



Draft National Electricity Amendment (Improving contingency FCAS arrangements) Rule 2026

The Australian Energy Market Commission makes the following Rule under the National Electricity Law to the extent applied by:

- (a) the *National Electricity (South Australia) Act 1996* of South Australia;
- (b) the *Electricity (National Scheme) Act 1997* of the Australian Capital Territory;
- (c) the *Electricity - National Scheme (Queensland) Act 1997* of Queensland;
- (d) the *National Electricity (New South Wales) Act 1997* of New South Wales;
- (e) the *Electricity - National Scheme (Tasmania) Act 1999* of Tasmania;
- (f) the *National Electricity (Victoria) Act 2005* of Victoria;
- (g) the *National Electricity (Northern Territory) (National Uniform Legislation) Act 2015* of the Northern Territory; and
- (h) the *Australian Energy Market Act 2004* of the Commonwealth.

Anna Collyer
Chairperson
Australian Energy Market Commission

Draft National Electricity Amendment (Improving contingency FCAS arrangements) Rule 2026

1 Title of Rule

This Rule is the *Draft National Electricity Amendment (Improving contingency FCAS arrangements) Rule 2026*.

2 Commencement

Schedule 1 of this Rule commences operation on 4 September 2026.

Schedule 2 of this Rule commences operation on 1 October 2027.

Schedule 3 of this Rule commences operation on 4 September 2026.

Schedule 4 of this Rule commences operation on 31 January 2031.

3 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 1.

4 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 2.

5 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 3.

6 Amendment to the National Electricity Rules

The National Electricity Rules are amended as set out in Schedule 4.

Schedule 1 Amendment to the National Electricity Rules

(Clause 3)

[1] Clause 3.8.1 Central Dispatch

After clause 3.8.1(b)(11), insert:

- (b1) *AEMO* must use reasonable endeavours to co-optimize the size of the largest *credible contingency event* in the *central dispatch* process when aiming to maximise the value of *spot market* trading under paragraph (b).
- (b2) *AEMO* must explain how it will perform co-optimisation under paragraph (b1) in the *network constraint* formulation guidelines issued under clause 3.8.10(c), including the co-optimisation process and methods that it will apply.

[2] Clause 3.8.10 Network constraints

After clause 3.8.10(c)(5), insert:

Note:

Under clause 3.8.1(b2), *AEMO* must explain how it will perform co-optimisation under clause 3.8.1(b1) in the *network constraint* formulation guidelines issued under this clause, including the co-optimisation process and methods that it will apply.

Schedule 2 Amendment to the National Electricity Rules

(Clause 4)

[1] Clause 4.8.16 AEMO reporting on frequency performance

In clause 4.8.16(a)(2), at the end of the text, omit "and".

[2] Clause 4.8.16 AEMO reporting on frequency performance

In clause 4.8.16(a)(3), after "that were used by AEMO", omit "." and substitute "; and".

[3] Clause 4.8.16 AEMO reporting on frequency performance

After clause 4.8.16(a)(3), insert:

- (4) instances in which co-optimisation was applied under clause 3.8.1(b1), by *market ancillary service* type.

[4] Clause 4.8.16 AEMO reporting on frequency performance

In clause 4.8.16(b)(4), at the end of the text, omit "and".

[5] Clause 4.8.16 AEMO reporting on frequency performance

In clause 4.8.16(b)(5), after "that affected power system frequency", omit "." and substitute "; and".

[6] Clause 4.8.16 AEMO reporting on frequency performance

After clause 4.8.16(b)(5), insert:

- (6) where applicable, *AEMO's* assessment of the impact of co-optimisation under clause 3.8.1(b1) in maximising the value of *spot market* trade.

Schedule 3 Amendment to the National Electricity Rules

(Clause 5)

[1] Rule 11.XXX Rules consequential on the making of the National Electricity Amendment (Improving contingency FCAS arrangements) Rule 2026 No. X

After rule 11.XXX, insert:

11.XXX Rules consequential on the making of the National Electricity Amendment (Improving contingency FCAS arrangements) Rule 2026 No. X

11.XXX.1 Definitions

For the purposes of this rule 11.XXX:

Amending Rule means the *National Electricity Amendment (Improving contingency FCAS arrangements) Rule 2026 No. X*.

Amending Rule reporting requirements means the reporting requirements specified in clause 4.8.16(a)(4) and 4.8.16(b)(6), as in force on and from 1 October 2027.

11.XXX.2 Review of network constraint formulation guidelines

- (a) No later than 1 October 2028, *AEMO* must review the *network constraint* formulation guidelines published under clause 3.8.10(c) and make any amendments that *AEMO* considers to be necessary or desirable having regard to the information reported under the Amending Rule reporting requirements.
- (b) *AEMO* must review and make any amendments to the *network constraint* formulation guidelines under paragraph (a) in accordance with the *Rules consultation procedures*.

Schedule 4 Amendment to the National Electricity Rules

(Clause 6)

**[1] Rule 11.XXX Rules consequential on the making of the
National Electricity Amendment
(Improving contingency FCAS
arrangements) Rule 2026 No. X**

Omit rule 11.XXX and substitute "[Deleted]".