

NORTHERN TERRITORY OF AUSTRALIA

ELECTRICITY REFORM (TERRITORY ELECTRICITY MARKET GOVERNANCE) REGULATIONS 2026

Subordinate Legislation No. [] of 2026

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NORTHERN TERRITORY OF AUSTRALIA

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Electricity Reform (Territory Electricity Market Governance) Regulations 2026

I, David Robert Connolly, Administrator of the Northern Territory of Australia, acting with the advice of the Executive Council, make the following regulations under the *Electricity Reform Act 2000*.

Responsible Minister:

Minister for Mining and Energy

Administrator

Date of making:

2026

CONSULTATION DRAFT ONLY

PREPARED FOR THE DEPARTMENT OF MINES AND ENERGY

* Notified in the *Northern Territory Government Gazette* on [] 2026.

Part 1 Preliminary matters

1 Title

These Regulations may be cited as the *Electricity Reform (Territory Electricity Market Governance) Regulations 2026*.

2 Commencement

These Regulations commence on the commencement of [section #] of the *Electricity Legislation Amendment (Market Reform) Act 2025*.

3 Definitions

In these regulations:

Act commencement day means the day on which all sections of the *Electricity Legislation Amendment (Market Reform) Act 2025* have commenced.

Alice Springs power system means the power system that is located in the region of Alice Springs and operated under a licence issued by the Utilities Commission under Part 3 of the Act.

approved form means a form approved by the Minister under regulation 4(1).

Darwin-Katherine power system means the power system that is located in and between the regions of Darwin and Katherine and operated under a licence issued by the Utilities Commission under Part 3 of the Act.

final rule change report, see regulation 12.

rule change request, see regulation 9.

TEM Rules objective means the objective for the TEM Rules set out in regulation 6.

Tennant Creek power system means the power system that is located in the region of Tennant Creek and operated under a licence issued by the Utilities Commission under Part 3 of the Act.

4 Approved forms

- (1) The Minister may approve forms for these regulations.
- (2) The Minister must publish an approved form on the Agency's website.

Part 2 Machinery provision

5 Regulated electricity systems

For section 4(1) of the Act, definition of *regulated electricity system*, the following power systems are prescribed:

- (a) the Darwin-Katherine power system;
- (b) the Alice Springs power system;
- (c) the Tennant Creek power system.

Note for regulation 5

The prescription of these power systems by this regulation is made on the recommendation of the Minister. For section 4(1B) of the Act, the Minister has consulted with the electricity entities that are engaged in the operation of these power systems.

Part 3 TEM Rules objective

6 Objective for rules

The objective of the TEM Rules is to promote efficient investment in, and the efficient operation and use of, electricity services for the long-term interests of consumers of electricity with respect to:

- (a) the quality, safety, security and reliability of supply of electricity; and
- (b) the price of electricity.

Part 4 TEM Rules – initiation and variation

Division 1 Initial version

7 Consultation

- (1) This regulation prescribes consultation requirements for:
 - (a) making the TEM Rules for the purposes of section 40D(1)(a)(i) of the Act; and
 - (b) subject to subregulation (5), making variations to the TEM Rules for the purposes of section 40D(1)(a)(ii) of the Act.

- (2) The consultation on proposed rules or variations must comprise or include the following steps:
 - (a) outlining the relevant policy position or positions and related discussion (to a reasonable degree); and
 - (b) providing exposure drafts of the proposed rules or variations.
- (3) The consultation required under subregulation (2) must be undertaken with:
 - (a) the relevant electricity entities; and
 - (b) other persons considered to be stakeholders by the authorised rule-making authority.
- (4) Some of the consultation required under this regulation may have occurred before the commencement of this regulation.
- (5) This regulation ceases to apply to any variations to the TEM Rules on the day after the Act commencement day.

Note for regulation 7(5)

The latest day on which this would occur is the day after 1 November 2027 – see section 2(2) of the Electricity Legislation Amendment (Market Reform) Act 2025.

Division 2 Variations

8 Application

- (1) This Division prescribes:
 - (a) consultation requirements for the purposes of section 40D(1)(a)(ii) of the Act after regulation 7 ceases to apply to a variation to the TEM Rules; and
 - (b) requirements for the purposes of section 40D(1)(b) and (3) of the Act.
- (2) Consultation on a proposed variation to the TEM Rules must be undertaken:
 - (a) in accordance with the ordinary process under regulation 10 or the expedited process under regulation 11; and
 - (b) irrespective of whether the variation is:
 - (i) proposed by the authorised rule-making entity; or
 - (ii) being considered because of a rule change request.

9 Request for variation

- (1) Subject to this regulation, any person may request a variation to the TEM Rules (a **rule change request**) after the Act commencement day.
- (2) A rule change request must be:
 - (a) submitted to the authorised rule-making entity; and
 - (b) in the approved form.
- (3) A rule change request must set out or include (to the extent that is reasonable taking into account the nature and extent of the proposed variation outlined in the rule change request):
 - (a) the name and address of the person making the rule change request; and
 - (b) a description of the variation that the person is proposing; and
 - (c) a statement of the nature and scope of the issue that is proposed to be addressed by the proposed variation and how the proposed variation would address the issue; and
 - (d) an explanation of how the proposed variation would assist in contributing to the objects of the Act and the TEM Rules objective; and
 - (e) an explanation of the expected benefits and costs of the proposed variation, which may be qualitative or quantitative, or both; and
 - (f) an explanation of the potential impacts of the proposed variation on those who may be affected; and
 - (g) a summary of any consultation already undertaken in relation to the rule change request.
- (4) The authorised rule-making entity may reject a rule change request if:
 - (a) it does not comply with subregulations (2) and (3); or
 - (b) the authorised rule-making entity considers that:
 - (i) the request is lacking in substance; or
 - (ii) the proposed variation is unnecessary; or

- (iii) the request has been submitted for an improper purpose; or
- (c) the authorised rule-making entity considers that the proposed variation would not assist in contributing to the objects of the Act or the TEM Rules objective; or
- (d) the subject matter of the request relates to a matter that has previously been considered by the authorised rule-making entity in the last 12 months; or
- (e) the authorised rule-making entity considers that, taking into account the practicability and cost of considering and implementing the proposed variation:
 - (i) these matters outweigh the benefits of the variation; or
 - (ii) the variation would not, on balance, be appropriate.
- (5) The authorised rule-making entity may, after receiving a rule change request, request clarification of any aspect of the request, or additional information, from the person who submitted it.
- (6) The authorised rule-making entity may delay dealing with a rule change request until the clarification or information is provided to the authorised rule-making entity.
- (7) The authorised rule-making entity must, after making a decision on a rule change request, notify the person who submitted it:
 - (a) that the authorised rule-making entity will proceed with consultation on the variation; or
 - (b) that the rule change request has been rejected.
- (8) If a rule change request is rejected, the authorised rule-making entity must:
 - (a) provide its reason or reasons for doing so as part of its notification under subregulation (7); and
 - (b) publish on its website:
 - (i) a notification that it has rejected the rule change request; and
 - (ii) its reason or reasons for the rejection.

- (5) The authorised rule-making entity must publish on its website:
 - (a) a copy of the rule change initiation report; and
 - (b) an invitation to make written submissions to the authorised rule-making entity on the matters contained in the report (and any related matter) by a date specified on the website.
- (6) The date by which written submissions must be received under subregulation (5)(b) must be at least 30 business days after the date of the publication of the rule change initiation report.
- (7) The authorised rule-making entity may extend the period for making written submissions under subregulation (5)(b) by publishing notice of a revised date on its website.
- (8) After the conclusion of consultation, the authorised rule-making entity must prepare a second report (a ***draft rule change report***).
- (9) The draft rule change report must include:
 - (a) information on the consultation undertaken by the authorised rule-making entity in relation to the rule change initiation report; and
 - (b) a summary of the submissions received during consultation on the report, and the authorised rule-making entity's responses to those submissions; and
 - (c) the reasons why the proposed variation to the TEM Rules should, or should not, in the opinion of the authorised rule-making entity, proceed, including an assessment of the variation against the TEM Rules objective; and
 - (d) information about the potential impacts of proceeding with the variation on such things as operational or information technology systems, and business or other processes, practices or procedures, if the variation were to proceed; and
 - (e) if the authorised rule-making entity considers that a variation to the TEM Rules should proceed, a draft of the proposed variation to the rules; and
 - (f) information about any change to the consultation timeline and the reasons for the change.

- (10) In connection with subregulation (9):
- (a) the draft rule change report may include any other information or discussion considered relevant by the authorised rule-making entity; and
 - (b) the variation to the TEM Rules and the draft of the proposed variation to the rules may be different to the variation or any draft that were initially proposed if the authorised rule-making entity considers:
 - (i) that the revised variation will better achieve the TEM Rules objective; or
 - (ii) that the drafting is preferable.
- (11) The authorised rule-making entity must then publish on its website:
- (a) a copy of the draft rule change report; and
 - (b) an invitation to make written submissions to the authorised rule-making entity on the matters contained in the report (and any related matter) by a date specified on the website.
- (12) The date by which written submissions must be received under subregulation (11)(b) must be at least 30 business days after the date of the publication of the draft rule change report.
- (13) The authorised rule-making entity may extend the period for making written submissions under subregulation (11)(b) by publishing notice of a revised date on its website.
- (14) A notice under subregulation (7) or (13) must include:
- (a) the reason or reasons for the extension; and
 - (b) the views of any stakeholders who were consulted on the extension.

11 Expedited consultation process

- (1) This regulation prescribes an expedited process for consultation on a proposed variation to the TEM Rules.
- (2) The authorised rule-making entity may proceed with the expedited process for consultation if the entity considers that the variation will:
 - (a) address an urgent risk to a regulated electricity system or an electricity market; or

- (b) implement one or more minor changes that are unlikely to have a significant impact on any stakeholders or any electricity system or market; or
 - (c) correct an error, or address or remove irrelevant material or a duplication or inconsistency in the TEM Rules.
- (3) The process under this regulation involves the authorised rule-making entity preparing a report (a **rule change initiation report**) and consultation based on that report.
- (4) The rule change initiation report:
 - (a) may include information determined to be appropriate by the authorised rule-making entity; and
 - (b) if the matter is proceeding on the basis of a rule change request – must at least include a summary of the information contained in the rule change request and the name of person who made the rule change request.
- (5) The rule change initiation report must also set out:
 - (a) the ground or grounds on which the expedited process has been adopted; and
 - (b) a consultation timeline.
- (6) The authorised rule-making entity must publish on its website:
 - (a) a copy of the rule change initiation report; and
 - (b) an invitation to make written submissions to the authorised rule-making entity on the matters contained in the report (and any related matter) by a date specified on the website.
- (7) The date by which written submissions must be received under subregulation (6)(b) must be at least 15 business days after the date of the publication of the rule change initiation report.
- (8) The authorised rule-making entity may extend the period for making written submissions under subregulation (6)(b) by publishing a notice of a revised date on its website.
- (9) The authorised rule-making entity may, at any time after giving notice on its website, decide to complete consultation on a proposed variation to the TEM Rules under regulation 10 rather than under this regulation.

- (10) The authorised rule-making entity must proceed to complete consultation under regulation 10, including by the preparation of a new or revised rule change initiation report, if:
- (a) it becomes apparent to the entity that one or more changes are likely to have a significant impact on a stakeholder or an electricity system or market; and
 - (b) the proposed variation is not addressing an urgent risk to a regulated electricity system or an electricity market

12 Final rule change report

- (1) The authorised rule-making entity must prepare a report (a ***final rule change report***) when the entity has completed the consultation processes under this Division.
- (2) The final rule change report must set out or include:
 - (a) information about whether or not the TEM Rules are to be varied; and
 - (b) the authorised rule-making entity's reason or reasons for whether the variation should or should not be made, including a final assessment of the variation against the TEM Rules objective; and
 - (c) a summary of submissions made during consultation on the proposed variation and the authorised rule-making entity's responses to those submissions; and
 - (d) if a variation is to be made:
 - (i) the final version of the variation to the TEM Rules, including any commencement or transitional provisions; and
 - (ii) the commencement date or dates for the change or changes that comprise the variation; and
 - (iii) an outline of any significant impacts or changes that will result from the variation; and
 - (iv) without limiting subparagraph (iii), an outline of any changes that may be required to operational or information technology systems, business or other processes, practices or procedures, and other regulatory instruments or policies (if any), to implement the variation; and

- (v) to the extent that the final version of the variation to the TEM Rules is different to a draft submitted as part of a rule change request, why the final version is preferable.
- (3) The authorised rule-making entity must publish a copy of the final rule change report on its website.

Division 3 Related matters

13 Consultation – related provisions

- (1) The authorised rule-making entity may undertake other steps or consultation in addition to the consultation required under this Part if the entity considers it appropriate to do so.
- (2) The authorised rule-making entity must consult directly with NTESMO, any other system controller, the Utilities Commission, and any network provider, in relation to provisions proposed to be inserted into the TEM Rules, or proposed variations to the TEM Rules, that may have a direct impact on that other entity's functions or activities.
- (3) Any person may make a submission as part of formal consultation under this Part.
- (4) A submission received as part of formal consultation under this Part must be published on the authorised rule-making entity's website in conjunction with the publication of the initial TEM Rules, or a final rule change report, (as the case may be) unless:
 - (a) the submission was made on the basis that it should be kept confidential; or
 - (b) the authorised rule-making entity and the person who made the submission agree that the submission should be kept confidential; or
 - (c) the submission's content is determined by the authorised rule-making entity to be offensive, defamatory or otherwise inappropriate for publication.

14 Assistance provided by NTESMO

- (1) NTESMO must, on request, provide reasonable assistance or support (including by the provision of information) to the authorised rule-making entity in connection with the development or variation of the TEM Rules under this Part.

- (2) NTESMO may also, after consultation with the authorised rule-making entity, provide assistance to a person seeking to make or progress a rule change request under this Part.