
Monthly Energy Regulatory Update – September

Updated September 30, 2017

In this curated regulatory update, we bring to your attention the main policy and regulatory changes, proposed and developing, by our national and state rule-makers and regulators, divided into electricity and gas sectors¹.

Electricity

Federal Regulators

Australian Energy Market Commission (AEMC)	Sector	More information	Date
Strengthening protections for customers requiring life support equipment The AEMC today published a draft rule in response to a rule change request from the Australian Energy Regulator (AER) to strengthen protections for customers requiring life support equipment. The draft rule change formalises and strengthens the existing protection framework.	Generation, Transmission, Distribution, Retail	News Draft rule	September 26, 2017
Draft determination on enabling efficient off-grid supply The AEMC published a draft determination in support of enabling off-grid electricity supply and recommends a broad package of changes to laws, rules and other instruments to protect consumers in off-grid arrangements. Submissions are due on November 8, 2017.	Generation, Transmission, Distribution, Retail	News Draft determination	September 26, 2017
Final rule giving AEMO and network businesses more detailed information on generators to help with renewables integration The final rule is designed to provide AEMO and, where relevant, network service providers, with the more detailed information necessary to accurately model how the power system will operate as the market transforms.	Generation	News Final Rule	September 19, 2017

¹ Please note that we have chosen to summarise only the developments that are likely to be of interest to you. *When we indicate that “no relevant news this month” has occurred, this does not mean that the relevant regulator or policy maker has necessarily been inactive.

Australian Energy Market Commission (AEMC)	Sector	More information	Date
<p>Final rule on managing power system fault levels</p> <p>The AEMC made a final rule to manage power system fault levels by requiring networks to maintain minimum levels of system strength to keep the system stable. It makes networks provide services necessary to meet minimum levels of system strength at key locations in the power system when shortfalls are identified by AEMO.</p>	Transmission, Distribution	<p>News</p> <p>Final rule</p>	September 19, 2017
<p>Final rule on managing the rate of change of power system frequency</p> <p>The AEMC made a final rule to manage the rate of change of power system frequency by requiring networks to provide minimum levels of inertia. It aims to equip the system to manage frequency changes by requiring networks to make minimum levels of inertia available when needed to help stabilise the frequency.</p>	Generation	<p>News</p>	September 19, 2017
<p>Consultation: Proposal for new technical performance standards for connecting generators</p> <p>The AEMC published a consultation paper for the proposed changes to the technical performance standards for generators seeking to connect to the national electricity market, and the process for negotiating those standards. Submissions are due on October 31, 2017.</p>	Generation	<p>News</p> <p>Consultation Paper</p>	September 19, 2017
<p>Final determination on non-scheduled generation and load rule change requests</p> <p>The AEMC issued a final determination to not make a rule requiring additional market participants to participate in the central dispatch process. The request would have required large industrial companies and smaller generators to inform AEMO of their planned consumption and generation, and to follow AEMO's instructions.</p>	Generation, Transmission, Distribution	<p>News</p> <p>Rule Determination</p>	September 12, 2017
<p>Consultation: Review of the frequency operating standard</p> <p>This review is investigating the appropriateness of the settings in the standard, in light of the ongoing energy market transformation as conventional synchronous generation leaves the market and non-synchronous generation such as wind and solar panels enters the market. Submissions are due on October 10, 2017.</p>	Generation, Transmission, Distribution	<p>News</p> <p>Draft Determination</p>	September 12, 2017
<p>Consultation: Regulatory arrangements for embedded networks</p> <p>The AEMC today published a draft report recommending changes to improve embedded networks customers' access to retail competition and consumer protections. Submissions are due on October 17, 2017.</p>	Retail	<p>News</p> <p>Draft Report</p>	September 12, 2017
<p>Discussion Paper: Strategic priorities for the energy sector</p> <p>The AEMC published a discussion paper outlining priority actions for governments and energy market bodies to support the delivery of secure and reliable electricity and gas to households and businesses at the lowest possible cost, while also meeting emissions reduction commitments.</p>	Distribution, Retail	<p>News</p> <p>Discussion Paper</p>	September 12, 2017
<p>Consultation: Retailers to notify customers when discounts end</p> <p>The proposed rule change would require retailers to notify customers before their energy discounts end. It aims to encourage consumers to actively consider whether to stay on their existing contract when discount deals end. Submissions are due on October 10, 2017.</p>	Retail	<p>News</p>	September 12, 2017

Australian Energy Market Commission (AEMC)	Sector	More information	Date
<p>Consultation: Market mechanism for inertia The changing generation mix, with a higher share of wind and solar, means the power system has less inertia. Less system inertia means frequency may become volatile. If frequency changes too fast then the system is at high risk of going black. While the <i>Draft National Electricity Amendment (Managing the rate of change of power system frequency) Rule 2017</i> (June 2017) provides for a minimum level of inertia, the AEMC recommends that a market to obtain and pay for inertia above this minimum level would provide additional benefits.</p>		<p>News</p>	September 5, 2017
<p>AEMC makes draft rule to move to five minute settlement AEMC made a draft rule to change the settlement period for the electricity spot price from 30 minutes to five minutes. This aligns the physical electricity system (which matches demand and supply of electricity every five minutes) with the price signal provided by the market for that five minute period. Submissions on the Five Minute Settlement draft determination close on October 17, 2017.</p>	Generation, Transmission, Distribution	<p>News</p> <p>Draft Rule</p>	September 5, 2017
Australian Energy Regulator (AER)	Sector	More information	Date
<p>Maximising the value of your solar PV system Many of the state government initiated solar bonus schemes and feed-in tariffs have ended. The AER has published factsheets for South Australia and Victoria.</p>	Generation, Transmission, Distribution	<p>News</p> <p>SA Factsheet</p> <p>VIC Factsheet</p>	September 28, 2017
<p>AER publishes Statement of Intent and Work program for 2017–18 The AER published its Statement of Intent and Work program for 2017–18. It is a high level outline of how the AER aims to meet expectations set by the COAG Energy Council and the Commonwealth government.</p>	Transmission, Distribution	<p>News</p> <p>Statement of Intent</p> <p>Work Program</p>	September, 28 2017
<p>AER draft decision on Murraylink and Transgrid revenue proposals The AER released a draft decision on the amount of revenue that Murraylink (the owner and operator of the electricity transmission interconnector between Victoria and South Australia) and Transgrid (the owner and operator of the electricity transmission network in NSW and the ACT) can collect through network charges for the 2018–23 regulatory period.</p>	Transmission, Distribution	<p>News</p> <p>News</p>	September, 28 2017
<p>Improving energy market information for consumers The AER is investigating new ways to help consumers access cheaper energy tariffs and save money by switching to more suitable contracts. The AER is seeking feedback on four key areas – fact sheets, a comparison rate, technological solutions and ways to assist customers who do not use the internet. Submissions are due on October 31, 2017.</p>	Retail	<p>News</p>	September, 26 2017
<p>AER publishes new Revised Stakeholder Engagement Framework The Australian Energy Regulator today published its Final Revised Stakeholder Engagement Framework. This revised Framework sets out the principles that will guide AER’s public engagement with consumers, energy businesses and other stakeholders affected by its activities. It provides a structure that allows stakeholders’ needs and interests to be consistently, transparently and meaningfully considered in its activities.</p>	Wholesale, Transmission, Distribution, Retail	<p>News</p> <p>Framework</p>	September, 22 2017

Australian Energy Regulator (AER)	Sector	More information	Date
<p>AER releases web tool on Embedded Network Manager requirements The AER has released an interactive decision tree to assist network exemption holders to prepare for new rules which commence operation on December 1, 2017.</p>	Distribution	<p>News</p> <p>Web Tool</p>	September 6, 2017
<p>AER reports on high ancillary services prices in South Australia from November 2016 to May 2017 The AER has published seven reports on extreme pricing events in the frequency control ancillary services (FCAS) markets in South Australia.</p>	Wholesale	News	September 1, 2017
Australian Energy Market Operator (AEMO)	Sector	More information	Date
<p>AEMO advice to the Commonwealth government AEMO has provided the Commonwealth government with a set of documents containing their advice on the risks to reliability and affordability posed by the recent exit of thermal generation and anticipated exit events over the next ten years.</p>		News	September 6, 2017
<p>2017 Electricity Statement of Opportunities AEMO published its 2017 Electricity Statement of Opportunities (ESOO) confirming the need for additional investments and new approaches to ensure AEMO has a reliable portfolio of dispatchable energy resources capable of responding quickly and effectively to the dynamic needs of the power system. AEMO's ESOO modelling shows reserves have reduced to the extent that there is a heightened risk of significant unserved energy (USE) over the next 10 years, compared with recent levels.</p>		<p>News</p> <p>ESOO</p>	September 5, 2017
<p>AEMO forms expert panel to advise on Finkel reform implementation AEMO has announced the formation of the Expert Advisory Panel to gain important perspectives from senior energy leaders during a period in which the energy sector is undergoing unprecedented and rapid change. The Panel will support the delivery of key initiatives and implement the recently endorsed Finkel recommendations. The Panel will also play a crucial consultative role across AEMO's broad remit of activity.</p>	Wholesale, Transmission, Distribution, Retail	News	September 1, 2017
Clean Energy Regulator (CER)	Sector	More information	Date
<p>Small-scale renewables heating up: The top ten Australian towns giving back to the grid More households and small businesses in regional Australia are choosing to make the switch to renewable energy. New Small-scale Renewable Energy Scheme postcode data released today by the Clean Energy Regulator reflects a geographically diverse spread of installations, particularly in suburban, regional and rural areas of the Queensland, Victoria and Western Australia.</p>	Consumers	<p>News</p> <p>Small-scale Renewable Energy Scheme</p>	September 18, 2017
<p>Consultation: Consultation on options to streamline arrangements for emissions-intensive trade-exposed exemptions The Department of the Environment and Energy has released a consultation paper on options to streamline administration arrangements for the <i>Renewable Energy (Electricity) Regulations 2001</i> regarding emissions-intensive trade-exposed (EITE) activities.</p>		<p>News</p> <p>Consultation Paper</p>	September 12, 2017

Australian Competition and Consumer Commission (ACCC)	Sector	More information	Date
[No relevant news this month]*			
COAG Energy Council	Sector	More information	Date
Energy Security Board - Ministerial Power to make Rules <i>Statutes Amendment (National Energy Laws) (Rules) Bill 2017</i> establishes a mechanism by which a proposed Rule recommended by the Energy Security Board, once it has the unanimous support of the COAG Energy Council, can be made by the South Australian Minister for Mineral Resources and Energy under the National Electricity Law (NEL), National Energy Retail Law (NERL) or National Gas Law (NGL), as appropriate.	Wholesale, Transmission, Distribution	News	September 18, 2017
State/Territory Regulators			
Independent Pricing and Regulatory Tribunal NSW (IPART)	Sector	More information	Date
Final Report: Electricity Transmission Reliability Compliance IPART has reviewed its approach to assessing compliance with the reliability standard for electricity transmission in NSW. The reliability standard requires TransGrid to ensure that the transmission system is designed to achieve the required level of redundancy and does not exceed the specified allowance for expected unserved energy.	Wholesale, Transmission, Distribution	News Final Report	September 29, 2017
Essential Services Commission Victoria (ESC)	Sector	More information	Date
Victorian Energy Market Report: April – June 2017 update This ESC update provides important information about the Victorian energy market from April to June 2017. It provides an update on electricity offers, customers experiencing payment difficulty, and how energy companies are performing.	Wholesale, Transmission, Distribution, Retail	News Report	September 25, 2017
Essential Services Commission of South Australia (ESCOSA)	Sector	More information	Date
[No relevant news this month]*			
Economic Regulation Authority Western Australia (ERAWA)	Sector	More information	Date
Consultation: Code of Conduct for the Supply of Electricity to Small Use Customers The Electricity Code Consultative Committee (ECCC), appointed by the ERA seeks public comment on its draft recommendations to amend the <i>Code of Conduct for the Supply of Electricity to Small Use Customers 2016</i> . Submissions are due on October 24, 2017.	Distribution, Retail	News	September 27, 2017
Queensland Competition Authority (QCA)	Sector	More information	Date
[No relevant news this month]*			
Office of the Tasmanian Economic Regulator	Sector	More information	Date
[No relevant news this month]*			

Utilities Commission of Northern Territory (UCNT)	Sector	More information	Date
[No relevant news this month*]			

Gas

Federal Regulators

Australian Energy Market Commission (AEMC)	Sector	More information	Date
<p>Final rule on improvements to the Natural Gas Bulletin Board</p> <p>The AEMC made a final rule on the COAG Energy Council's request to enhance the breadth and accuracy of information provided to the market through the Natural Gas Bulletin Board. The final rule would increase the amount and frequency of data reported on the Bulletin Board, along with greater data accuracy requirements and a stronger compliance framework.</p>	Generation, Transmission, Distribution, Retail	News Final Rule	September 26, 2017

<p>Review into the effectiveness of gas pipeline regulation</p> <p>AEMC has published a summary of the process for its review into the effectiveness of gas pipeline regulation. This review is looking at Parts 8 to 12 of the National Gas Rules to address concerns that users of transmission and distribution pipelines may be paying more than necessary for pipeline services.</p>		News Summary	September 5, 2017
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Australian Energy Regulator (AER)	Sector	More information	Date
<p>AER releases Non-scheme pipeline arbitration guide</p> <p>The AER released its arbitration guide, the purpose of which is to give pool arbitrators, prospective users and service providers for non-scheme pipelines guidance about the process for requesting access and the determination of access disputes under the National Gas Law and the National Gas Rules.</p>	Transmission, Distribution	News Arbitration Guide	September 14, 2017

Australian Energy Regulator (AEMO)	Sector	More information	Date
<p>AEMO has today published an update to the 2017 Gas Statement of Opportunities to provide the latest domestic demand and supply market information. Based on the most recent information from industry, together with AEMO's forecast demand, gas supply remains tight in eastern and south-eastern Australia in 2018 and 2019, and there remains a risk of a supply shortfall.</p>		News	September 25, 2017

Clean Energy Regulator	Sector	More information	Date
[No relevant news this month*]			

Australian Competition and Consumer Commission	Sector	More information	Date
<p>Interim report: Gas inquiry 2017-2020</p> <p>The ACCC has released its interim report into gas supply arrangements in Australia. The report focuses on likely supply and demand conditions in the east coast gas market for 2018.</p>	Wholesale, Transmission, Distribution	News Interim report	September 25, 2017

COAG Energy Council	Sector	More information	Date
[No relevant news this month*]			

State/Territory Regulators

Independent Pricing and Regulator Tribunal NSW (IPART)	Sector	More information	Date
[No relevant news this month*]			
Essential Services Commission Victoria (ESC)	Sector	More information	Date
[No relevant news this month*]			
Essential Services Commission of South Australia (ESCOSA)	Sector	More information	Date
[No relevant news this month*]			
Economic Regulation Authority Western Australia (ERAWA)	Sector	More information	Date
Wholesale Electricity Market and Gas Services Information Compliance Strategy ERAWA has developed its Compliance Framework and Strategy for these functions. The strategy document describes how ERAWA undertakes its compliance activities, including its detection and deterrent activities and this year's strategic priorities.	Generation, Transmission, Distribution, Retail	News	September 5, 2017
Queensland Competition Authority (QCA)	Sector	More information	Date
[No relevant news this month*]			
Office of the Tasmanian Economic Regulator	Sector	More information	Date
[No relevant news this month*]			
Utilities Commission of Northern Territory	Sector	More information	Date
[No relevant news this month*]			

Many thanks to Chris Goutama for his assistance in preparing this update.

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