted by the Australian Energy Regulator (AER). The rule change request said that the information required by the AER has been incorporated into the Annual Information Orders for transmission networks (the Orders) that superseded the information requirements in the Information Guidelines. <sup>2</sup> As such the AER considered that the Information Guidelines are redundant and imposed an unnecessary burden on both TNSPs and the AER.<sup>3</sup> The request sought to amend the NER to remove rule 6A.17, thereby removing the obligations on the AER to publish the Information Guidelines, and TNSPs to report against them.
- 4 The Commission has made a final rule to remove the requirements relating to the Information Guidelines. This is done by deleting rule 6A.17 of the NER, and making consequential amendments to the NER consistent with the changes proposed by the AER.
- 5 The final rule removes the duplicate reporting obligations that would have otherwise arose as a result of TNSPs having to produce the same information under the Information Guidelines and the Orders.
- 6 The Orders published on 5 April 2024, will apply to transmission networks for four consecutive years (reporting periods), commencing from the TNSP's 2024-25 regulatory year. <sup>4</sup>

## The final rule promotes efficiency and consistency

- 7 In making the final rule, the AEMC considers that removing the requirements relating to the Information Guidelines will result in a more efficient process.
- 8 This is because from 27 March 2025:
  - TNSPs will not need to provide the same information to the AER under both the Orders and the Information Guidelines.
  - The AER will not need to publish and maintain the Information Guidelines.
- 9 The final rule removes duplication and reduces unnecessary costs and complexity that otherwise would have occurred if both the Information Guidelines and the Orders operated concurrently. This is because the AER would otherwise be required to publish and maintain the Information Guidelines to stay compliant with the NER, and TNSPs would be required to produce information to the AER under the Information Guidelines to stay compliant with their reporting obligations, in addition to complying with the Orders.

 $<sup>1 \</sup>qquad {\sf NER, \ clauses \ 6A.17.1(b) \ and \ (d); \ clauses \ 6A.17.2(d) \ and \ (e).}$ 

<sup>2</sup> RCR, page 5.

<sup>3</sup> RCR, page 5.

<sup>4</sup> AER's Annual Information Order - Electricity TNSPs, April 2024, section 1.5.

## The Commission expedited this rule change request

- 10 The rule change request was expedited on the basis that it is non-controversial and unlikely to have a significant effect on the National Electricity Market (NEM), because: <sup>5</sup>
  - the scope of the rule change related to information gathering, which is adequately provided for under the Orders
  - the rule change removed duplication
  - it does not appear to have a material impact on the way that the market or electricity system operate.
- 11 Objections to the expedited rule change process were due by 13 February 2025. The Commission received two objections.
- 12 The first objection was from Rainforest Reserves Australia. It considered the rule change was 'a significant threat to transparency, market integrity and consumer trust'.<sup>6</sup> This is because Rainforest Reserves Australia considered the rule change as a transition to an 'on-request' model for transmission information, because it believed that, in future, certain transmission information would only be provided to stakeholders on request.<sup>7</sup>
- 13 The second objection was from a private individual, Lynette LaBlack. Ms LaBlack considered that the rule change was controversial, as it is 'most likely to significantly increase prices for electricity consumers and diminish all other aspects of the objectives of the National Electricity Law (NEL).<sup>8</sup>
- 14 Both objections are published on the project page on the AEMC website.<sup>9</sup>
- 15 In the Commission's opinion the reasons given in both objections were misconceived or lacking in substance, which is the relevant test under the NEL. Accordingly, the Commission has made a decision to that effect and continued with the expedited rule change process and did not switch to the standard rule making process.<sup>10</sup>
- 16 The Commission explained the decision and reasoning in the letters provided in response to each objection. Both of these letters are published on the project page for this rule change on the AEMC website.<sup>11</sup>
- 17 Submissions to the rule change were due on 27 February 2025. The Commission received no further submissions.
- 18 The final rule will commence on 27 March 2025.

# We assessed our final rule against two assessment criteria using regulatory impact analysis

19 The Commission considered the National Electricity Objective (NEO)<sup>12</sup> and the issues raised in the rule change request.<sup>13</sup> It assessed the final rule against two assessment criteria outlined below. No changes were made to the assessment criteria, as the Commission received no submissions

<sup>5</sup> Section 87 of the NEL.

<sup>6</sup> Rainforest Reserves Australia objection, page 6.

<sup>7</sup> Rainforest Reserves Australia objection, page 1 and 2.

<sup>8</sup> Lynette LaBlack objection, page 1.

<sup>9</sup> Available at [https://www.aemc.gov.au/rule-changes/removing-requirement-publish-transmission-information-guidelines].

<sup>10</sup> Section 96(4)(a) of the NEL.

<sup>11</sup> Available at [https://www.aemc.gov.au/rule-changes/removing-requirement-publish-transmission-information-guidelines].

<sup>12</sup> Section 7 of the NEL.

<sup>13</sup> RCR, page 1.

from stakeholders that responded to the assessment criteria.

- 20 We undertook a regulatory impact assessment in relation to these criteria.
- 21 The final rule will contribute to achieving the NEO by:
  - Enabling efficiency within implementation considerations: The final rule will reduce cost and complexity for participants and facilitate compliance with the NER. This benefit outweighs that of the duplicate arrangements.
  - Achieving principles of good regulatory practice: The final rule has simplified reporting obligations for TNSPs and the AER. It also reduces complexity by reducing information gathering and storage. These benefits outweigh that of the duplicate arrangements.

# Contents

<b>1</b> 1.1 1.2 1.3 1.4	The Commission has made a final determination Our final rule will remove duplication The final rule provides the AER discretion to obtain information from TNSPs The final rule does not change the accessibility of transmission information There is no evidence to support the assertion that the rule change will increase prices			
1.5	Our determination will support the earlier reviews conducted by the AER into the transmission information requirements			
<mark>2</mark> 2.1 2.2 2.3	The rule will contribute to the energy objectives The Commission must act in the long-term interests of energy consumers We have considered how the rule will apply in the Northern Territory How we have applied the legal framework to our decision			
<mark>3</mark> 3.1 3.2	How our rule will operate The final rule removes the requirements that relate to the Information Guidelines from the NER The final rule makes consequential amendments to the NER to completely remove references to	<mark>8</mark> 8		
	the Information Guidelines	9		
3.3	The final rule means that the requirements that relate to the Information Guidelines will no longer exist from 27 March 2025	10		
Appe	endices			
Α	<b>3 1 1 1</b>	11		
A.1 A.2	The AER proposed a rule to remove the Information Guidelines The proposal sought to address potential inefficiencies	11 12		
A.3	The process to date	12		
B		13		
B.1	Our regulatory impact analysis methodology	13		
С	Legal requirements to make a rule	15		
C.1	Final rule determination and final rule	15		
C.2 C.3	Power to make the rule Commission's considerations	15 15		
C.4	Making electricity rules in the Northern Territory	15		
C.5	Civil penalty provisions and conduct provisions	16		
Abbr	eviations and defined terms	17		
Table	es			

Table B.1:Regulatory impact analysis methodology14

# **1** The Commission has made a final determination

This final determination is to make a final rule in response to a rule change request submitted by the Australian Energy Regulator (AER). It amends the National Electricity Rules (NER) to remove the requirement on the AER to publish the Electricity Transmission Information Guidelines (the Information Guidelines) and for electricity transmission network service providers (TNSPs) to report against them.

The final rule will address the issue identified by the AER in their rule change request. That is, that the requirement for the AER to publish the Information Guidelines would have resulted in a duplicate information reporting burden.<sup>14</sup> TNSPs and regulated interconnectors would have been required to provide the same information to the AER under both the Information Guidelines and the new Annual Information Orders (the Orders).<sup>15</sup>

The final rule will come into effect before the duplicate information reporting burden will start to impact TNSPs. AusNet Services is required to start preparing its annual information submissions for the regulatory period commencing 1 April 2024 and ending 31 March 2025. In the rule change request, the AER noted that if the rule change takes effect on or by 31 March 2025, the duplicate reporting obligations will not impact AusNet Services.<sup>16</sup>

## 1.1 Our final rule will remove duplication

The final rule removes the requirements that relate to the Information Guidelines by deleting rule 6A.17 of the NER, and making consequential amendments to other provisions in the NER that referred to the Information Guidelines. It has the effect of removing a duplicate information burden on both the AER and TNSPs. This is because the Information Guidelines are no longer necessary, as the AER uses the Orders to obtain the information it requires.

The final rule is consistent with the proposal put forward by the AER in their rule change request.<sup>17</sup> There have been no changes to the policy position as a result of the consultation process. This is because the removal of duplicate reporting obligations reduces costs and complexity, which is in the long term interests of consumers. Issues raised in the two submissions that included objections to using an expedited process, did not undermine the benefits achieved for the reasons set out below. No changes were therefore made to the final rule based on stakeholder feedback.

If the final rule was not made, duplication would have occurred from 1 April 2025:

 TNSPs would have faced inefficiencies in the way that they share information with the AER, having to provide the same information under the Information Guidelines in addition to the Orders. It would have created potential ambiguities and confusion as a result of a regulatory framework that duplicated information requirements.<sup>18</sup> TNSPs would also have faced additional costs relating to the duplication of data compilation and assurance requirements. This would have been an increased regulatory burden.<sup>19</sup>

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<sup>14</sup> RCR, page 1.

<sup>15</sup> RCR, page 1. As the AER has done, we use transmission network service provider throughout this paper to include regulated interconnectors. The Information Guidelines apply to both transmission network service providers and regulated interconnectors. Similarly, the AER has issued Annual Information Orders to both transmission network service providers and regulated interconnectors; AER Annual Information Orders, available at [https://www.aer.gov.au/documents/aer-decision-annual-information-orders-electricity-5-april-2024].

<sup>16</sup> RCR, page 7. Other transmission networks report on a financial year ending 30 June basis. As such, the duplicate reporting obligation would not impact the remaining 6 transmission networks until 1 July 2025.

<sup>17</sup> RCR, page 1.

<sup>18</sup> RCR, page 6.

<sup>19</sup> RCR, page 5.

 The AER would have sought the same information from TNSPs under multiple reporting frameworks. This would have caused inefficiencies for the AER, having to publish the Information Guidelines, as well as using the Orders. <sup>20</sup> It would have the risk of expending additional time and costs in collecting and reconciling data it receives from TNSPs under both the Information Guidelines and the Orders.

More information about the final rule is provided in chapter 3.

# 1.2 The final rule provides the AER discretion to obtain information from TNSPs

The final rule provides the AER discretion, as to what information it wants to obtain from TNSPs, in accordance with section 28F of the National Electricity Law (NEL). This is because the AER is using its powers to collect information under the NEL provisions relating to regulatory information instruments.<sup>21</sup> It can use its discretion to seek information that it considers reasonably necessary for the performance or exercise of its functions or powers.<sup>22</sup>

Rainforest Reserves Australia's objection submitted that information should be accessible.<sup>23</sup> It raised questions about who can request information, whether certain stakeholders would be disadvantaged, and whether key market players exert disproportionate influence over information dissemination.<sup>24</sup> Rainforest Reserves Australia considered this as a shift in proactive information sharing to a reactive and potentially inefficient process.<sup>25</sup>

The Commission was of the opinion that this issue misconstrued the way that rule 6A.17 of the NER operated. It was not a mechanism for providing information to stakeholders but rather a mechanism for the AER to obtain information for the AER's purposes. There was also no suggestion in the rule change request that any party in addition to the AER would request information.<sup>26</sup> The AER is best placed to use its discretion to determine the information it needs from TNSPs. By using its discretion, the AER has scope to efficiently request information it needs from TNSPs, for the AER's purposes. This reduces the risk of the AER collecting information that may not be needed, and TNSPs incurring unnecessary costs in providing redundant information to the AER.

Under rule 6A.17 of the NER, there was no obligation on the AER to publish information gathered under the Information Guidelines, so there is no material change to the AER's information disclosure. Under clause 6A.17.2(a) of the NER, the AER must publish the Information Guidelines. However, under section 28I(1) of the NEL, the Orders must also be published on the AER's website. This means that a similar level of transparency is maintained.

Although the AER has discretion as to what information it obtains from TNSPs under section 28F of the NEL, the AER's process for developing the Orders included an assessment of all existing information requirements, removal of redundant reporting requirements, and integration of new information requirements.<sup>27</sup> This means that the Orders allow the AER to efficiently obtain information from TNSPs.

<sup>20</sup> RCR, page 5.

<sup>21</sup> NEL, Division 3, subdivision 4 - compliance with regulatory information instruments.

<sup>22</sup> NEL, section 28F.

<sup>23</sup> Rainforest Reserves Australia objection, page 3, section 3.3.

<sup>24</sup> Rainforest Reserves Australia objection, page 4, section 3.4.

<sup>25</sup> Rainforest Reserves Australia objection, page 2, section 2.

<sup>26</sup> RCR, page 13.

<sup>27</sup> RCR, page 5.

Rule 6A.17 of the NER provided the AER with some discretion over what information it may require from TNSPs,<sup>28</sup> so the difference in discretion between information collected using the Information Guidelines and information that will be collected using the Orders is not significant for the AER or the market.

There will be no new discretion provided to a TNSP in responding to regulatory information notices (RINs) or the Orders from the AER. TNSPs must comply with whatever RINs or Orders the AER issues under the NEL.<sup>29</sup>

Clause 6A.17.2(e) of the NER also limited the content of annual statements required by the Information Guidelines to specific information relevant to the AER's monitoring, reporting, enforcement and revenue functions. The deletion of rule 6A.17 of the NER does not affect the AER's ability to obtain the information it requires in order to undertake these functions.

# 1.3 The final rule does not change the accessibility of transmission information

Rainforest Reserves Australia considered that transparency in regulatory frameworks has ensured all stakeholders have equal access to essential market data, as transparency is a principle of good governance.<sup>30</sup> It noted that regulatory opacity can erode public trust and facilitate corruption.<sup>31</sup> It considered that a transition to an 'on-request' model meant increased administrative burdens for stakeholders,<sup>32</sup> that disproportionately causes harm to smaller entities that lack the resources or bureaucratic knowledge to navigate complex regulatory channels and limits public access to transmission data.<sup>33</sup> Overall, Rainforest Reserves Australia considered that this change would reduce public participation in energy policy discussions.<sup>34</sup>

The Commission considers that the final rule will not create a new discretion for the collection and publication of transmission information. This is because rule 6A.17 of the NER previously required TNSPs to submit information to the AER. There was no obligation in rule 6A.17 of the NER for the AER to publish this information.<sup>35</sup> The final rule makes no change to the AER's ability to publish transmission information.

# 1.4 There is no evidence to support the assertion that the rule change will increase prices

Ms LaBlack considered that the rule change would increase electricity prices, and that it is inconsistent with the National Electricity Objective (NEO).<sup>36</sup>

The Commission considered there was no nexus drawn or apparent between the assertions in the objection and the rule change request.

The AER also considered in their rule change request that the administrative nature of the rule change means that it is unlikely to impact consumers, albeit that it will contribute to the long-term

<sup>28</sup> Clauses 6A.17.1(c) and 6A.17.2(e) of the NER.

<sup>29</sup> Noting that section 28N and 28O of the NEL are civil penalty provisions.

<sup>30</sup> Rainforest Reserves Australia objection, page 2, section 3.1.

<sup>31</sup> Rainforest Reserves Australia objection, page 4, section 3.5.

<sup>32</sup> Rainforest Reserves Australia objection, page 3, section 3.2.

<sup>33</sup> Rainforest Reserves Australia objection, page 3, section 3.2.

<sup>34</sup> Rainforest Reserves Australia objection, page 3, section 3.2.

<sup>35</sup> AEMC letter to Rainforest Reserves Australia, page 2.

<sup>36</sup> Lynnette LaBlack submission, 13 February 2025.

interests of consumers through downward price pressures in a very small way.<sup>37</sup> Energy Consumers Australia (ECA) had previously described the removal of the requirements that relate to the Information Guidelines as 'unlikely to impact consumers', although it did not support nor oppose it.<sup>38</sup>

# 1.5 Our determination will support the earlier reviews conducted by the AER into the transmission information requirements

This final rule aligns with a finding of the AER's earlier review into the transmission information requirements.<sup>39</sup>

In March 2022, the AER initiated a review of their consolidated information requirements. The intention of this review was to ensure the information the AER collected from and about regulated electricity transmission and distribution networks was robust, accessible and fit for purpose into the future.<sup>40</sup>

The key outputs from this review were the Orders, which set out the AER's information requirements, a clear process and timing for future updates to information requirements. The Orders, published on 5 April 2024, impose annual reporting obligations on the regulated network businesses and were issued using the AER's information gathering powers under the NEL.<sup>41</sup>

The AER previously found that the information they require from TNSPs had been incorporated into the Orders and superseded the information requirements in the Information Guidelines.<sup>42</sup>

In developing the Orders, the AER said that it consulted with stakeholders about whether the Information Guidelines should be retained in their current form, or for any other purpose.<sup>43</sup> In the rule change request, the AER said that TNSPs supported the proposal to remove the requirements that relate to the Information Guidelines.<sup>44</sup> ECA described the proposed removal of the requirements that relate to the Information Guidelines as 'unlikely to impact consumers', although it did not support nor oppose it.<sup>45</sup>

<sup>37</sup> RCR, page 12.

<sup>38</sup> RCR, page 7 and 11.

<sup>39</sup> RCR, page 3.

<sup>40</sup> RCR, page 3; AER - Network Information Requirements Review - Discussion paper - 23 March 2022, available at [https://www.aer.gov.au/industry/registers/resources/reviews/networks-information-requirements-review/initiation].

<sup>41</sup> RCR, page 4; AER Decision - Annual Information Orders - Electricity - 5 April 2024, available at [https://www.aer.gov.au/industry/registers/resources/reviews/networks-information-requirements-review/final-decision].

<sup>42</sup> RCR, page 5.

<sup>43</sup> RCR, page 9.

<sup>44</sup> RCR, page 9: See Energy Networks Australia, Response to AER – Network Information Requirements Review –Discussion paper, 6 May 2022;TasNetworks, Submission to AER re Network Information Requirements Review, 6 May 2022; AusNet Services, Response to Network Information Requirements Review, 6 May 2022; and Powerlink, Submission to AER Network Information Requirements Review Discussion Paper, 11 May 2022.

<sup>45</sup> RCR, page 7 and 11.

# 2 The rule will contribute to the energy objectives

# 2.1 The Commission must act in the long-term interests of energy consumers

The Commission can only make a rule if it is satisfied that the rule will or is likely to contribute to the achievement of the relevant energy objectives.<sup>46</sup>

For this rule change, the relevant energy objective is the NEO:

The NEO is:47

to promote 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; and
- (c) the achievement of targets set by a participating jurisdiction-
  - (i) for reducing Australia's greenhouse gas emissions; or

(ii) that are likely to contribute to reducing Australia's greenhouse gas emissions.

The targets statement, available on the AEMC website, lists the emissions reduction targets to be considered, as a minimum, in having regard to the NEO.<sup>48</sup>

### 2.2 We have considered how the rule will apply in the Northern Territory

In developing the final rule, the Commission has considered how it should apply to the Northern Territory. The Commission has determined that a uniform rule should apply to the Northern Territory, but notes that the final rule will have no substantive effect in the Northern Territory, given that the final rule relates to parts of the NER that do not apply in the Northern Territory

The changes made by the final rule relate to the Information Guidelines referred to in Rule 6A.17 of the NER, which has no effect in the Northern Territory. Relevantly, Chapter 6A (Economic Regulation of Transmission Services) and Chapter 11 Part E of the NER have no effect in the Northern Territory.

See Appendix C for more detail on the legal requirements for our decision.

### 2.3 How we have applied the legal framework to our decision

The Commission must consider how to address potential inefficiencies that would otherwise occur from the duplicate information requirements under the Information Guidelines and the Orders, against the legal framework.

We identified the following criteria to assess whether the proposed rule change or no change to the rules (business-as-usual), or other viable, rule-based options are likely to better contribute to achieving the NEO:

<sup>46</sup> Section 88(1) of the NEL.

<sup>47</sup> Section 7 of the NEL.

<sup>48</sup> Section 32A(5) of the NEL.

- Implementation considerations cost and complexity: We selected this criterion because cost and complexity is fundamental to the final rule. It avoids potential additional costs and complexities by minimising the resources TNSPs use to respond to information obligations, where the same information is already provided to the AER under a different regulatory information instrument. It also reduces cost and complexity for the AER, having to maintain the Information Guidelines and reconcile data under the Information Guidelines and the Orders.
- Principles of good regulatory practice simplicity and transparency: The final rule simplifies
  reporting obligations and reduces complexity for TNSPs and the AER by reducing duplicate
  information gathering. It promotes simplicity and transparency in the information sharing
  between TNSPs and the AER. This leads to a reduced risk of ambiguity in the way that
  regulatory information instruments operate. This outweighs the benefits of maintaining
  duplicate arrangements.

These assessment criteria reflect the key potential impacts – costs and benefits – of the rule change request, for impacts within the scope of the NEO. Our reasons for choosing these criteria are set out in chapter 4 of the consultation paper.

The Commission has undertaken regulatory impact analysis to evaluate the impacts of the various policy options against the assessment criteria. Appendix B outlines the methodology of the regulatory impact analysis.

The rest of this section explains why the final rule best promotes the long-term interests of consumers when compared to other options and assessed against the criteria.

#### 2.3.1 The final rule reduces cost and complexity in the implementation considerations

The final rule seeks to avoid potential additional costs and complexities by minimising the resources TNSPs use to respond to information obligations, where the same information is already provided to the AER under a different regulatory information instrument.

As the final rule removes the duplicate reporting obligations on TNSPs, it will result in TNSPs:

- not having to prepare information under two different reporting frameworks, thereby minimising the resources TNSPs use to respond to information obligations. This can also allow them to implement a single submission process and single reporting date for information they provide to the AER.
- being reassured that they do not need to provide information under both the Information Guidelines and the Orders.

It also reduces the costs and complexities to the AER, that would otherwise be incurred in maintaining the Information Guidelines (in addition to the Orders), and reconciling information it would receive under both instruments.

The Commission considers that the final rule will reduce the cost and complexity that would otherwise arise if both the Information Guidelines and the Orders were to remain in place from 1 April 2025.

#### 2.3.2 Principles of good regulatory practice - simplicity and transparency

The final rule is consistent with good regulatory practice as it promotes simplicity and transparency in the way that information is provided by TNSPs to the AER, and in the way that the AER collects and reviews the information.

If the Information Guidelines were not removed, from 1 April 2025, TNSPs would be at risk of needing to provide duplicate information to the AER.<sup>49</sup> This would be a problem as it would create a regulatory burden. As the data structures or reporting tools, or the detailed dis-aggregation of data would differ under both the Information Guidelines and the Orders, it would duplicate effort in data compilation and submission.

The final rule has addressed this potential problem, as it streamlines data collection and improves data consistency and administrative simplicity through a single reporting framework.<sup>50</sup>

The Commission considers that good regulatory practice is achieved by the final rule, because it removes the potential inefficiencies. The final rule ensures that TNSPs do not have duplicate obligations to provide the same information under both the Information Guidelines and the Orders, which has the effect of reducing potential ambiguities and confusion as a result of a regulatory framework that duplicates information requirements.<sup>51</sup>

<sup>49</sup> RCR, page 5.

<sup>50</sup> RCR, page 13.

<sup>51</sup> RCR, page 6.

# 3 How our rule will operate

# 3.1 The final rule removes the requirements that relate to the Information Guidelines from the NER

#### Box 1: The final rule deletes Rule 6A.17 of the NER

Our final determination is to remove the obligations that require the AER to publish the Information Guidelines and TNSPs to produce information to the AER under the Information Guidelines.

The final rule has deleted rule 6A.17 of the NER, that previously set out the requirements on the AER to publish the Information Guidelines and on TNSPs to provide information to the AER. The final rule was made because the Orders are used by the AER to collect information that was previously collected under the Information Guidelines. The effect of this final rule is to remove the requirements relating to the Information Guidelines and the provisions related to them.

The AER will use its discretion as to what information it wants to obtain from TNSPs, in accordance with section 28F of the NEL.<sup>52</sup> This is because the AER is using its powers to collect information under the NEL provisions relating to regulatory information instruments.<sup>53</sup>

The Orders allow the AER to collect the same type of information from TNSPs, as it would have under clause 6A.17 of the NER. This is because section 3 of the Orders requires TNSPs to prepare and provide the AER with information required in data workbooks, being: <sup>54</sup>

- 02 operational outputs
- 03 network metrics
- 05 service performance
- 06 operating expenditure
- 07 capital expenditure
- 08 asset base values
- 09 revenue and financial statements.

Similar to the Information Guidelines, section 4 of the Orders requires TNSPs to provide additional supporting information to the AER, including TNSPs information about:<sup>55</sup>

- policies and procedures (regulatory accounting, capitalisation, cost allocation) noting any changes in the reporting period.
- regulatory adjustments
- discretionary row descriptors
- allocation of revenues and expenditures to service segments
- material differences (between target and actual performance, forecast and actual operating and capital expenditure) and reasons.
- service performances information
- third party benefit transactions

<sup>52</sup> This final rule has no impact on s28F of the NEL and the AER will retain its powers under s28F of the NEL to request information and make orders.

<sup>53</sup> NEL, Division 3, subdivision 4 - compliance with regulatory information instruments.

<sup>54</sup> AER Annual Information Orders - Electricity TNSPs, section 3.1.1.

<sup>55</sup> AER Annual Information Orders - Electricity TNSPs, section 4.

- · demand management innovation allowance mechanism
- tax standard asset lives, tax reporting
- regulatory investment text expenditure
- related party information
- compliance
- reconciliation of expenditure
- benchmarking asset base
- taxable income adjustments
- interest expenses
- large projects.

# 3.2 The final rule makes consequential amendments to the NER to completely remove references to the Information Guidelines

#### 3.2.1 The final rule deletes the definition of Information Guidelines

#### Box 2: The final rule deletes the definition of Information Guidelines from the NER

Our final determination is to delete the definition of Information Guidelines, so that the Information Guidelines no longer exist in the NER.

The final rule deletes the definition of Information Guidelines in the NER. The deletion of rule 6A.17 of the NER made the definition of Information Guidelines redundant.

The definition explained that Information Guidelines have the purpose of guiding TNSPs in the submission of certified annual statements and other related information, in accordance with clause 6A.17.2.

If the definition of Information Guidelines had otherwise remained in the glossary, it would have been a source of confusion, rendering the glossary inconsistent with the NER.

# 3.2.2 The final rule makes other consequential changes to the NER to completely remove all references to the Information Guidelines

#### Box 3: The final rule deletes additional references to the Information Guidelines in the NER

Our final determination is to delete consequential references to the Information Guidelines throughout the NER as this ensures the NER is consistent with the deletion of the Information Guidelines.

Deletions of clauses that referred to the Information Guidelines were needed so that the Information Guidelines were consistently removed from the NER. Without these deletions, there would have been a lack of consistency in the NER, because the Information Guidelines would not have been completely removed.

For completeness, the final rule has deleted references to the Information Guidelines in these clauses:

• 6A.2.3(a): The list of guidelines no longer contains a reference to the Information Guidelines.

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- 6A.26.2(c): This clause has been removed because there are no longer relevant requirements in the Information Guidelines about prudent discount amounts. This is because the Information Guidelines under clause 6A.17.2 of the NER no longer exist (as this clause has been deleted).
- 11.6.22(b): This clause has been deleted because the Information Guidelines no longer exist and therefore will not be able to contain requirements relevant to interim arrangements for pricing-related information.
- 11.175.2(a)(2): This clause has been deleted because the transitional rule consequential to the 'Providing Flexibility in the Allocation of Interconnector Costs' final rule no longer needs to compel the AER to review (and where necessary amend and publish) the Information Guidelines. This is because the Information Guidelines no longer exist.

## 3.3 The final rule means that the requirements that relate to the Information Guidelines will no longer exist from 27 March 2025

#### Box 4: The final rule commences before 1 April 2025

Our final determination is to ensure that the Information Guidelines are removed from the NER before 1 April 2025, to prevent TNSPs from being subject to duplicate information reporting obligations

The final rule comes into effect on the date of this publication, being 27 March 2025. This final rule has been implemented to effectively prevent the duplicate reporting obligations from arising for all TNSPs.

TNSPs will not be subject to duplicate reporting obligations under both the Information Guidelines and the Orders. Instead, TNSPs will be subject to the reporting obligations under the Orders from 27 March 2025.

AusNet Services is required to report transmission information to the AER from 1 April 2025. The final rule means that it will not be subject to the duplicate reporting obligations.

Other TNSPs are required to report transmission information to the AER from 1 July 2025. They will not be subject to the duplicate reporting obligations either.

# A Rule making process

An expedited rule change process includes the following stages:

- a proponent submits a rule change request
- the Commission initiates the rule change process by publishing a consultation paper and seeking stakeholder feedback
- · stakeholders have an opportunity to object to the expedited process
- stakeholders lodge submissions to the consultation paper
- the Commission publishes a final determination and final rule.

You can find more information on the rule change process on our website.<sup>56</sup>

### A.1 The AER proposed a rule to remove the Information Guidelines

The AER (the proponent) submitted a rule change request to the AEMC on 15 October 2024, that proposed an amendment to the NER relating to the Information Guidelines.

The AER proposed a change to the NER to reduce the regulatory burden facing TNSPs as a result of the duplication of information reporting obligations under the existing Information Guidelines and the newly issued Orders. Under the rule change proposed by the AER, the AER would no longer have the obligation to publish, and TNSPs would no longer have the obligation to report against, the Information Guidelines in the NER.<sup>57</sup>

The AER submitted that without this rule change, TNSPs would face additional costs relating to the duplication of data compilation and assurance requirements. The AER submitted that rule 6A.17 of the NER is no longer necessary, in light of the new Orders. The AER noted that it will only increase the regulatory burden and has the potential to create ambiguity in the regulatory framework.<sup>58</sup>

The AER proposed to:

- Delete Rule 6A.17 of the NER: This rule set out requirements on the TNSPs to provide information to the AER, and requirements on the AER about the preparation, publication and amendment of the Information Guidelines, the AER's use of the information provided and the ability for the AER to obtain information regarding discounts/proposed recovery amounts and cost allocation.
- Delete the definition of 'Information Guidelines' in the glossary: As removing rule 6A.17 makes the need for a definition redundant.
- Make consequential amendments to the NER, to remove references to the Information Guidelines in clauses 6A.2.3(a), 6A.26.2(c) and 11.6.22(b).

The AER explained the effect of their proposed changes.

Firstly that TNSPs:59

- · would not have to prepare information under two different reporting frameworks
- would be reassured that they do not need to provide information under both the Information Guidelines and the Orders

<sup>56</sup> See our website for more information on the rule change process: https://www.aemc.gov.au/our-work/changing-energy-rules

<sup>57</sup> NER, clauses 6A.17.1 and 6A.17.2; RCR page 6.

<sup>58</sup> RCR, page 6.

<sup>59</sup> RCR, page 13.

could implement a single submission process and single reporting date for information they
provide to the AER.

Secondly, that only using the Orders will generate the additional benefits of:

- streamlining data collection
- improving data consistency and administrative simplicity through a single reporting framework.

The rule change request said that the information required by the AER had been incorporated into the Orders which superseded the information requirements in the Information Guidelines. As such the AER considered that the Information Guidelines were redundant and imposed an unnecessary burden on both the TNSPs and the AER.

## A.2 The proposal sought to address potential inefficiencies

From 1 April 2025, the AER considered that if their proposed change to the rules was not made, TNSPs would be required to provide transmission information under both the Information Guidelines and the Orders. It considered this to be an issue, as TNSPs would face duplicate information reporting requirements.

The AER would also be required to publish and maintain the Information Guidelines to stay compliant with the NER. It also considered this to be an issue, as it would lead to unnecessary costs and complexity, given it intended to use the Orders to obtain the required information from TNSPs.

## A.3 The process to date

On 30 January 2025, the Commission published a notice advising of the initiation of the rule making process and consultation in respect of the rule change request.<sup>60</sup> A consultation paper was published, to identify specific issues for stakeholder feedback. Submissions closed on 27 February 2025.

The Commission considered that the rule change request was a request for a non-controversial rule as defined in section 87 of the NEL. Accordingly, the Commission initiated an expedited rule change process, subject to any written objections not to do so. The closing date for written objections was 13 February 2025.

The Commission received two written objections to the expedited rule change. However, the Commission decided that the reasons contained in the written objections were misconceived or lacking in substance. <sup>61</sup> Accordingly, the rule change request continued to be assessed as a request for a non-controversial rule under the expedited rule making process.

The Commission received no submissions to the consultation paper, other than the two written objections.

61 Section 96(4) of the NEL.

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<sup>60</sup> This notice was published under section 95 of the NEL, and included a statement as required by section 96(2) of the NEL for an expedited rule change process.

# **B** Regulatory impact analysis

The Commission has undertaken regulatory impact analysis to make its final determination.

## B.1 Our regulatory impact analysis methodology

#### We considered a range of policy options

The Commission compared a range of viable policy options that are within our statutory powers. The Commission analysed these options: the rule proposed in the rule change request; other viable, rule-based options; or a business-as-usual scenario where we do not make a rule.

These options are described in Chapter 2.

#### We identified who will be affected and assessed the benefits and costs of each policy option

The Commission's regulatory impact analysis for this rule change used qualitative methodologies. It involved identifying the stakeholders impacted and assessing the benefits and costs of policy options. The depth of analysis was commensurate with the potential impacts. Where commensurate and feasible, the Commission has quantified the impacts. The Commission focused on the types of impacts within the scope of the NEO.

Table B.1 summarises the regulatory impact analysis the Commission undertook for this rule change. Based on this regulatory impact analysis, the Commission evaluated the primary potential costs and benefits of policy options against the assessment criteria. The Commission's determination considered the benefits of the options minus the costs.

#### Table B.1: Regulatory impact analysis methodology

Assessment criteria	Primary costs Low, medium or high –	Primary benefits Low, medium or high –	Stakeholders affected	Methodology QT = quantitative, QL = qualitative
Implementation considerations - cost and complexity	Nil	Minimising the resources TNSPs use to respond to information obligations, (high).	<ul><li>TNSPs</li><li>AER</li></ul>	QL: consideration of the resources and time required to respond to information obligations, where the same information is already provided to the AER under a different regulatory instrument.
Principles of good regulatory practice - simplicity and transparency	Nil	Simplify reporting obligations for TNSPs and reduce complexity for the AER <b>(high)</b> .	<ul><li>TNSPs</li><li>AER</li></ul>	QL: consideration of reduced duplication of information.

# C Legal requirements to make a rule

This appendix sets out the relevant legal requirements under the NEL for the Commission to make a final rule determination.

### C.1 Final rule determination and final rule

In accordance with section 102 of the NEL, the Commission has made this final rule determination in relation to the rule proposed by the AER.

The Commission's reasons for making this final rule determination are set out in chapter 2.

A copy of the final rule is attached to and published with this final determination. Its key features are described in chapter 3.

### C.2 Power to make the rule

The Commission is satisfied that the final rule falls within the subject matter about which the Commission may make rules.

The final rule falls within section 34 of the NEL as it relates to the operation of the national electricity market, the activities of persons (including registered participants) participating in the national electricity market or involved in the operation of the national electricity system, and a matter or thing contemplated by the NEL, or necessary or expedient for the purposes of the NEL.<sup>62</sup> The final rule also falls within the matters set out in Schedule 1 to the NEL as it relates to item 34B because it is a rule relating to reporting and disclosing information to the AER.

## C.3 Commission's considerations

In assessing the rule change request the Commission considered:

- its powers under the NEL to make the final rule
- the rule change request
- written requests and submissions received during consultation
- the Commission's analysis as to the ways in which the final rule will contribute to the achievement of the NEO
- the application of the final rule to the Northern Territory.

There is no relevant Ministerial Council on Energy (MCE) statement of policy principles for this rule change request.<sup>63</sup>

# C.4 Making electricity rules in the Northern Territory

The NER, as amended from time to time, applies in the Northern Territory, subject to modifications set out in regulations made under the Northern Territory legislation adopting the NEL.<sup>64</sup> Under those regulations, only certain parts of the NER have been adopted in the Northern Territory.

<sup>62</sup> Sections 34(1)(a)(i), 34(1)(a)(iii) and 34(1)(b) of the NEL.

<sup>63</sup> Under section 33 of the NEL the AEMC must have regard to any relevant MCE statement of policy principles in making a rule. The MCE is referenced in the AEMC's governing legislation and is a legally enduring body comprising the Federal, State and Territory Ministers responsible for energy. On 1 July 2011, the MCE was amalgamated with the Ministerial Council on Mineral and Petroleum Resources. In December 2013, it became known as the Council of Australian Government (COAG) Energy Council. In May 2020, the Energy National Cabinet Reform Committee and the Energy Ministers' Meeting were established to replace the former COAG Energy Council. On 30 September 2022 National Cabinet agreed to establish the Energy and Climate Change Ministerial Council (ECMC). The ECMC replaced the former Energy National Cabinet Reform Committee.

<sup>64</sup> These regulations under the NT Act are the National Electricity (Northern Territory) (National Uniform Legislation) (Modifications) Regulations 2016

The final rule does not relate to parts of the NER that apply in the Northern Territory. As such, the Commission has not considered Northern Territory application issues.

### C.5 Civil penalty provisions and conduct provisions

The Commission cannot create new civil penalty provisions or conduct provisions. However, it may recommend to the Energy Ministers' Meeting that new or existing provisions of the NER be classified as civil penalty provisions or conduct provisions.

The final rule does not amend any clauses that are currently classified as civil penalty provisions or conduct provisions under the National Electricity (South Australia) Regulations.

The Commission does not propose to recommend to the Energy Ministers' Meeting that any of the proposed amendments made by the final rule be classified as civil penalty provisions or conduct provisions.

# Abbreviations and defined terms

AEMC	Australian Energy Market Commission
AER	Australian Energy Regulator
Commission	See AEMC
NEL	National Electricity Law
NEO	National Electricity Objective
NER	National Electricity Rules
NT Act	National Electricity (Northern Territory) (National Uniform Legislation) Act 2015
Proponent	The individual / organisation who submitted the rule change request to the Commission
RCR	The rule change request
RINs	Regulatory Information Notices
TNSPs	Transmission Network Service Providers