



## **Purpose**

The Australian Energy Market Commission (AEMC or Commission) is required under section 108A of the National Electricity Law (NEL) to publicly report on rules not made within 12 months of the publication of the notification of the commencement of the rule change process, including the reason why the rules were not made within the timeframe.

## **Background**

On 2 July 2020, AEMC initiated rule change requests from:

- Delta Energy regarding a capacity commitment mechanism for system security and reliability services (ERC0306), and
- Hydro Tasmania regarding synchronous services markets (ERC0290).

Both rule change requests interact with the work of the Energy Security Board's (ESB's) post-2025 market design project, particularly its workstream on essential system services.

A consultation paper, relating to both rule change requests, among others, was published on 2 July 2020. The draft determinations and draft rules for both projects are due to be published by 16 December 2021.

## **Reason for the final rule determinations not being made within 12 months**

The Delta (ERC0306) and Hydro Tasmania (ERC0290) rule changes have received three extensions under s. 107 of the NEL on 24 September 2020, 9 March 2021 and 17 June 2021. The extensions for both rule changes were required for the following reasons:

- The issues raised in both rule change requests are difficult and complex and require additional time to examine, consider and address. These rule change requests give rise to policy design decisions interrelated to and reliant to one another, as well as to other ongoing rule changes (e.g. the TransGrid efficient management of system strength on the power system rule change request (ERC0300)) which increases the complexity and difficulty in addressing the issues raised.
- Additionally, the assessment of both rule changes requires additional time to collaborate effectively with other market bodies and stakeholders.
- The assessment of the rule change request is being closely coordinated with the work of the ESB post-2025 market design program and the other market bodies, with this work being taken into account in the rule change process.

The final rule determination for these rule changes has therefore not been made within 12 months of the publication of the notice under s. 95 of the NEL.

## **Expected time for making the final rule determinations**

The draft determinations and draft rules for each rule change are due to be made by **16 December 2021**. The final determinations are expected to be made by **28 April 2022**.