

Security frameworks rule change requests

We have published a consultation paper on two rule change requests relating to the system security frameworks

The Australian Energy Market Commission (AEMC or Commission) has published a consultation paper seeking stakeholder feedback on two proposals to enhance the system security frameworks in the National Electricity Market (NEM). This is the first stage in the rule change process for two rule change requests; one from the Australian Energy Market Operator (AEMO) and one from the Australian Energy Council (AEC) and the Clean Energy Council (CEC).

- **ERC0424 – Security framework enhancements (AEMO):** AEMO’s rule change request seeks enhancements to the system strength, inertia and network support and control ancillary services (NSCAS) frameworks, with associated changes proposed to the regulatory investment test for transmission (RIT-T) process and notice of closure for generators.
- **ERC0428 – Clarity and transparency in security frameworks (AEC and CEC):** The AEC and CEC’s rule change request seeks to improve accountability and transparency in system security planning and provision, with a focus on ensuring that the governance arrangements elicit clear, consistent and timely investment signals.

Submissions to the consultation paper are due by 16 April 2026. Feedback to the consultation paper will help inform how we progress the two rule change requests.

Efficient and effective system security frameworks are necessary to support the transition to a net zero energy system

Maintaining a secure power system through the transition relies on effectively managing ‘transition points’ in the NEM, for example, the retirement of large thermal generators. Without this, consumers face the risks of an insecure system, resulting in increased market operator interventions and higher prices, or electricity supply interruptions.

To protect consumers against these risks, the system security frameworks in the National Electricity Rules (NER or the Rules) aim to ensure timely procurement of the required security services ahead of system security issues arising, while also encouraging innovation in the provision of security services. The current frameworks for system security have undergone a series of updates over the last five years to better achieve this aim.

We are seeking your views on the limitations in the current security frameworks

The two rule change requests from AEMO and the AEC and CEC raise problems with the ability of the current security frameworks to effectively and efficiently deliver a secure system. The problems raised reflect the perspectives of the system operator and industry participants on how the frameworks are operating in practice to date, particularly their experiences implementing the updates made in the last five years.

In particular:

- The proponents consider there is a misalignment in timing of planning and procurement for security services against transition points.
- The proponents consider that assessment and procurement processes do not facilitate efficient and timely investment in security.
- AEMO considers that there are limitations with the NSCAS backstop framework for addressing short-term security gaps.
- The AEC and CEC consider that the efficient delivery of security services is limited by issues

with governance and transparency.

Both rule change requests highlight the inherent tensions associated with planning and delivering security services amid uncertainty. Through this consultation paper, we are particularly interested in stakeholder information and evidence to help us understand the problems raised and show where previous assumptions may not have played out in practice.

We are also seeking your views on the package of proposed solutions

Both rule change requests raise a range of solutions to the problems identified in the requests.

AEMO proposes a number of changes to encourage on-time and efficient procurement of security services, including:

- extending timeframes for obligations placed on transmission network service providers for meeting system strength and inertia requirements
- a streamlined or alternative RIT-T process for system security investments, and
- extending notice of closure obligations on generators exiting the system.

AEMO also proposes options to address limitations with the NSCAS backstop mechanism.

The AEC and CEC propose a number of changes to address governance and transparency concerns, including:

- embedding principles in the Rules to elevate the 'actionability' of AEMO's annual Transition Plan for System Security
- assigning responsibility for determining the 'efficient' level of services to be procured, and
- increasing standardisation of procurement processes and service specifications between NEM regions.

We are seeking stakeholder views and examples to further develop these options and identify alternatives.

We are considering how to progress the two rule change requests

These rule change requests are one component of a wide range of work programs that are considering how best to support system security through the transition. As we progress through the rule change process, it will be important for the Commission to ensure consistency of reform work, helping to ultimately deliver the best security and cost outcomes for consumers.

The consultation paper seeks stakeholder views on a number of timing, coordination and implementation factors that may impact how we ultimately consider the magnitude and urgency of the issues raised in the rule change requests and the benefits of different pathways to progressing potential solutions. These include considering the need and urgency for certain changes against nearer-term security risks, the recency of certain updates to the security frameworks, the timing for any rule changes against current reporting and planning cycles, and interactions with other work programs that may touch on adjacent topics.

Stakeholder feedback will inform our consideration of whether to consolidate the rule change requests, or progress one ahead of the other.

For information contact:

Senior Advisor, **Emily Banks** 02 8296 0674

Director, **Amy Wiech** 02 8296 7800

Media enquiries: media@aemc.gov.au

12 March 2026