

Rule Change Extension Notice: Reduced Frequency of the Review of the Energy Price Limits and the Maximum Reserve Capacity Price (RC_2014_05)

This notice of extension is given under clause 2.5.12 of the Market Rules.

Submitter: Kate Ryan, IMO
Date submitted: 2 December 2014
Date of extension: 2 December 2020

In accordance with clause 2.5.10 of the Market Rules, the Rule Change Panel has extended the timeframe for the publication of the Draft Rule Change Report for the Rule Change Proposal titled “Reduced Frequency of the Review of the Energy Price Limits and the Maximum Reserve Capacity Price” (RC_2014_05) until **5:00 PM on Wednesday 30 June 2021**.

Dates for subsequent steps of the rule change process have been adjusted accordingly.

Reason for the Extension

This Rule Change Proposal has been put on hold while the ERA runs its five-yearly reviews of the Energy Price Limits (**EPLs**) and Benchmark Reserve Capacity Price (**BRCP**)¹, but the ERA has put these reviews on hold until after the Energy Transformation Strategy (**ETS**) reforms are implemented on 1 October 2022.

The Energy Transformation Implementation Unit (**ETIU**) is expected to publish a consultation paper and draft Amending Rules for its Market Power Mitigation work package in early 2021 as part of the ETS. The Rule Change Panel understands that the Market Power Mitigation work package will consider how the EPLs and the BRCP will be determined and used in future; including timing for the processes to set the EPLs and BRCP, and who is to be responsible for the processes.

The Rule Change Panel considers that ETIU’s draft Amending Rules is for the Market Power Mitigation work package will significantly impact its decision on RC_2014_05. Therefore, the Rule Change Panel has extended the timeframe for publication of the Draft Rule Change Report until 30 June 2021 to allow the Rule Change Panel to consider ETIU’s draft Amending Rules.

Further details relating to the Rule Change Proposal are available at https://www.erawa.com.au/rule-change-panel/market-rule-changes/rule-change-rc_2014_05.

¹ Since the submission of the Rule Change Proposal the Maximum Reserve Capacity Price has been renamed to Benchmark Reserve Capacity Price (**BRCP**).

Proposed Work Program

- The ETIU publishes draft Amending Rules for its Market Power Mitigation work package.
- The Rule Change Panel presents its draft decision in the Draft Rule Change Report.
- The second submission period is held.
- The Rule Change Panel presents its final decision in the Final Rule Change Report.

If the drafting of the Amending Rules affect Protected Provisions and the Rule Change Panel's decision is to approve the Rule Change Proposal, the following steps will also apply:

- The Minister considers the Rule Change Proposal and makes a decision regarding the proposed Amending Rules.
- If approved, the Amending Rules commence.

Extended Timeline

The projected timeline for processing this proposal, including the extension, is:

