



# COAG Energy Council

[Bulletin ESB.PNG](#)



COAG  
Energy Council  
Governance Project Team

## BULLETIN

### ENERGY SECURITY BOARD

### MINISTERIAL POWER TO MAKE RULES

#### INTRODUCING A MINISTERIAL POWER TO MAKE RULES RECOMMENDED BY THE ENERGY SECURITY BOARD AND APPROVED BY THE COAG ENERGY COUNCIL

In delivering the Independent Review into the Future Security of the National Electricity Market-Final Report ('the **Finkel Review**') in June this year, Australian Chief Scientist, Dr Alan **Finkel AO**, emphasised the importance of good governance and ensuring there is a coordinated approach from energy market bodies to the rapidly changing National Electricity Market (NEM).

A key recommendation of the Review was the establishment of the Energy Security Board (ESB), comprised of the Australian Energy Market Commission (AEMC), Australian Energy Market Operator (AEMO), and Australian Energy Regulator (AER), with independent Chair and Deputy Chairs.

COAG Energy Ministers also agreed that there was a need to provide a mechanism to allow for the timely implementation of the Board's recommendations.

#### **Establishment of the Energy Security Board**

The COAG Energy Council has established the ESB as a non-statutory body. This approach has been undertaken to enable it to begin performing its functions as soon as possible within the existing statutory framework. The ESB will be accountable to the COAG Energy Council, referred to as the MCE in the Energy Laws.

The ESB will be responsible for the implementation of the national reform blueprint, as articulated in the final report, as well as providing whole-of-system oversight of the security and reliability of the NEM and be integral in improving long term planning, with clear strategic direction provided by the COAG Energy Council.

Its operations will be reviewed at the end of three years.

#### **Energy Security Board Terms of Reference**

As a non-statutory authority, the ESB will not be established in Law. The ESB will be governed by a Terms of Reference, as issued by the COAG Energy Council. These Terms of Reference are still being finalised, however a working draft has been provided as part of this consultation process to assist in stakeholder consideration of the draft legislation.

#### **Rule Making Power**

The *Statutes Amendment (National Energy Laws) (Rules) Bill 2017* ('the Bill') establishes a mechanism by which a proposed Rule recommended by the ESB, 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.

In the case of the NERL, the Minister's Rule making power only extends to the making of Rules that are necessary or consequential to the making of Rules under the NEL or NGL, as contemplated by this Bill. This is recognition that the matters on which the ESB will deliberate will most likely fall within the ambit of the NEL or NGL.

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## ENERGY SECURITY BOARD - MINISTERIAL POWER TO MAKE RULES

**Publication date:** [Monday, 18th September 2017](#).

### **Introducing a Ministerial Power to make rules recommended by the Energy Security Board and approved by the COAG Energy Council**

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#### **Issues for stakeholder consideration**



Stakeholders were encouraged to review and comment on all aspects of this draft Bill, including any further prescription or clarity that may be required noting that the Terms of Reference for the ESB, to be issued by the COAG Energy Council, will provide greater detail with respect to process or administrative matters. Agreement by the Senior Committee of Officials (SCO) to release the draft Bill for public consultation is not to be taken as endorsement of policy positions in the Bill by SCO.

More information on this Consultation Paper can be found in the attachments below.

**Update:** This Consultation Process is now closed.

All stakeholder submissions (except confidential submissions) are published below.

## FILES

File name	Size
 <a href="#">Draft Bill Exposure</a>	83.45 KB
 <a href="#">Bulletin: Exposure Draft of Statutes Amendment (NEL)(Rules) Bill 2017</a>	753.3 KB
 <a href="#">Bulletin: Exposure Draft of Statutes Amendment (NEL)(Rules) Bill 2017</a>	194.98 KB
 <a href="#">Energy Security Board - Draft Terms of Reference</a>	445.78 KB
 <a href="#">AGL - Submission NEL (Rules) Bill 2017.pdf</a>	134.9 KB
 <a href="#">Alinta Energy - Submission NEL (Rules) Bill 2017.pdf</a>	234.73 KB
 <a href="#">Australian Energy Council - Submission NEL (Rules) Bill 2017.pdf</a>	142.33 KB
 <a href="#">Consumer Action Law Centre - Submission NEL (Rules) Bill 2017.pdf</a>	207.59 KB
 <a href="#">ECA - Submission NEL (Rules) Bill 2017.pdf</a>	339.12 KB
 <a href="#">Energy Australia - Submission NEL (Rules) Bill 2017.pdf</a>	144.78 KB
 <a href="#">Energy Networks Australia - Submission NEL (Rules) Bill 2017.pdf</a>	99.04 KB
 <a href="#">Engie - Submission NEL (Rules) Bill 2017.pdf</a>	219.03 KB
 <a href="#">Infigen - Submission NEL (Rules) Bill 2017.pdf</a>	120.4 KB
 <a href="#">Jemena - Submission NEL (Rules) Bill 2017.pdf</a>	192.42 KB
 <a href="#">Meridian Energy Australia - Submission NEL (Rules) Bill 2017.pdf</a>	107.1 KB
 <a href="#">Origin Energy - Submission NEL (Rules) Bill 2017.pdf</a>	219.37 KB
 <a href="#">Public Interest Advocacy Centre - Submission NEL (Rules) Bill 2017.pdf</a>	277.27 KB
 <a href="#">Reposit Power - Submission NEL(Rules) Bill 2017.pdf</a>	394.98 KB
 <a href="#">South Australian Council of Social Service - Submission NEL (Rules) Bill 2017.pdf</a>	310.54 KB
 <a href="#">Trans Grid - Submission NEL (Rules) Bill 2017.pdf</a>	164.72 KB

## CATEGORIES

- [Bulletin](#)
- [COAG consultation paper](#)

## COUNCIL PRIORITY ISSUE

- [Security, Reliability, Affordability and Sustainability of the National Electricity Market](#)

**The COAG Energy Council provides a forum for collaboration on developing an integrated and coherent national energy policy.**

In December 2013, the Council of Australian Governments (COAG) established the Energy Council as part of a decision to streamline the COAG council system and refocus it on COAG's priorities.

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