

## Rule determination

# National Electricity Amendment (Small changes to Integrating Price- Responsive Resources rule - Final Determination) Rule

Proponent

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 Commission) has made a final rule to make minor changes to the implementation of the Integrating price-responsive resources into the NEM (IPRR) rule. The final rule is in response to the rule change request submitted by the Australian Energy Market Operator (AEMO).

### We have made five changes to address implementation issues

- 2 Through implementation and engagement with stakeholders on the development of procedures and guidelines, AEMO identified five opportunities to improve the IPRR rule. This final rule enacts all five changes (with some minor drafting divergences). The changes are to:
  - make incentive mechanism cost recovery payments monthly
  - defer the deadline to update the frequency contribution factors procedure (FCFP)
  - include voluntarily scheduled resources (VSRs) in the Chapter 10 definition of minimum ramp rate requirements
  - align VSR non-conformance with other scheduled resources
  - clarify the eligibility of deactivated or hibernated VSRs for ancillary services.
- 3 The changes to cost recovery payments and the minimum ramp rate definition will be implemented from 21 May 2026, because these portions of the IPRR rule have already taken effect. The changes to the FCFP deadline, hibernated and deactivated VSRs, and VSR non-conformance will commence on 23 May 2027, when dispatch mode comes into effect. AEMO's new deadline to update the FCFP will be 23 May 2027, to align with the implementation of dispatch mode.

### The Commission expedited this rule change process

- 4 We have expedited this rule change process under section 96 of the NEL. This is because we considered the rule is non-controversial and is unlikely to have a significant impact on the market. This is because the proposed amendments will have limited effect on the policy intent of the IPRR rule. The Commission did not receive any objections to the expedited process.

### We consider the final rule meets the NEO

- 5 The final rule is in the long term interest of consumers because it will:
  - Improve market efficiency through improved transparency and clarity.
  - Minimise implementation costs of IPRR through preventing duplicative procedural updates and mitigating cash flow risks.
  - Promote better regulatory practice by ensuring the function of the IPRR rule aligns with the policy intent of the rule change.

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# 1 The Commission has made a final determination

This final determination is to make a final rule in response to a rule change request submitted by the Australian Energy Market Operator (AEMO) regarding small changes to the implementation of the Integrating price-responsive resources into the NEM rule (IPRR).<sup>1</sup> Our final rule implements these proposed changes with minor drafting differences.

## 1.1 This final rule supports the IPRR rule

Our rule amends the IPRR rule made on 19 December 2024. The IPRR rule provided a framework for price-responsive resources to voluntarily participate in AEMO's scheduling processes and ancillary services markets. The change was made to improve the visibility and coordination of price-responsive resources in the NEM. The rule included three components: dispatch mode, the Voluntarily Scheduled Resource (VSR) Incentive Mechanism (VIM), and new monitoring and reporting frameworks.

Dispatch mode, scheduled to commence 23 May 2027, will allow VSR providers (VSRPs) to voluntarily partake in central dispatch.<sup>2</sup> The VIM will provide incentive payments to encourage participation in dispatch mode and the VSR frameworks. The monitoring and reporting frameworks will provide ongoing feedback about the operability and efficacy of the IPRR rule. The IPRR rule balanced the challenge of meeting scheduling requirements with adequate incentives for invisible, uncoordinated resources to participate. The central aim was to improve market efficiency.<sup>3</sup>

## 1.2 AEMO identified five issues during the implementation process

AEMO engaged with stakeholders throughout 2025 during the early implementation phase of IPRR. It formed four stakeholder groups and engaged stakeholders through consultation on the development of the VSR Guidelines, the VIM Procedure and the AEMO NEM 2025 Reform Program.<sup>4</sup> During these processes, AEMO identified five small changes to the IPRR rule. AEMO submitted a rule change request to the AEMC on 17 February 2026 to enact these changes. These changes are to:

1. make VIM cost recovery payments monthly,<sup>5</sup>
2. defer the frequency contribution factors procedure (FCFP) update deadline,<sup>6</sup>
3. include VSRs in the Chapter 10 minimum ramp rate requirement definition,<sup>7</sup>
4. align VSR non-conformance with scheduled resource non-conformance, and<sup>8</sup>
5. clarify the eligibility of deactivated or hibernating VSRs for ancillary services.<sup>9</sup>

1 AEMC, Rule, National Electricity Amendment ([Integrating price-responsive resources into the NEM](#)) Rule 2024 No. 24, December 2024.

2 IPRR rule, clause 11.180.3(a)(3)(i).

3 AEMC, Final rule determination, [National Electricity Amendment \(Integrating price-responsive resources in the NEM\)](#) Rule 2024, p.iii, 19 December 2024.

4 AEMO, Rule change proposal, [Amendment rule on non-controversial changes to Integrating price-responsive resources into the NEM](#), p.14-15, 17 February 2026.

5 AEMO, Rule change request, p.6.

6 AEMO, Rule change request, p.8.

7 AEMO, Rule change request, p.10.

8 AEMO, Rule change request, p.11.

9 AEMO, Rule change request, p.12.

The changes are minor and are designed to preserve the original intent of the IPRR rule. They remove unnecessary risk, lower implementation and operational costs, improve clarity and decrease complexity. They are necessary to implement the IPRR rule.

### 1.3 We have used the expedited rule change process

In the rule change request, AEMO proposed this be conducted using an expedited process. The Commission determined the rule change request is non-controversial, and therefore used the expedited rule-making process under section 96 of the National Electricity Law (NEL). We did not receive any objections to using the expedited process.

Under the expedited rule making process, a final rule determination must be made within eight weeks of the initiation of the process. The key project dates were:

- Commencement of the rule change process and publishing of the consultation information sheet: 19 March 2026.
- Objections to an expedited process due: 2 April 2026.
- Submissions to the consultation information sheet closed: 16 April 2026.
- Publication of final determination: 14 May 2026.

### 1.4 We received two submissions, both of which supported these changes

Two stakeholders made submissions to the consultation information sheet. Both of these stakeholders supported the five amendments proposed. Both stakeholders also raised issues that are not in scope of this rule change. These are summarised in appendix B. In addition to considering issues raised in submissions, AEMO's engagement with stakeholders on the implementation of IPRR and development of associated guidelines and procedures has informed our policy positions.

## 2 Our rule improves the implementation of IPRR

Our final rule makes several amendments to the National Electricity rules (NER) to improve the operation of the IPRR rule. These changes are all aligned with the policy intent of AEMO's rule change request. In some cases, we have taken a different drafting approach to that proposed in the rule change request, but the policy intent is the same. Stakeholder submissions to the consultation information sheet supported these changes.

### 2.1 We have changed the frequency of cost recovery payments from yearly to monthly

The IPRR rule required AEMO to recover VIM incentive payments from market participants annually.<sup>10</sup> This reflected AEMO's feedback that annual incentive payments would minimise administrative costs.<sup>11</sup> Stakeholder feedback in the development of the VIM procedure expressed a preference for monthly incentive payments.<sup>12</sup> AEMO has revised its assessment of the administrative costs of making monthly VIM participation payments. It determined the administrative costs of disbursing monthly participation payments will be manageable, and has thus elected to implement stakeholders' preferences.<sup>13</sup> As a result, AEMO faced misaligned payment and cost recovery arrangements. This presented a cash-flow risk and impacted the market operator's working capital. AEMO proposed to amend the timing of cost recovery payments in the rules from annual to monthly. This would remove the timing mismatch.

We received two submissions from stakeholders, both of which supported this amendment. The private individual commented "I support aligning cost recovery with monthly payments to maintain AEMO's operational neutrality. Moving from an annual to a monthly cycle ensures AEMO's operational neutrality by preventing debt accumulation".<sup>14</sup>

The Commission considers that this symmetric approach ensures AEMO's financial neutrality and better reflects the intention of the VSR Incentive Mechanism. The change does not meaningfully alter the underlying policy intent of the IPRR rule. To implement this change, the rule replaces financial year with calendar month in the rules pertaining to VIM cost recovery. AEMO will now recover costs within 20 business days after the end of each calendar month in which it made participation payments, instead of 40 business days after the end of the financial year.

In moving from annual to monthly cost recovery, the Commission has identified an increased risk that the timing of funding from external sources (e.g. if the Australian Renewable Energy Agency chose to provide additional VIM funding) may be incompatible with the current drafting of the cost recovery mechanism. This is because external funding could only be subtracted from incentive payments to give cost recovery amounts in the month in which that funding is received. Thus, lumpy external funding (any funding cadence that is longer than monthly) may result in costs being recovered from market participants even if external funding is available. The Commission has made a more preferable final rule to address this risk. The final rule grants AEMO flexibility to mitigate this risk by taking external funding that AEMO has deployed out of the cost recovery equation.

10 NER 3.10B.3.

11 AEMC, IPRR final determination, p.77.

12 AEMO, Rule change request, p.6.

13 AEMO, Rule change request, p.6.

14 Private Individual, submission to the consultation information sheet, p.3, 15 April 2026.

## 2.2 We have deferred the deadline to amend the Frequency Contribution Factors Procedures to 23 May 2027

The IPRR final rule determined that VSRs are eligible for frequency performance payments (FPPs) to ensure parity with other scheduled resource providers. Some stakeholders at the time considered that applying the FPP framework to VSRs was uncharted territory and the benefits were unclear. We recognised these concerns and noted that the balance of benefits and costs would become clearer over time.<sup>15</sup>

Throughout the implementation of IPRR, AEMO identified that extending the FPP framework to VSRs would involve additional complexity and incur higher costs than previously estimated.<sup>16</sup> AEMO identified that mode switching (e.g. entering and exiting hibernation) compounded the complexities of applying FPPs to VSRs. AEMO also conducted detailed design analysis and found that the system and market benefits of including VSRs in the FPP framework will be less than expected.<sup>17</sup>

AEMO considers that the Commission should assess the costs and benefits of FPPs for VSRs with new information. This will need to be considered and consulted on through a separate rule change process because it is a material change. The existing deadline requires AEMO to modify its procedures, including the FCFP, by 1 June 2026.<sup>18</sup> This deadline does not allow time for a standard rule change process. Therefore, this risks duplicative or unnecessary procedure updates.

Both stakeholder submissions received supported this amendment. The private individual submitting that the pause is prudent to prevent inefficient or duplicative procedure changes whilst a separate, more detailed rule change request is considered.<sup>19</sup>

The Commission has made a final rule to introduce a new deadline of 23 May 2027 for an update to the FCFP. This allows time to fully consider the benefits and costs of FPPs for VSRPs through a future rule change while also providing AEMO with enough time to update the procedure before dispatch mode commences.

This is operationalised in the final rule through a specific carve-out for the FCFP in the relevant transitional rule. This preserves the intent of the transitional rule that other procedures be updated by 1 June 2026. This timeline allows for improved information for market participants in respect of other procedure changes in advance of dispatch mode commencing. Without delays to the commencement of dispatch mode, preserving this information head start for FCFP would not allow time for FPP eligibility to be considered through a standard rule change process.

## 2.3 We have added VSRs to the Chapter 10 definition of minimum ramp rate requirements

The IPRR rule prescribed technical parameters for VSRs to ensure the effective operation of the market. We included VSRs in the relevant technical parameters in the rules, including within the provisions on minimum ramp rate requirements.<sup>20</sup> Through implementation of IPRR, AEMO identified that the Chapter 10 definition of minimum ramp rate requirement, however, does not include VSRs.<sup>21</sup>

15 AEMC, IPRR final determination, p.23.

16 AEMO, Rule change request, p.8.

17 AEMC, IPRR final determination, p.8.

18 NER clause 11.180.2(b).

19 Private Individual, submission to the consultation information sheet, p.3.

20 NER clause 3.8.3A.

21 IPRR rule, Schedule 4. Note that no changes to the *minimum ramp rate requirement* definition are specified between *Market Suspension Compensation*

AEMO considered this creates ambiguity in the rules and proposed an amendment to clarify this. Stakeholders supported this amendment as proposed, with Shell Energy commenting that the proposed changes will provide greater clarity to VSRs.<sup>22</sup>

The Commission considers this change will incur negligible costs while improving clarity for participants. We have made a more preferable final rule addressing this issue (with minor drafting changes). The drafting changes in the definition of ‘minimum ramp rate requirement’ have been made for clarity and brevity and are not intended to change the requirements for the units and resources already listed in that definition.

## 2.4 We have added VSRs to the scheduled resource non-conformance procedures clause

The IPRR rule reduced some of the usual scheduling requirements on VSRs after stakeholders expressed concerns about meeting the relatively strict conditions. VSR non-conformance was considered as one of these requirements.<sup>23</sup> The IPRR rule introduced an approach for VSRs based on the Wholesale Demand Response Unit (WDRU) framework. AEMO would limit the maximum generation or load of non-conforming VSRs that remain non-conforming after receiving a non-conformance notice.<sup>24</sup>

During implementation, AEMO identified that the upper limit approach would not be effective or practical.<sup>25</sup> AEMO proposed to base non-conformance requirements for VSRs on the requirements for other scheduled resources to better equip AEMO to operate the market. The key distinction is that, under this approach, AEMO would be able to direct the VSR to follow, as far as is practicable, a specified output and consumption profile determined by AEMO.<sup>26</sup>

The Commission considers that it is not unreasonable to require non-conforming VSRs to respond to such directions. The Commission recognised that the objective of the IPRR rule was to improve the visibility and coordination of price-responsive resources in the NEM. Adding VSRs to the scheduled resource non-conformance clause aligns with the original policy intent of the rule.

Stakeholders supported this amendment, with the private individual submitting that the current notice-based approach creates unnecessary risk.<sup>27</sup>

The more preferable final rule removes the VSR-specific non-conformance clause and adds VSRs to the general NER clause for non-conformance processes for scheduled resources. The change provides simplicity and clarity for market participants and the market operator. It ensures the market operator has the appropriate mechanisms to operate the system effectively. It reduces operational risk and operational complexity by providing AEMO with increased flexibility. This will furthermore reduce the risk of adverse spot price outcomes resulting from non-conformance.

In implementing this change, our drafting varies from AEMO’s proposal. Under our drafting, AEMO will retain the discretion to have specific requirements for VSRs in its VSR guidelines and dispatch procedure. We consider this is important to allow AEMO the flexibility in the future to have different requirements on VSRs at some stage.

*Claimant and PASA availability* in Items 14 and 15.

22 Shell Energy, submission to the consultation information sheet, p.1, 16 April 2026.

23 AEMC, IPRR final determination, p.56.

24 IPRR final rule, clause 3.8.23B(e).

25 AEMO, Rule change request, p.11.

26 AEMO, Rule change request, p. 11, based on NER clause 3.8.23(c)(3).

27 Private Individual, submission to the consultation information sheet, p.4.

## 2.5 We have clarified that deactivated or hibernating VSRs can provide ancillary services

The IPRR rule ensured that hibernated or deactivated VSRs could not participate in central dispatch for energy.<sup>28</sup> However, the IPRR final determination was clear that hibernated or deactivated VSRs should remain eligible to provide ancillary services (other than regulation Frequency Control Ancillary Services (FCAS)).<sup>29</sup> AEMO considers the IPRR rule creates ambiguity about whether a hibernated or deactivated VSR retains its classification as an ancillary service unit.<sup>30</sup> This ambiguity may result in those resources not providing ancillary services such as contingency FCAS. AEMO proposed to clarify this in the rules. Stakeholders supported this amendment.

The more preferable final rule adds a clause and two notes to the IPRR provisions to clarify that a hibernated or deactivated VSR that is classified as an ancillary services unit may continue to provide ancillary services and in doing so, remains subject to the rules relating to ancillary services.<sup>31</sup> The more preferable final rule also removes a consequent duplicative reference to inactive VSRs providing market ancillary services.<sup>32</sup> The change provides regulatory clarity and aligns the Rules with the IPRR final determination. It supports efficient participation by flexible and aggregated resources in ancillary services markets. This change will result in negligible costs.

28 IPRR final rule, clauses 3.8.2B and 3.10A.2.

29 AEMC, IPRR final determination, p.63.

30 AEMO rule change request p. 12, in relation to the following provisions of the IPRR final rule: clauses 3.8.2B(c), 3.8.23B(a), 3.10A.2(l)(2)(ii).

31 IPRR final rule, clause 3.10A.2(a1). The notes to clauses 3.8.2B(c) and 3.8.23(a) refer to this provision.

32 IPRR final rule, clause 3.10A.2(f).

## 3 The rule will contribute to the energy objectives

### 3.1 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>33</sup>

For this rule change, the relevant energy objective is the National Electricity Objective (NEO). The NEO is:<sup>34</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>35</sup>

The NEO seeks to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers, with respect to price, quality, safety, reliability and security of supply, and the reliability, safety and security of the national electricity system.

### 3.2 Our final rule is in the long term interest of consumers

We identified the following criteria 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 market efficiency.**
  - Transparency: Would improved clarity of the rules and better alignment with the intention of the IPRR Rule determination make access to the market easier and navigation of the new mechanism simpler?
- **Implementation considerations**
  - Cost and complexity: Would these changes reduce implementation costs and reduce complexity for market participants, and allow better market access?
  - Timing and uncertainty: Would the deadlines for FCFP and VIM implementation create additional costs for AEMO and uncertainty for market participants if these change were not made?
- **Principles of good regulatory practice.**

33 Section 88(1) of the NEL.

34 Section 7 of the NEL.

35 Section 32A(5) of the NEL.

- Predictability and stability: Would these changes improve alignment of the IPRR Rule with the policy positions set out in the IPRR final determination, and reduce regulatory burden for market participants?

These assessment criteria reflect the key potential impacts – costs and benefits – of the rule change request. Our reasons for choosing these criteria are set out in the consultation information sheet. The Commission has evaluated the impacts of the various policy options against the assessment criteria, taking into account stakeholder submissions. The rest of this section explains why the final rule, as a more preferable rule, best promotes the long-term interest of consumers when compared to the proposed rule and other options, and assessed against the criteria.

### 3.2.1 Our final rule will improve transparency and reduce implementation costs

We have assessed each proposed change against the criteria discussed above:

- Moving cost recovery payments to a monthly frequency represents good regulatory practice through ensuring the function of the IPRR rule aligns with the policy intent of the rule change, i.e., for AEMO to make participation payments, and recover the costs of doing so, on the same schedule. Furthermore, this reduces potential implementation costs and complexity by addressing cash flow risks presented by a misalignment, which may undermine the effective operation of the market. The final rule better contributes to the NEO than the proposed rule as the final rule allows greater flexibility for AEMO in how it receives external funding and applies it to the participation payments. This will allow, where applicable, AEMO to use discretion to maximise the impact of external funding on IPRR uptake. This minimises VIM costs and maximises market benefits from IPRR.
- Deferring the FCFP deadline to 23 May 2027 will improve certainty for market participants and minimise implementation costs. The amended deadline to update the FCFP prevents potentially duplicative procedure updates resulting from any changes to the eligibility of VSRs for FPPs.
- Aligning the treatment of non-conforming VSRs with scheduled resources represents improved market efficiency by promoting effective competition through ensuring resources with similar dispatch characteristics have similar non-conformance requirements.
- Adding VSRs to the Chapter 10 minimum ramp rate requirement definition will improve transparency for participants by ensuring the rules are internally consistent and reflect the policy intent of the IPRR rule.
- Adding clarifying clauses regarding deactivated and hibernating VSRs providing ancillary services will ensure predictability, stability and clarity for market participants, and that the rule is unambiguous in implementing the policy intent of the IPRR rule.

## A 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.

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

In accordance with sections 102 and 102A of the NEL, the Commission has made this final rule determination, which is to make a more preferable final rule, in relation to the rule proposed by AEMO.

The Commission's reasons for making this final rule determination are set out in chapter 3.

A copy of the final rule is attached to and published with this final determination. Its key features are described in chapter 2.

### A.2 We have made 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>36</sup>

For this rule change, the Commission made a more preferable final rule. The reasons are set out in section 3.2.1.

### A.3 Power to make the rule

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

The more preferable final rule falls within section 34(1)(a)(iii) of the NEL as it relates to regulating the activities of persons participating in the national electricity market or involved in the operation of the national electricity system.

### A.4 Commission's considerations

In assessing the rule change request the Commission considered:

- its powers under the NEL to make the final rule
- the rule change request
- 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>37</sup>

<sup>36</sup> Section 91A of the NEL.

<sup>37</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.

## A.5 Making electricity rules in the Northern Territory

As the more preferable final rule relates to parts of the NER that apply in the Northern Territory, the Commission is required to assess Northern Territory application issues, described below.

### Test for scope of “national electricity system” in the NEO

Under the NT Act, the Commission must regard the reference in the NEO to the “national electricity system” as a reference to whichever of the following the Commission considers appropriate in the circumstances having regard to the nature, scope or operation of the proposed rule:<sup>38</sup>

1. the national electricity system
2. one or more, or all, of the local electricity systems<sup>39</sup>
3. all of the electricity systems referred to above.

### Test for differential rule

Under the NT Act, the Commission may make a differential rule if it is satisfied that, having regard to any relevant MCE statement of policy principles, a differential rule will, or is likely to, better contribute to the achievement of the NEO than a uniform rule.<sup>40</sup> A differential rule is a rule that:

- varies in its term as between:
  - the national electricity systems, and
  - one or more, or all, of the local electricity systems, or
- does not have effect with respect to one or more of those systems

but is not a jurisdictional derogation, participant derogation or rule that has effect with respect to an adoptive jurisdiction for the purpose of s. 91(8) of the NEL.

A uniform rule is a rule that does not vary in its terms between the national electricity system and one or more, or all, of the local electricity systems, and has effect with respect to all of those systems.<sup>41</sup>

In developing the final rule, the Commission has considered how it should apply to the Northern Territory according to the following questions:

- Should the NEO test include the Northern Territory electricity systems? For this rule change request, the Commission has determined that the reference to the “national electricity system” in the NEO includes the local electricity systems in the Northern Territory and the national electricity system.
- Should the rule be different in the Northern Territory? The Commission has determined to make a differential rule that disapplies the final rule for the Northern Territory. The final rule will not have effect in the Northern Territory and no amendments to the NER as applied in the Northern Territory will be made as a result of the rule. This determination contributes to the achievement of the NEO by avoiding the costs, complexity and ambiguity likely to arise in the Northern Territory regulatory framework if a uniform rule was made.

38 Clause 14A of Schedule 1 to the NT Act, inserting section 88(2a) into the NEL as it applies in the Northern Territory.

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

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

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

## A.6 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.

## B Summary of out of scope issues raised by stakeholders

The private individual raised concerns about the delay when a VSR moves from a hibernated state to an active state.<sup>42</sup> AEMO's VSR Guidelines, finalised on 27 November 2025, set out a seven-day notice requirement for resuming participation in dispatch mode from a hibernated state. This allows AEMO to assess the VSR's capability of participating in dispatch.<sup>43</sup> The private individual submitted that this delay creates administrative constraints that would result in commercial losses for VSRPs.<sup>44</sup> They proposed two solutions to reduce the delay.

The question of hibernation delay is outside the scope of this expedited rule change for two reasons. First, AEMO's rule change request is focused on clarifying whether hibernated or deactivated VSRs can provide ancillary services. The issue the private individual raised is distinct from the issues raised in the rule change request, and we have not consulted on these matters. Second, the delay is enshrined in AEMO's VSR Guidelines and is not determined by the rules.

In its submission, Shell highlighted an interaction between the drafting of the IPRR rule and the *Generator ramp rates and inflexibility* rule change.<sup>45</sup> It submitted that the IPRR rule would revert the treatment of aggregated scheduled generation to earlier provisions. This meaningfully reduces the minimum ramp rate requirements for large aggregated resources.<sup>46</sup>

This issue falls outside the scope of this rule change. The rule change request does not raise the issue of how the rules calculate minimum ramp rate requirements for aggregated generators. The issue in this rule change is the inclusion of VSRs in the Chapter 10 definition of minimum ramp rate requirement. The Commission notes this is a valid concern, and we expect to consider this issue further in a subsequent rule change.

42 Private Individual, Submission, p.2.

43 AEMO Operations, Guideline, Voluntarily Scheduled Resource Guidelines, p.39-40, 27 November 2025.

44 Private Individual, Submission, p.1.

45 AEMC, Rule, [National Electricity Amendment \(Generator ramp rates and dispatch inflexibility in bidding\) Rule 2015 No. 2](#), 19 March 2015.

46 Shell Energy, Submission, p.1.

## Abbreviations and defined terms

AEMC	Australian Energy Market Commission
AEMO	Australian Energy Market Operator
Commission	See AEMC
FCAS	Frequency Control Ancillary Services
FCFP	Frequency Contribution Factors Procedure
FPP	Frequency Performance Payment
IPRR	Integrating Price-Responsive Resources into the NEM
NEL	National Electricity Law
NEO	National Electricity Objective
NER	National Electricity Rules
VIM	VSR Incentive Mechanism
VSR	Voluntarily Scheduled Resource
VSRP	Voluntarily Scheduled Resource Provider
WDRU	Wholesale Demand Response Unit