

# RULE

## Rule determination

# National Electricity Amendment (Improving metering and metrology arrangements) Rule

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AEMO

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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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## Summary

- 1 The Australian Energy Market Commission (AEMC, or the Commission) has decided to make a more preferable final rule (final rule) to improve metering and metrology arrangements in the National Electricity Rules (NER) in response to three rule change requests submitted by AEMO.
- 2 The Commission published a joint consultation paper on 26 February 2026 to initiate these three rule change requests. Submissions were due by 26 March 2026. The Commission received 7 submissions and all stakeholder feedback was considered in making the final rule.
- 3 The rule change requests were expedited on the basis that they are non-controversial and unlikely to have a significant effect on the NEM, because:<sup>1</sup>
  - they seek to streamline existing processes and metering requirements in the Rules and replace them with more fit-for-purpose requirements.
  - they appeared unlikely to impose a significant cost on participants or the market generally, didn't appear to affect the integrity of the market settlement process, and were considered to have limited impacts on consumers.
- 4 Following the consultation stage, the Commission considered that it was desirable to consolidate all three rule change requests given the overlap in subject matter relating to metering, and the stakeholder overlap between the three requests. The consolidated final rule addresses the content of each of the initial rule change requests.
- 5 The final rule will address three key areas:
  - Firstly, the rule will allow the use of type 4A (manual-read) meters for standalone power system (SAPS) generation points with a single generator connection. We consider this will reduce installation and operation costs for Market SAPS Resource Providers (MSRPs) without compromising settlement integrity or affecting other market participants and end users.<sup>2</sup>
  - Secondly, the rule will replace the list of eligible connection point metering types with a general requirement for remote acquisition capability and trading interval data. We consider this will allow all customers across the National Energy Market (NEM), including Victoria, to benefit from Secondary Settlement Points (SSPs), as envisioned in the *Unlocking CER benefits Rule*.<sup>3</sup> The rule will also amend tables in NER Schedule 7 to address minor administrative errors.<sup>4</sup>
  - Lastly, the rule will remove the mandatory three-month period between the publication and commencement of any amendments under the Metrology procedures. This will bring the process for changing Metrology Procedures into line with the Rules consultation procedures which are used throughout the NER, and which include obligations for consulting on the date on which amendments will commence.<sup>5</sup>
- 6 The final rule will commence on 30 April 2026.

### The final rule will allow flexible communications requirements for SAPS generation connection points

- 7 In the Flexible communication requirements for SAPS generation connection points rule change

<sup>1</sup> Section 87 of the NEL. See appendix A.5 for further detail.

<sup>2</sup> See section 3.1 for further detail.

<sup>3</sup> See our [Unlocking CER benefits through flexible trading](#) webpage for further details.

<sup>4</sup> See section 3.2 for further detail.

<sup>5</sup> See section 3.3 for further detail.

request, AEMO sought to provide flexibility to use type 4A (manual-read) meters for SAPS generation points with a single generator connection.<sup>6</sup> AEMO said that the mandated use of type 1-4 remote-read metering installations presents significant challenges for SAPS generation deployments in rural and remote areas where traditional communications networks (3G, 4G, and 5G) are limited or entirely unavailable.

8 Stakeholder feedback is largely supportive of this proposal.<sup>7</sup>

9 Some stakeholders also propose further amendments to the rules that would further lessen the obligations for SAPS metering data, however, we consider that retaining the current scope of the project would deliver the major benefits of this rule change more quickly.<sup>8</sup>

10 Overall, the Commission considers that providing the flexibility to use type 4A meters for SAPS generation points with a single generator connection would likely reduce costs and encourage SAPS generation deployment in rural and remote regions, without any material negative impacts.

11 Therefore, the final rule will provide the option for the use of a type 4A metering installation for a regulated SAPS market generating unit or market bidirectional unit (as applicable) connection point where:<sup>9</sup>

- there is only one market generating unit or one bidirectional unit (as applicable) at the connection point,
- the energy volume provided at that market generation unit or market bidirectional unit (as applicable) connection point does not exceed the energy volume thresholds as set out by AEMO in the Market Settlement and Transfer Solution (MSATS) procedures,
- the metering installation at the connection point is not classified as a small customer metering installation, and
- the Financially Responsible Market Participant (FRMP) is a MSRP.

## The final rule will refine eligibility requirements for SSPs

12 In the Refining the eligibility requirements for Secondary Settlement Points (SSPs) rule change request, AEMO primarily sought to address an identified limitation in the way the Rules will operate once the *Unlocking CER benefits Rule* comes into effect.

13 Here, premises with Victorian Advanced Metering Infrastructure (AMI) installations may be restricted from establishing SSPs when the relevant Schedule of the *National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024, No. 15* Rule commences on 1 November 2026.<sup>10</sup> This means that Victorian consumers could miss out on the benefits of the AEMC's Integrating price-responsive resources into the NEM rule change.<sup>11</sup> AEMO proposed to replace the list of eligible connection point metering types with a general requirement for remote acquisition capability and trading interval data. They considered that this would allow all customers across the NEM, including Victoria, to benefit from SSPs.

14 Stakeholder feedback supports this proposal.<sup>12 13</sup>

6 See the [Flexible communication requirements for SAPS generation connection points](#) webpage for a copy of the rule change request.

7 Stakeholder submissions to the consultation paper: AusNet, p.1; Ergon Energy & Energex, p.3; Essential Energy, p.1; PlusES, p.1.

8 See section 3.1.3 for more detail.

9 See section 3.1.2 for further detail.

10 See the [Refining the eligibility requirements for Secondary Settlement Points](#) webpage for a copy of the rule change request.

11 [AEMC, National Electricity Amendment \(Integrating price-responsive resources into the NEM\) Final determination and Final rule, 19 December 2024](#)

12 Stakeholder submission to the consultation paper: AusNet, p.1; PlusES, p.1.

13 Section 3.2.3 for further detail.

- 15 The Commission agrees with AEMO that adopting outcomes-focused drafting will retain the original intent and effectiveness of the settlement arrangements, while accommodating Victoria’s legislative and regulatory framework to enable SSPs to be established across the NEM.
- 16 The final rule will achieve this by making changes to Schedule 4, Item [3] of the *National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024, No. 15* to replace the specific list of eligible metering types with a broader functional requirement for “remote acquisition of trading interval metering data” capability.<sup>14</sup>
- 17 AEMO also proposed minor amendments to the *Unlocking CER benefits Rule* to amend the categories of registration for accreditation tables in NER Schedules 7.2 and 7.3 to resolve some administrative inconsistencies.
- 18 PlusES submitted that Table S7.2.2.2 in clause S7.2.2 of the NER does not articulate competency requirements in a clear or appropriate manner, and have proposed an alternative solution that significantly modifies the structure of the table, and other related tables in clause S7.2.2 of the NER.<sup>15 16</sup>
- 19 However, the Commission considers that limiting the scope to only minor administrative changes would deliver the benefits of the rule change more quickly, and the larger amendments proposed by PlusES have not been consulted on and are best addressed through a separate rule change process.
- 20 Therefore, the final rule will also amend table S7.2.2.2 in clause S7.2.2 in the current version of the NER and in Schedule 4, Item [83] of the *National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024, No. 15*, and in table S7.3.2.1 in NER clause S7.3.2 in Schedule 2, Item [16] and Schedule 4, Item [90] of the *National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024, No. 15* to resolve the minor administrative errors identified in the tables in NER Schedule 7.<sup>17</sup>

## The final rule will streamline consultation requirements for the Metrology procedures

- 21 In the Consultation requirements for the Metrology procedures rule change request, AEMO sought to remove the mandatory three-month period between the publication and commencement of any amendments under the Metrology procedures, unless they have been made using the minor rules consultation procedure.<sup>18</sup> AEMO said that this delays the implementation of essential changes, and reduces their flexibility and responsiveness to changes in the electricity market, creating inconsistencies with other AEMO procedures that do not have these mandatory commencement lead times.
- 22 Stakeholder feedback considered the mandatory 3-month implementation lag to be a useful safety net that provides a minimum period for them to implement any necessary changes.<sup>19 20</sup>
- 23 However, the Commission considers that AEMO is already required to consult with stakeholders before updating their metering procedures, and that the mandatory consultation under the Rules

14 See section 3.2.2 for further detail regarding the background for these changes.

15 PlusES submission to the consultation paper, pp5-6.

16 See section 3.2.5 for further detail.

17 See section 3.2.5 for further detail regarding the background for these changes.

18 See the [Consultation requirements for the Metrology procedures](#) webpage for copy of the rule change request.

19 Stakeholder submissions to the consultation paper: PlusES, p.7; Intellihub, p.3; Bluecurrent, p.3.

20 See section 3.3.3 for further detail.

consultation procedures sufficiently balances the need for thorough consultation with flexibility and responsiveness to changes in the NEM. We consider it appropriate that implementation timing is determined on a case by case basis, without being constrained by an arbitrary minimum period.

24 Therefore, the final rule will remove the mandatory three-month period between publication and commencement of Metrology procedures.<sup>21</sup>

## We assessed our rule against one assessment criteria, taking stakeholder feedback into account

25 The Commission has considered the NEO<sup>22</sup> and the issues raised in the rule change request and assessed the final rule against one common assessment criterion, and some bespoke criteria for each rule change request.

26 We gathered and analysed stakeholder feedback in relation to these criteria.

27 The final rule will contribute to achieving the NEO by adhering to the principles of good regulatory practice as outlined below:<sup>23</sup>

- **ERC0414** will reduce ongoing and set up-costs, which would make SAPS deployments cheaper. These benefits will flow through to customers - both directly and indirectly given the greater number of SAPS deployments where costs are lower than network options.
- **ERC0413** will promote a principles-based approach, drafting the Rules using a functional criterion as opposed to prescriptively listing all eligible meter types. The minor administrative amendments to the tables in NER Schedule 7 also improve consistency across the Rules by aligning requirements for metering installation competency throughout.
- **ERC0409** removes unnecessary prescription in the rules, and ensures that implementation timeframes are tailored to the relevant circumstances.

<sup>21</sup> See section 3.3.2 for further detail.

<sup>22</sup> Section 7 of the NEL.

<sup>23</sup> See chapter 2 for further detail.

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# 1 The Commission has made a final determination

## 1.1 Our final rule will improve metering and metrology arrangements in the NER

Our final determination is to make a final more preferable rule (final rule) in response to each of the three rule change requests submitted by AEMO relating to metering and metrology procedure arrangements in the NER.<sup>24</sup>

Firstly, it amends the existing Rules to allow flexibility in generator metering arrangements for SAPS installations, to encourage efficient SAPS deployment, especially in rural and remote areas where telecommunications coverage is limited or unavailable.<sup>25</sup> Secondly, it replaces a list of specific SSP metering requirements with an outcomes-based requirement, to ensure that all customers across the NEM, including Victoria, can benefit from SSPs and flexible trading arrangements.<sup>26</sup> Lastly, the rule removes the mandatory three-month period between publication and commencement of amendments under the Metrology procedures, allowing AEMO and market participants to implement changes immediately, if required.<sup>27</sup>

The final rule will commence on 30 April 2026.

## 1.2 Stakeholder feedback shaped our determination

Stakeholder submissions were largely supportive of the proposals outlined in the joint consultation paper.

The key findings and observations that shaped the Commission's determination included that:

- while all stakeholders were supportive of the use of type 4A meters for SAPS generation points with a single generator connection, some stakeholders questioned the instances in which generator meters were necessary altogether, and proposed increasing the flexibility of AEMO guidance for the frequency of manual meter reads.
- all stakeholders were supportive of including outcomes-based metering installation requirements for establishing SSPs.
- most stakeholders did not raise concerns with the minor administrative amendments proposed to NER Schedule 7.
- some stakeholders expressed that the three-month implementation lag in the metrology procedures creates a useful buffer time for impacted market participants to make any necessary changes.

## 1.3 Our determination will deliver market benefits through metering reforms

This final rule complements our broader, coordinated package of reforms aimed at ensuring that the NER supports the energy transition, and ensures that consumers can access the benefits of new technologies and market arrangements.

Firstly, the rule aids in the implementation of previous reviews and rule changes addressing SAPS. Allowing greater flexibility in metering and communications requirements for SAPS generation

<sup>24</sup> These were ERC0414, Flexible communication requirements for SAPS generation connection points; ERC0413, Refining the eligibility requirements for Secondary Settlement Points; and ERC0409, Consultation requirements for the Metrology procedures.

<sup>25</sup> See section 3.1 for further detail.

<sup>26</sup> See section 3.2 for further detail.

<sup>27</sup> See section 3.3 for further detail.

connection points, strengthens the policy intent of our *Updating the regulatory frameworks for distributor-led SAPS* review and subsequent rule changes. This supports the broader objective of enabling lower-cost alternatives to traditional network solutions.

Secondly, the rule supports the equitable implementation of our Unlocking CER benefits through flexible trading rule change, and broader CER workplan. Refining the eligibility requirements for SSPs addresses a drafting limitation that may have excluded Victorian customers from accessing SSP arrangements. This promotes consistency across jurisdictions, avoiding issues of unequal access, and ensures that the benefits of flexible trading arrangements are accessible across the entire NEM.

Lastly, the rule strengthens the regulatory framework's ability to adapt to change by improving the timeliness and responsiveness of metrology-related procedures. Removing the mandatory three-month delay between the publication and commencement of amendments to the Metrology procedures supports a more agile implementation of changes.

We consider that metering reforms remain a foundational element in enabling broader market benefits. The final rule supports a more flexible, and future-focused system by enabling more flexible SAPS deployment, facilitating innovative CER and flexible trading arrangements, and ensuring that regulatory processes remain fit for purpose as the system continues to evolve.

## 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>28</sup>

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

The NEO is:<sup>29</sup>

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>30</sup>

### 2.2 We must also take these factors into account

#### 2.2.1 We have considered whether to make a more preferable rule

The Commission may make a rule that is different, including materially different, to a proposed rule (a more preferable rule) if it is satisfied that, having regard to the issue or issues raised in the rule change request, the more preferable rule is likely to better contribute to the achievement of the NEO.<sup>31</sup>

For this rule change, the Commission made a more preferable final rule because it is satisfied that it meets the NEO. The reasons are set out in section 2.3 below.

#### 2.2.2 We have considered whether to make a rule for 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.<sup>32</sup> Under those regulations, only certain parts of the NER have been adopted in the Northern Territory.

The more preferable final rule does not relate to parts of the NER that apply in the Northern Territory, as it amends provisions in NER chapter 7 that do not apply to the Northern Territory. As such, the Commission has not considered Northern Territory application issues.

28 Section 88(1) of the NEL.

29 Section 7 of the NEL.

30 Section 32A(5) of the NEL.

31 Section 91A of the NEL.

32 These regulations under the NT Act are the National Electricity (Northern Territory) (National Uniform Legislation) (Modifications) Regulations 2016.

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

The Commission must consider how to address these three proposals to improve metering and metrology arrangements against the legal framework.

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

- **Principles of good regulatory practice**

This assessment criterion reflects the key potential impacts – costs and benefits – of the rule change request, for impacts within the scope of the NEO.

In our consultation paper, we proposed to assess each of the rule changes against a common assessment criterion. We also included bespoke criteria unique to each rule change request. Our reasons for choosing this criterion are set out in section 5.2.2 of the consultation paper.

The Commission has evaluated the impacts of the various policy options against the assessment criterion, taking into account stakeholder submissions. We received no stakeholder feedback on any of the specific assessment criteria, or on our method of selecting one common criteria for all three rule change requests and multiple bespoke criteria for each rule change request, so will continue with this approach.

The rest of this section first explains why the more preferable final rule best promotes the long-term interest of consumers when compared to other options and assessed against the common criterion. Then the additional assessment criteria unique to each rule change request are elaborated upon.

### 2.3.1 The final rule adheres to the principles of good regulatory practice

In applying the principles of good regulatory practice, the Commission assessed whether the final rule appropriately balances regulatory flexibility, certainty, proportionality and implementation practicality.

Firstly, we consider that introducing flexible communication requirements for SAPS generation connection points will lower the costs associated with SAPS for customers, both by reducing the direct costs of SAPS that are built, and by increasing the number of situations in which a SAPS is a lower cost alternative a traditional network solution. We consider that this benefit exceeds the cost to AEMO of not receiving generator data in real time in these instances. We also see that this is consistent with the intent of our *Updating the regulatory frameworks for distributor-led SAPS review* to allow NEM distributors to use SAPS where it would be economically efficient to do so.

Secondly, we consider that refining the eligibility requirements for SSPs will proactively address the barrier that would have prevented Victorian consumers from accessing the benefits of the *Integrating price responsive resources into the NEM rule*. The alternate wording proposed will also promote a principles-based approach, drafting the Rules using a functional criterion as opposed to prescriptively listing all eligible meter types. We consider that the new wording preserves the accuracy and efficiency of settlement processes to provide a more general application, and ensures that any new remotely read interval meter types over time are still incorporated. The minor amendments to the tables in NER Schedule 7 also improve consistency across the Rules by resolving some administrative inconsistencies.

Lastly, reviewing the mandatory three-month period between the publication and commencement of amendments under the Metrology procedures has led to a removal of unnecessary prescription

in the rules, ensuring that implementation timeframes are tailored to the relevant circumstances. It also improves consistency across the Rules, with predictable consultation processes across metering procedures. We consider that the three-month lag is not necessary to ensure adequate implementation timeframes, as AEMO must already abide by broader consultation obligations as per the Rules consultation procedures.

#### **Flexible communication requirements for SAPS generation connection points will contribute positively to the NEO**

In addition to adhering to the principles of good regulatory practice, this component of the final rule is also consistent with the principles of market efficiency, and implementation considerations.

Here, the final rule is consistent with the principles of market efficiency, primarily productive efficiency. By enabling the use of type 4A manual-read meters in certain circumstances, this rule change may reduce the need for expensive satellite communications infrastructure, supporting a more efficient and widespread SAPS generation deployment in remote areas. We considered that SAPS generation volumes in the context of this rule are typically small, that settlement outcomes rely primarily on customer metering data, and that generator data in these circumstances plays a limited role in real-time market operations. On this basis, the efficiency gains from reduced costs and simplified deployment are likely to exceed any residual risks.

A primary consideration of this component of the final rule is the cost and complexity of implementation of not only the rule change, but also of the deployment of SAPS. The flexibility to use type 4A meters may streamline the deployment of SAPS in rural and remote regions, reducing administrative and operational burdens on network providers, enabling DNSPs to realise cost efficiencies in the deployment of SAPS and enabling more customers to benefit from them. Also, by limiting eligibility of this rule to specific circumstances, we target flexibility where it is most beneficial, but still maintain appropriate safeguards in other circumstances.

#### **Refining the eligibility requirements for SSPs will contribute positively to the NEO**

In addition to adhering to the principles of good regulatory practice, this component of the final rule will also improve outcomes for consumers, principles of market efficiency, and innovation and flexibility.

Here, the final rule will ensure equitable consumer access by allowing Victorian consumers to also establish SSPs, and delivering on the *Unlocking CER benefits through flexible trading rule's* intent to provide flexible trading opportunities across the entire NEM. This means that all NEM consumers can respond more effectively to price signals and participate in innovative service offerings, expanding consumer choice and value from CER.

This component of the final rule is also consistent with the principles of market efficiency. By facilitating SSPs, the final rule will allow the trading of energy and services in Victoria that might otherwise be limited. The removal of this potential barrier will promote equity and allow all consumers across the NEM to access the benefits of flexible trading.

Additionally, this component of the final rule will support the benefits of innovation in flexible trading by allowing the establishment of SSPs in Victoria. This ensures that innovations in flexible trading will continue to be accessible in Victoria.

#### **Reviewing the consultation requirements for the Metrology procedures will contribute positively to the NEO**

In addition to adhering to the principles of good regulatory practice, this component of the final rule will also improve innovation and flexibility, and implementation considerations.

Here, the final rule will improve flexibility in the Rules. Removing the mandatory three-month period between publication and commencement of the Metrology procedures will allow for more agile changes to the Metrology procedures to be implemented by the market. This approach allows implementation timeframes to be better tailored to the nature and urgency of each change, rather than being constrained by a uniform minimum period between publishing the Metrology procedures and their commencement. While the final rule permits immediate commencement where appropriate, implementation timing will continue to be determined through existing consultation processes and informed by stakeholder readiness.

This component of the final rule is also mindful of implementation considerations. The removal of the three-month period will enable faster responses to emerging issues. In turn, this will improve market efficiency, benefiting all stakeholders. Reducing administrative burdens and delays may also lead to cost savings for AEMO and market participants.

## 3 How our rule will operate

The following sections segment our rule into three components to address each rule change request which have been consolidated in our more preferable final rule (final rule).

Here we respond to stakeholder feedback in greater detail to explain our final determination, and how our rule will operate.

### 3.1 Our rule will allow flexible communication requirements for regulated SAPS generation connection points

Our final rule will allow the option for a type 4A metering installation at a regulated SAPS generation connection point in certain circumstances. We consider that this will reduce the cost barriers associated with the rollout of SAPS generation deployments, especially in rural and remote areas.

#### 3.1.1 The current requirements for remote communications at metering installations on regulated SAPS generation connection points are restrictive

In the ERC0414 Flexible communication requirements for SAPS generation connection points rule change request, AEMO said that the current requirement for regulated SAPS generation connection points, which requires them to have type 1-4 remote-read metering installations with remote communications, presents significant challenges for SAPS generation deployments in rural and remote areas where traditional communications networks are limited or entirely unavailable.

Under the current framework, a regulated SAPS generation connection point is required to have a metering installation capable of remote communications.<sup>33</sup> In practice, in rural and remote areas with limited access to communications networks, Market SAPS Resource Providers (MSRPs) and DNSPs have two options. Either they can implement costly solutions such as satellite connectivity to ensure their SAPS deployments are compliant with the Rules, or they can choose to forgo a SAPS solution, and instead resort to extending traditional poles-and-wires infrastructure in these areas.<sup>34</sup>

DNSPs that have sought to deploy satellite communications for regulated SAPS generators in rural and remote regions say that installing remote connections in these instances can result in considerable additional costs for installation and operation, costs that they see as disproportionate to the value of the relevant generation metering data.<sup>35</sup> Estimates for the installation costs for this communications facility are in the region of \$5,000 per connection, with annual operating costs exceeding \$2,000, greater than an estimate of annual generation revenues in the range of \$100-\$1000 for SAPS providing 1,000 to 10,000kWh a year.<sup>36</sup>

When considering the context of rural and regional regulated SAPS generation deployments, which is often on a one-system-to-one-customer basis with small-scale energy flows, the Commission can see how the economic case to proceed with a SAPS generation deployment may become less favourable. We consider that this may lead to SAPS providers choosing to delay or defer the rollout of SAPS generation in these regions, leading to remote and rural consumers unable to access this solution, and its corresponding benefits.

33 See appendix B.1 for further detail.

34 Stakeholder submissions to the consultation paper: Essential Energy p.2; Ergon Energy & Energex, p.2; AusNet, p.1; PlusES, p.1; AEMO, p.1.

35 Essential Energy submission to the consultation paper, p.3.

36 Ergon Energy submission to the consultation paper, p.3.

### 3.1.2 The final rule will allow type 4A meters to be installed at SAPS generation connection points in certain circumstances

The final more preferable rule (final rule) will allow a type 4A metering installation to be used for a regulated SAPS market generating unit or market bidirectional unit (as applicable) connection point where all four conditions are satisfied. The final rule contains additional drafting in new clause 7.8.2(h) to assist with the clarity and consistency of the final rule.

#### **The final rule will only apply in instances where there is only one market generating unit or one market bidirectional unit at the connection point (as applicable)**

We understand that in a regulated SAPS where there is only a single market generation or market bidirectional unit (as applicable) at the connection point, the metering data from this point is generally not required by market participants and is not used in the settlement process. In the SAPS settlement process for MSRPs, aggregated metering data from the individual SAPS customer metering installation is used as an input in a calculation performed by AEMO to determine the volume of energy to be attributed to the MSRP. We intend for the final rule to align with the existing type 4A settlement process.

Our final rule will allow the option to use a type 4A metering installation for a regulated SAPS connection point where there is only one market generation unit or market bidirectional unit (as applicable).<sup>37</sup>

#### **The final rule will only apply if the energy volume provided at either the market generation unit or market bidirectional unit (as applicable) connection point does not exceed the energy volume thresholds set out by AEMO in the Market Settlement and Transfer Solution procedures**

Transitional arrangements will adopt the small business customer thresholds as determined in the MSATS procedures.

We understand that in instances of a single SAPS generator connection, AEMO primarily relies on aggregated customer-measured energy volumes to determine generation volume. AEMO says that while its automated settlement checks require data from the generation point, the data from a single SAPS generation point does not play a significant role in market operations or billing accuracy.

Our final rule will not apply if the energy volume provided at the relevant market generating unit or market bidirectional unit (as applicable) connection point exceeds the energy volume thresholds set out by AEMO in the MSATS procedures.<sup>38</sup> They are new thresholds that will be set out by AEMO in the next 18 months.

This is because we consider that limiting eligibility will reduce the materiality of the risk of inaccurate or delayed readings as a result of not having access to AEMO's settlement checking automation and only having a manual-read meter at the generation connection point. We also consider that if the energy volume provided at the generation connection point is large enough, it might warrant investing in the communications capability required to install a type 4 meter.

In the interim, the final rule introduces a transitional provision for AEMO to set out the energy volume thresholds in the MSATS procedures to account for new clause 7.8.2(h)(2). Transitional arrangements in the final rule provide that until AEMO has amended and published the MSATS

<sup>37</sup> Clause 7.8.2(h)(1) of the National Electricity Amendment (Improving metering and metrology arrangements) Rule 2026 No. 2 (final rule).

<sup>38</sup> Clause 7.8.2(h)(2) of the final rule.

procedures to account for the relevant energy volume thresholds for new clause 7.8.2(h)(2), the current small business customer thresholds in the MSATS procedures will apply.<sup>39</sup> In practice, this will benchmark energy volume thresholds for eligible generation metering installations to the maximum size of a small business customer. We consider this to be an appropriate starting point that will allow the rule to take effect imminently, while AEMO determines the appropriate thresholds for generation metering installations.

We consider that a period of 18 months is sufficient for AEMO to develop the new procedures, as this will allow AEMO to coordinate this change with other changes to the MSATS procedures that AEMO is looking to undertake. Combining consultation processes will be less of an imposition on AEMO as well as on stakeholders, who will only have to respond to one round of consultation.

**The final rule will only apply if metering installation at the connection point is not classified as a small customer metering installation**

We note that the Rules provide for arrangements regarding exemptions for metering installations at a small customer's premises. Changes to these arrangements were not contemplated by the rule change request.

Our final rule will only apply where the metering installation is classified as a market generating unit or market bidirectional unit connection point.<sup>40</sup> The final rule will have no application to small customer metering installations and does not make changes to requirements for small customer metering installations.

**The final rule will only apply if the financially responsible Market Participant is a Market SAPS Resource Provider**

In regulated SAPS with a single market generating unit or market bidirectional unit at the connection point, we understand that metering data from the SAPS generation connection point is generally not relied upon by other market participants and is not used as the primary input to settlement. Rather, settlement is based on aggregated metering data from individual SAPS customer installations.

We understand that the party who benefits from receiving market generating unit or market bidirectional unit metering data in these circumstances is the MSRP, who uses it for the purpose of reconciling settlement process outcomes. Where the financially responsible Market Participant is an MSRP, we consider that any risks associated with delayed or manual meter reads are appropriately internalised by the MSRP.

Our final rule will only apply where the FRMP is a MSRP.<sup>41</sup> In other words, a person who is registered by AEMO as a MSRP and has classified one or more production units connected to a regulated SAPS as a market generating unit or market bidirectional unit.<sup>42</sup>

**The final rule can be implemented on 30 April 2026**

As the proposed change would enable a manual- as opposed to remote-read metering installation, metering data would still be collected at the generation connection point, and as discussed earlier, the frequency of data collection does not appear to be significant.

39 See Table 4-D NMI Classification Codes in version 7.1 of the [MSATS procedures](#).

40 Clause 7.8.2(h)(3) of the final rule.

41 Clause 7.8.2(h)(4) of the final rule.

42 See NER Chapter 10.

Therefore, the final rule will commence on 30 April 2026, and from this date, eligible stakeholders may be able to install type 4A meters at generation connection points, in certain circumstances.

As soon as practicable after this commencement date and by no later than 30 October 2027, AEMO must amend and publish the MSATS Procedures to reflect this. In the interim, the transitional arrangements will apply.

Stakeholders have not opposed this implementation timeframe, and so the rule will commence on 30 April 2026.

### 3.1.3 While stakeholders were supportive, they also proposed further amendments to the Rules to reduce the obligations for SAPS metering

Some stakeholders said that while they are supportive of the rule change, they propose to remove the requirement for a generator meter altogether in simple single generator SAPS arrangements. They consider that the generation meter does not provide meaningful additional value and so proposed that this would remove both the upfront and ongoing costs associated with physical metering.<sup>43</sup>

AEMO submits that in SAPS where there is only a single generation connection point, the metering data from this point is generally not required by market participants and is not used in the settlement process.<sup>44</sup> However, AEMO said that while it settles based on customer meters rather than generator meters, it still requires generator meters to provide backup and monitoring.<sup>45</sup>

Ergon Energy & Energex, and PlusES have also said that quarterly manual meter reads in these instances were not necessary and should be less frequent.<sup>46</sup> They cited reasons including that limitations with remote communications connectivity and regional and remote SAPS locations are structural in nature, and that they lead to unnecessary increases in ongoing travel and labour costs when deploying regulated SAPS. In addition to this, PlusES also proposed a broader application of the rule to all SAPS metering installations, citing that manual meter reading obligations should be aligned to settlement relevance and operational feasibility.<sup>47</sup> Overall, we consider that removing the requirement to meter a connection point would be a substantive change beyond the scope of this non-controversial rule change process, particularly given that we will not be undertaking further consultation. We consider that limiting the scope of this project to the type of generator meter, as opposed to the need for generator metering itself, would deliver the major benefits of this rule change more quickly.

However, we consider that may be an opportunity for AEMO to consider increasing flexibility in its Metrology procedures to provide a longer period between meter reads for non-settlement meters.<sup>48</sup> We consider that this may improve the business case for SAPS installations by further reducing installation and operation costs, therefore providing a lower-cost solution to consumers. AEMO or any other person may make a proposal to amend any procedure in the Metrology procedures in line with the Rules consultation procedure.<sup>49</sup>

In the initial rule change request, AEMO also proposed an alternative solution of enabling AEMO to exempt an MC and Metering Data Provider (MDP) from the requirement to establish remote

43 Stakeholder submissions to the consultation paper: Ergon Energy & Energex, p.3; Essential Energy, pp.1,3; PlusES, pp.3-4.

44 AEMO, Rule change request, p.x.

45 AEMO, Rule change request, p.x.

46 Stakeholder submissions to the consultation paper: Ergon Energy & Energex, p.2; PlusES, pp.3-4.

47 PlusES submission to the consultation paper, pp.3-4

48 AEMO, Metrology procedures, Section 12.2 Metering data collection.

49 NER clause 7.16.7.

communications to the metering installation, with the same four conditions to apply. However, we did not receive any stakeholder feedback on this point, and do not consider that there is any benefit in adding the administrative burden of this additional step.

### 3.1.4 Retaining the focus on SAPS generation connection points will deliver the benefits of this final rule more quickly

Overall, we consider that our final rule will result in minimal costs to industry, and offers significant benefits.

We agree with AEMO that the cost of implementing the final rule will primarily involve changes to MSRP practices.<sup>50</sup> Under the new rule, MSRPs would be required to amend their evaluation processes to consider whether a SAPS deployment may now be economical. AEMO considers these changes to be minimal as the use of type 4A metering installations aligns with existing infrastructure capabilities, accreditations, system design and procedure drafting, which would significantly limit implementation complexity. Stakeholders have not provided any further feedback on additional expected costs associated with the rule change.

Stakeholders have, however, provided feedback on the significant benefits of this rule change. We consider that by allowing for the use of type 4A metering installations, MSRPs would benefit from substantial cost savings, avoiding upfront installation costs. They would also face substantially lower ongoing costs, as the cost of manually collecting quarterly meter readings is expected to be significantly lower than the annual remote communication costs.<sup>51</sup>

AEMO also proposed that this change could encourage investment in innovative and tailored energy solutions, promoting long-term market efficiency and technological progress.<sup>52</sup> We agree that greater SAPS deployment may reduce reliance on traditional grid infrastructure, providing a more resilient localised energy supply, which means that remote and rural consumers will benefit from more cost-effective, sustainable energy solutions.

Overall, we consider that the final rule will deliver significant benefits that will lower costs for SAPS generation deployments, leading to a simpler SAPS installation process. This will result in lower prices for consumers and a more widespread adoption of SAPS solutions where they are cost-effective. As the deployment of SAPS for DNSPs is dependent on a demonstrated economic benefit, we see that in the long term, this may also serve to reduce the overall network charges to all customers in that region.

Costs and benefits under the alternative proposals suggested by stakeholders are more challenging to anticipate, and would require further consultation and analysis. We consider the scope of the initial rule change request to be appropriate as it delivers the major benefits of this final rule more quickly. Alternative proposals can be addressed through a separate rule change process.

Therefore, our final rule will allow for the installation of type 4A meters at a SAPS generation connection point. We agree with the Proponent that this will provide flexibility for MSRPs and would reduce installation and operation costs without compromising settlement integrity or affecting other market participants and end users.

50 AEMO, Rule change request, p.x.

51 Stakeholder submissions to the consultation paper: Essential Energy, pp.2-3; Ausnet, p.1; Ergon Energy and Energex, p.3; PlusES, p.4.

52 AEMO, Rule change request, p.x.

## 3.2 Our rule will refine the existing eligibility requirements for Secondary Settlement Points

Our final rule will replace the list of eligible connection point metering types with a general requirement for remote acquisition capability and trading interval data in new clause 7.2.6(b)(3) within Schedule 4, Item [3] of the *National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024, No. 15*, commencing on 1 November 2026, (the *Unlocking CER benefits Rule*).

Some components of this final rule relate to Rules that have not yet commenced and, accordingly, are not contained in the current version of the NER on our website.<sup>53</sup>

Our final rule will pre-emptively address an identified limitation in the way the Rules will operate once the *Unlocking CER benefits Rule* comes into effect in November 2026. Here, premises with Vic AMI installations may be restricted from establishing secondary settlement points (SSPs). Our final rule will resolve the limitation before the *Unlocking CER benefits Rule* is in effect, maintaining the *Unlocking CER benefits Rule's* intent while accommodating Victoria's regulatory framework and bespoke meter types, to allow all customers across the NEM, including Victoria, to benefit from SSPs.

The final rule will also amend tables in NER Schedules 7.2 and 7.3 to address minor administrative issues including adding additional competency requirements and clarifying categories of registration. We have amended two different Schedules of the *Unlocking CER Benefits Rule* which have separate commencement dates under that Rule (31 May 2026 and 1 November 2026).

### 3.2.1 Victorian customers may be excluded from establishing SSPs under the *Unlocking CER benefits Rule* without amendments

As part of the *Unlocking CER benefits Rule*, flexible trading arrangements were introduced through the establishment of SSPs. Importantly, to align with the *Unlocking CER benefits Rule's* intent to enable accurate and timely subtractive settlement, SSP establishment was limited to premises with metering installations capable of remote data acquisition.<sup>54</sup> This was done so by requiring the metering installation for the connection point to be a type 1, 2, 3, 4, 8A or 9 metering installation.

However, in specifying the meter types that are capable of remote acquisition, the wording inadvertently precludes SSP establishment in Victoria. This is because in Victoria a mandatory, state-wide smart meter rollout led to the vast majority of small customer meters being Victorian advanced metering installations (Vic AMI). These meters are capable of remote data acquisition, but were designated as type 5 meters under the relevant Orders.<sup>55</sup>

Under the *Unlocking CER benefits Rule*, Vic AMI type 5 meters are not included in the list of appropriate meter types at the primary connection point from which an SSP can be established. We consider that this discrepancy may create a barrier for Victorian customers wishing to benefit from the SSP arrangement and risks creating an inequitable outcome in CER flexibility.

While the relevant Schedules in the *Unlocking CER benefits Rule* considered in the proponent's rule change request are not yet in effect, the relevant Schedules of the *Unlocking CER benefits Rule* will be implemented by 31 May 2026 (Schedule 2) and 1 November 2026 (Schedule 4). Without the

<sup>53</sup> Please see the [National Electricity Amendment \(Unlocking CER benefits through flexible trading\) Rule 2024 No.15](#) on our ERC0346 Unlocking CER benefits through flexible trading project page for the relevant rules.

<sup>54</sup> See appendix B.2 for further detail.

<sup>55</sup> See the Orders Government Gazette S342 20172 and S346 20173. The Orders are used to modify how the NER applies in Victoria, and to give effect to Victoria-specific regulatory frameworks where Victoria has chosen to derogate from the NER. In particular, the metering provisions in Victoria tend to be different to the rest of the NEM.

final rule, Victorian customers may not be able to establish SSPs and so may not benefit from the *Unlocking CER benefits Rule*.

### 3.2.2 The final rule will refine eligibility requirements of SSP establishment with a general requirement for remote acquisition capability and trading interval data

**The final rule will amend new clause 7.2.6(b)(3) as set out in Schedule 2 of the *Unlocking CER benefits Rule* to allow for a metering installation that supports the remote acquisition of trading interval metering data**

Our final rule will allow for SSP installations to be established at premises with metering installations that support the remote acquisition of trading interval metering data. This means that Victorian meters that are designated as type 5 Vic AMI will also meet the eligibility test for SSP installations. The final rule amends Schedule 4, Item [3] of the *Unlocking CER benefits Rule*. Schedule 4 Item [3] will insert a new clause in the NER for establishing secondary settlement points within premises. A Market Participant may establish a metering installation situated within the premises of an end user (including within a single user network or premises in an embedded network) as a secondary settlement point if, among other things, the metering installation for the connection point for the premises is a type 1, 2, 3, 4, 8A or 9 metering installation.

The final rule will remove the requirement under new clause 7.2.6(b)(3) for the metering installation at the connection point to be a type 1, 2, 3, 4, 8A or 9 metering installation. This will be replaced with a broader requirement that the 'metering installation for the connection point for the premises [to be able to] support the remote acquisition of trading interval metering data'.

#### **The final rule can be implemented on 30 April 2026**

We note that AEMO procedures related to the *Unlocking CER benefits Rule* were published on 30 September 2025, and Schedule 4 of the *Unlocking CER benefits Rule* will commence on 1 November 2026.<sup>56</sup> Resultantly, we consider implementation prior to 1 November 2026 would ensure that the relevant Schedules of the *Unlocking CER benefits Rule*, once in effect, are consistent across all jurisdictions in the NEM.

Stakeholders have not identified any material change to procedures and guidelines that would result from the rule change, and AEMO considers no transitional provisions are required as the implementation of these proposed changes will not affect the rule change implementation of Schedule 4 of the *Unlocking CER benefits Rule* commencing on 1 November 2026.

Therefore, the final rule will commence on 30 April 2026.

### 3.2.3 Stakeholders were largely supportive of including outcomes-based metering installation requirements for establishing SSPs

Stakeholders were largely supportive of replacing the specific list of eligible metering types with a broader functional requirement for remote acquisition capability.<sup>57</sup>

However, PlusES proposed that the eligibility framework should remain clearly scoped to Victorian SSP arrangements and requested that the final rule drafting does not inadvertently capture remaining manually read interval meters outside Victoria which are capable of remote acquisition.<sup>58</sup>

<sup>56</sup> See <https://www.aemo.com.au/consultations/current-and-closed-consultations/2025-flexible-trading-arrangements> for further information.

<sup>57</sup> Stakeholder submissions to the draft determination: AEMO, p.1; Ergon Energy & Energex, p.1; BlueCurrent, p.1; Ausnet, p.1; PlusES, p.1.

<sup>58</sup> PlusES submission to the consultation paper, p.5.

We consider that there is no harm, and potentially some additional benefit, in retaining the wording proposed in our consultation paper, which more clearly reflects the *Unlocking CER benefits Rule's* intent. We consider that keeping the rule change outcomes-focused without any location-based specifications will ensure that any future meter types that meet the key requirements are automatically eligible.

Overall, we consider that this change would ensure that Victorian customers can establish SSPs and enjoy the benefits of flexible trading as envisaged by the *Unlocking CER benefits Rule*. The change to more outcomes-focused drafting would retain the original intent or effectiveness of the settlement arrangements, while accommodating Victoria's legislative and regulatory framework.

### 3.2.4 **Adapting outcomes-focussed drafting will amend regulatory misalignment and avoid confusion and inconsistency in market operations to ensure benefits are equally accessible across the NEM**

We consider that the final rule is consistent with the policy intent of the *Unlocking CER benefits Rule* in respect to new clause 7.2.6(b)(3) regarding establishing secondary settlement points within premises.

Stakeholders did not discuss any explicit costs, and as such, we do not anticipate any negative consequences resulting from the final rule.

We agree with the proponent that a primary benefit of the proposal is to ensure Victorian customers can also participate in the installation of SSPs, avoiding disparity in the application of the Rules across the NEM.<sup>59</sup> By moving to a more outcomes-based description of an eligible metering installation, we will avoid a situation where Victorian consumers are inadvertently disadvantaged, as all consumers with meters capable of remote acquisition of trading interval metering data will now be able to install SSPs and engage in the benefits of flexible trading, regardless of their physical location within the NEM.

We consider that amending the tables in NER Schedules 7.2 and 7.3 as proposed by AEMO will also ensure consistency in the required competency for NEM metering installations and provide parties with confirmation of the technical requirements related to the new metering types.

### 3.2.5 **The final rule will amend tables in NER Schedules 7.2 and 7.3 to address minor administrative issue**

To accommodate the creation of new metering types (type 8A, 8B, and 9), a number of changes were also introduced to NER Schedules 7.2 and 7.3 as part of the *Unlocking CER benefits Rule*

In their rule change request, AEMO submitted that they identified minor administrative issues in two of the categories of registration for accreditation tables.<sup>60</sup> Below we set out in bold the changes made by the final rule, and then discuss stakeholder feedback in response to these changes during consultation.

59 AEMO, Rule change request, p.9.

60 AEMO, Rule change request, p.5.

NER Schedule 7.2 clause S7.2.2, Table S7.2.2.2

**Table 3.1: Table S7.2.2.2 Categories of registration for accreditation**

Category	Competency
4A	Class 1.0 Wh meters and class 1.5 Wh meters with $<0.3/\cos\phi$ % uncertainty <b>and class 2.0 varh meters and class 3.0 varh meters with <math>&lt;0.5/\sin\phi</math>% uncertainty.</b>
4S	Class 1.0 Wh meters and class 1.5 Wh meters with $<0.3/\cos\phi$ % uncertainty <b>and class 2.0 varh meters and class 3.0 varh meters with <math>&lt;0.5/\sin\phi</math>% uncertainty.</b>

Source: AEMC

**Item [83] of the National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024, No. 15, clause S7.2.2, Table S7.2.2.2**

**Table 3.2: Table S7.2.2.2 Categories of registration for accreditation**

Category	Competency
8M	Class 1.0 Wh meters <b>and class 1.5 Wh meters</b> and class 2 Wh meters with $<0.3/\cos\phi$ % uncertainty.

Source: AEMC

Currently, NER Schedule 7.2, clause S7.2.2, Table S7.2.2.2 sets out the competency requirements for Metering Providers (MPs) seeking accreditation for the provision, installation and maintenance of metering installation types 4. From 1 November 2026 Table S7.2.2.2 will also include competency requirements for type 8M metering installation, when Schedule 4 of the *Unlocking CER benefits Rule* commences. Here, AEMO identifies two minor issues:

- Firstly, Item [83] of Schedule 4 of the *Unlocking CER benefits Rule* amends Table S7.2.2.2 so that competency requirements for type 8M metering installations are “Class 1.0 Wh meters and class 2 Wh meters with  $<0.3/\cos\phi$  % uncertainty”. AEMO submits this does not cater for the variation between type 8A and 8B metering installations, specifically missing class 1.5 Wh meters that are required to meet the overall error for type 8A in NER Table S7.4.3.5.
- Secondly, the current NER Table S7.2.2.2 in clause S7.2.2 provides for categories 4A and 4S requiring competency only for active power meters. However, AEMO identifies that Table S7.4.3.4 also has reactive power (in addition to active power) metering accuracy requirements.

Our final rule inserts the additional wording in Table S7.2.2.2 of “and class 2.0 varh meters and class 3.0 varh meters with  $<0.5/\sin\phi$ % uncertainty” to categories of registration for accreditation 4A and 4S. We agree with AEMO that these are required as the competency should align with the overall accuracy requirements of Table S7.4.3.4 which factor in reactive power. This enables two potential scenarios:

- Meter 1 LVCT Connected = Class 1 Wh / 2 varh + CT class of 0.5%; or
- Meter 2 Whole Current = Class 1.5 Wh / 3 varh

Our final rule also adds class 1.5Wh meters to category 8M (due to be introduced on 1 November 2026 to Table S7.2.2.2 by commencement of Schedule 4 of the *Unlocking CER benefits Rule*) as we agree with AEMO that the competency should encompass the overall accuracy requirements of both type 8A and 8B, which differ, and can be applied in the following scenarios:

- Meter 1 LVCT Connected = Class 1 Wh / 2 varh + CT class of 0.5%;
- Meter 2 Whole Current 8A = Class 1.5 Wh; or
- Meter 3 Whole Current 8B = Class 2.0 Wh.

We consider the amendments to this table under the final rule will provide better alignment with the metering installation accuracy requirements in Table S7.4.3.4 (for type 4A and 4S meters) and Table S7.4.3.5 (for Type 8A and 8B meters). In other words, the final rule will ensure that MPs have the required competencies that correspond with the metering accuracy requirements.

However, PlusES proposed substantial amendments. They submit that Table S7.2.2.2 does not articulate competency requirements in a clear or appropriate manner.<sup>61</sup> They also consider that the table conflates Metering Provider competency with meter accuracy and performance requirements. PlusES proposes instead a principles-based approach, which they say should also be applied consistently across the remainder of Table S7.2.2.2 and other similar tables in clause S7.2.2. PlusES considers that under this approach:

- Competency descriptions would focus on the ability to install and maintain metering installations compliant with the relevant NER metering installation type and applicable measurement quantities (e.g. kWh, kVARh); and
- The table would avoid restating accuracy or uncertainty requirements that are already prescribed elsewhere in the Rules and Metrology framework.

They consider that the NER already defines the required performance characteristics and accuracy outcomes of metering installation types, and suggest that these equipment performance requirements should not be conflated with the competency requirements of the MP which serve a distinct regulatory purpose.

PlusES also say that current Australian Standards, including those referenced in Metrology procedure Part A, do not recognise a 'Class 1.5' category for kWh meters.<sup>62</sup>

We consider that the substantive modifications proposed by PlusES would constitute a material change that is beyond the scope of this expedited rule change process, and are better addressed in a separate rule change. The expedited process also means that stakeholders would have no opportunity to comment on PlusES's proposal.

Likewise, the retention of class 1.5 category for kWh meters does no harm, and we think that there are potential risks in deleting it without consultation.

In our view, the amendments proposed by AEMO, which have been consulted on, improve consistency and clarity and also do no harm. We further agree that they are administrative in nature.

61 PlusES submission to the consultation paper, pp.5-6.

62 PlusES submission to the consultation paper, p.5

NER Schedule 7, clause S7.3.2, table S7.3.2.1

**Table 3.3: Table S7.3.2.1 Categories of registration for accreditation**

Metering installation type	Categories of registration
1, 2, 3, 4, 8A, 8B and 9	Category 1D, 2D, 3D, 4D, <b>8D</b> and <b>9D</b> (for remote acquisition, processing and delivery of metering data for connection points)  Category 4S (for small customer metering installations in relation to remote acquisition, processing and delivery of metering data for connection points)

Source: AEMC

Separately, under the *Unlocking CER benefits Rule*, NER Schedule 7 table S7.3.2.1 will have two new categories introduced for the accreditation of MDPs for type 8 (commencing under Schedule 4 on 1 November 2026) and 9 (commencing under Schedule 2 on 31 May 2026) metering installations. The *Unlocking CER benefits Rule* uses the identification of Category 8M and 9M in Item [16] of Schedule 2 and Item [83] of Schedule 4, which are the identifiers used for MPs in Table 7.2.2.2. AEMO considers that the identifying category for MDPs is typically to postfix “D” to the metering type number rather than “M”, providing clear separation between the types of accreditations.<sup>63</sup>

PlusES supports AEMO’s proposal citing improvements in consistency with other MP data category identifiers and a removal of duplication with metering provider identifiers in NER Table S7.2.2.2.<sup>64</sup>

We agree with stakeholders that this amendment will enhance clarity and reduce regulatory ambiguity.

The final rule will remove references to “8M” and “9M” and replace these with “8D” and “9D” in all references to clause S7.3.2, Table S7.3.2.1 in the *Unlocking CER benefits Rule*.

### 3.3 Our rule will revise the Metrology procedures commencement timing

Our final rule will remove the mandatory minimum three-month period between the publication and commencement of any amended Metrology procedures, which applies unless the amendments have been made using the Minor rules consultation procedures (in which case commencement is the date of publication). We consider that the three-month lag delays the implementation of essential changes and reduces AEMO’s flexibility and responsiveness to changes in the NEM, creating inconsistencies with other AEMO procedures that do not have these mandatory commencement lead times. We consider that the current consultation requirements under the Rules consultation procedures already require AEMO to consult with stakeholders on matters including implementation timeframes, and expect that these existing processes will include a realistic assessment of the time required for impacted market participants to make any necessary changes.

63 AEMO, Rule change request, p.5.

64 PlusES submission to the consultation paper, p.5

### 3.3.1 **Currently, stakeholder responsiveness to changes in the NEM may be limited by the mandatory implementation lag for amendments to the Metrology procedures**

In the ERC0409 Consultation requirements for the Metrology procedures rule change request, AEMO proposed that this mandatory minimum three-month period creates unnecessary delays in the implementation of essential changes, reducing flexibility and responsiveness to changes in the electricity market. The rule change does not impact minor amendments made under the minor rules consultation procedure, where the three-month lag does not currently apply. The rule change is only relevant to standard or expedited rules consultation procedures.<sup>65</sup>

The three-month commencement delay for the Metrology procedures is a feature that AEMO must currently take into account when providing advice to interested parties in the development of AEMO's high level implementation assessments (HLIAs), and it can affect the overall commencement timing of rule changes where the relevant rule relies on updated Metrology Procedures in order to operate, which could delay the commencement of a necessary change where no delay is warranted.

Under the Rules consultation procedures, AEMO (and other users of the procedures) is obliged to consult on appropriate implementation timeframes, including for changes to the Metrology procedures.<sup>66</sup> AEMO propose that they already sufficiently incorporate stakeholder input into implementation timing for process and system changes, and consult on the appropriate duration of time required by industry to prepare for new procedures more generally.

AEMO submits that flexibility in the implementation of procedural changes is increasingly required to address emerging challenges and to implement progressive changes to the NER. They consider that the implementation lag limits the flexibility and immediacy of their responses. AEMO considers that the evolving market conditions and technologies are likely to require ongoing change and adaptation of the Metrology Procedures. As a result, they propose that the impact of the current Rule is material, as it can hinder the timely adoption of necessary changes, thereby reducing the overall efficiency of the NEM and creating administrative burdens for both AEMO and market participants.

We agree that this requirement is arbitrary and inconsistent with the requirements for other consultations that AEMO and other consulting parties undertake under the Rules consultation procedures.<sup>67</sup> We agree that this limits AEMO's responsiveness, even when stakeholders are prepared for, or require, immediate implementation. We consider that the Rules consultation procedures provide sufficient opportunity for stakeholders to provide their views on implementation timeframes, and for those views to be taken into account, without the need to impose arbitrary minimum periods.

### 3.3.2 **The final rule will remove the minimum three-month implementation lag in the Metrology procedures**

Our final rule will remove clause 7.16.3(b) of the NER so that changes made to the Metrology procedures will no longer require a mandatory minimum three-month period between publication and commencement. This means that the effective date for any changes can be immediate or any other date specified in the relevant version of the Metrology Procedures.

<sup>65</sup> See appendix B.3.1 for further detail.

<sup>66</sup> NER Rules 8.9.2(b)(4) and 8.9.3(a)(4) require consultation on the proposed date on which the new or amended Relevant Determination would take effect for the Standard or Expedited rules consultation procedures respectively. The three-month implementation lag following the date AEMO publishes the amended Metrology procedures only applies to changes made through the Standard or Expedited rules consultation procedures. See appendix B.3.1 for further detail.

<sup>67</sup> See Chapter 7 of the NER.

We note that any changes to the Metrology procedures will still have to follow the Rules consultation procedures wherein AEMO is required to consult with stakeholders to determine an appropriate implementation date.

### **The final rule can be implemented on 30 April 2026**

We have not identified any material change to procedures and guidelines that would result from a removal of this requirement, and consider that no transitional provisions are required.

We agree with AEMO that this rule change removes the mandatory lead time without imposing new obligations or altering existing arrangements, including the standard procedure consultation processes that would include the Metrology procedures. Therefore, the rule will commence on 30 April 2026.

### **3.3.3 Stakeholders were supportive of the intent of the rule change, but expressed concern surrounding the risk of unrealistic implementation timeframes**

Submissions to our consultation paper were mostly supportive of the need for increased flexibility and improved responsiveness to changes in the NEM.<sup>68</sup> However, stakeholders considered that implementation timeframes must remain balanced with the time required for impacted market participants to make any necessary changes.<sup>69</sup>

Stakeholders considered that the removal of the implementation lag is unlikely to materially accelerate implementation of substantive metrology changes, citing that changes to the procedures frequently require hardware and software changes across multiple service providers that routinely exceed three months.<sup>70</sup> Stakeholders also expressed concern of creating an implicit expectation of compressed implementation timelines where the removal of the three-month lag may increase organisational risk, emphasising that its removal should not result in unrealistic expectations regarding implementation speed, or weaken existing risk management disciplines.<sup>71</sup>

While the Metrology procedures may differ from other AEMO procedures in Chapter 7 of the NER, we do not see a reason for an arbitrary minimum implementation period for any changes. Implementation timeframes are a common feature of most consultations, and the Rules consultation procedures provide an appropriate mechanism for consulting on and determining the required period. While we understand that the Metrology procedures are continually evolving and may become more complex, we consider that the existing avenues for consultation should sufficiently provide for these complexities to be considered by AEMO when they develop their implementation plans. We agree that stakeholder consultation is an important element in determining appropriate implementation timeframes, and consider AEMO should continue to appropriately reflect stakeholder feedback throughout this process.

Intellihub proposed an alternative solution where the 3-month lag should only be removed for changes made using the Expedited rules consultation procedure, as is currently the case for changes made using the Minor rules consultation procedure. It considered that the Standard rules consultation procedures should retain the 3-month implementation lag.<sup>72</sup> However, for the above reasons, we do not consider that any minimum implementation lag for changes made under the Rules consultation procedures is appropriate. We further note that, for the Standard rules consultation procedures there are two rounds of consultation.<sup>73</sup>

68 Stakeholder submissions to the consultation paper: AEMO, p.1; Bluecurrent, p.1; Ergon Energy & Energex, p.1; Intellihub, p.2.

69 Stakeholder submissions to the consultation paper: Intellihub, p.2; Bluecurrent, p.3; PlusES, p.7.

70 Stakeholder submissions to the consultation paper: Bluecurrent, p.2; Intellihub, p.3; PlusES, p.7.

71 Stakeholder submissions to the consultation paper: Bluecurrent, p.3; PlusES, p.7.

72 Intellihub submission to the consultation paper, p.3.

Intellihub also proposed a clarification for jurisdictional metrology material in the Metrology procedures, however as our final determination is to remove the three-month implementation lag entirely, we do not consider this to be necessary.<sup>74</sup>

Therefore, we consider that the Rules consultation procedures set out an appropriate process for consulting on and determining implementation timeframes for changes to the Metrology procedures, as it is consistent with all other AEMO, AER and other consulting party consultations undertaken under these Rules consultation procedures. We emphasise AEMO's obligation to appropriately engage with stakeholders on implementation timeframes, and consider that consultation processes should include a realistic assessment of implementation timeframes.

### **3.3.4 Removing the mandatory minimum three-month implementation lag will allow for necessary changes to be implemented immediately, if required**

We agree with AEMO that the costs of implementing this change are minimal, as it involves the removal of an existing requirement without imposing new obligations.

While some stakeholders have proposed that removal of the minimum three-month implementation lag may result in additional risk for metering coordinators to ensure the changes are implemented appropriately, we consider that these risks are mitigated by the existing avenues for consultation through the Rules consultation procedures.<sup>75</sup> We see that failing to remove the mandatory three-month period may hinder the timely adoption of necessary changes, which could lead to reductions in market efficiency and responsiveness.

Overall, we consider that our final rule will allow AEMO and market participants to implement changes more swiftly when this is required, improving market responsiveness, and reducing administrative burdens. More broadly, the removal of the three-month period will facilitate a more agile and consistent regulatory framework where changes can be actioned in a timely manner, thus improving overall market efficiency, benefiting all stakeholders. We expect AEMO to fully consider implementation timeframes, as they must do for all consultations under the Rules consultation procedures.

<sup>73</sup> NER, Rule 8.9.2.

<sup>74</sup> Intellihub submission to the consultation paper, p.3.

<sup>75</sup> Stakeholder submissions to the consultation paper: Bluecurrent, p.3; PlusES, p.7.

## A Rule making process

The expedited rule change request process (8 weeks) includes the following formal stages:

- a proponent submits a rule change request
- the Commission commences the rule change process by publishing a consultation paper and seeking stakeholder feedback
- participants have two weeks to lodge an objection to the use of the expedited process
- stakeholders have four weeks to lodge submissions on the consultation paper and engage through other channels to make their views known to the AEMC project team
- the Commission publishes a final determination and final rule (if relevant)

You can find more information on the rule change process on our website.<sup>76</sup>

### A.1 AEMO proposed three rule change requests to improve metering and metrology arrangements

#### A.2 The first proposal addressed communication requirements for SAPS generation connection points

AEMO sought to provide flexibility to use type 4A meters for SAPS generation points with a single generator connection.

AEMO said that the current metering arrangements present significant challenges for SAPS generation deployments in rural and remote areas where traditional communications networks (3G, 4G, and 5G) are limited or entirely unavailable.

AEMO considered that the rule change would reduce installation and operation costs for Market SAPS Resource Providers (MSRPs) without compromising settlement integrity or affecting other market participants and end users.

#### A.3 The second proposal addressed eligibility requirements for SSPs

AEMO proposed to address an identified limitation in the current drafting of the Rules, where premises with Victorian Advanced Metering Infrastructure (VIC AMI) installations may be restricted from establishing SSPs.

The proposal was to replace the list of eligible connection point metering types with a general requirement for remote acquisition capability and trading interval data. They considered this maintains the Rule's intent while accommodating Victoria's regulatory framework and bespoke meter types.

AEMO considered that the rule change would allow all customers across the National Energy Market (NEM), including Victoria, to benefit from SSPs, as envisioned in the Unlocking CER benefits through flexible trading rule change.

<sup>76</sup> See our website for more information on the rule change process: <https://www.aemc.gov.au/our-work/changing-energy-rules>

## A.4 The third proposal addressed consultation requirements for the Metrology procedures

AEMO proposed to remove the mandatory three-month period between the publication and commencement of any amendments under the Metrology procedures, which applies unless the amendments have been made using the minor rules consultation procedure.

AEMO said that this delays the implementation of essential changes, and reduces AEMO's flexibility and responsiveness to changes in the electricity market. They also considered that this creates inconsistencies with other AEMO procedures that do not have these mandatory commencement lead times.

AEMO considers that the rule change would harmonise the Metrology procedures with other AEMO procedures, and also allow AEMO and market participants to implement changes immediately, if required.

## A.5 The process to date

On 26 February 2026, the Commission published a notice advising of the initiation of the rule making process and consultation in respect of the rule change request.<sup>77</sup> A consultation paper identifying specific issues for consultation was also published. Submissions closed on 26 March 2026. The Commission considered that the rule change request was a request for a non-controversial rule as defined in s.87 of the NEL because:

- These proposed changes are unlikely to have a significant impact on the broader NEM, as they seek to streamline existing processes and metering requirements in the Rules and replace them with more fit-for-purpose requirements.
- The proposals appear unlikely to impose a significant cost on participants or the market generally, don't appear to affect the integrity of the market settlement process, and have limited impacts on consumers.
  - For **ERC0414**, the scope of the request relates only to the telecommunications requirements for metering installations in a very specific instance (generation connection points with a single generator connection), with no market settlement impact.
  - **ERC0413** primarily requests amending the existing rule drafting for SSP arrangements to wording that is more outcomes-focused. AEMO considers this change would ensure that Victorian customers can also establish SSPs and enjoy the benefits of flexible trading as envisaged by the Unlocking CER benefits rule change which are already in place to commence for other NEM jurisdictions in November 2026. Some minor administrative amendments are also proposed.
  - **ERC0409** requests the removal of a specific clause that mandates a set period between the publication and commencement of amendments made under the Metrology procedures, subject to consultation required under the Rules consultation procedures.

Accordingly, the Commission initiated an expedited rule change process, subject to any written requests not to do so. The closing date for receipt of written requests was 12 March 2026.

No written requests to not carry out an expedited rule change process were received. Accordingly, the rule change request was considered under an expedited process.<sup>78</sup>

<sup>77</sup> This notice was published under section 95 of the NEL.

<sup>78</sup> Section 96 of the NEL.

The Commission received seven submissions on the rule change request. The Commission considered all issues raised by stakeholders in submissions. Issues raised in submissions are discussed and responded to in this final rule determination.

On 30 March 2026, under s 93 of the NEL, the AEMC consolidated three rule change requests. We considered that the rule changes would be more efficiently addressed together as a consolidated rule because:

- There is overlap in subject matter as all rule change requests relate to metering.
- Many of the interested stakeholders are common to all three requests.
- Consolidating the rule changes would result in less documentation and fewer meetings for us and for stakeholders, with the same resources working across all three rules.

## B Additional background and context

This section outlines additional background and context for the final rule, including:

- the context surrounding SAPS
- existing SSP arrangements
- current consultation requirements for AEMO metering-related procedures.

### B.1 SAPS can be lower-cost substitutes to traditional network solutions

#### B.1.1 A SAPS is an electricity supply arrangement that is not physically connected to the national grid

SAPS are usually a combination of solar PV, batteries and a back-up generator, and are increasingly allowing electricity services to be delivered through alternatives to grid connection at a lower cost and with improved reliability. They have been considered beneficial for remote communities, including by supporting access to a reliable and resilient energy supply at lower cost than a network solution.

#### B.1.2 In 2019, we completed a [Review of the regulatory frameworks for stand-alone power systems \(EMO0037\)](#), and proposed changes to energy laws and rules to facilitate SAPS deployment

Our review recommended a suite of changes to energy laws and rules to enable the use of standalone power systems by DNSPs where SAPS offer greater efficiency than maintain existing grid connections. Under the reforms, we considered that it was important for customers who receive stand-alone systems to retain all of their existing consumer protections, including access to retail competition and existing reliability and safety standards. As such, customers would not be disadvantaged where a distributor determined that it would be more efficient to supply them on a stand-alone basis. We considered that any cost savings arising from the use of lower cost standalone systems would flow through to all users of the distribution network, through lower network prices.

#### B.1.3 We built on these recommendations in our [Updating the regulatory frameworks for distributor-led stand-alone power systems \(EMO0038\)](#) review

This review developed detailed revisions to the Rules required to implement the new regulatory approach for distributor-led SAPS. These new regulatory arrangements allowed DNSPs to use SAPS where it would be economically efficient to do so, aiming to remove existing barriers to distribution businesses providing SAPS as a regulated service, while retaining existing NEM arrangements as far as possible. The final report included information for the COAG Energy Council, the Australian Energy Regulator (AER), AEMO, state and territory governments and regulators to deliver the recommended changes, which included changes to national energy laws and state-based regulations. We published the final report alongside a package of proposed rules.

#### B.1.4 Amendments to the NEL were then passed in 2022 to adopt these recommendations

On 22 November 2019, Energy Ministers considered the findings of our Updating the regulatory frameworks for distributor-led SAPS review and agreed to make a number of changes to national energy laws to support the efficient delivery of SAPS by DNSPs.<sup>79</sup>

Following stakeholder consultation on proposed legislative amendments and agreement from Energy Ministers, the Statutes Amendment (National Energy Laws) (Stand-Alone Power Systems)

<sup>79</sup> [Energy and Climate Ministerial Council, 2021](#).

Act was introduced into the South Australian Parliament in November 2020. The Act made provision for the South Australian Minister to make an initial set of rules under the NER and National Energy Retail Rules (NERR) associated with the amendments on regulated stand-alone power systems.

Under these new powers, in February 2022, the South Australian Minister for Energy and Mining made amendments to the NER to allow distributors to build SAPS within the NEM.<sup>80</sup> The stated intention here was to support DNSPs to implement SAPS rather than undertake a more expensive network upgrade, offering a lower-cost substitute to investing in and maintaining traditional network solutions.<sup>81</sup>

AEMO submits that since the Rule was implemented, Market SAPS Resource Providers (MSRPs) and DNSPs have established plans to deploy SAPS for hundreds of remotely located connections points on their networks.

### B.1.5 SAPS are increasingly becoming a viable solution within the NEM

We understand that a primary consideration of the *Review of the regulatory frameworks for stand-alone power systems* was to encourage the development and deployment of SAPS in locations where maintaining the traditional electricity grid connection is costly and logistically challenging, and a primary use case envisioned was in rural and remote scenarios.

Under the Rules, metering installations at the SAPS generation connection point must collate metering data in trading intervals.<sup>82</sup>

Type 4A meters were initially introduced into the Rules as an alternative to type 4 meters, capable of providing all the same services as type 4 meters, except for the requirement to be connected to a telecommunications network to enable remote access.<sup>83</sup> These meters, which are manually read and do not require communications capabilities, are only directly provided for in the Rules in the context of small customer installations.<sup>84</sup> SAPS generation connections are not classified as small customer metering installations.

In practice, SAPS generation connection points install a type 1-4 meter.<sup>85</sup> This means that the generation connection point at a SAPS must have a meter installation capable of remote communications, and that a telecommunications connection must be successfully established.

## B.2 SSPs allow consumers to engage in flexible trading to benefit from their CER

### B.2.1 An SSP is an additional settlement point behind a customer's primary connection point

SSPs allow multiple trading relationships to exist at the same premises, as electricity flows at a single premises can be settled separately. This means that at the premises, there will be a primary settlement point, which typically covers the 'core' load, and also an SSP, which would cover a specific subset of load or generation, which may involve CER such as electric vehicle chargers or solar panels. The primary settlement point would continue to be settled in the usual way with the

80 See the [National Electricity Amendment \(Regulated stand-alone power systems\) Rule 2022](#).

81 [Department for Energy and Mining South Australia 2021](#).

82 See NER clause 7.10.5(a).

83 AEMC, ERC0169 Expanding competition in metering and related services for further information, p.98.

84 See clause 7.8.4.

85 See NER rule 7.8. for further information on metering installation arrangements more broadly, and Schedule 7.4. for information on the types and accuracy of metering installations.

customer's FRMP, while the SSP could be settled separately, potentially under different commercial arrangements.

Overall, SSPs provide an additional voluntary option for consumers to elect in order to extract value from their CER.

### B.2.2 **Our [Unlocking CER benefits through flexible trading rule change \(ERC0346\)](#) introduced arrangements to improve how CER can be delivered and integrated into the NEM**

In 2024, we introduced three key arrangements to unlock substantial benefits from CER for consumers and the system as a whole:

- The ability for large customers to engage multiple energy service providers at their premises more easily - allowing them to manage and obtain more value from their CER.
- The ability for energy service providers for small and large customers to separate and manage 'flexible' CER from 'passive' loads in the energy market - leading to innovative products and services for consumers.
- The ability for market participants to use in-built measurement capability in technology such as electric vehicle (EV) chargers and smart streetlights - enabling the delivery of innovative and essential products and services at lower cost.

In particular, we introduced flexible trading arrangements through the establishment of SSPs, allowing consumers to adopt multiple trading relationships and realise the value of CER through subtractive settlement arrangements between the primary point and SSPs.

We considered that SSP arrangements and in-built metering will make it easier for retailers to provide a dedicated price for CER that reflects the volumetric use, and also to use the CER to deliver network services without needing to install a separate meter.

### B.2.3 **Remote data acquisition capabilities are an essential component of successful SSP settlement**

SSP establishment is limited to premises with the types of metering installations capable of remote data acquisition. The *Unlocking CER benefits Rule* specifies type 1, 2, 3, 4, 8A, or 9 metering installations at the primary connection point.<sup>86</sup>

This list of meter types effectively limits SSP establishment to premises with metering installations capable of remote data acquisition, which aligns with the Rule's intent to enable accurate and timely subtractive settlement.

For subtractive metering energy flows measured at the SSP are assigned to the FRMP at that SSP, and are then subtracted from the energy flows at the primary connection point to calculate the allocation for the primary FRMP. For the settlement to be accurate, AEMO must be able to obtain trading-interval data for the premises' connection point, and do so consistently, and on time. This means that the primary meter at the premises must be capable of remote data acquisition.

<sup>86</sup> See the indicative markup of changes made by the National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024 for NER clause 7.2.6(b)(3).

## B.3 AEMO is required to consult with stakeholders before updating their metering procedures

### B.3.1 Rules consultation procedures

Chapter 8 of the NER sets out the Rules consultation procedures, which are consultation requirements that AEMO must follow when developing, amending, or replacing procedures.<sup>87 88</sup>

The Rules provide for three types of consultation procedures: the Standard rules consultation procedure,<sup>89</sup> the Expedited rules consultation procedure,<sup>90</sup> and the Minor rules consultation procedure.<sup>91</sup>

Both the Standard rule consultation procedures and the Expedited rules consultation procedures require AEMO to consult on the proposed date on which the new or amended procedures (referred to as Relevant Determination in the Rules) would take effect.<sup>92</sup>

### B.3.2 Metrology procedures

The Metrology procedures are established, maintained, and published by AEMO.<sup>93</sup> These procedures must include information regarding metering installations, including, among other things, information on the devices and processes; the requirements for the provision, installation and maintenance of metering installations; and the obligations of MCs, FRMPs, Local Network Service Providers, MPs, MDPs and Embedded Network Managers in relation to metering installations.

These procedures have a unique commencement requirement. Unlike other AEMO procedures (including the MSATs procedures) that are authorised under NER Chapter 7, the Metrology procedures consultation process must include a minimum period of three-months between the publication of the final determination and the commencement of the procedures, unless the change is made using the Minor rules consultation procedure, in which case the effective date may be the date of publication.<sup>94</sup> AEMO understands that the mandatory three-month period between publication and commencement of the Metrology procedures was initially developed to ensure that market participants had sufficient time to prepare for changes.<sup>95</sup>

This is in addition to the current consultation process that AEMO must already follow under the Rules consultation procedures.

For AEMO procedures authorised under NER Chapter 7, AEMO submitted that they perform the following consultation steps:<sup>96</sup>

1. **Consultation Paper:** AEMO releases a consultation paper outlining the proposed changes or new procedures, inviting stakeholder feedback.
2. **Stakeholder Submissions:** Stakeholders are given an opportunity to submit their comments, concerns, and suggestions within a designated period.

87 See NER rule 8.9.

88 To clarify, the Rules consultation procedures are separate from, and do not apply to, the process for changing the Rules themselves.

89 See clause 8.9.2 of the NER.

90 See clause 8.9.3 of the NER.

91 See clause 8.9.4 of the NER.

92 See clause 8.9.2(b)(4), and clause 8.9.3(a)(4) of the NER, respectively.

93 See clause 7.16.3 of the NER.

94 See clause 7.16.3(b) of the NER.

95 AEMO, rule change request, p.5.

96 AEMO, rule change request, pp. 5-6.

3. **Draft Determination:** After reviewing the submissions, AEMO publishes a draft determination, including draft procedures, if applicable.
4. **Further Feedback:** AEMO may seek additional feedback on the draft determination before finalising the procedures.
5. **Final Determination:** AEMO issues a final determination that includes the finalised procedures, including the timing for the changed procedures to come into effect.

To support the development of rule changes AEMO, has developed high level implementation assessments (HLIAs), where interested parties are involved in the commencement of planning for implementation of rule changes at the earliest possible opportunity, typically once a draft rule and determination are published by the AEMC.<sup>97</sup> This planning includes the timing for procedure consultation and publication, system design and testing, readiness activities and commencement.

### B.3.3 Other AEMO procedures authorised under Chapter 7 of the NER

AEMO is responsible for maintaining certain procedures authorised under Chapter 7 of the NER.<sup>98</sup> Here, there are two other Retail Electricity Market Procedures (REMPs), which have been explored below.<sup>99</sup>

The Metrology procedures are one of the five main REMPs, and as discussed above, uniquely require a three-month implementation lag between publication of the final determination and the commencement of the procedures.

The MSATS is an information technology system operated by AEMO, primarily used to manage standing data for national meter identifiers and connection points, and to support retail customer transfers and market settlement. Under the MSATS procedures, there is no implementation lag between publication of the final determination and the commencement of the procedures.<sup>100</sup>

The business-to-business (B2B) procedures govern standardised electronic communications between NEM participants.<sup>101</sup> While AEMO is responsible for publishing any changes to the B2B procedures, it is the Information Exchange Committee that submits a change to the procedure, conducting their own consultation and analysis, and then recommending a change to AEMO. In general, when the B2B procedures are updated, they must specify the date the changes commence, which must be no less than 10 business days after the date the change is published.<sup>102</sup>

97 AEMO, Rule change request, p.5.

98 See clause 7.16.1 of the NER.

99 See the [REMPs – Glossary and Framework](#) that is published and maintained by AEMO for further information.

100 See clause 7.16.2 of the NER.

101 See rule 7.17 of the NER.

102 See clause 7.17.4(a) of the NER.

## 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, 102A and 103 of the NEL, the Commission has made this final rule determination for a more preferable final rule in relation to the rule proposed by the proponent.

The Commission's reasons for making this final rule determination are set out in chapter 1.

A copy of the more preferable 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 more preferable final rule falls within the subject matter about which the Commission may make rules.

The subject matter of the more preferable final rule falls within section 34 of the NEL:

- For **ERC0414**: under NEL s 34(1)(a)(iii) because it regulates the activities of persons involved in operation of the national electricity system (which includes regulated SAPS), and NEL Schedule 1 item 27 because of the metering of electricity to record the production or consumption of electricity.
- For **ERC0413**: under NEL s 34(1)(a)(iii) because it regulates the activities of persons participating in the NEM or involved in operation of national electricity system and NEL s 34(1)(aa) because it facilitates and supports the provision of services to retail customers.
- For **ERC0409**: under NEL s 34(1)(a)(iii) because it relates to regulating the activities of persons involved in the operation of the national electricity system, and NEL s 34(3)(fa) because it relates to procedures governing the operation of the NEM and the sale and supply of electricity to retail customers.

### 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 requests
- submissions received during first round consultation
- the Commission's analysis as to the ways in which the final rule will or is likely to 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>103</sup>

<sup>103</sup> Under s. 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.

## C.4 Making electricity rules 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.<sup>104</sup> Under those regulations, only certain parts of the NER have been adopted in the Northern Territory.

The more preferable final rule does not relate to parts of the NER that apply in the Northern Territory, as it amends provisions in NER chapter 7 that do not apply to 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' that new or existing provisions of the NER be classified as civil penalty provisions or conduct provisions.

The more preferable 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 energy ministers' that any of the amendments made by the more preferable final rule be classified as civil penalty provisions or conduct provisions.

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<sup>104</sup> These regulations under the NT Act are the National Electricity (Northern Territory) (National Uniform Legislation) (Modifications) Regulations 2016.

## Abbreviations and defined terms

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
B2B	Business-to-business
CER	Consumer Energy Resources
Commission	See AEMC
DNSP	Distributed Network Service Provider
FRMP	Financially Responsible Market Participant
HLIAs	High Level Implementation Assessments
MC	Metering Coordinator
MCE	Ministerial Council on Energy
MDP	Metering Data Provider
MP	Metering Provider
MSATS	Market Settlement and Transfer Solution
MSRP	Market SAPS Resource Provider
NEL	National Electricity Law
NEM	National Electricity Market
NEO	National Electricity Objective
NER	National Electricity Rules
NERR	National Energy Retail Rules
the Orders	Victorian Orders in Council
Proponent	The proponent of the rule change request
REMP	Retail Electricity Market Procedures
SAPS	Stand-alone Power Systems
SSP	Secondary Settlement Point
<i>Unlocking CER benefits Rule</i>	<i>National Electricity Amendment (Unlocking CER benefits through flexible trading) Rule 2024, No. 15</i>
Vic AMI	Victorian Advanced Metering Infrastructure