



Revised Guideline

**Approach to reporting requirements and
monitoring standards in the electricity market**

**(Guideline on the imposition of additional or
more onerous requirements, procedures or
standards under clause 8.7.2(g) of the National
Electricity Rules)**

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Shortened forms

Shortened Form	Extended Form
AEMO	Australian Energy Market Operator
AER	Australian Energy Regulator
Electricity Rules	National Electricity Rules
Registered Participant	has the meaning given in Chapter 10 of the National Electricity Rules

1 Guideline

1.1 Purpose

The purpose of this Guideline is to set out those matters the Australian Energy Regulator (AER) must have regard to when exercising its powers under clause 8.7.2(g) of the National Electricity Rules (Electricity Rules). These powers concern the imposition of any additional or more onerous requirements, procedures or standards on a Registered Participant at the request of another Registered Participant or the Australian Energy Market Operator (AEMO) and in the event that the AER does impose such requirements, procedures or standards, the possible allocation of costs of any additional compliance monitoring.

1.2 Relevant powers of the AER

Clause 8.7.2(g) of the Electricity Rules provides that:

- Any Registered Participant or the AEMO may ask the AER to impose additional or more onerous requirements, procedures or standards on a Registered Participant¹ in order to monitor or assess compliance with the Electricity Rules by that Registered Participant.
- When such a request is made, the AER may but is not required to impose the additional or more onerous requirements, procedures or standards.
- If the AER decides to impose additional or more onerous requirements, procedures or standards on a Registered Participant, the AER may determine the allocation of costs of any additional compliance monitoring undertaken between the relevant Registered Participant(s) and/or AEMO (as the case may be).

1.3 Form of request

Where a Registered Participant or AEMO requests that additional or more onerous requirements, procedures or standards be imposed on a Registered Participant, the requesting party should provide the following in writing:

- the name and contact details of the entity on whom the applicant seeks additional or more onerous requirements, procedures or standards to be imposed (relevant party), including, where available, details of a contact person;
- reference to the relevant Electricity Rules clauses of which monitoring or compliance will be facilitated by the additional or more onerous requirements, procedures or standards sought by the applicant;
- specifics of the additional or more onerous requirements, procedures or standards that the applicant seeks to be imposed on the relevant party, including, where possible, the cost and the basis on which the cost is determined;

¹ This has the meaning given in Chapter 10 of the Electricity Rules.

- the reason(s) why additional or more onerous requirements, procedures or standards are necessary and appropriate in the given circumstances, having due regard to the matters set out in clause 8.7.1(c) of the Electricity Rules²;
- the actual or potential consequences that have or are reasonably likely to arise or occur if additional or more onerous requirements, procedures or standards are not imposed on the relevant party; and
- particulars of the evidence attached in support of the request, whereby all evidence reasonably available to the applicant should be provided. If the applicant believes that the AER can obtain further evidence from a third party, a statement providing all relevant details should be included.

1.4 Consultation

When considering a request under cl. 8.7.2(g) of the Electricity Rules, the AER will consult with the relevant Registered Participants which are the subject of the request.³

1.5 Imposing additional obligations

When exercising its powers to impose additional or more onerous requirements, procedures or standards at the request of a Registered Participant or AEMO, the AER must have regard to the information provided in the request and obtained during consultation with the relevant Registered Participants and in particular whether:

- the Registered Participant's or AEMO's request is in writing and provides the information outlined in section 1.2 above;
- it is reasonably necessary to impose additional or more onerous requirements, procedures or standards to monitor or assess a Registered Participant's compliance with the Electricity Rules;
- the information sought by imposing additional or more onerous requirements, procedures or standards cannot reasonably be obtained by more cost effective means;
- it is not more appropriate to impose the requirements, procedures or standards on all or particular categories of Registered Participants pursuant to 8.7.2(a)(1)⁴ of the Electricity Rules; and

² Electricity Rules, cl. 8.7.1(c) provides:

‘The AER must ensure that, to the extent practicable in light of the matters set out in clause 8.7.1(b), the monitoring processes which it implements under this rule 8.7:

- (1) are consistent over time;
- (2) do not discriminate unnecessarily between Registered Participants;
- (3) are cost effective to both the AER, all Registered Participants and AEMO; and
- (4) subject to confidentiality obligations, are publicised or available to the public.’

³ See Electricity Rules, cl. 8.7.2(d).

⁴ Clause 8.7.1(a) of the Electricity Rules concerns general reporting requirements. It provides: ‘For the purpose of performing its monitoring functions, the AER must establish:

- the relevant Registered Participant has had an opportunity to explain why the additional or more onerous requirements, procedures or standards should not be imposed.

1.6 Safeguards

When exercising its powers to impose additional or more onerous requirements, procedures or standards at the request of a Registered Participant or AEMO, the AER will observe binding administrative law obligations and safeguards set out in the Electricity Rules to:

- restrict the information required, to that reasonably necessary to monitor or assess compliance with the Electricity Rules; and
- specify the particular information and a reasonable time period for the reporting or provision of this information.

1.7 Allocating costs

If the AER decides to impose additional or more onerous requirements, procedures or standards at the request of another Registered Participant and/or the AEMO:

- It will determine whether an allocation of costs of additional compliance monitoring undertaken between any relevant Registered Participant and/or AEMO is appropriate, having regard to the following matters:
 - the nature of the additional or more onerous requirement, procedure or standard being imposed;
 - the fair and equitable distribution of costs; and
 - the efficient allocation of costs.

If the AER does not make an allocation of costs, the costs associated with complying with the requirements, procedures or standards will be borne by the Registered Participant which is subject to the additional or more onerous requirements.⁵

(1) reporting requirements which apply to all or particular categories of Registered Participants in relation to matter relevant to the *Rules*'.

⁵ Electricity Rules, cl. 8.7.2(g).