

## **FN-25-04 Fortnightly report 28 February 2025**

This report summarises items that may be of interest to the Minister for Energy but do not necessarily require a formal briefing. Further information on any topic can be provided on request. Substantive items and decision papers will be provided to the Minister in the form of briefings.

**Electricity Authority contact:** Sarah Gillies, Chief Executive

**Mobile:** s9(2)(a)

# 1. Current and upcoming publications and advice

Decision: Update to scarcity pricing settings	
Strategic outcome	Secure and resilient: <i>Effective risk management</i>
Purpose	<p>The Authority is amending the Code to:</p> <ul style="list-style-type: none"> <li>• better reflect consumer expectations of security of supply</li> <li>• better reflect the high cost of involuntary demand reduction on consumers and businesses</li> <li>• improve price signal during periods of scarcity.</li> </ul> <p>The updates in this paper are intended to be implemented by mid-April to support security of supply for winter 2025.</p>
Action and timing	Intended publication: 14 March 2025
Decision: Improving retail market monitoring	
Strategic outcome	Affordable: <i>Consumer care and affordability</i>
Purpose	The Authority expects to publish its final decision on improved retail market monitoring on 10 March 2025. This will improve our collection of retail data by issuing a single comprehensive and continuing request for information using our information gathering powers under the Code.
Action and timing	s9(2)(f)(iv)
Decision: Urgent Code amendment to the system operator's information gathering powers	
Strategic outcome	Secure and resilient: <i>Effective risk management</i>
Purpose	The Authority is intending to introduce an urgent Code amendment to provide the system operator with necessary powers to collect and use information, in particular thermal fuel information, to ensure an accurate and timely forecast of security of supply for winter 2025.
Action and timing	<p>Board to consider: 7 March 2025</p> <p>Intended publication: mid-March 2025</p>
Decision: Update to system operator's policy statement	

<b>Strategic outcome</b>	Secure and resilient: <i>Effective risk management</i>
<b>Purpose</b>	The Authority has decided to make minor changes to the system operator's policy statement following its regular review. The policy statement describes the methods by which the system operator will meet its core Code obligations for maintaining a stable and resilient power system.
<b>Action and timing</b>	Intended publication: 14 March 2025

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### 3. Consultations underway

Level playing field measures	
<b>Strategic outcome</b>	Efficient: <i>Innovation and distributed energy</i>
<b>Purpose</b>	<p>The Authority is seeking feedback on a proposal to introduce 'mandatory non-discrimination obligations' that the gentailers - Genesis, Contact, Meridian and Mercury – would have to follow.</p> <p>This new rule would prevent the gentailers from giving preferential treatment to their retail arms for hedge contracts and must make these contracts available to all industry participants on effectively the same terms as they use when trading internally.</p>
<b>Action and timing</b>	Consultation closes: 23 April 2025
Code amendment omnibus #5	
<b>Strategic outcome</b>	Efficient: <i>Innovation and distributed energy</i>
<b>Purpose</b>	<p>The Authority is consulting on our fifth Code amendment omnibus consultation. This includes three discrete proposals to amend the Code to:</p> <ul style="list-style-type: none"> <li>• extend the trader default provisions to all retailers</li> <li>• update and extend the stress test requirements</li> <li>• provide for pricing if systems are unavailable for more than 36 hours.</li> </ul>
<b>Action and timing</b>	Consultation closes: 4 March 2025
New ways to empower electricity consumers	
<b>Strategic outcome</b>	Efficient: <i>Innovation and distributed energy</i>
<b>Purpose</b>	<p>The Authority is consulting on two consultation papers for Task Force Package Two - one paper for Initiative 2A, and a combined paper for 2B and 2C. These papers seek feedback on proposed rule changes that would better enable consumers to manage their electricity use and costs and to harness the power of rooftop solar and batteries. We are consulting on:</p>

	<ul style="list-style-type: none"> <li>Requiring distributors to pay a rebate when consumers supply electricity at peak times (Initiative 2A)</li> <li>Improving pricing plan options for consumers: time-varying retail pricing for electricity consumption and supply (initiatives 2B and 2C)</li> </ul>
<b>Action and timing</b>	Consultation closes: 26 March 2025 Cross-submissions close: 16 April 2025
<b>Distributed generation pricing principles</b>	
<b>Strategic outcomes</b>	Efficient: <i>Innovation and distributed energy</i>
<b>Purpose</b>	<p>The Authority is consulting on ways to improve the distributed generation pricing principles that guide the cost of connecting distributed generation, such as wind and solar farms, directly to the network.</p> <p>Distributed generation plays an important role in bringing electricity to where it is needed most, and we want to ensure it is efficiently rolled out at the right places and at the right time.</p>
<b>Action and timing:</b>	Consultation closes: 26 March 2025

## 4. Upcoming Electricity Industry Participation Code 2010 amendments

The following table has Electricity Industry Participation Code amendments that need to be presented to the House by the Minister's office **within 20 working days** following the date on which it is made.

Tracking number	Name	Date made	Date of Gazette notification	Date in force	Due date for presentation to the House
	NA				

## 5. Key external engagements

- 1 March: Australian Energy and Climate Change Ministerial Council (Chair)
- 5 March: Chair and Minister Watts meeting
- 6 March: UDL/EA six-monthly meeting (CE, GM Legal, Monitoring and Compliance)
- 12 March: Interview with the panel review of Commerce Commission for Governance Effectiveness Review (CE, Chair)

- 13 March: CE Flexibility group

## Package One progress update and next steps

# s9(2)(f)(iv)

<b>1B: Introduce standardised flexibility products:</b> Developing over-the-counter flexibility products that provide retailers and industrials buying on the wholesale market with protection against high spot prices at specific times.	<ul style="list-style-type: none"> <li>The first two trading events for the standardised flexibility product (super-peak hedge contract) occurred on 28 January and 11 February 2025, with 8MW and 12.8MW of trade respectively.</li> </ul>	<ul style="list-style-type: none"> <li>Trading events will occur every fortnight.</li> <li>Authority Board to initially consider (backstop) options for regulation in late March.</li> </ul>	Initial trading commenced in January 2025
<b>1C: Prepare for virtual disaggregation of the flexible generation base (backstop measure):</b> Designing rules that would require gentailers to offer a share of their flexible generation base to buyers on the wholesale market in the form of risk management contracts.	<ul style="list-style-type: none"> <li>Virtual disaggregation outline published on 27 February 2025 as an appendix to the <i>Level playing field measures – Options paper</i>.</li> </ul>	<ul style="list-style-type: none"> <li>Programme of stakeholder engagement throughout the feedback period.</li> </ul>	Publish outline in February 2025
<b>1D: Investigate level playing field measures (backstop measure):</b> Investigating what measures are appropriate, risks and possible triggers.	<ul style="list-style-type: none"> <li><i>Level playing field measures – Options paper</i> published for feedback on 27 February 2025</li> <li>Related risk management review update paper (following submissions) published on the same day: this review provides the core evidence base that underpins the competition aspects of Package One).</li> </ul>	<ul style="list-style-type: none"> <li>Programme of stakeholder engagement throughout the feedback period.</li> </ul>	Publish options paper in February 2025

Energy Competition Task Force: Package Two progress update and next steps

Initiative	Progress to-date	Next steps	Implementation
<p><b>Consumer-focused initiatives:</b></p> <p><b>2A: Cost-reflective distribution export tariffs:</b> Distributors would be required to pay a rebate when consumers export surplus energy back into the system at peak times</p> <p><b>2B: Time-varying retail pricing:</b> Requiring retailers to offer time-of-use pricing plans to shift electricity demand to times when it is cheaper and more abundant</p> <p><b>2C: Time-varying retail feed-in pricing:</b> Better rewards for consumers who export electricity onto the network at peak times</p>	<ul style="list-style-type: none"><li>Two consultation papers covering the three initiatives published on 12 February 2025.</li></ul>	<ul style="list-style-type: none"><li>Stakeholder engagement during the consultation period.</li></ul>	Decision on Code change in mid-2025

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Appendix A: Energy Competition Task Force, Package 1, Market Performance Roadmap

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