

RULE

Rule Proposal

National Electricity Amendment (Minor changes 2) Rule 2025

Proponents
AEMC

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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 live and work. The AEMC office is located on the land of the Gadigal people of the Eora nation. We pay respect to all Elders past and present, and to the enduring connection of Aboriginal and Torres Strait Islander peoples to Country.

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1 Introduction

1.1 Background

As part of its rule-making function, the Australian Energy Market Commission (Commission) reviews, amends and maintains the National Electricity Rules (NER) 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 NER, the National Gas Rules and the National Energy Retail Rules (together the energy rules). The Commission initiates rule changes to correct minor errors in the energy rules or make clarifications that are non-material in nature. This rule change proposal includes proposed amendments identified by the Commission since the last minor changes rules, which were completed in 29 May 2025.¹

This consultation paper has been prepared to facilitate public consultation on the rule change proposal and to seek stakeholder submissions.

This paper:

- provides a summary of, and background to, the rule change proposal, and sets out the proposed assessment framework (below)
- outlines the rule-making process the Commission proposes to use for this rule change proposal (chapter 2)
- outlines the process for making submissions (chapter 3).

1.2 Proposed rule

The National Electricity Amendment (Minor changes 2) Rule 2025 (the Proposed Rule) is proposed by the Commission to correct minor errors and make non-material changes in the NER. In particular, the Proposed Rule seeks to:

- correct minor formatting and typographical errors, including punctuation, numbering levels, indentation and italicisation;
- ensure consistency of references to provisions throughout the NER;
- correct minor errors in definitions and cross-references;
- remove duplication; and
- correct minor drafting errors in previous amending rules to reflect the policy positions set out in the relevant final determinations made by the Commission.

The Proposed Rule is published with this rule proposal.

1.2.1 Details of proposed changes to electricity rules

We are proposing a number of changes to the NER to ensure consistency with the final determination of the [Improving the NEM access standards – Package 1](#) rule change.

The Proposed Rule addresses the following with the National Electricity Amendment ([Improving the NEM access standards – Package 1](#)) Rule 2025 No 6 (Access Standards Final Rule):

- In clause S5.2.5.1(e1) the reference to “fewer than all *production units* in service” is proposed to be deleted and replaced with “part of the *schedule 5.2 plant* out of service”. The reference to “all production units are” is proposed to be deleted and replaced with “the whole *plant*”. This is

¹ Minor changes 1 2025: <https://www.aemc.gov.au/rule-changes/minor-changes-1-2025>

because reactive power capability may be legitimately impacted if equipment other than production units (for example, a reactive plant) are out of service. These changes allow the status of other relevant equipment to be accounted for. These proposed amendments make the rule clearer and are consistent with the policy intent of the Access Standards Final Rule.

- In clause S5.2.5.4(a) after “power system disturbance”, the rule proposes to insert “external to the plant”. This proposed amendment will make the intent of the rule clearer.
- In clause S5.2.5.13(c1)(3) the reference to “voltage setpoint” is proposed to be corrected to “setpoint”. This proposed amendment will make the rule clearer and is consistent with the policy intent of the Access Standards Final Rule.
- In clause S5.2.5.13(l) the reference to “for a voltage step” is proposed to be corrected to “for a step change of setpoint”. In this clause S5.2.5.13(l) the rule also proposes to omit “for a voltage setpoint step” and substitute “for a step-like change in voltage”. These proposed amendments make the rule clearer and are consistent with the policy intent of the Access Standards Final Rule.
- In clause S5.2.5.13 within table S5.2.1, omit “5% voltage disturbance typical to highest impedance” and substitute “5% setpoint change”. This proposed amendment will make the intent of the rule clearer.
- In Table S5.2.1 in S5.2.5.13, in the “Voltage as secondary” row in the “Maximum settling time - setpoint change” column, “typical to highest impedance” was included when the correct phrase was “typical impedance”. This inclusion of “typical to highest impedance” was a drafting error in the Access Standards Final Rule (at drafting instruction item 191) and is not included in the markup of the final rule or the final determination. This proposed amendment will correct this error.
- In Table S5.2.1 in S5.2.5.13, the footnote in the amending rule was not included due to a formatting error. This footnote is proposed to be included.
- In clause S5.3.1a, the drafting instruction item 203 in the Access Standards Final Rule only omits subclause S5.3.1a(a). However the same drafting instruction replaces that subclause with subclauses S5.3.1a(a) to (f). The intention of the drafting instruction was to remove and substitute all of the subclauses S5.3.1a(a) to (f). This minor changes rule corrects this error by omitting the sub clauses S5.3.1a(b) to (f) and substituting these with the new subclauses as intended in the Access Standards Final Rule.
- In clause S5.5.5 “Power System Design Data Sheet” was inserted twice as a duplication. The second occurrence of “Power System Design Data Sheet” should be corrected to “Power System Setting Data Sheet”.
- In clauses 9A3.5 and 9.37.10 “rated active power output” should not be italicised. This error is proposed to be corrected to “rated active power output”.
- In clauses 9A3.5 and 9.37.10 “nominal terminal voltage” should not be italicised. This error is proposed to be corrected to “nominal terminal voltage”.

1.3 Assessment framework

1.3.1 Achieving the NEO

National Electricity Objective

The Commission may only make an electricity rule if it is satisfied that the rule will, or is likely to, contribute to the achievement of the national electricity objective (NEO).² This is the decision making framework that the Commission must apply.

The NEO is:³

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.⁴

Under the Northern Territory legislation adopting the NEL (NT Act),⁵ the Commission must regard the reference in the NEO to the “national electricity system” as a reference to whichever of the following the Commission considers appropriate in the circumstances having regard to the nature, scope or operation of the Proposed Rule:

1. the national electricity system
2. one or more, or all, of the local electricity systems⁶
3. all of the electricity systems referred to above.

For the purposes of the Proposed Rule, the Commission proposes to regard the reference to the “national electricity system” in the NEO to be a reference to all of the electricity systems referred to above.

Contribution of Proposed Rule to the achievement of the NEO

The Commission considers that the Proposed Rule is likely to contribute to the achievement of the NEO because the Proposed Rule, if made, will improve the quality of the NER in terms of accuracy, consistency and clarity.

As with previous minor rule changes initiated by the Commission, these minor corrections and non-material changes will make the NER clearer to stakeholders. This is important as the NER inform stakeholders of their rights and obligations in relation to participating in the NEM, and stakeholders rely on these rules in their commercial transactions. Clearer and more consistent

² Section 88 of the NEL.

³ Section 7 of the NEL.

⁴ Section 32A(5) of the NEL.

⁵ Clause 14A of Schedule 1 to the *National Electricity (Northern Territory) (National Uniform Legislation) Act 2015* (referred to here as the NT Act), inserting section 88(2a) into the NEL as it applies in the Northern Territory.

⁶ These are specified Northern Territory systems, listed in schedule 2 of the NT Act.

rules will reduce the regulatory burden on stakeholders and allow for more efficient provision of electricity services.

1.3.2 Rule making in the Northern Territory

The NER, as amended from time to time, apply in the Northern Territory, subject to modifications set out in regulations made under the Northern Territory legislation adopting the NEL.⁷ Under those regulations, only certain parts of the NER have been adopted in the Northern Territory.⁸

As the Proposed Rule relates to the parts of the NER that apply in the Northern Territory, the Commission is required to assess whether to make a uniform or differential rule (defined below) under Northern Territory legislation.

Under the NT Act, the Commission may make a differential rule if it is satisfied that, having regard to any relevant MCE statement of policy principles, a differential rule will, or is likely to, better contribute to the achievement of the NEO than a uniform rule.⁹

A differential rule is a rule that:

- varies in its terms 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.

A uniform rule is a rule that does not vary in its terms between the national electricity system and one or more, or all, of the local electricity systems, and has effect with respect to all of those systems.¹⁰

The Commission proposes to make a differential rule so that the rule, if made, would not have effect in the Northern Territory and no amendments to the NER as applied in the Northern Territory (NT NER) would have to be made. The Commission decided to make a similar differential rule for the Northern Territory in its final determination for the Improving the NEM access standards - Package 1 rule change.

1.3.3 Additional assessment requirements

Under s. 91(8) of the NEL, the Commission may only make a Rule that has effect with respect to an adoptive jurisdiction (relevantly, Victoria) if satisfied that the Proposed Rule is compatible with the proper performance of the Australian Energy Market Operator's (AEMO's) declared electricity network functions in that jurisdiction.

Given the Proposed Rule only seeks to make minor or non-material changes to the NER, the Commission is satisfied that the Proposed Rule is compatible with the proper performance of AEMO's declared electricity network functions.

⁷ The regulations under the NT Act are the *National Electricity (Northern Territory) (National Uniform Legislation) (Modification) Regulations 2016*.

⁸ For the version of the NER that applies in the Northern Territory, refer to: www.aemc.gov.au/regulation/energy-rules/northern-territory-electricity-market-rules/current.

⁹ Clause 14B of Schedule 1 to the NT Act, inserting section 88AA into the NEL as it applies in the Northern Territory.

¹⁰ Clause 14 of Schedule 1 to the NT Act, inserting the definitions of "differential Rule" and "uniform Rule" into section 87 of the NEL as it applies in the Northern Territory.

2 Process for this rule change

2.1 The Commission'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-

1. it considers the Rule corrects a minor error in the Rules; or
2. it considers the Rule involves a non-material change to the Rules; or
3. 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.

As the Proposed Rule outlined in chapter 1 makes changes that are minor and non-material in nature, the Commission considers that the Proposed Rule satisfies the requirements of s. 91(2) of the NEL.

2.2 Treatment as a non-controversial rule change

Under s. 87 of the NEL, a "non-controversial Rule" is defined as "a Rule that is unlikely to have a significant effect on the national electricity market". As the proposed changes to the NER are minor or non-material in nature, the Commission considers that the Proposed Rule is unlikely to have a significant effect on the NEM. The Proposed Rule therefore falls within the definition of a non-controversial rule under s. 87 of the NEL.

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 Commission is required to publish its final rule determination within eight weeks of commencing the rule change process.

The Commission has decided to use an expedited process to consider this rule change proposal provided that it does not receive any written requests not to use the expedited process by 16 October 2025.¹¹ If the Commission receives a written request not to expedite the process, the Commission will consider whether the reasons set out in that request are misconceived or lacking in substance. An objection to the use of the expedited process must be in writing and must set out the reasons why the rule change proposal is not unlikely to have a significant effect on the NEM.

2.3 Key dates

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

- Commencement of this rule change process: 2 October 2025
- Objections to an expedited process to be received by: 16 October 2025
- Submissions to the rule change proposal to be received by: 30 October 2025
- Final decision to be published under an expedited process by: 27 November 2025
- Rule changes to be implemented (under an expedited process): 27 November 2025

¹¹ The Commission has published a notice under ss. 95 and 96 of the National Electricity Law to commence and assess this rule change proposal as a non-controversial rule.

3 Lodging a submission

The Commission invites written requests not to make a rule under the expedited process and written submissions on this rule change proposal.

If you have questions on this project please contact the AEMC on (02) 8296 7800 or aemc@aemc.gov.au, noting the project code.

3.1 Requests not to make a rule under an expedited process

Written requests not to make a rule under the expedited process in s. 96 of the NEL, must include reasons for the request, and must be lodged with the Commission by 16 October 2025 in accordance with the process specified below.

3.2 Submissions to this rule change proposal

Written submissions on the rule change proposal must be lodged with the Commission by 30 October 2025 in accordance with the process specified below. Tips for making a submission are available on the Commission website.¹²

The Commission publishes submissions on its website. However, we will not publish parts of a submission that we agree are confidential, or that we consider inappropriate (for example offensive, defamatory, vexatious or irrelevant content, or content that is likely to infringe intellectual property rights).¹³

3.3 How to lodge a request or submission

Please lodge submissions, or requests not to make a rule under the expedited process, online via the Commission's website, www.aemc.gov.au, using the "lodge a submission" function under the "Contact Us" tab, and selecting the project reference code ERC0420.

The request or submission must be on letterhead (if submitted on behalf of an organisation), signed and dated. If you are not able to lodge submissions or requests online, please contact us and we will provide instructions for alternative methods to lodge the submission or request.

¹² See: <https://www.aemc.gov.au/our-work/changing-energy-rules-unique-process/making-rule-change-request/submission-tips>

¹³ Further information is available here: <https://www.aemc.gov.au/contact-us/lodge-submission>

Abbreviations

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
Commission	See AEMC
NEL	National Electricity Law
NEM	National Electricity Market
NEO	National Electricity Objective
NER	National Electricity Rules